

Tuition Assurance and Activation

Key points on the process and procedure of an activation of ACPET's Tuition Assurance Scheme (ASTAS)

Tuition assurance offers protection to students in the event of a member being unable to offer the student's course, in particular where the organisation ceases to trade, prior to delivering the tuition the student has paid for in advance.

By law, all Registered Training Organisations who ask their students to pay fees in advance are required to assure that those fees are protected from the possibility that the course cannot continue and that the RTO cannot refund the prepaid fees.

To support training providers, the Federal Government has endorsed two "Tuition Assurance" schemes – one by the Australian Council of Private Education and Training (ACPET) and the other by TAFE Directors Australia. These obligations arise under the

- [HESA Act 2003](#) and its associated [VET Guidelines for FEE-HELP and VET FEE-HELP students](#)
- [Standards for Registered Training Organisations.](#)

The Australian Council for Private Education and Training (ACPET) offers its members tuition assurance products, called ASTAS, for domestic students. The type of assurance that training providers under this scheme need depends on whether the students for which assurance is being sought are using Fee Help or VET FEE HELP or neither.

Depending on the circumstances and the type of student, ASTAS products provide that:

- Other ACPET members offering a comparable course will take on displaced students. Students will not be charged for tuition that they have already paid for or incurred a debt for with the previous provider. Beyond this unit of study the second provider is able to draw down further from the student loan or charge the student for their tuition.
- If this is not possible, ACPET can broker a recredit of the student loan through the Commonwealth Department of Education, for the unutilised part of their student loan.

What are the key stages in an Activation of the TAS?

1. Activation called

There are a range of reasons why an activation is called. These include -

- Regulatory Body Provider voluntarily closes and manages the process by teaching out or reimbursing the student for units commenced but not completed,
- Provider goes into voluntary administration and the closure is managed by an Administrator, and
- Sudden closure of provider.

At this stage the activation may be called but it may be resolved by the liquidator or even the provider themselves. If this occurs the activation is said to have been resolved informally.

During this phase:

- The regulators (ASQA) and Department of Education are advised of the activation including number of students, courses and the material reason behind the activation
- ACPET Board are advised
- ACPET as the Tuition Assurance provider becomes involved

2. Student data collected

If an activation is formally called for the process commences with ACPET collecting of student data. After collecting the data:

- Student records are analysed for priorities, progression through census dates and learning program
- The industry (ACPET Members) are approached to ascertain what opportunities exist for students to be placed in other providers
- A specific strategy is developed per provider
- The potential for matching the courses that students in the closed college are in, with places available in the industry for the same learning program is assessed

During this phase, the data is collected by ACPET and is analysed to ensure the data describes the qualifications, any student debt and funding obligations, census dates, assessments completed and progression through course. It is important that ACPET also have accurate contact details for the next phase of the activation. Depending upon when and how the activation is called, ACPET may be provided the data promptly or, later in the process of the activation.

Around this time, ACPET also identify potential providers through an EOI process and managing logistics to place and organize formal offers for displaced students to complete their studies at another appropriate provider.

3. Communication with Students

Soon after course closure, ACPET directly communicates with students to outline their options and highlight possible pathways moving forward after the closure of their College. Sometimes, this communication process may have already commenced before ACPET takes receipt of the student records and management of the activation.

During this stage:

- Each student will be contacted to establish if they wish to teach out their course through a matched provider or, seek re-credit of their student loan, or repayment of fees paid upfront, and
- An individual communication and project plan is created for each College closing down.

During this stage (and depending what communication and management of the College Closure has occurred prior to ACPET's management of the activation), ACPET writes to all students effected by the College Closure, if possible carry out student meetings and interviews (depending upon location and site) to determine preferred pathway.

4. Student assistance provided

The following assistance is provided by ACPET and the Tuition Assurance Scheme to students:

- Students are transferred to new providers if appropriate
- Re-credit of funds provided
- Refun of fee paid upfront
- Documentation on agreements from student and new provider secured
- Ongoing and constant communication with student to ensure smooth transition

Where it is determined that a student is eligible for a refund of tuition fees (as per the Higher Education Support Act 2003), ACPET prepares claims for payment. ACPET and insurer conduct claim reconciliation and provide supporting information to substantiate the claim and make refunds where appropriate.

The **activation project is considered closed** in two ways:

1. A claim for reimbursement from the TAS is made and carried out
2. Students are provided their choice of placement in another provider

In reality, the actual closure can take up to a year. While the first phase can occur within 3 to 4 months,– in the following year, through the process of completing their tax return – students realise that they have a student debt. ACPET's Activation Team are ready to respond to queries from students that arise when this occurs.

Frequently Asked Questions

Who is ACPET?

The Australian Council for Private Education and Training (ACPET) is the peak industry body for Private education and training across Australia.

As part of our role we run one of the two Tuition Assurance Program (ASTAS) for training providers. What this means is that the Federal Government has asked and granted permission for ACPET to run the ASTAS for our sector.

What is ASTAS?

ASTAS (Australian Student Tuition Assurance Scheme) is a protection scheme operated by ACPET that ensures that any Australian student displaced from a course due to a training provider's inability to continue a course is relocated to a comparable course with another training provider or reimbursed tuition fees paid in advance for tuition that was not received.

ASTAS is sometimes just referred to as the TAS (Tuition Assurance Scheme).

The Legislative provisions are detailed in:

- the Higher Education Act 2003, the Standards for Registered Training Organisations (RTOs) 2015 (Standard 7.3 Relating to Schedule 6) as an ASQA approved alternative fee protection measure; and
- Training Accreditation Council Western Australia (TAC). TAC approved the ACPET ASTAS as a learner fee protection measure under Schedule 6 - arrangement number 2 (All other RTOs), of the Standard for Registered Training Organisations (RTOs) 2015.

Details on how the Tuition Assurance Scheme operates are detailed in the VET Guidelines 2015, made pursuant to Schedule 1A of the Higher Education Support Act 2015.

What is Student Relocation?

While your tuition is assured, should you elect to relocate to undertake further studies, any costs for a physical relocation to another city will be your responsibility, as will the purchase of any texts or materials required by the new provider and payment of fees to the new provider once the tuition covered by the ASTAS has been exhausted.

What about the progress of my course?

ACPET works with the Management (in some cases Administrators) of your college to secure your student records and to obtain evidence of fees paid. It is recommended that you also have this material on hand in order to protect you financially as well to correctly map your progress to your new providers' qualification and to assist in the placement process.

Where are my Certificates/Academic Transcripts/Academic Records?

ACPET is not authorised to issue students certificates, academic transcripts or academic records, only the regulator ASQA or your new training provider can give you copies of any records if they're available. You can visit the ASQA website www.asqa.gov.au to complete the Application for a Copy of Student Records form, or contact the ASQA InfoLine on 1300 701 801 or email: enquiries@asqa.gov.au for further information. There may be a wait of up to 30 days for your records to be sent and there might be a fee charged, although you could ask for the fee to be waived for you.

If you have a discrepancy with your results, ACPET will not be able to change anything, however if you have sufficient evidence you will be able to speak with your new college regarding Recognition for Prior Learning (RPL).

Where is the money that was paid to the college?

This will be determined by the authorised parties involved in the college closure. ACPET does not have student fees to give to a new college. ACPET *does not* receive any money from a closed college, nor does ACPET transfer any fees to another provider to accept displaced students.

What choices do I have?

You have two choices as follows:

Option One – Placement in a new college

Students will be offered a place in a similar VET course of study by ACPET, as the administrator of the ASTAS. The offered VET course will lead to the same or comparable qualification without any requirement for a student to pay the new provider any tuition fees for any replacement units (that is, units that the student had commenced but not completed due to the closure.)

A student will receive course credit from the second provider for any VET units of study successfully completed with the first provider (the closed college). The second (new) provider may have different tuition fees to the fees that would have been paid to the first (closed) provider.

Option two - Tuition Fee Repayment

Students selecting this option may have their VET FEE Help debt re-credited for the uncompleted VET units, or the TAS Administrator undertakes to refund the student for any up-front payments already paid for any VET units of study commenced but not completed due to the closure.

How do I go about making this choice?

Based on information received about your previous course, ACPET searches for a college that offers a course that closely matches the one you were undertaking at a similar fee level. This matching process will attempt to consider your location, needs and mode of delivery (e.g. Face to face or on-line learning) where possible.

You will then receive a Letter of Offer from ACPET advising you of your study options asking you to advise us of your choice by a specific date. You must reply within the timeframe.

You can expect to receive this letter within 20 business days from the college closure date, provided ACPET receives your correct contact details.

What if I select my own new provider?

Not all colleges are ACPET Members. If you decide to enrol yourself in another college without ACPET's assistance, you will disadvantage yourself in the following ways:

- ACPET cannot negotiate a credit-free tuition period for any money you may have lost as a result of your college closing
- you may be waiving your rights under Legislation to claim a refund
- the new college is entitled to charge full fees as per a normal student enrolment which means you may pay for the same qualification twice.

It is highly recommended that you wait for ACPET's Letter of Offer.

What is teach out?

Sometimes a provider will close off its operations and will not offer places to new students. However what it will do is ensure that the students that are currently enrolled are provided the teaching to let them finish their qualification/course. This is called “teach out”.

What is recredit?

This relates to students who are funding their learning through income contingent loans from the government.

When a provider has completely closed, no new students are enrolled and, current students are no longer offered the opportunity to complete.

In this case, the currently enrolled students will be “re-credited” for the outstanding portion of debt that they have incurred from the government as part of their tuition loan. Importantly, the re-credit is not cash in hand. It is a re-credit of a loan against your future earnings which will be recognised by the ATO.

Why do colleges close?

Training providers close for a range of reasons. It could be that they are sold to another owner, it becomes no longer viable for them to continue and sometimes, it could be because the regulator wants them to close down.

At the end of the day from the student’s perspective, regardless of the reason, it is distressing and very inconvenient.

This is where ACPET and the Tuition Assurance program comes in. It is designed to support and protect students move onto another provider or arrange for a recredit of the course loan (VET FEE HELP LOAN) back to the Government (through the Tax Office).

My agent (or broker) has offered to help me. What do I do?

ACPET does not work with agents or brokers in relocating students to a new college. ACPET is bound by the Privacy Act, therefore must communicate directly with each student so ACPET is not able to use any agent to pass information on to students. If you wish to engage a third party or agent, ACPET must have an authorisation letter with your signature before we can enter discussions with them.

How much does this service cost me?

ACPET does not charge students a fee to relocate you to a new college. An approved tuition assurance provider is the ONLY organisation that is able to negotiate a credit free tuition period in a new member college on your behalf. Any agent claiming to work with or representing ACPET is not telling you the truth. Please do NOT follow their advice. Agents are also NOT able to negotiate or guarantee a refund on your behalf.

I owe fees and what about my due assignments?

Your college has closed, so cease any further payments that you may have scheduled. Also any assignments that you may be working on should now be retained by yourself for discussion with the new college. Please keep any unassessed assignments as you will need to give it to your new college to ensure that you are given full credit for your studies to date.

The length of my course has changed

Sometimes qualifications are reviewed or superseded from time to time and unfortunately, ACPET cannot do anything about that. Depending on whether there are changes made to the course you're undertaking, you may have to commit to a longer duration of study if there are extra units attached to the new qualification. This would be at an additional cost to the student. It is assumed that the new college will try to help students transition to the new qualification to the best of their capacity.