

100-PP-MEGA Fee Policy

Relevant Standards SRTOs 2015: 5.3, 7.3 The National Code 2018: Standard 2.1.7, 3.1, 3.3, 3.4	Linked Documents Fee Refund Policy and Procedure Fee Refund Form Student Agreement
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1. Purpose

This document sets out a policy for collecting and managing student fees. It also addresses changes to the Education Services for Overseas Students Act 2000 commencing 1 July 2012. Related policy and procedure to this document is Fee Refund Policy and Procedure.

2. Scope

This policy applies to fees collected by MEGA prior to or after commencement of studies by an enrolled student.

In accordance with the Standard 7.3 of SRTOs (2015), RTOs registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) must satisfy both the requirements of this clause and of the Tuition Protection Service (TPS) under the Education Services for Overseas Students Act 2000. The TPS requires that not more than 50 per cent of the fees for an overseas student be prepaid. This applies even if 50 per cent of the course fees would be less than the threshold prepaid fee amount.

This policy also applies to any education agents or MEGA's overseas offices collecting any student fees on behalf of MEGA.

3. Definitions

Course: A program of study leading to a qualification or an award. A course may comprise of units or modules

Study Period: A discrete period of study up to a maximum of 24 weeks within a course, namely term, semester, trimester, short course of similar or lesser duration, excluding holidays and term/semester breaks

Enrolment Period: Means the total duration of study leading to the principal course of study for which a student is enrolled with MEGA

Fees: Includes all fees, fines and charges payable as specified in the *Schedule of Fees*

Pre-paid Tuition Fees: Tuition fees paid in advance prior to commencement of the course or a study period

Principal Course of Study: Means the main or the final course of study to be undertaken by an overseas student where a student visa has been issued for multiple courses of study

International Students: All those students who are on either on a student visa or a temporary visa that allows them to undertake formal studies in Australia.

TPS: Tuition Protection Scheme (enacted on 20th of March 2012 as part of the Government's second phase response to the Baird Review) replacing Tuition Assurance Scheme and ESOS Assurance Fund

4. Legislative Context

- National Vocational Education and Training Regulator Act 2011 (Cth)
- Standards for Registered Training Organisations (SRTOs) 2015

- The ESOS Act 2000
- The National Code 2018
- ESOS Regulations 2001
- The Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Act 2012
- The Education Services for Overseas Students (Registration Charges) Amendment (Tuition Protection Service) Act 2012
- The Education Services for Overseas Students (TPS Levies) Act 2012
- The Australian Consumer Law 2011

5. Policy

5.1 MEGA will set out its course fees, in the *Schedule of Fees*, which will be reviewed annually and published in the relevant marketing materials or other publications including MEGA's website.

5.2 The tuition fees are set for a complete course and cannot be charged, calculated or broken up on a unit basis.

5.3 The tuition fees will be charged according to MEGA's study periods. Study periods will be clearly defined in student's *Letter of Offer* and *Student Agreement*.

5.4 MEGA will list and provide complete information on the total amount of all fees including course fees, administration fees, materials fees and any other charges to all the prospective students prior to enrolment and include them in the Student Agreement.

5.5 MEGA will articulate and provide information on payment terms, including the timing and amount of fees to be paid, any non-refundable deposit/administration fee, security of pre-paid fees, and the fees and charges for additional services to all the prospective students prior to enrolment and include them in the Student Agreement.

5.6 MEGA will provide all the prospective students with a copy of its *Fee Refund Policy* as part of enrolment process and make a copy of the policy available on its website at all times.

5.7 Pre-Paid Tuition Fees

5.7.1 Under the ESOS legislation, a provider must not receive more than 50% of the total tuition fees for a course before the student has begun the course.

The student pre-paid amount will be calculated as below:

For a typical letter of offer:

- Course Duration: 1 Year (52 Weeks)
- Academic Terms: 4 terms of 10 weeks each
- Course Tuition Fee: \$12,500

Pre-paid fee amount:

- Application/Enrolment Fee: \$250.00
- Term 1 Tuition Fee (25%): $\$12500/4 = \$3,125.00$

Total pre-paid fee: \$3,375.00

The above principle shall apply to all the pre-paid fee calculations. Where students have asked for additional services, such as airport pick up, the additional charges shall be advised to students in the letter of offer and added to the pre-paid fees. As a policy, MEGA does not require students to pay more than 50% of the course tuition fee in advance for any course.

Accordingly, MEGA has, as best practice, provisioned that for vocational courses, the maximum pre-paid fee charged will not be more than the amount equivalent to first two academic terms of the enrolled course, and for ELICOS courses, not more than six months equivalent of the total course fee. Both these amounts meet the above threshold criteria.

5.7.2 For packaged courses, 50% of the fee of the first course of study will be collected as a pre-paid fee.

5.7.3 Where MEGA requires a prospective or current learner to prepay fees in excess of a total of \$1500 (being the threshold prepaid fee amount), the fee will be kept in a separate bank account (MEGA Student Fees Trust Account) until the time when the student has commenced. Any pre-paid fee during the enrolment period will not be drawn until an invoice has been raised at least two weeks prior to start of a new term.

5.7.4 MEGA will keep initial prepaid tuition fees in a designated bank account (MEGA Student Fees Trust Account) within 5 working days of receiving them. This account will only be drawn down when the student commences the course.

5.7.5. Under the provisions of changes to the Education Services for Overseas Students (ESOS) Act 2000 enacted on 20th of March 2012 as part of the Government's second phase response to the Baird Review, MEGA will contribute annually to TPS and meet the new regulatory requirements. The Commonwealth Government's Tuition Protection Scheme (TPS) protects fees paid in advance by international students. Further details on the TPS are available at: www.tps.gov.au.

5.7.6 Section 28 of the ESOS Act 2000 requires that MEGA maintain an account with an Australian Authorised Deposit-taking Institution (Australian ADI) as defined by Section 9 of the Corporations Act 2001 (Cth) as MEGA holds tuition fees for courses before the student begins the course. As such, MEGA maintains an account with an Australian ADI which at the time of the latest revision of this document is the Commonwealth Bank of Australia Limited ACN 123 123 124.

5.7.7 Section 29(1) of the ESOS Act 2000 requires that where MEGA receives tuition fees for a course before the student has begun the course that MEGA, in accordance with Section 29(2) of the ESOS Act 2000, must deposit the said tuition fee into the account set out in paragraph 5.7.4 above within 5 business days of receiving the fees and as such MEGA shall comply with that requirement.

5.7.8 Section 29(3) of the ESOS Act 2000 requires that MEGA ensures that, at all times, there is a sufficient amount (the protected amount) standing to the credit of the account to repay all tuition fees to every overseas student or intending overseas student (a relevant student), a) in respect of whom tuition fees have been paid to MEGA, and b) who has not yet begun the course that MEGA is to provide to the student. MEGA shall comply with the stated requirement.

5.7.8 Section 29(4) of the ESOS Act 2000 permits MEGA to withdraw from the account set out in paragraph 5.7.5 above so as to reduce the balance of the account below the protected amount, only if:

- a) The amount is withdrawn to pay a refund under section 46D, 47D or 47E of the ESOS Act 2000, or in relation to, relevant student; or
- b) Both of the following apply:
 - i. MEGA arranges, under section 46D of the ESOS Act 2000, for the relevant student to be offered a place in an alternative course at MEGA's expense
 - ii. The amount is withdrawn to pay the alternative provider in relation to the relevant student; or
- c) The amount is withdrawn to pay the TPS Director under section 50C of the ESOS Act 2000 in relation to the relevant student.

MEGA shall comply with the stated requirement. However, tuition fees of a relevant student cease to be part of the protected amount and may therefore be withdrawn from the account set out in paragraph 5.7.4 above, once the student begins the course that MEGA is to provide to the student. Furthermore, there are no limits on withdrawals from the account as long as the balance of the account remains above the protected amount.

5.7.10 Section 29(5) of the ESOS Act 2000 requires that an amount withdrawn in accordance with paragraph 5.7.7 above must not be more than the amount of the tuition fees received by MEGA in respect of the relevant student before the student begins the course. MEGA shall comply with the stated requirement.

5.7.11 Section 2(6) of the ESOS Act 2000 requires that the protected amount:

- a) is not available for the payment of a debt of any creditor of MEGA, other than as referred to in paragraph 5.7.7 above; and
- b) is not liable to be attached or taken in execution under the order or process of a court at the instance of any creditor of MEGA, other than as referred to paragraph 5.7.7 above.

MEGA's policy to comply with the stated requirement is to ensure that the account set out in paragraph 5.7.4 above is held by the Australian ADI as a trust account (MEGA Student Fees Trust Account). The essential characteristics of the trust account being that even though the account is in MEGA's name that:

- a) The equitable interest to the money does not vest with MEGA but the money is instead held on behalf of the student which paid the tuition fee
- b) No interest is earned on the money in the trust account
- c) Bank fees are not deducted from the trust account and instead bank fees related to the trust account are deducted from MEGA's operations account. Noting that it is possible for bank fees to be deducted from the trust account if the student for whom the money is held gives authority for bank fees to be deducted from the tuition money held for them in the trust account, but also noting that it is not MEGA's policy to do so
- d) The protected amount is not available for the payment of a debt of any creditor of MEGA, other than as referred to in paragraph 5.7.7 above; and
- e) The protected amount is not liable to be attached or taken in execution under the order or process of a court at the instance of any creditor of MEGA, other than as referred to in paragraph 5.7.7 above. As stated in paragraph 5.7.7 above tuition fees of a relevant student cease to be part of the protected amount (and may therefore be withdrawn from the account set out in paragraph 5.7.4 above) once the student begins the course that MEGA is to provide to the student. Furthermore, there are no limits on withdrawals from the account as long as the balance of the account remains above the protected amount.

5.8 On Commencement

5.9.1 MEGA will not require students to pay any further fee prior to four (4) weeks of commencement date of the next study period.

5.9.2 Payment reminder letter will be sent out to the students at least four (4) weeks prior to start of a new study period with an appropriate due date according to this policy. If a student voluntarily pays fees earlier than due date, it will be treated according to pre-paid fee provisions set out in this policy (5.4) to enable MEGA refund any unused tuition fees according to its *Fee Refund Policy*.

5.10 Student tuition fees are required to be paid on or before the due date for a study period as notified to students through MEGA's communications including offer letter, invoice, payment reminder letter, MEGA's website or any other fee related correspondence.

5.11 MEGA reserves the right to amend student tuition fees, fines and other charges as it so determines. However, the tuition and other fee(s) which have been agreed with a student at the time of signing the student agreement will not change for the duration of the enrolment and agreement period.

5.12 MEGA may impose a late payment fee where a student has not paid tuition fees by the advised due date for payment.

5.13 The enrolment will not be made effective until the required fees have been paid.

5.14 A fee-paying student who has not paid tuition fees by the advised due date may have the student's enrolment at MEGA cancelled.

5.15 A student who has outstanding fees owing to MEGA will not be permitted further enrolment (except where any Commonwealth or State legislation or code of practice provides otherwise) and will have their academic results withheld (as such will not be eligible to graduate) until the fee debt is paid in full.

MEGA may refund relevant fees to a student in accordance with its *Fee Refund Policy and Procedure*

5.16 A student excluded under a MEGA's rule (e.g. disciplinary action) is not entitled to a refund (except where any Commonwealth or State legislation or code of practice provides otherwise).

5.17 A default is only determined when any complaints and appeals processes are completed and the student default is confirmed.

5.18 MEGA will notify the Secretary and TPS Director (via PRISMS) of student fee defaults for which education services are likely to be denied within 5 working days (Once any complaints and appeals processes are complete and the student default is confirmed).

5.19 The Senior Management Committee will review and approve all tuition fees for students of MEGA on an annual basis.

6. Responsibilities

The Chief Finance Officer will be responsible for inducting the Accountant, Accounts support, Enrolment and Admissions staff of the fee policy.

Any complaints or breaches in relation to this policy should be reported to the Chief Executive Officer in person or by email to: ceo@mega.edu.au

Revision History:

Version No:	Date	Description of modifications	Staff responsible
1	Dec 2017	First Review and alignment of PP to new National Code 2018 and SRTOs 2015.	CEO
2	Jan 2018	New PP approved	CEO
3	Oct 2018	New sub section inserted under 5.7	CFO
4	Oct 2018	Review of PP	CFO
5	November 2023	Review of PP	CFO
6	April 2024	Review of policy to further define fee collection process	CFO
7	July 2024	Policy review and update clause 5.7.1 pre-paid fee	CFO
8	July 2024	Further review and update Clause 5.7.1	CFO
9	July 2024	Further review of clauses 5.7.1 and 5.7.11 on MEGA Student Fees Trust Account	CFO
10	January 2025	Review of PP	CFO