

## **Tuition Protection Service (TPS) policy**

### **Purpose**

ELC as a CRICOS provider delivering educational services to overseas students, ensures that the conditions for fees collection, refunding fees and financial management comply with the conditions outlined in the Tuition Protection Service (TPS) for Education Providers.

### **Scope**

This policy applies to all students who are enrolled in an ELICOS course at ELC and who hold a student visa.

### **Background**

The Tuition Protection Service (TPS) is a placement and refund service for international students. TPS helps international students if their education provider closes, stops offering their course, fails to start their course or discontinues units of study they are enrolled in. The TPS is like insurance cover with premiums based on risk and aims to place students in an alternative course in the case of provider default (and pay refunds as a last resort). TPS gives students control and responsibility within the placement process, by allowing students to make a choice from available alternative placement options. In a situation where a student cannot find an alternative course during the placement period or their provider closes, the student is eligible to request a refund of the unexpended portion of pre-paid tuition fees.

### **TPS requirements**

Under the ESOS legislation, and the TPS requirements:

- ELC ensures that a limited amount of up to 50% of total tuition fees may be collected prior to student commencement unless a course is 25 weeks or less.
- ELC will keep initial prepaid fees in a separate account until the student has commenced studies and are current on both the student database and PRISMS.
- Student refunds under visa refusal will be based on unexpended tuition fees, rather than on the total course cost as was previously allowable under the ESOS Act 2000.
- ELC must meet all default obligations under the Education Services for Overseas Students (ESOS) Act 2000
- ELC will contribute to TPS annually for all international and fee for service students

### **Calculating Contributions to TPS**

The Tuition Protection Service (TPS) is a universal system and ELC as well as public providers will contribute according to the risk presented to students and the sector. ELC is required to pay TPS levy each year and the levy amount is the sum of the following components:

1. Administrative component (determined by the Minister of Education)
2. Base fee component (determined by the Minister)
3. Risk-rated premium component (determined by the TPS Director)
4. Special tuition protection component (determined by the TPS Director)

ELC has a designated account for the prepaid tuition fees for non-commenced students. This is a normal ELC bank account, that allows deposits and withdrawals and is separate from the ELC day-to-day operating account. Therefore, it does not need to be a trust account.

### **Obligations in case of Provider Default**

Reporting requirements in case of Provider default:

- ELC will notify in writing the Secretary and the TPS Director (via PRISMS) of its default within 3 business days of the default occurring
- ELC will discharge its obligations by providing options to students\* within 14 days after the default date and
- A further 7 days to report the outcome of the provider default (via PRISMS)

\*Within 14 days ELC will:

- either offer the student an alternative place at ELC's expense, that is accepted by the student in writing, or
- refund the student the unused portion of the prepaid fees

### **TPS Student Placement**

If ELC, as a registered provider of an alternative course offers the student a place in the course, the student may accept the offer in writing within 30 days after the end of the provider obligation period, unless the period is varied by the TPS Director.

### **Partial Refunds**

Should a situation arise where ELC defaults and is no longer able to deliver a registered course, ELC will not be required to pay a full refund to all affected students. Instead, if ELC is unable to place an affected student in an alternative course, ELC will refund the difference between what the student has paid and the value of the tuition already delivered, before the default. The method for calculating the partial refund has been developed in consultation with sector peak bodies and is being given effect through legislative instruments. This method will also be used by the TPS director to determine payment to be made to alternative providers when placing students. Limited refund amount to unspent prepaid tuition is fair for providers and helps meet obligations to students.