

# **RMIT University Submission to the Australian Government Review of the Education Services for Overseas Students (ESOS) Act 2000**

## **1. Introduction**

RMIT welcomes the opportunity to provide input into the Review of the *Education Services for Overseas Students (ESOS) Act 2000*. RMIT is a global university of technology with over 25,000 international students studying in Australia and offshore across both TAFE and higher education - the highest number of international students of any Australian university. International students comprise 37% of our total student population complementing the diversity of our domestic student population of which 24% is born overseas<sup>1</sup>. Providing a quality educational experience for our students is a key priority at RMIT.

A significant contribution to the overall quality of the international education sector and its reputation is an appropriate regulatory framework. ESOS has generally been effective in promoting stability and integrity in the sector, as well as supporting positive educational outcomes for international students. However, recent events have highlighted weaknesses within this regulatory framework.

The following broad points provide context for our response to the Terms of Reference and are important for Review Panel consideration:

- A one-size-fits all model of regulation, which seeks to apply the same requirements to every provider regardless of scale, scope or history, is inappropriate for a modern and diverse higher education system. Therefore, the application of ESOS and associated standards should reflect the nature of the institution involved. This requires a calibrated approach which takes account of the risk profile of different institutions, their history and status as self-accrediting institutions.
- ESOS regulation should be based on identifying risk and averting problems, rather than dealing with issues after they occur. Therefore, analysis of systemic and institutional risk should inform application of ESOS. One implication of this is that those institutions operating well should be treated with a lighter touch. Those that are deemed to be high risk either in terms of their own operations and activities or in terms of their vulnerability to specific system-wide risk should receive closer attention. This should extend to establishing more stringent entry requirements for new providers and increased scrutiny for at-risk providers (including detailed assessments of financial strength).
- There is currently unnecessary duplication and inconsistency between the national and state regulatory requirements governing international education. The review of ESOS should consider a co-ordinated national agency approach to quality assurance that streamlines reporting requirements and modifies their application to institutions deemed low-risk. In this regard the Review Panel has an important role to inform the current Tertiary Education Quality Standards Agency (TEQSA) debate. At present the cost and time of reporting mechanisms consumes resources better directed towards providing a quality learning experience. This is particularly an issue for dual sector institutions such as RMIT that are audited by multiple agencies.

With these principles in mind, RMIT offers the following comments in response to the themes outlined in the Issues Paper.

## **2. Supporting the interests of students**

RMIT supports the need for an effective legislative framework to protect the interests of international students. As recent events have highlighted, international students are vulnerable to misleading information and exploitative industry practices that can have a significant impact on their experiences studying in Australia. It is important for the Review to recognise, however, that this issue is largely restricted to a particular segment of the industry – notably private vocational

<sup>1</sup> Source: RMIT University 2008 Pocket Statistics

education providers. The majority of institutions meet the obligations of the ESOS Act which we believe, in broad terms, provides adequate consumer protection for international students. The following comments, however, suggest ways to strengthen the ESOS Act and its application that would increase accountability for high risk providers and ensure confidence in the system.

*Education agents (i)* - The current wording of the National Code of Practice in relation to standards for education agents should be more tightly defined and referenced to industry standards and benchmarks. The requirement for providers to take "all reasonable measures to use education agents that have an appropriate knowledge and understanding of the Australian international education industry and do not use education agents who are dishonest or lack integrity" is open to interpretation and has contributed to poor industry practice. RMIT looks to the Australian Government to collaborate with the sector to develop these standards and to enforce non-compliance in the interests of protecting students and the reputation of the sector. The recent requirement of all providers to publish details of their educational agents is a welcome first step.

*Provider closures (ii)* - RMIT supports the introduction of more stringent entry requirements for providers including a financial viability assessment on registration and regular financial audits as the primary mechanism for preventing market failures in international education. Greater contributions through the Tuition Assurance Scheme (TAS) for high risk providers would further mitigate this risk.

*Complaints and appeals (iii)* - RMIT believes that the National Code prescribes effective mechanisms for student complaints and appeals and that an additional role for DEEWR in addressing student complaints is not required. A more effective policy approach to addressing the issue of students not having access to these mechanisms is to focus on providers at risk and building the capacity of the system to meet the compliance requirements. RMIT does, however, recommend refinements to the standards to distinguish between academic and administrative decisions and to reduce the time period to access the complaints and appeals process from 20 to 10 days (Standard 10.6).

*Change of providers (iv)* - RMIT does not support the removal of the six month transfer minimum (unless under special circumstances) as a mechanism for addressing the current issues related to student dissatisfaction with poor performing providers. The first six months are crucial for students' successful transition into new learning and cultural environments and retention of the transfer minimum will allow this to take place whilst preventing uninformed churn. Ensuring that all students have access to information to make informed choices and lifting the overall standard of international education provision should mitigate the need for transfer within this critical period.

#### *Recommendations:*

*In order to strengthen provider accountability requirements of educational agents RMIT recommends that DEEWR collaborate with the sector to develop industry standards. This should include amending the National Code and Migration Acts to require DIAC and providers to inform each other of concerns with an education agent in relation to immigration and visa-related matters.*

*In order to ensure student protection RMIT recommends that contributions to the TAS be set in relation to provider risk.*

*In order to ensure that students are able to successfully transition into new learning and cultural environments RMIT recommends maintaining the six month restriction for transferring to another provider.*

### **3. Quality and regulation**

Ensuring the delivery of quality outcomes in international education requires a robust and transparent regulatory framework. There are currently a number of inconsistencies and duplications in the application of the quality and regulatory frameworks that result in multiple reporting requirements on related issues. The Review presents an opportunity to streamline these functions and strengthen the alignment between these frameworks to ease the reporting burden and improve quality outcomes as detailed in the discussion below.

*ESOS and quality assurance frameworks (v)* – A key objective of the ESOS Act is to ‘*protect and enhance Australia’s reputation for quality education and training services*’. As noted in the Issues Paper, the achievement of this objective is dependent on effective quality assurance frameworks for the establishment and ongoing accreditation of education providers. This is currently enacted through the *National Protocols for Higher Education Approval Processes* and cyclical higher education quality audits, monitored and conducted through the Australian Universities Quality Agency (AUQA) and the Australian Quality Training Framework (AQTF), monitored through state and territory governments. Recent events have highlighted weaknesses in this framework, namely inadequate registration criteria for vocational education providers and the capacity of relevant agencies to enforce compliance with quality standards. Further, the multiple reporting requirements and inconsistent audit practices of the above agencies has significant resource implications for the sector, particularly for dual sector institutions such as RMIT that has reporting obligations in both state and federal jurisdictions. With the establishment of TEQSA the opportunity exists to integrate and streamline these frameworks through more effective agency co-ordination and a single data collection mechanism to minimise reporting requirements. The Review has an important role in informing the development of TEQSA.

*Risk management framework (vii, viii)* – RMIT supports a risk management framework that is embedded in an integrated and aligned regulatory model covering all stages of the registration, re-accreditation, compliance and monitoring processes. There should be a calibrated approach to risk management which takes account of the risk profile of different institutions, their history and status as self-accrediting institutions. Establishing a single mechanism for data collection and reporting as noted above will inform this approach and support a more targeted compliance and enforcement regime. The risk management framework should also stipulate increased provider registration requirements including the provision of financial viability data and more frequent auditing of new entrants.

*Inputs and prescriptive standards versus outcomes focus (ix)* – RMIT supports an integrated regulatory framework that is risk-based, recognises diversity and avoids unnecessary reporting. To this end we favour an outcomes-based approach to regulation that, as noted by the Issues Paper, provides the sector with the flexibility to align their processes with the regulatory outcomes required. We stress, however, that this approach should utilise existing outcomes measures and/or be aligned with any future sector wide measures developed in the context of TEQSA.

*ESOS and the student visa program (x)* – RMIT accepts that there is a legitimate role for education providers in partnering with the Australian Government to ensure international students are aware of and compliant with their student visa obligations. However, we believe that the ESOS Act should de-emphasise the role of education providers in supporting the administration of migration laws as this approach contains inherent risks for both students and providers, is resource intensive and detracts from the core educational mission of providing a quality learning and teaching experience. Further, in our experience advice received by the Department of Immigration and Citizenship is frequently contradictory and untimely making it difficult to fulfil our obligations and causing stress for students.

#### *Recommendations:*

*That the Australian and State Governments collaborate in the development of an integrated and streamlined regulatory framework to support more effective quality outcomes for international education, including more effective agency co-ordination and a single data collection mechanism.*

*In order to ensure the overall quality of Australia’s international education industry, the ESOS Review Panel should identify approaches which would strengthen provider entry requirements including, for example:*

- *The evaluation of financial statements, guarantees and liabilities should be required when registering new providers; and,*
- *Subject new providers to regular (e.g. six-monthly) audits in the early years of establishment.*

*RMIT recommends an approach to review and regulation that is based on engagement and consultation with institutions.*

