

### Submission template

Please note that the Department usually publishes and reserves the right to publish any written submission received and the names of persons making written submissions in the course of this consultation process.

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.

The Australian Government reserves the right to accept or refuse a request to treat information as confidential and will use the criteria set out in the Department of Finance and Deregulation's Financial Management Guidance No. 3 on confidentiality in procurement, July 2007, as a guide when determining whether to accept a claim for confidentiality. Information relating to individuals will be protected under the *Privacy Act 1988*. Requests for access to such information will be dealt with under the provisions of the *Freedom of Information Act 1982*.

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:

Victorian Automobile Chamber of Commerce

Sector:

Automotive

Prepared by:

xxxxxxxxxx

Contact details:

xxxxxxxxxx

**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

To ensure that reliable information about courses is available to prospective and current students, a national register of qualified agents and a national qualification should be created and all providers should be required to use qualified education agents only. There should be a requirement for all education agents who represent Australian providers to have a licence and to have undergone some formal training which is approved by the Australian Government and Australian Education International. All licensed and qualified agents operating within Australia or overseas should be placed on a national register from which providers can only chose.

To ensure that providers chose agents from the national register, heavy fines should be imposed for providers who do not do so. The reason for the onus being placed on providers rather than agents, is due the difficulty in policing education agents. Agents are difficult to police because many operate overseas and therefore are not covered by Australian laws.

To avoid additional regulatory burden, providers should no longer be responsible for the actions of their agents, but should only be responsible in ensuring that they hire licensed agents from the national register. Agents who act unscrupulously should have their licence revoked or suspended, thus ensuring the quality of agents who are on the national register. The creation of the national register will reduce regulatory burden since providers will only have to be responsible from using providers on the register rather than being responsible for the actions of their education agents.

### Recommendation/s

- A compulsory licence should be developed for all education agents who wish to recruit students to Australian institutions and all licensed agents should be placed on a national register.
- Providers should only use agents listed on the national register and should receive fines for not doing so.
- Providers should not be responsible for the actions of agents. Rather, agents who act unscrupulously should have their licence revoked or suspended.

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

### Comments

An effective method of financially protecting international students in the event of a provider closing, would be to restrict provider access to students' tuition fees until

completion of a subject/semester/course. If a student were to pay funds up front, either to a Government created trust or to the provider itself, and the funds were restricted to a provider until completion of a subject/semester/course, then this would provide the appropriate funds to protect students, at least financially, in the event of a provider collapse. These funds should not be dependent on a student successfully completing a course. Funds should be available to a provider once the provider actually complete the proposed course.

The reservation of student tuition fees would ensure that sufficient funds are available to reimburse all students in the event that a provider closes before the completion of the provided courses. At the beginning of each semester, all students will pay their fees to their providers. Access to these tuition fees should then be restricted to the provider until a set calendar date (e.g. 1 Jan or 1 July) conditional upon the provision of the course. Should a student fail or leave a course before completion, then these tuition fees should still be available to the provider.

If this amount of money is too much to withhold from a provider for such a long period of time, then perhaps funds could be paid to providers after certain milestones. For example, if a course lasts for thirteen weeks then each week 1/13th could be paid to that institution. This method would be less favourable because even if a provider closes twelve weeks into a thirteen week course, then a student would have paid the majority of their fees but would still not have their qualification.

#### Recommendation/s

- Tuition fees should be withheld from providers until they have delivered the promised training. The withholding of these funds would ensure that enough funds are available to reimburse students' tuition fees if the provider closes.
- Tuition fees should not be withheld from providers if a student has unsatisfactory course progress or leaves before completing their course.

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

#### Comments

Yes. An additional complaint mechanism which is entirely separate from registered providers is needed to effectively help international students resolve complaints. According to the Review of the 'Education Services for Overseas Students (ESOS) Act 2000', Issues Paper (September 2009), data concerning complaints about, and actions taken against, providers is "generally not made public". The Issues Paper, indicates that this approach contributes to students feeling that their complaints are not heard and that good providers may feel that "not enough is being done by unsatisfactory providers". The publication of information about the closure of and action taken against providers should be made public. This will ensure that students feel that they are being adequately heard and that providers who are complying feel that the industry is being properly monitored.

The creation of an independent body which would act as a regulator for providers would help complaints be resolved more effectively. International students, would

likely feel far more comfortable making a complaint to such a mechanism if it were separate from their provider. According to the ESOS Issues Paper “if a provider makes an educational decision that a student has made unsatisfactory course progress...such a report can lead to the student’s visa being cancelled and possibly subjected to a three year exclusion period” before another visa is granted. An international student who feels that their study in Australia is tenuous and reliant on successful completion of their course would no doubt feel that they are at the mercy of their provider and be very hesitant about making severe complaints directly to that provider. An independent complaint mechanism would allow students to feel safe to make complaints about providers while being anonymous and not jeopardising their student visa.

This independent mechanism must be available in different languages to enable ease of access for international students wishing to make a complaint who may not feel comfortable with English.

An external complaint mechanism will benefit the course providers as well as students. If for whatever reason a particular student became a problem for a provider, it would simply be a matter of them making a complaint to the independent mechanism and such a complaint would be linked to each student through name, student number, address, etc. Other providers could check potential students’ previous status before allowing them to enrol into a course.

#### Recommendation/s

- Information about non-compliant providers should be made public so that both students and providers who are compliant feel that providers are being properly monitored.
- Independent complaint mechanism, separate from providers and anonymous for students, should be created.
- Independent mechanism should be available in different languages.

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

#### Comments

The current restriction preventing registered providers from knowingly enrolling a student wishing to transfer from another registered provider’s course prior to the student completing six months of their principal course is appropriate. VACC believes that the exceptional circumstances outlined in the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007 are appropriate sufficient to protect the interests of both international students and Registered Providers.

#### Recommendation/s

- The current time limit of six months before an international student can change providers is appropriate and should be kept.

## **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

It is important to ensure that courses are not filled with an overabundance of students from one particular country. The ESOS Issues Paper notes that the benefits of an international education lie, not only in the “formal education” but in the “informal learning that comes from fellow students about different cultures, backgrounds and the opportunities to practice language skills. The Australian Government’s Review of Australian Higher Education: Final Report (2008) referenced a 2006 survey by Australian Education International of international students which highlighted particular areas which international students felt needed improvement. The areas included: “involvement with, and commitment to, international students by staff” and “opportunities for more interaction with Australians”.

A percentage cap for each subject limiting a certain proportion of international students within each course would be an effective method of preventing a concentration of international students into a handful of classes. As mentioned earlier, part of the benefit of an international education lies within the interaction of students with staff and other non-international students. This cap set at an arbitrary percentage of 25% or so, would not only ensure that not too many international students are concentrated within the commerce and management disciplines (as is currently the case). The cap would also ensure that certain providers do not take on too many international students from a particular country, limiting opportunities for interaction with other Australian students.

### Recommendation/s

- A cap on the number/percentage of international students studying a particular course and a particular provider should be implemented. This would prevent over concentration of students in one or two disciplines from one country and will improve the quality of international students’ study.

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

### Comments

More interaction between registered providers and the international student body needs to be undertaken to ensure that coursework does not clash with students’ religious or other responsibilities. Not only is there often a language barrier between providers and international students, but there is often a cultural barrier. Students from different cultures and different religions may need additional requirements compared to Australian students. KJ0168 from the ESOS Online Discussion Forum on 25/09/09, noted that some Islamic students are often torn between attending an important class or their religious duties. A compromise for this would be to provide additional classes for students who cannot attend, provide classes online if possible or reschedule a course’s weekly timetable so that it does not clash with students’ additional responsibilities.

The restriction on hours worked per week for international students should be more flexible. Currently, international students are restricted to working a maximum of 20 hours per week during semester, regardless of their hourly rate of pay or cost of rent. An international student would, logically, usually wish to live near the institution in which they study. In some instances, these providers are within a CBD area or in very expensive suburbs in which levels of rent are high. In addition, many international students do not have excellent English language skills and would often be forced to take jobs which pay low hourly rates.

Rather than an arbitrary figure of 20 hours per week, the cap for international students' hours worked per week should take into account the cost of their rent, and their hourly rate of pay. A low hourly rate of pay and high levels of rent may make it difficult for some students to afford to study in Australia and may force students to break the law. Two possible and highly publicised outcomes are: students working in excess of their 20 hours per week with employers not reporting the additional work and overcrowding of rental accommodation.

International students should be allowed concession fares on public transport. Unlike Australian students, international students do not usually have a family network, a stable home or access to a car and are usually forced to take public transport to and from work and school. As previously mentioned, living expenses may be quite high for a student studying in Australia and their income could be quite low so it makes sense that they be allowed concession tickets on public transport as this is usually their main method of transport and they often have far lower incomes than Australian students

#### Recommendation/s

- Courses should provide more flexibility who have religious or other responsibilities which may clash with coursework.
- Rather than an arbitrary figure of 20 hours per week, the cap for international students' hours worked per week should take into account the cost of their rent, and their hourly rate of pay.
- International Students should be allowed concession rates on public transport.

#### **Effective regulation**

vii. Is ESOS compliance and enforcement adequate?

#### Comments

VACC believes that the enforcement of ESOS is adequate but because the Enforcement Actions are not widely publicised, ESOS compliance is not adequate. In order to improve compliance, providers must be aware that there is a 'tough cop on the beat'. Providers who are complying need to be aware that their efforts are not in vain and that providers who are not complying must be frightened into either complying or closing. Information about ESOS compliance and non compliance, in particular, Enforcement Actions, should be widely publicised and non compliant providers 'named and shamed'. VACC believes that this course of action will

improve ESOS compliance.

Recommendation/s

- ESOS Enforcement Actions should be more widely publicised to promote compliance by providers.

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

Recommendation/s

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

Comments

Recommendation/s

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

Comments

ESOS can better support Australia's student visa program by ensuring that students' visa situations are not connected to their academic progress. The ESOS Issues Paper notes that if a provider makes an "educational decision" not to pass a student in a subject, that it may have flow on effects causing the student's visa to be cancelled. The Issues Paper states that providers' capacity to report students for failing to comply with their visa conditions, can be used as a lever over students and that allegations have been made that some providers have used this power unscrupulously for their own benefit. Providers should be able to make "academic decisions" based entirely on students' academic process and these decisions should have no bearing on a student's visa status.

#### Recommendation/s

- Australia's student visa program could be better supported by ESOS by ensuring that students' visa situations and their academic progress are kept entirely separate from each other.

#### **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

To ensure that the international training sector remains sustainable the reliance of providers on international students from only a handful of countries in a handful of courses must be capped. According to the Australian Government's Review of Australian Higher Education: Final Report (2008) over 80% of international students are from Asia and 21% of those are from mainland China. Over half of international students are studying in the commerce and management disciplines. As time goes on and as more and more international students graduate from these in demand courses, the demand for them will diminish.

Similarly, the report mentioned that the "over-dependence of some providers on overseas students" may leave them vulnerable to the "political and economic upheavals in the markets on which they depend". Reducing this dependence on a small market of overseas students will significantly increase the sustainability of the industry. Figure 25: Overseas student fee revenue of universities as a proportion of total revenues, of the report showed that Central Queensland University receives 44% of its total revenue from overseas student revenue and University of Ballarat receives 31%. Figure 25 only reported revenue from Universities however smaller providers could be even more heavily reliant of overseas student fees as revenue.

Revenue from overseas students' fees as high as those at Central Queensland University and University of Ballarat are not sustainable and ESOS should ensure that providers are not too heavily dependent on international students, particularly since they are generally from only a handful of countries and study only a few disciplines (Review of Australian Higher Education: Final Report, 2008). As mentioned in question v, a set cap limiting a certain number/percentage of international students studying a particular course or from a particular provider

should be implemented. This would prevent over concentration of students in one or two disciplines from one country and will increase the sustainability of the international education sector.

#### Recommendation/s

- ESOS should ensure that the international education sector is not too heavily dependent on the small market to which it currently caters. A set cap limiting a certain number/percentage of international students studying a particular course or from a particular provider would prevent over concentration of students in one or two disciplines from one country and will increase the sustainability of the international education sector

#### **General Comments**

Thank you.