

SUMMARY OF RESPONSES TO KEY FEEDBACK FROM PUBLIC CONSULTATION ON NEW REGULATORY REGIME FOR PE SECTOR

BACKGROUND

1. MOE will be enacting a Private Education Bill in the later half of this year which will provide for the set up of the Council for Private Education (the Council) as an independent regulatory body to oversee the regulation of the private education (PE) sector. Under the new regulatory regime, a mandatory enhanced registration framework and a voluntary quality assurance framework called EduTrust will be implemented.

2. A public consultation exercise to seek feedback on the key features of the new regulatory regime was conducted from 11 March to 6 May 2009. Members of the public and stakeholders in the private education sector were invited to send in their feedback. The public consultation documents can be found at <http://www.moe.gov.sg/events/private-education-public-consultation/>.

PARTICIPANTS OF THE CONSULTATION EXERCISE

3. MOE would like to thank members of the public and stakeholders who participated in the public consultation exercise. During this period, an industry briefing was held for PEIs that are proposed to be covered within the scope of the PE Bill to facilitate their understanding of the key features of the new regulatory regime; a total of 587 participants from 339 PEIs attended the briefing. Four focus group discussions were also conducted with invited PEIs and students. An online channel was provided for members of the public and stakeholders to send in their feedback as well.

4. Through the various platforms, over 100 respondents who are representatives of PEIs sent in their written comments; either directly or through associations such as the Association of Private Schools and Colleges (APSC) and the Singapore International Chamber of Commerce (SICC). Singapore-based organisations such as the British Council, Singapore; the US Education Information Centre, Singapore; and the Australian Chamber of Commerce, Singapore, also wrote in with feedback and to express their support on behalf of relevant UK, US and Australian universities which are partners of local PEIs. An additional 50 respondents who sent in feedback are students and individual members of the public.

SUMMARY OF COMMENTS

5. In summary, respondents were generally supportive of the move towards enhanced regulation of the private education institutions which fall under the scope of the PE Bill. Many useful comments and suggestions have been received, and the necessary modifications will be made to the regulatory framework. Of the 150 feedback received, most suggestions centre on 18 issues related to the proposed requirements under the regulatory framework, out of which 11 had been revised.

The consultation exercise has also enabled CPE to provide clarifications to queries raised by industry players and stakeholders.

6. A summary of the key comments received, together with MOE's responses, is appended below.

Main Points of Feedback/ Comments	MOE's Responses
1) Registration of PEIs	
<p>Some respondents have suggested that, as a way to ensure the genuine intent and quality of new private education providers entering the PE sector, there should be prescribed requirements such as a minimum amount of start-up capital (for e.g. a minimum capital of \$500,000) and required size of premises (for e.g. provision of a minimum of 5 classrooms).</p>	<p>The Council will not be prescribing any entry requirements for new private education providers.</p> <p>However, to streamline the registration process and provide for better consistency, the Council will require all PEIs seeking registration, whether new applicants or existing PEIs transiting over to the new regulatory regime, to be formed either as companies or societies. Currently, an estimated 90% of PEIs are already formed as companies or societies.</p>
2) Definition of "Manager"	
<p>There have been concerns raised on the scope of definition of a PEI manager covering both administrative employees hired to be managers as well as the owners of PEIs, given that some of these owners may not be involved in the day-to-day operations of the PEI.</p> <p>Some respondents also felt it may not be necessary for managers of PEIs to declare all their interests in other businesses or companies. In addition, members on the governing board or council of PEIs instituted as registered societies and are non-profit organisations serve on a voluntary basis and the requirements to fulfill the responsibilities of the role of a manager and to declare their interests in other businesses may act as a deterrent for these PEIs to source for future board or council members.</p>	<p>The Council's intent is to place the onus of management responsibilities on the owners and senior management of a PEI, regardless of whether they are the actual persons overseeing the day-to-day operations of the PEI. The rationale for a manager to declare all his interests in other businesses is to ensure that these other businesses would not be a source of conflict of interest in the managers' role at their respective PEIs, or detrimental to the interests of the students enrolled with the PEIs. Overall, these measures are to enhance the accountability of the PEIs as responsible service providers to their students.</p> <p>The Council will revise the definition of a manager of a PEI to refer to any director, partner or member of its committee of management and include any person who has control or management of the PEI. This will also include any directors and members of governing boards or councils of a PEI to fulfill the responsibilities of a manager. Instead of requiring managers to</p>

	<p>declare all their interests in other businesses and companies, the Council will require managers to declare their substantial interests, as well as related party's substantial interests, in other businesses or companies.</p>
<p>3) Requirements for Premises</p>	
<p>Respondents have highlighted that there are PEIs that offer vocational training in such fields as culinary or hairdressing that also have business set-ups which are used as classrooms for practical lessons. There are also other PEIs which rent classrooms on an if-need-to basis. Based on these examples, respondents have asked if the requirement for PEIs to have clear demarcation of administrative offices, classrooms and business entities (if any) are too stringent.</p>	<p>For the types of PEIs highlighted by respondents, the Council will review them on a case-by-case basis and allow the PEIs to explain the reasons for their deviation from the requirements. For example, PEIs with declared business entities will be required to validate that their business entities complement the academic processes of their courses. PEIs without classroom facilities in a permanent location will be required to declare this to the Council as well as to prospective students.</p>
<p>4) Setting up of Academic and Examination Boards</p>	
<p>Respondents have highlighted that some of the requirements pertaining to the composition and qualifications of members for the proposed academic and examination boards may be overly prescriptive. There are also queries on whether it is necessary for PEIs offering courses leading to external examinations to set up examination boards, given that these external examinations are entirely accredited by external agencies (e.g. the International Baccalaureate).</p>	<p>The Council's intent for PEIs to set up academic and examination boards is for PEIs to have in place proper processes for ensuring the quality of academic courses it conducts, regardless of whether these courses are external degree programmes or self-developed diploma or certification courses; the deployment of suitably qualified teachers; and proper examinations and assessment procedures.</p> <p>The Council will place the onus on the PEIs to set up the structures and administrative procedures of the two boards. Taking into consideration the concerns highlighted by respondents on the overly prescriptive requirements of the composition and qualifications of the members of the academic and examination boards, the Council will withdraw these requirements.</p> <p>The Council will have the discretion to exempt PEIs from the requirement to set up an examination board if the PEIs are solely offering courses leading to external examinations accredited by an external agency.</p>

5) Seeking the Council's Permission to Offer Courses

PEIs offering courses which are already accredited and approved by external course developers or accreditation agencies such as Work Development Agency (WDA) and Institute of Technical Education (ITE) have enquired if they are still required to seek the Council's permission to offer these courses.

There were also queries on whether there is a need to seek permission for short courses, that is, those ranging from a few days to a few months, including customized corporate training courses. Some respondents also asked if there is a need to inform the Council of any changes or updates to the contents of the courses they are offering.

PEIs registered with the Council are required to seek permission from the Council for any of the courses they intend to offer, regardless of their origin, duration, and mode of learning.

However, PEIs need not seek the Council's permission to offer customized training courses for corporate requirements or any courses with less than one month's duration, but are required to provide information on such courses as and when required by the Council. PEIs are also not required to seek the Council's permission for any subsequent changes made to parts of the course structure, for example, replacement of certain modules or updates of selected modules' contents, so long as the overall course framework remains the same.

6) Assessment of External Degree Programmes

Respondents have asked for MOE's accreditation and recognition of the external degree programmes they are offering. There are also some concerns raised over the criteria used to assess the quality of external degree programmes, such as the national ranking or age of the foreign university conferring these programmes.

Singapore does not have a national accreditation authority accrediting or recognizing local or foreign qualifications. PEIs' programmes are subject to the test of the market and acceptance of qualifications for the purpose of employment is entirely at the discretion of employers.

The Council is in the process of fine-tuning the set of criteria for the assessment of external degree programmes to be offered by PEIs and will be consulting the public on this in due course. In assessing these external degree programmes, the Council will take a holistic view of the conferring foreign university's strengths in the various criteria listed.

7) Course Administration

i) Student Contractual Agreements

Respondents have enquired if it is necessary for PEIs to establish student contractual agreements with both local and international students, as well as to provide for the contractual agreements to be written in both English language and

PEIs should ensure consistency in its enrollment of local and international students and this includes providing for a contractual agreement which lists out the terms and conditions of course enrollment with their students. While it is not

<p>the native language of the international students. There have also been concerns raised over the added administrative burden of providing for student contractual agreements with students enrolled in short courses (those ranging from a few days to a few months).</p>	<p>compulsory, PEIs should endeavour to provide for the contractual agreement to be translated into the native language of the international students or to ensure that international students are fully aware of the clauses provided for in the contractual agreements <u>prior</u> to signing. In the event of any disputes arising from discrepancies between the original contractual agreement written in English and the translated version, the former shall prevail.</p> <p>PEIs need not seek the Council's permission to offer courses with less than a month's duration and as such, need not provide contractual agreements with students for these courses as well.</p>
<p><i>ii) Fee Collection and Fee Refund Policy</i></p> <p>Respondents have feedback that the requirement for PEIs to collect course fees of up to one year may restrict their cash flow. Some respondents have also enquired if PEIs providing insurance coverage or ESCROW account as part of the student fee protection scheme under the EduTrust certification could be allowed to collect course fees beyond one year.</p> <p>Respondents have highlighted that fee refund policies are business decisions best left to the PEIs, given that such policies are part of the financial management framework of PEIs.</p>	<p>The requirement for the collection of course fees of only up one year is to ensure the protection of students studying in the PEIs. Such a measure ensures that students do not lose out when they withdraw or are expelled from the courses they are enrolled in. EduTrust-certified PEIs that collect course fees on annual quarterly basis would be exempted from providing insurance coverage or ESCROW account.</p> <p>The Council agrees with respondents and will not be dictating the framework for fee refund policies. However, PEIs are to ensure their fee refund policies are transparent and conveyed upfront to the students prior to their enrollment, as well as be accountable for the refund policies they have drawn up.</p>
<p>8) Qualifications of Teachers Deployed by PEIs</p>	
<p>For PEIs offering courses in niche areas such as culinary or audio engineering, some respondents have voiced their concerns that there may be a lack of teachers who can meet the prescribed qualifications they are required to teach, despite having the relevant industry experience.</p>	<p>The Council acknowledged the concerns raised by some PEIs in recruiting teachers with the prescribed qualifications to teach diploma or degree courses in niche or vocational areas. However, as good education services providers, PEIs should ensure that teachers deployed are suitably qualified and do not compromise on the delivery of academic contents. PEIs who have genuine difficulties in recruiting</p>

	<p>teachers with the required minimum qualifications and/or currently have teachers without the required qualifications but relevant experience may highlight such concerns and seek the Council's consideration to grant permission for the deployment of alternative choices of teachers. The Council will assess such cases individually.</p>
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9) Advertisement and Publication

<p>Respondents have sought clarification on the prohibition of use of terms such as “accredited” and “validated” in their advertising collaterals, given that some of the PEIs have been accredited or validated by their home government authorities or by international accreditation agencies. PEIs have also questioned the rationale for prohibiting PEIs from displaying the name of any foreign institutions in any form at their premises.</p>	<p>A PEI shall only use the term “registered with the Council for Private Education” in its advertisements or publications. It is not allowed to use any of the following words: approved; accredited; endorsed; supported; validated or any other words with similar meaning in association with the Council in its advertising collaterals.</p> <p>The rationale for prohibiting PEIs from displaying the name of any foreign institutions in any form at their premises is to prevent the misleading impression of the foreign institutions’ presence in Singapore, given that the PEIs are just providers and facilitators of their foreign partner institutions’ degree programmes being taught here. However, PEIs are allowed to advertise the names of their foreign partner institutions in the titles of the courses they are offering (for e.g. University of Maryland’s (USA) Masters in Business Administration).</p>
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10) Requisition for Information

<p>Respondents have highlighted that any companies with annual revenue of \$5 million or less are exempted from audit requirement under the Companies Act and asked if the Council requires PEIs with annual revenue of \$5 million or less to provide audited figures.</p>	<p>The requisition of information from PEIs, which include their annual audited financial figures, is to ensure accountability of PEIs in being responsible education service providers and provide transparency in their business operations. For PEIs with annual revenue of S\$5 million or less, they may submit a copy of their IRAS tax returns and un-audited accounts to the Council.</p>
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11) Tiering of EduTrust-certified PEIs

<p>Respondents have highlighted their concerns over the tiered system being perceived as discriminatory, with the</p>	<p>The rationale behind the tiering system for EduTrust is to provide a good motivating factor for the PEIs to improve themselves</p>
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<p>bronze awardees being deemed inferior by the public. There are suggestions to change the nomenclature of the EduTrust awards.</p>	<p>and aspire to a higher quality bar. It will also provide a quality differentiation mechanism in the PE sector, allowing prospective students to make more informed choices on the type of PEI they wish to enroll in.</p> <p>Nevertheless, the Council takes note of the concerns raised and will revise the tiering system to a 3-tiered one and change the nomenclature to EduTrust (Star); EduTrust; and Provisional EduTrust.</p>
<p>12) Student Fee Protection Scheme</p>	
<p>Respondents have asked if the student fee protection scheme under EduTrust certification could be made optional to local students, similar to the current arrangements under CaseTrust certification.</p>	<p>The requirement for EduTrust-certified PEIs to offer student fee protection scheme to both local and foreign students is to ensure that the welfares of all students are protected. EduTrust-certified PEIs that collect course fees on annual quarterly basis will be exempted from providing insurance coverage or ESCROW account.</p>
<p>13) Transitional Arrangements for CaseTrust-certified PEIs to EduTrust Scheme</p>	
<p>Respondents have asked about the transitional arrangements for CaseTrust-certified PEIs to seek EduTrust certification and whether it could continue to enroll foreign students in the interim period when its CaseTrust certification has expired and before it was EduTrust-certified. There are also concerns raised over the first batch of EduTrust-certified PEIs having an advantage over those still under CaseTrust certification as students may view the former PEIs as being of better quality.</p>	<p>Given that the EduTrust certification scheme will be launched towards the end of the year, the Council strongly encourages PEIs whose CaseTrust certifications are expiring before the end of 2009 to seek CaseTrust re-certification. The re-certification will be valid for one year, which will allow the PEIs sufficient time to adequately prepare for EduTrust certification to ensure a smooth transition and also to minimise disruptions to their business operations.</p> <p>EduTrust will be stipulated by ICA as one of the pre-requisites for the issuance of student passes to foreign students enrolled with PEIs, as is the current arrangement for CaseTrust. The Council is fine-tuning the operational framework for the transitional plan and will inform PEIs once this is firmed up.</p>

