

23 June 2015

Professor James Barber  
Review of the Tuition Protection Service Governance  
and Administration Arrangements

*By email: [operations@tps.gov.au](mailto:operations@tps.gov.au)*

Dear Professor Barber,

The University of Melbourne is pleased to make a submission to the Review of the Governance and Administration of the Tuition Protection Service. The University broadly supports the current Tuition Protection Service (TPS) while also making a number of comments and recommendations set out in this letter.

### **Australia's reputation**

The University supports a robust tuition protection scheme for international students, both for the welfare of the students and because it is critical to preserving Australia's reputation among potential international students, who can, at times, find it difficult to make informed decisions about providers. The TPS is central to Australia's reputation for having an especially robust system for protecting international students. Australian universities have supported the scheme for these reasons, even though the risk of a public university ceasing operation (or collapsing) without arrangements for current students is extremely small. This is reflected in the risk weighting provided for in the levy calculation.

### **The TPS Advisory Board**

The University supports the current role undertaken by the TPS Advisory Board and believes that it is a necessary component of the current system. It provides an effective mechanism for stakeholders to input into the arrangements for managing and disbursing funds which are collected from them. To ensure stakeholder interests are represented, appointments to the Board should have current and relevant knowledge of the sector and preferably all provider groupings should be represented. The University does not support the National Commission of Audit's recommendation that the Board be abolished.

### **Role of the TPS Director**

The University recommends that the Director should be an independent statutory officer holder, as at present, rather than the Director being an officer of the Department of Education. The University believes it is appropriate to retain the role as an independent statutory officer because the TPS does not disburse government funds, but rather those levied from providers and held in trust. The University recommends the Director continues to be supported by the Department's staff and by an independent fund manager company. In addition, the Director could also be required to ensure that the funds are properly invested on behalf of the Trust, so that the balance continues to grow while the funds are effectively held by the Government.

## **Efficiencies in the operation of the TPS**

The Review's terms of reference seek comments on potential efficiencies in the current TPS. The University makes the observation that the current TPS was set up as a 'lean' operation, designed to be more robust than the previous tuition assurance mechanism for international students. It is important that the TPS is resourced sufficiently to ensure it could cope with a 'worst case scenario' of the closure of multiple providers in a short time.

## **Extending the TPS to domestic students**

While the University supports mechanisms to offer assurance for domestic students should their provider cease operation, it does not recommend extending the current TPS to domestic students as the appropriate model.

Including public providers in an extended TPS for domestic students is neither necessary nor appropriate. Many of the challenges that exist for international students do not confront domestic students, who are much better placed to make an informed judgement about the reliability of their chosen provider and are not at risk of losing their visas.

Domestic students at private colleges are appropriately served by tuition assurance schemes offered by the private sector, such as the existing ACPET scheme, which could be extended to cover non VET FEE-Help students.

Should the Review panel require further information or wish to discuss our submission in more detail, Deputy Vice Chancellor (International) Professor Susan Elliott can be contacted on (03) 8344 9666 or [s.elliott@unimelb.edu.au](mailto:s.elliott@unimelb.edu.au).

Thank you for the opportunity to make a submission to the Review.

Yours sincerely,



Dr Julie Wells  
Vice-Principal, Policy and Projects

cc Professor Susan Elliott, Deputy Vice-Chancellor (International)

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