



Independent Schools
Council of Australia

**Submission by
The Independent Schools Council of Australia (ISCA)
to the
Post-Implementation Review of the Tuition Protection Service (TPS)**

Introduction: About ISCA

The Independent Schools Council of Australia (ISCA) is the peak national body covering the independent schools sector. It comprises the eight State and Territory Associations of Independent Schools. Through these Associations, ISCA represents a sector with 1,080 schools and 567,000 students, accounting for 16 per cent of Australian school enrolments.

Independent schools are a diverse group of non-government schools serving a range of different communities. Many independent schools provide a religious or values-based education. Others promote a particular educational philosophy or interpretation of mainstream education. Independent schools include:

- Schools affiliated with larger and smaller Christian denominations for example, Anglican, Catholic, Greek Orthodox, Lutheran, Uniting Church, Seventh Day Adventist and Presbyterian schools
- Non-denominational Christian schools
- Islamic schools
- Jewish schools
- Montessori schools
- Rudolf Steiner schools
- Schools constituted under specific Acts of Parliament, such as grammar schools in some states
- Community schools
- Indigenous community schools
- Schools that specialise in meeting the needs of students with disabilities
- Schools that cater for students at severe educational risk due to a range of social/emotional/behavioural and other risk factors.

Independent schools are not-for-profit institutions founded by religious or other groups in the community and are registered with the relevant state or territory education authority. Most independent schools are set up and governed independently on an individual school basis. However, some independent schools with common aims and educational philosophies are governed and administered as systems, for example the Lutheran systems. Systemic schools



account for 16 per cent of schools in the independent sector. Independent Catholic schools are a significant part of the sector, accounting for 10 per cent of the independent sector's enrolments.

On matters relating to international education, ISCA also represents the interests of the National Catholic Education Commission thus encompassing the entire non-government schools sector.

Overseas students enrolled in independent and non-government schools

Approximately 40% of all overseas students enrolled in the school sector in Australia attend non-government schools. In the independent sector in 2012 there were over 6,000 full-fee paying overseas students enrolled at nearly 360 independent schools¹. ISCA estimates between 30-40% of all CRICOS registered providers in Australia are independent schools that are individually registered and individually responsible for meeting compliance requirements.

Independent schools provide both primary and secondary level education to overseas students, which for some schools which are also Registered Training Organisations, includes VET. By contrast, state departments of education hold single provider registrations covering any number of state schools enrolling overseas students within a state.

Overseas student enrolments in independent schools vary from 1 to close to 200 overseas students. The median number of overseas students at an independent school is 7 students. This profile differs quite substantially from other sectors. For the vast majority of independent schools, overseas students do not determine the school's sustainability. Rather, overseas students provide a much valued international element and diversity to school populations.

While there are only a small number of overseas students seeking to enrol in school VET courses, schools prefer to provide the same curriculum offerings, where possible, to all students, without differentiation.

TPS Post-Implementation Review Questions

A. Operation of the Tuition Protection Service

- Is the TPS effectively meeting its goals to provide placements or refunds to students affected by education institution closure?
- What have been the major impacts for your members in terms of both benefits and costs?
- What do you see as the main advantages of a universal tuition protection mechanism?

We are unaware of any closures in the independent sector but according to the minutes of the EVCC meeting of 8th August (under Action Item 2.2), it seems that the TPS has been operating effectively and efficiently where it has been called upon.

It is ISCA's view that requiring independent schools to be pay the risk rated premium component of the TPS puts an unfair burden on an extremely low risk part of the international education industry. Under previous iterations of the ESOS Act, the low risk nature of the non-government schools sector was recognised with exemptions from all the financial aspects of the ESOS Act. It is ISCA's view that the sector retains those characteristics and that non-government schools in

¹ Based on DEEWR 2012 Non-government School Census Data

receipt of and accountable for government funding should be exempt from the risk rated premium component of the TPS.

While ISCA understands why a single set of criteria for calculating the risk rated premium component of the TPS levy is a preferred option of the TPS, it is by its very nature unable to take into account specific differences that exists between sectors and so disadvantages non-government schools. There is a very clear view amongst non-government schools that *“the TPS was set up because of some of the less scrupulous behaviours of non-school providers- yet the whole industry has had to pay for this behaviour.”* The Chaney Report also identified sectoral differences as a real regulatory issue and recommended a new approach: *“B.5 Ensure that any new regulations recognise that there are significant differences within the international education sector and that a ‘one size fits all’ approach may not be feasible.”*

It is ISCA’s view that from a risk perspective, non-government schools are more similar in nature to the currently exempt providers. As ISCA stated in its submission to the Senate Education, Employment and Workplace Relations Legislation Committee’s Inquiry into Bills referred on 22nd September 2011;

It is very important for regulators involved in implementation of changes under new legislation and transition arrangements to keep in mind the nature of the non-government schools sector, which differs substantially from other sectors, viz.,

- There are a large numbers of small providers which are individually registered on CRICOS;
- The majority of these providers:
 - are not-for-profit,
 - have education as their primary purpose,
 - are in receipt of government funding and therefore are already highly regulated and accountable to governments,
 - demonstrate financial viability as an accreditation attribute under existing regulatory arrangements, and
 - generally enrol a small percentage of international students compared with their overall student cohort.

There are thus compelling reasons why non-government schools deserve special recognition in the regulatory environment as opposed to being swept up into systems that are designed for institutions (universities and training providers) which enrol thousands of international students, and a compelling argument for considering the majority of non-government schools to be highly stable and low risk in terms of enrolment of international students.

Further, schools differ significantly from tertiary and training sector providers in that the international students enrolled are generally under the age of 18. Schools therefore already have duty of care obligations, including a focus on the welfare of international students.

The main advantages of the TPS should be efficient and effective delivery of refunds and placement of students regardless of sector. However, replacing sector-specific Tuition Assurance Schemes with one body with a single set of criteria has resulted in a system which does not fit the profile of the non-government school sector.

Overall the costs of contribution and the negative impact of administrative burden outweigh benefits of the service to the sector.

B. Requirement to only refund the portion of the course not delivered

- Is this change a fairer outcome for education institutions and students?
- What are the impacts on your organisation resulting from the introduction of this change, including in relation to calculating refunds to students?

Where a student is able to find alternative placement to complete their course, this is fair, and in the school sector, a student would always be able to find an alternative placement.

While we support the requirement to only refund the portion of the course not delivered, the reporting of fees required to enable this calculation is onerous on schools, where the likelihood of provider closure is minimal. The requirement to report fees paid at the end of every month is overly burdensome for a very large number of small providers in this sector and should be reviewed.

In our submission to the ESOS Review, ISCA proposed that at the very least, changing the requirement for reporting pre-paid fees from the end of each month to reporting at the end of each semester would be helpful to the sector. This is a natural reporting period for schools as most would charge by the semester, and would go a long way to reducing the administrative burden on schools.

C. Enable national registration of education institutions

- Has national registration resulted in a cost saving in registration and associated administrative charges for your members?
- Any improvements to the current system of national registration?

National registration would be very unusual in the independent schools sector as all non-government schools are required to be registered in their state or territory of operation.

We have had some concerns around the provision of accurate statistics regarding location of students following the enabling of national registration and hope that this is being rectified through appropriate changes to PRISMS.

ISCA
25 September 2014