PASSAGE OF NEW LEGISLATION FOR THE ESOS BILLS

The Minister for Tertiary Education and Skills, Senator the Hon Chris Evans, has announced the passage of three Bills which will amend the Education Services for Overseas Students Act 2000 (ESOS), and give effect to the Government’s second phase response to the Baird Review passed by Parliament on 1 March. Following Royal Assent, the new provisions will commence on 1 July. A detailed Q & A can be read here.

These amendments directly respond to specific recommendations arising from the Baird Review and build on the first tranche of changes to the ESOS Act made in April last year to introduce tougher entry requirements, new enforcement powers and a consistent risk management approach to regulation. The Overseas Students Ombudsman was also established to improve student complaints handling.

The central reform from 1 July 2012 is the new Tuition Protection Service (TPS), a universal, single-layer tuition protection model. It will strengthen tuition protection by:

* offering more placement options for students
* streamlining the placement or refund process and giving students more control through an efficient, single point of contact online facility
* improving governance with broad sector, government and expert representation
* providing greater accountability to Government and
* one set of risk based fees for providers.

To support sustainability of the TPS, complementary initiatives introduced are:

* Limits to the amount of pre-paid course tuition fees that may be collected by providers upfront and before the second study period
* a requirement on some providers to keep initial pre-paid tuition fees in a separate account until a student commences study
* strengthened record keeping obligations and
* national registration for providers who operate in more than one location or jurisdiction.

Further minor amendments were made in the final passage of the Bills through the Senate to respond to the Senate Committee recommendations and concerns of stakeholders about the business impacts of the changes. These amendments were:

* increasing the time providers have to notify the TPS Director of provider defaults (to three business days) and student defaults (to five business days).
* clarifying the limits on prepaid tuition fees to ensure the collection of remaining tuition fees after the student has commenced the course is workable for providers.
* specifying that there will be broad sector representation on the TPS Advisory Board and

* specifying that students will be afforded natural justice before a student default is applied and enrolment cancelled.

For more information on these changes and further updates please access the AEI website at www.aei.gov.au.