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Director
Tuition Protection Service
c/- Department of Education, Skills and Employment

By email: operations@tps.gov.au

Possible changes to the risk rated premium component of the Tuition Protection Service Levy

Thank you for the opportunity to provide feedback on options for proposed risk factors for the TPS Levy in 2021 and beyond.

The University of Sydney would like to express our appreciation of the benefit we have received in relation to decreased levies since 2018, and we welcome the Federal Government's approach towards a system that supports and rewards compliance.

We note also in the set of Frequently Asked Questions posted on the DESE website on 14 April (<https://www.dese.gov.au/covid-19/higher-education/higher-education-faq>) that payment of Tuition Protection Service levies by CRICOS registered providers will be deferred to a later time. Any support with regulatory and cost burden requirements at this time is appreciated.

We wish to make only two brief comments in response to the discussion paper:

- 1) We support the calculation of a differentiated risk score rather than a uniform risk score for the base risk factor. The University of Sydney and other Australian universities work diligently and invest considerable resources into compliance measures under the ESOS legislative framework to avoid breaches and to ensure that our students, as consumers, are protected.

Given this, we are concerned by any proposed calculation of payments that requires a relatively compliant Higher Education (HE) sector to subsidise providers in the Vocational Education and Training (VET) sector, where most claims arise, as this appears to adversely affect the institutions that are 'doing the right thing'.

Most Australian universities and other higher education providers engage actively in state-based reference groups, gathering key personnel to share compliance strategies, benchmarking and remedies to common problems affecting the sector, which reflects a level of diligence and increased commitment and attention.

The higher education sector's engagement with TEQSA as the ESOS agency and regulator, in addition to the federal departments of Home Affairs (DHA) and Education, Skills and Employment (DESE) through our peak bodies – Universities Australia and the International Education Association of Australia (IEAA) – also demonstrates a strong level of commitment and investment in protecting the interests of international students.

We would therefore support a mechanism whereby the TPS can be split into two sub-schemes, resulting in a HE division and a VET division. Introducing this distinction to the scheme would ensure that the cost of poor practice is allocated more accurately to the sectors where the risks of non-compliance or failure are highest.

- 2) We suggest that punitive sanctions for individual provider breaches – similar to the automatic excess payments required for insurance claims – may be a potential consideration as a means of ensuring that compliant VET organisations are not negatively impacted by the actions of their non-compliant peers. We note that the ease by which providers emerge, fail and re-emerge in the VET sector contrasts with the relative stability of providers in the higher education sector – especially universities. A combination of sector-based administrative sanctions, together with punitive sanctions for individual breaches, may result in a fairer system for all registered providers of international education in Australia.

We trust this feedback is helpful. Please do not hesitate to contact Tim Payne, Director, Higher Education Policy and Projects in my office in the first instance if you require any further information from the University: tim.payne@sydney.edu.au, 02 9351 4750.

Sincerely,

(signature removed)

Michael Spence