

Outcome 8: Managing withdrawal and closure

08

 [Link to outcome 8 in the Code](#)

Signatories must ensure that the fees paid by international students for educational instruction in New Zealand are secure and protected in the event of student withdrawal or the ending of educational instruction or the closure of a signatory.

The intent of this outcome is to ensure the required systems and processes are in place for students, and where relevant their parents or legal guardians, so they understand what happens if a student withdraws from a programme, does not attend, or if your institution cancels a programme or closes for any reason. This includes student fee protection and refunds.

Navigating these guidelines

Under 18 year old and/or under 10 year old students

Headings specific to under 18 year old and/or under 10 year old students are highlighted in blue.

Icons are used throughout the document to help signatories locate information:

-  'Star icon' signals suggestions for good practice
-  'Arrow icon' draws attention to website resources.

Good practice for managing withdrawal and closure

Consider developing an explicit process for when students withdraw, and formally documenting student withdrawals.

Points in the withdrawal process you may wish to include could be:

- refund entitlement in the event of withdrawal
- having a withdrawal or leaving form for students to complete that records the date of withdrawal, the students last day of tuition, the reasons for withdrawing, whether or not the student has been granted a refund, and the date of notification to Immigration New Zealand that the student has withdrawn. Provide the student with a copy of the withdrawal form
- advice on where students go when they leave their programme early
- transfer of care procedures for students under the age of 18, during the period of enrolment and at the end of enrolment (see outcome 6, clause 23 (1) (e) of the Code)
- advice that Immigration New Zealand will be notified when a student withdraws.

30. Process

30(1a)

Refund policies are reasonable and in accordance with legal requirements

The Code advises the minimum conditions which need to be included in a “reasonable” refund policy (→ see clause 30 (2) and the relevant guidance below).



In addition, “reasonable” refund policies will have regard to:

- the Education Act 1989
- Education (Refund Requirements for International Students) Notice 2012
- NZQA’s Student Fee Protection Rules 2013
- the Fair Trading Act 1986
- the Consumer Guarantees Act 1993
- the Human Rights Act 1993
- the terms and conditions of your international student enrolment contract.

Refund policies per provider type

Across all provider types, the student fee protection policy must preserve international student tuition and homestay fees so that they can be accessed in the event of signatory closure, or if a signatory is unable to offer or continue a programme to students.

All signatories have obligations under the Consumer Guarantees Act 1993.

Tertiary education organisations (i.e. universities, institutes of technology and polytechnics, wānanga) have obligations under section 228 of the Education Act 1989.

There are stricter rules that regulate private training establishments (PTEs) (see below).

It is important to ensure that fees are correctly receipted so that refunds are made back to the appropriate party.

Schools

Fee protection processes will differ from school to school and be guided by the accounting system used by schools. Some schools operate a separate bank account and special ledger codes to manage international student fees. This can protect student fees paid in advance.

Fees received in advance should only be used by a school as the fees are earned during the programme. A portion of advance fees are transferred to the school’s main bank account in instalments. Remaining fees paid in advance are available to be refunded if necessary.

Boards of Trustees are advised to consult their insurance advisors when developing a fee protection policy and to make arrangements appropriate to their needs.

It is good practice to seek the advice of an accountant when developing a fee protection policy.

30(1a) (continued)**Refund policies are reasonable and in accordance with legal requirements****Private training establishments (PTEs)**

PTEs also have obligations under Part 18 of Education Act 1989.

NZQA's Student Fee Protection Rules protect the interests of domestic and international students, especially if a PTE stops offering a programme in which students have enrolled.

Student fee protection covers all payments made to a PTE by, or on behalf of, a student. If paid to a PTE, these will include:

- fees (including programme-related costs and agents fees and/or commission)
- accommodation
- living expenses.



For more information go to: www.nzqa.govt.nz/providers-partners/approval-accreditation-and-registration/student-fee-protection.

30(Ib)**Providing international students with sufficient information to understand rights and obligations under refund policies**

This process relates to outcome 3 and the aim is to help you to manage the expectations of international students (and their parents/legal guardians, where relevant) to mitigate potential financial and contractual disputes.

Signatories are required to not only inform students when fees may be refunded but also to ensure that the information provided is sufficient for students and families to understand the refund conditions.

You will only be able to truly test that your information has been sufficient when the first student goes through your withdrawal and refund process. At that point, consider how effective your information was for managing student/parent expectations. Then review the information provided and amend it as required.

**To clarify refund conditions, consider informing students of:**

- circumstances in which a student may or may not be eligible for a refund
- fees not protected by your refund policy (for example, travel and temporary accommodation costs prior to enrolment and accommodation placement at your institution; personal costs incurred in the event of a course or programme being cancelled at short notice)
- any timeframe that students must comply with to obtain a refund
- the process that must be followed to apply for a refund (such as filling out a particular form and submitting it to a particular person/department)
- any supporting documentation that will be required for a refund application to be considered, for example a fees receipt and offer-of-place letter or medical certificate.

**Information on refund policies and conditions can be provided through:**

- marketing and promotional material
- information for agents to provide to students
- student contracts and information provided prior to the contract being signed
- orientation information
- international student handbook.

However, the most important time to ensure that the refund policy information is received is **prior to entering the enrolment contract**.