

Submission received from: AHA

Dear Bruce

Attached for your information is the AHA's submission to the Senate Inquiry into Overseas students.

I believe this issue has significant relevance for the tourism and hospitality industry. I am appearing before the Committee next week.

Happy to discuss

Bill

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Dear Senator Humphries

## **Re: Inquiry into the Welfare of International Students**

Please find attached a submission from the AHA in relation to the above Inquiry.

### **Background**

The Terms of Reference of the Inquiry include:

- a) the roles and responsibilities of education providers, migration and education agents, state and federal governments, and relevant departments and embassies, in ensuring the quality and adequacy in information, advice, service delivery and support, with particular reference to:
  - i) student safety,
  - ii) adequate and affordable accommodation,
  - iii) social inclusion,
  - iv) student visa requirements,
  - v) adequate international student support and advocacy,
  - vi) employment rights and protections from exploitation, and
  - vii) appropriate pathways to permanency;
- b) the identification of quality benchmarks and controls for service, advice and support for international students studying at an Australian education institution; and
- c) any other related matters.

The AHA primary focus is Item (b).

### **The Importance of this Inquiry to the Tourism and Hospitality Industry**

This Inquiry is of significant importance to the Tourism and Hospitality Industry for the following reasons:

1. Education will be a key export earner in a service economy. The developing countries to our North will provide a valuable source of income if we develop and maintain a reputation for the delivery of high quality, cost effective internationally recognised education programs.
2. Many of the overseas students are studying courses in the area of Tourism and Hospitality. The AHA wants to ensure that the integrity of our qualifications system is not undermined.
3. Overseas students provide a motivated pool of workers in our industry and benefit from complementing their studies with paid work experience in hospitality businesses
4. Education is a major source of visitors to Australia through students and their families. These visitors generate significant income for the Tourism and Hospitality sector.

### How has the Market for International Students Changed ?

The change in enrolments in hospitality based courses by overseas students between 2002 – 2008 is outlined below. This information comes from the Australian Education International and was published in a recent article in the Australian Newspaper.

	International Training Colleges		Hospitality		
	INDIA	All Countries	India	China	Nepal
2002	818	29408	217	198	31
2003	618	30230	161	429	27
2004	1005	32056	409	811	22
2005	2865	37314	1735	1636	63
2006	7399	48461	4423	2885	353
2007	18612	72622	11079	4169	1969
2008	32771	105752	18269	5896	4018

. Note: Figures are for starts and may include some double counts. Starting courses in cookery, hospitality

The AHA assumes that the Inquiry will investigate and make findings on what drove this dramatic increase. We note that during this time that Cookery was one of the skilled trades on the Occupations on Demand List and there was a shift away from approving offshore to onshore applications for permanent residences.

We also believe that supporting overseas students needs to be looked at in the broader context of accessing overseas workers. This issue is addressed later in this paper.

The key question for this Inquiry, however, **is how well did state based regulatory processes monitor this growth and ensure new and existing vocational education and training institutions were providing quality education to their students – both domestic and/or international.**

## **The AHA and the Vocational Education and Training System**

The AHA is comprised of 5000 members across Australia. It is a Federally Registered Industrial Organisation of Employers and has a National Office and Branch Offices in each State and Territory.

Our membership base is made up of both general licensed premises as well as accommodation hotels. State and Territory branches within the AHA operate autonomously and manage their own finances.

The overarching objective of the Australian Hotels Association is to effectively contribute to the establishment and maintenance of an economic and social environment that fosters the business success of members and pubs and hotels generally. One of the ways it achieves this is by assisting members find and keep good quality staff.

We do this by (i) contributing to the development of national education and training policy, (ii) ensuring the industry has access to a high quality qualification and training system and (iii) delivering employment, education and training programs to members in identified areas of need.

The AHA is an active member of our industry skills council *Service Skills Australia (SSA)*. SSA is responsible for the development and quality assurance of the industry's vocational qualification system. This is contained in the Industry Training Package which includes a series of competency modules developed by industry on a national basis. The Training Package should be the cornerstone of a industry driven, quality assured education and training system. Ultimately only industry and the people who work in it have a vested interest in retaining the integrity of its qualification system.

Since the introduction of Training Packages in the late 1990's the States have denied the tourism and hospitality industry the right to control what institutions can deliver education programs linked to its Training Package.

The AHA believes that many of the current problems facing overseas students stem from the failure of the management of the National Vocational Education and Training system. Overseas students come to Australia expecting to gain a qualification that has credibility and appeal around the world.

There are over 600 RTOs registered to deliver the Tourism and Hospitality Training Package. A recent Tourism Skills Survey showed that only 30% of tourism employers believed graduates from VET courses have the skills to meet employer needs. More than three quarters of the respondents wanted more input into course content and believed the vocational education and training sector needed to provide more practical job skills.

Major issues included;

- limited industry involvement in decision making and ineffective consultative arrangements
- glorification of traditional trades and lack of parity of esteem for the skills of service industries
- a supplier dominated training system with limited focus on workplace needs
- ineffective monitoring of RTOs
- limited confidence and understanding by employers and employees in the system

Problems were also identified in an audit of Tourism and Hospitality training providers commissioned by the NQTC. This found that 95% of the RTOs audited did not comply with their obligations.

The AHA believes that State Accreditation Agencies must make RTOs more accountable to their “Consumers” (businesses, Workers, domestic or overseas students).

We remain sceptical that proposed new quality assurance arrangements will stop States agencies from impeding the emergence of an industry led national system.

(Information contained in the Tourism and Hospitality Workforce Development Strategy – Service Skills Australia)

## **Overseas Workers, Students and the Tourism and Hospitality Industry**

The AHA developed a Workforce Development Strategy in 2007. This has been adopted by Service Skills Australia to guide education, training and employment policy.

Focus Area 4 in this Strategy relates to *Using Overseas Workers ( The following is an extract from Page 13)*

*The industry currently utilizes overseas staff through a range of measures such as Working Holiday visas, employer sponsored 457 visas and permanent residence arrangements for skilled migrants.*

*Research suggests that future workforce needs will require ongoing access to overseas workers. Therefore, consideration must be given to how the Industry will enter the global market for skilled and unskilled labour without undermining the employment conditions of Australian workers,*

*Areas which warrant specific consideration include:*

- *Extending the Migration Occupations in Demand List (MODL) to recognize Front of House and F&B Managers as skilled trades.*
- *Linking recent changes that enable graduates to remain in the country for 18 months after graduation to long term employment strategies.*
- *Reviewing 457 (employer sponsored) visas conditions and arrangements to make them more accessible to the industry or specific regions.*
- *Fast tracking visa processing through a greater use of labour agreements negotiated between the Australian Government and employers and/or industrial associations. Despite recent changes to the visa administration program now allows fast-tracking of applications for employers with a proven track record of employing visa holders, there is a need for further innovation in the area of immigration and visa processing.*

- *Reviewing existing educational visas and immigration agent arrangements to ensure they support industry labour force needs.*
- *Develop an integrated process to facilitate the migration of suitably qualified overseas workers to identified employers.*
- *Promote the establishment of relationships with identified countries that provide access to suitably qualified workers. This would include the development of programs to train people to a certain qualification levels, linked this to a fast track Visa nomination process.*

Overseas students often find employment in the hospitality industry while studying in Australia and make up an important part of our labour pool. The AHA strongly supports education programs that incorporate structured paid employment such as those offered by the Australian Association of Hotels Schools and a number of TAFE and Private VET providers. We do not believe that the current 20 hour cap on working during session time should be increased.

In 2007 the AHA wrote to Senator Amanda Vanstone the then Minister for Immigration requesting a variation to an existing Graduate Labour Agreement. This led to the introduction of the new Visa that allowed graduates to remain in Australia for 18 months after completing their studies.

### A Proposed Way Forward

The AHA believes that the Inquiry needs to focus on 4 issues:

1. Students and their place in Australian businesses having access to overseas workers
2. Ensuring Educational Quality
3. The long term economic interests of Australia
4. Community responsibility to overseas student

#### 1. Students and their place in Australian businesses having access to overseas workers

The Minister or Immigration has indicated that he wishes to develop a partnership with key industries to develop strategies to deal with where overseas workers and immigration sit with the long term population needs of Australia.

The AHA is seeking to build on existing relationships based on labour agreements and develop a more holistic industry partnership with the Government and Department. This would:

- Establish agreed process and policy to consult and advise on issues related to overseas worker categories – eg: Skilled migrant, Working Holiday Maker, student. Refugee
- Improve process to assess vocational qualifications both offshore and in Australia
- Provide quality assurance advice on Australian RTOs providing hospitality qualifications

- Develop robust, streamlined administration and approval processes for skilled/temporary overseas workers
- Extend pathways for overseas hospitality students to gain work experience in Australia
- Advise on areas of industry skills and labour shortages
- Monitor the service of immigration agents providing assistance to overseas workers in the tourism and hospitality industry.
- Work with the Workplace Ombudsman to ensure overseas workers are provided with their employment entitlements and protected from exploitation

## 2. Ensure Educational Quality

The AHA believes that industry is the custodian of the Tourism and Hospitality Training Package. It has an obligation to ensure adequate processes are in place to guarantee that RTOs approved to deliver these qualifications, have and continue to have, the necessary capacity to maintain the required standard expected of industry.

We do not believe this is currently the case. We note that new arrangements are being developed including a “star rating systems”.

The AHA would prefer an arrangement where Service Skills Australia licences RTOs to deliver qualifications under the Tourism and Hospitality Training Package. We understand that this is similar to what is occurring in the EU.

No doubt this will generate strong resistance from state training authorities and RTOs. It may therefore be best to restrict the proposal to RTOs that enrol an agreed number of overseas students in hospitality courses.

## 3. The long term economic interests of Australia

Australia’s long term future will be based on the provision of services to an increasingly affluent Asia/Pacific region.

Education is a major export opportunity in its own right and provides increased income through tourism.

We know from the Colombo Plan that studying in Australia can create a “student alumni” who return home with affection, understanding and preference for Australia and its systems and services.

The education of overseas students therefore needs to be placed in the overall context of Australia’s economic development over the next 20 years. We must create and maintain a reputation for delivering high quality and cost effective services if we are to thrive in a global

economy that attempts to meet the needs of the emerging middle class in Asia. The current media reports in India undermine this goal.

4. Community responsibility to overseas student

Australia has a long standing reputation as a safe destination for people to study at the school, vocational and tertiary level. The members of the Australian Association of Hotels School provide an excellent example of how to support an overseas student who comes to Australia to gain an educational qualification. The Committee may wish to visit one of their member campuses to discuss their support programs.

It would appear that the current concerns primarily stem from the failure of the Immigration and education authorities to have appropriate systems in place to monitor and address circumstances where providers do not meet these standards. This means that individuals are being granted student visa under false assumptions or where education institutions failed to meet their obligations to their students.

The best way to prevent this occurring in the future is to ensure (i) adequate industry based quality assurance process of the RTO and (ii) linking the student visa to a broader partnership between key industry groups and the Department of Immigration on issues related to processes dealing with overseas workers.

I look forward to discussing the contents of this submission with the Committee.

Yours sincerely

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Australian Hotels Association