

Frequently Asked Questions – Managing non-payment of fees

Question:

What action can schools take for non-payment of fees?

Parents at most schools pay fees prior to commencement of term or semester, but how long do we have to wait before taking action for non-payment?

Also, if we cancel the enrolment (CoE) do we just wait for Immigration to decide what happens with the student?

Answer:

Each school sets its own policy with regards to the management of non-payment of fees. Usually, this policy is communicated as part of the written agreement e.g. in the form of a specific statement or a cross-reference to your *Defer, Suspend and Cancellation Policy*. It might also be posted on your website, or placed in a relevant handbook.

In the payment policy, schools have the autonomy to decide when fees are due and the procedure for dealing with payments that are either overdue or not received (e.g. number, timing and nature of reminders that will be given). Schools are encouraged to have a clear 'line in the sand' with regards to how many reminders they will issue and how long they will wait to receive a payment that is due. Once the school has decided that the line has been crossed, the non-payment of fees constitutes a student default and the school can move to notify the overseas parent of an *intention* to cancel enrolment.

Under your Standard 13 policy (*Defer, Suspend & Cancellation*), the issuing of an *Intention to Cancel Enrolment* notification means that the student must also be given 20 days to access the internal complaints and appeals process. On the date this process is complete (and if the outcome is in favour of the provider), the student can be confirmed as having formally 'defaulted'. This date is now known as the 'default day'.

It is at this point that the school can report the default in PRISMS. The report will take the form of a *Student Course Variation* (or SCV). By entering a SCV, the provider will terminate the student's studies (i.e. cancels the CoE) before completion of the course. Specifically, the reason given will be due to non-payment of fees.

Where a CAAW has been issued for the cancelled student, providers must also email DIBP to advise them that the CoE has been cancelled. Providers who have accepted welfare for a student must continue to check the suitability of welfare arrangements for that student until one of the conditions of National Code Standard 5.3 is satisfied. To minimise the amount of

time that a school is responsible for the welfare of a student with a 'cancelled' enrolment, it is recommended that early steps are taken to communicate with the overseas parent about the need for alternative arrangements to be made. This could include:

- Purchase of a plane ticket home,
- Arrangements for the parents to come onshore to assume direct welfare responsibility for the child,
- Arrangements for the student to enrol at another CRICOS-registered school (with an agreed date for transfer of welfare).

Note: There is no legislated requirement that money be paid *before* a study term commences. Schools can decide to collect fees at the end of a term or semester if they choose to; however, this option is rarely used by providers as it carries a high risk of non-payment.

For further information please contact the International Quality (Schools) Unit either via email at cricosreg@dete.qld.gov.au or telephone on (07) 3513 6748.