

**Submission template**

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If you consider that information in your submission should be treated as confidential, or if you wish to remain anonymous please clearly indicate this in your submission or in a cover note and provide reasons for your request.

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The template reflects the terms of reference for the review and the issues identified in the issues paper. Please refer to the issues paper and terms of reference for more information.

A field for general comments has been included below for you to raise additional issues.

*Written submissions are to be received by 30 October 2009 and sent by email to:*  
[esosreview@deewr.gov.au](mailto:esosreview@deewr.gov.au).

About you:

**Institution / organisation**

Name:

MEGT Institute

Sector:

VET

Prepared by:

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Contact details:

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**Student / individual**

Name:

Institution / organisation:

Course / role:

Home Country:

Contact details:

## Supporting the interests of students

i. How can the quality and accessibility of reliable information be improved? What role can ESOS have in ensuring providers and their agents are held to account for supplying prospective and current international students with accurate and timely information?

### Comments

The quality and accessibility of student information has never been better than it is now. The internet has supplied a majority of students with a massive pipeline of information that is easily accessible. The new chat forums, blogs, social networking and related media have allowed students to seek opinions away from the direct responses of agents and schools.

The question that is in front of all advertising is; are the promises and the service the same?. There must be an independent service deciding if the promises made are not fulfilled by the provider or agent. The idea of an international education ombudsman has been floated before and all stakeholders would agree that this is the answer.

The question of education agents sparks a lot of anger and finger pointing but it must be remembered that you can not have a bad agent without providers that are willing to work with them. The provider under the National Code is accountable for bad agent advice and must address the concerns of the student and immediately stop working with questionable agents. If we can improve the providers' accountability and delivery then we will largely address the problems with agents.

The AEI has worked very well in setting up the Education Agent Training Course (EATC) and conducting workshops that have greatly improved agent performance. However as agents operate offshore the government and the provider have great difficulty in any legal action or prosecutions. There are now models of independent accreditation and standards being mooted in the USA for education agents that may be of interest to Australian providers.

Generally providers that charge higher and realistic prices will deliver what is promised in the advertising and websites. Lower priced providers rely on a higher volume lower service model and usually students understand 'you get what you pay for'. The regulatory authority could have it as part of the risk assessment of providers that low prices of courses could mean a skimping in delivery of services and would rate a closer look at the operations.

### Recommendation/s

The provider needs to remain accountable for incorrect information and agents that provide incorrect information should be dropped. The Agent register done by AEI in various locations should be informed by the providers and documented complaints by students and providers against the agents should lead to the agent being excluded from these lists.

The authorities both state and federal should monitor provider activity using agents. They are the front line in many of our markets and could provide valuable market intelligence on market conditions as well as providers that may be at risk.

ii. How should the Australian Government and the international education sector protect international students if a provider closes? How should this be resourced?

#### Comments

If the provider is government backed they enjoy a protection not afforded private providers as if there are any monetary problems they are covered by the state government. The private sector has taken care of its own when a provider closes. With very few exceptions the private sector Tuition Assurance Scheme (TAS) has placed students in alternative providers at no cost to the student to complete his or her course. The only exceptions to this is where the provider had taken in many more students than stated in their TAS declared CRICOS number of overseas students permitted by DEEWR. The blame must be partly laid at the feet of the state accrediting authority that seemed to have no clue as to the operations of providers. There have been cases where the private provider was not in a TAS and still the other providers rallied and took in the students.

The risk management and communication of the regulator is needed by the industry to make sure that any provider at risk or in major non-compliance is notified with the TAS responsible. This will lead to a more effective response to the college closing and ensuring the least stress to students being placed. Currently ACPET being seen as the front person apologising for a regulator that has failed in spotting a non-compliant provider.

#### Recommendation/s

Inform the TAS of risk assessed providers as soon as the information becomes available – this will be kept confidential and the provider can be approached with the view to either 'soft land' i.e. find alternative providers to place students with while the provider closes or even possible buy out of the provider. The current system of learning at the last possible minute does nothing for the students or the sector. As the TAS does the clean up, they should be kept informed.

iii. Are different mechanisms needed to support international students to resolve complaints effectively? Are additional complaint mechanisms needed?

#### Comments

I think this has been addressed by the student forum held in Canberra. The addition of an ombudsman office for the international student makes sense as a mechanism for student complaints. Generally the student complaints are addressed by the provider or advocated by the education agent/parent and the National code stipulates that there should be a complaint process in place. This should remain as the first line as it is best to address complaints at the source but with an additional independent mechanism to allow students to go lodge genuine grievances when they are not satisfactorily resolved by the provider.

#### Recommendation/s

iv. Should an international student's ability to change their education provider be limited, if so in what way?

#### Comments

The movement of students in genuine cases is not limited – DIAC will allow students to move without release letters when it is deemed in the best interest of the student. The 6-month rule is in place to limit the students ability to change from a high cost/level provider to a lower cost provider on arrival from overseas.

The situation is generally the higher level providers will spend time and budget promoting Australia and their institution overseas and the lower cost providers are reliant on locally recruited international students. This leaves the higher level providers vulnerable to education agents and providers re-recruiting existing students with kickbacks of commissions and lower fees.

#### Recommendation/s

The solution is to retain the 6-month rule and let the ombudsman or state regulatory authority decide if the student has been misled by the provider/agent.

It is the experience of most in the industry is that most students know exactly what they are getting and paying for but will use the excuse of 'bad agent advice 'or misleading information by the provider in order to change to lower cost institutions.

### **Delivering quality as the cornerstone of Australian education**

v. How can the intersection between ESOS and the underpinning education quality assurance frameworks be improved?

#### Comments

The ESOS act is a unique piece of legislation and one of the 'best practice' models worldwide in taking care of international students. The 2005 review and update of the National Code is a model for other countries and is being copied. The breakdown has occurred in the implementation and enforcing of this code by the state authorities that have jurisdiction over international education. A case of gross under funding by state authorities has led to a majority of time and resources being spent on initial accreditation and reaccreditation processes and virtually no work on policing of the industry until either it was too late or until the media put on pressure in recent times.

#### Recommendation/s

The improvement can be done as an industry approach rather than a further layer of regulation (that did not work in the past). We would suggest as a model

1. Initial accreditation/reaccrediaition by the authority along the current lines of the National Code 2007.
2. An annual self assessment by the RTO submitted to the Tuition Assurance Scheme (TAS)
3. An annual inspection by the Tuition Assurance Scheme (TAS) or in the case of TAS exempted institutions, an annual inspection by the accreditation authority at a cost recovery price.

4. Report to the accreditation authority about any concerns.
5. Follow up by the state/federal authority.

There should be an ability to celebrate best practice by recognition (star rating system) by RTO's public and private that exceed the code

- vi. Where do international students' needs differ to other students, such that additional or different regulation is required?

#### Comments

The international students' needs are catered for by the National Code 2007 – again it is in the spirit and application of the code that needs to be taken up by the RTO. You can not regulate compassion to students needs but it can be celebrated through awards and rating of RTO's that show excellence.

Overseas students generally have positive experiences in Australia. Occasionally there will be a need of access to counselling and help at different times as they do not have the family and friend support networks. I suggest some centres in the major student areas that have access to health and counselling for overseas students. Many small providers can not afford stand alone facilities but would benefit from shared facilities funded by the state government

#### Recommendation/s

No further regulation can really be implemented effectively here – we would suggest that an additional impost be required to be collected by the OSHC (Overseas Student Health Cover) providers for funding a counselling/health information/legal aid office for international students in each of the capital cities and advertised by providers and government.

#### **Effective regulation**

- vii. Is ESOS compliance and enforcement adequate?

#### Comments

The ESOS compliance as espoused through the National Code 2007 is adequate and already a massive burden on industry. While it is a positive thing to set these systems up it has lead to a new industry of compliance consultants, software solutions, and new position of 'compliance manager' and human resource costs involved in ensuring that the RTO remains compliant. In some states the process is slow and extensive delays have exacerbated the problems of RTO's. Business can be sent broke and staff sacked while waiting for accreditation authorities to come for inspections and audits.

Compliance is already adequate, the problem is the enforcement. The current system of 5 years between checks has lead to some of the current problems. Once the RTO has finished a successful accreditation they are generally left alone unless they ask for a change of scope or there is a complaint.

## Recommendation/s

As mentioned previously an industry/government compact to oversee the industry would be the best solution. The majority of providers do the right thing and often exceed the public sector in delivery.

### Repeating the model

1. Initial accreditation/reaccreditation by the authority along the current National Code 2007.
2. An annual self assessment by the RTO submitted to the Tuition Assurance Scheme (TAS)
3. An annual inspection by the Tuition Assurance Scheme (TAS) or in the case of TAS exempted institutions, an annual inspection by the accreditation authority at a cost recovery price.
4. Report to the accreditation authority about any concerns. Follow up by the state/federal authority.
5. Ability to celebrate best practice by recognition (star rating system) by RTO's that exceed the code

viii. Can risk be better addressed through strengthening registration requirements and/or better targeting of compliance and enforcement action? How else can risk be managed?

### Comments

There is no need to strengthen the already burdensome registration requirements. It is all in the follow up and on-going checking of the RTO operations.

## Recommendation/s

This can be broken down further by using risk assessment

1. History of RTO – years of operation
2. Change of ownership
3. Owners – mainly education or mix of business?.
4. Course mix (targeted to migration outcomes?)
5. Student nationality mix ( concentration of single nationality, good mix of nationalities – both able to checked via PRISMS, domestic + overseas?)
6. Previous non-compliances

ix. What should be the balance between a focus on inputs and prescription versus outcomes?

### Comments

The current National Code 2007 is supposed to be an evidence based outcomes assessed system. From going through the accreditation process over 10 years I can attest that little has changed despite the reforms. The process is based on checking the contents of the filing cabinet and that the documents and files are in order according to the code. While this can indicate good practice it is better to have a

balance of the 'systems' and direct, if anecdotal, evidence of students and trainers experience of the provider.

#### Recommendation/s

While the words are already there the state authorities are still focussed on the systems and evidence on paper rather talking with students and trainers on their opinions of how the provider is operating

x. How can ESOS better support Australia's student visa program?

#### Comments

The ESOS act was the basis of the education export market. ESOS gives direction to providers public and private and the National code gives direction on how to take care of international students and on the systems needed in running an institution. The increase in resources of the state sectors overseeing the running of institutions taking international students will better support the visa program as institutions will be more careful in their selection of students and education agents.

Australia has embraced the international education market better than any other country in the world and there is no better country able to absorb a multi-cultural group represented by international students. Australia is already described as a 'land of migrants' and the students are able to settle in Australia finding their countries foods, community newspapers and usually support networks in the major cities.

The student visa system in Australia is excellent and should remain the transparent and straightforward system that it is now. The country assessment levels are being copied by competitors such as the UK and are good levers to tighten up on markets that appear to be sending too many non-genuine students.

#### Recommendation/s

1. A closer dialogue with between DEEWR/TRA and DIAC on the influences of migration on the student visa system.
2. Acknowledge that it has always been so and that with certain markets it will be a stronger influence.
3. Track providers (via PRISMS both public and private) that have large numbers of students doing migration related courses

#### **Sustainability of the international education sector**

xi. What role should ESOS have in supporting the ongoing sustainability of the international education sector given the challenges it faces into the future?

#### Comments

From the reports coming out of the last AIEC conference (October 8 -12) the future of education export still looks good. The demand for education and the supply is still imbalanced in places like India and China. While there is a huge capacity increase in these countries there are other drivers for students to go abroad and learn new cultures and gather networks of peers and alumni for future business and research.

## Recommendation/s

ESOS having just recently been through a review in 2005 is still a relevant document for today's international education market. The sustainability of the market is to encourage excellence rather than layer on regulation and stifle the agility of Australian providers.

- National training awards for international education excellence – Queensland has already started this.
- Star rating or other system for providers that go beyond the minimums of the national code. e.g. voluntary submission to a standards association.
- Specialist higher education and VET training for administrators involved in education export
- Specialist training for trainers involved in delivery to international students for all sectors – e.g. extra modules on the current Training and Assessment (TAA) courses
- Acknowledgement of the importance of international students – e.g. welcome days and special events sponsored by the states
- Assistance in delivery of courses overseas by Australian providers

## General Comments

The ESOS and the regulatory framework with the National Code 2007, DEEWR international promotions through AEI and the country assessment levels pioneered by DIAC are being emulated around the world by our competitors as best practice models in education export. This review must focus on the State authorities overseeing the implementation of the ESOS Act and the delivery of courses for overseas students. Some regimes have not been effective combined with a lack of coordination with Federal regulatory authorities led to some provider closures and poor practice being undetected. The COAG agreement has led to a national system of regulation that is inconsistently applied. Ignoring the root causes of the problems and attempting to layer on more regulation on providers would be a wasted effort. The overseeing of the provision of the training is the area that needs to be resourced.

Australia arguably has one of the strictest regimes for opening an education provider. Many Australians can not believe that we are world leaders in regulation and education export and look for reasons to belittle a robust sector without being informed that the vast majority of providers run excellent institutions for overseas students.

The problems in the sector are really limited to one major source area of South Asia (India, Nepal, and lesser from Bangladesh and Pakistan). This market has always been a migration market whether it is for university or Vocational Education and Training (VET). Students are, in the majority, looking for some kind of pathway to staying and settling after studying. Hence the student will look for the cheapest and quickest way to achieve this goal. 4 years ago when the trade skills areas with Migration Occupation in Demand List (MODL) were opened up and the rules for permanent residence eligibility were set by DIAC and TRA, the students simply applied these rules. The chance to cut 1-2 years of study and save around A\$30,000 in costs by doing a VET trade skills pathway was too tempting to ignore and many students shifted from a higher education pathway to VET pathway.

The real problems are with the state authorities in NSW and Victoria in particular,

where the majority of the students and hence the problems occur. This combination of a new ability for onshore migration application by students + the MODL extra points for the migration test + a world wide increase in the number of mobile students lead to a unsustainably high level of student numbers heading to Australia. The state authorities did not resource the overseeing of ESOS in what became Victoria's largest export earner. Some providers that were allowed to open should have been closely watched but without staff the state authorities only reacted after media highlighted the extreme cases. With the changes in the MODL and DIAC's approach to onshore permanent residence application we will see a large drop in the flow of students from South Asia going to the VET courses.

Thank you.