

Draft National Strategy for International Education

ACPET submission

May 2015

1. Please outline your organisation's interest in Australian international education

Established in 1992, ACPET is the national industry association for private providers of tertiary education and training. ACPET has over 1,000 members nationally who deliver a range of higher education, vocational education and training (VET) and English language courses across all states and territories and internationally.

ACPET's mission is to enhance quality, greater choice and innovation in Australian tertiary education and training. ACPET members include commercial and not-for-profit entities, community groups, industry providers and enterprise-based organisations. ACPET works with governments, industries and community organisations to ensure higher education and training is well targeted, accessible, and delivered to a high standard.

There are some 1200 Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registered educational and training providers in Australia of which some 440 are ACPET members. ACPET welcomes the Government's focus on this increasingly important sector of Australia's economy.

The Productivity Commission's recent report on international education services highlights the sector is valued at some \$17 billion in 2014¹. Recent data indicates that the sector has rebounded following the declines of several years ago following the impact of the GFC, currency movements, Indian student safety concerns and visa changes.

The Chaney Report highlighted the future potential of the sector with mobile international student numbers expected to double from 3.4 million in 2009 to seven million by 2020². It is important, then, that attention is focused on measures that will support Australia's continuing prominent role in the sector especially as traditional and emerging competitors, particularly in Asia, seek to lift their share of this growing international student market.

The most recent 2014 survey (DET) of international students highlights the strong levels of satisfaction they have with their study experience in Australia. Satisfaction levels have been maintained or improved since the survey of 2012³. For now, the fundamentals of Australia's international student policy framework are sound.

While this student survey and performance data supports the fundamentals and growth potential of the sector, the decline in international student numbers experienced after the peak of 2009 highlights the susceptibility of this market to economic and other circumstances as well as changes to Australia's international education policy settings.

ACPET's priorities for the National Strategy for International Education are on ensuring that these settings are appropriate and stable and that the efforts of governments and other key stakeholders are aligned so that the growth opportunities highlighted above can be maximised.

¹ Productivity Commission, *International Education Services, Research Paper, April 2015*, p21

² International Education Advisory Council, *Australia – Educating Globally*, DIISRTE, February 2013, p21.

³ Department of Education and Training, *International Student Survey 2014 Overview Report*, April 2015

2. Does the vision statement in the draft strategy represent Australia's aspirations for international education?

Noting the existing importance of the international education sector to Australia's economy and its place 'in the world', the vision statement articulated in the draft strategy would seem more a statement of fact. It does not provide the vision or aspiration for the sector that governments and stakeholders can embrace and provide a focal point for policies, programs and services.

While there are many dimensions that go to the delivery of international education, the vision statement needs to identify an overriding priority or objective that harnesses the significant strength of Australian international education and training. The recent international student survey cited above identified that the quality of its education systems and institutions was the key to the decision by students to study in Australia.

A vision that focuses on quality and student support - developing and maintaining the world's best quality international education sector - will provide the aspiration and direction for the sector.

3. Are any significant goals for international education not adequately covered?

The first recommendation of the Chaney Report was for the establishment of a "Ministerial Coordinating Council on International Education....to provide a coordinated approach to identifying and addressing key issues in Australia's international education sector". This recommendation reflected concern with the fragmentation across the education, migration and marketing initiatives by government.

While ACPET welcomes the proposed establishment of the Ministerial Coordinating Council on International Education, there is no information on how the Council intersects with the strategy. Indeed, more broadly there is no information on the strategy's implementation. In finalising these arrangements consideration should be given to clearly articulating accountability for the final strategy - its implementation, monitoring and review – and its intersection with the Council.

This will be particularly important given the broad/generic nature of many of the draft strategy's actions and the need to develop more detailed actions, targets, budgets and timeframes.

4. Can you identify the strategic actions which best support your goals for international education

Embracing the freedom to achieve excellence (Action 1.1)

ACPET strongly supports the goal of creating a world-class education system. As noted in the international student survey cited above, the quality of its education and training systems and institutions are key considerations in student decisions around study destination.

The Government's proposed higher education reforms will assist in increasing diversity, encourage competition and provide greater student choice. Importantly, these reforms will help to build the strength and diversity of higher education provision and the capacity to support growing international student demand.

To date, these reforms have not been approved by the Senate. Should the Government's reform package continue to be opposed, ACPET would urge an alternative be found that allows the measures that end discrimination against students studying with non-university higher education providers to be implemented.

Provide quality assurance while reducing red tape (Action 1.4)

The need for a quality assurance framework that safeguards this quality reputation is supported. ACPET endorses the introduction of new national VET regulations and is working with its members to assist their understanding and compliance. These measures and those responding to recent concerns with VET FEE-HELP should reinforce the quality 'message' sent to international students.

Notwithstanding these efforts, ACPET members remain concerned with poor behaviour and that regulation of the market, including the activities of brokers and agents, needs to be better enforced to address some of the concerns with issues such as course hopping and phantom students. There is a concern that as the market rebounds from the decline (particularly in VET) of several years ago that quality may be compromised.

There has been considerable public debate about the quality of some aspects of international education services with the Productivity Commission paper cited above expressing real concerns about the quality of the sector. In response to some particular concerns the Productivity Commission paper advocates for a reduction in the use of agents. ACPET acknowledges that agents play an important (and increasing) role in the sector and would advocate for a more proactive/targeted audit process to ensure that regulations are being adhered to, penalties applied and quality maintained.

ACPET welcomes the current work being undertaken by the International Education Association of Australia to consider arrangements that might enhance the regulation of agents and brokers. The agreed outcomes of this work should be included in the strategy.

For its part, ACPET has introduced a Code of Practice that governs members' use of agents and brokers and arrangements for their professional development.

ACPET notes the current review of the Education Services for Overseas Students Framework. While supporting the need to protect students, it is important that the review considers opportunities to eliminate duplication of other regulations or add unnecessarily to the provider burden.

ACPET's submission to the Review of the ESOS Framework highlighted the reporting burden.⁴ It is ACPET's view that it can be simplified significantly following the transfer of regulatory responsibilities to ASQA and TEQSA.

Whilst supportive of the need to maintain quality, feedback from some members highlights the 'risk averse' approach of regulators, particularly where transnational delivery is proposed. This risk aversion impacts on the willingness of providers to explore some markets. To address this issue, the engagement of provider stakeholders and the regulators may clarify requirements and identify strategies that respond to concerns and support greater international delivery.

Marketing Australia as a high-quality education destination (4.2)

ACPET supports the efforts to promote Australia as a safe, welcoming and high-quality destination. Members actively support trade missions and international conferences as well as delegations visiting Australia. Noting the range of such activities and agencies there may be opportunities for greater coordination amongst agencies to identify priorities, avoid duplication, provide a more cohesive message about Australia's education and training sectors and limit engagement 'fatigue'.

There is also a need to consider marketing strategies that will best promote the sector and its key success factors to target markets and not simply rely on existing approaches.

In many of the international markets that Australia targets, for example, the private sector is the dominant domestic provider of education and training services. To leverage off this recognition of private provision, marketing efforts that articulate the value proposition of Australia's private providers would be beneficial.

The provision of market research and intelligence through Austrade's Market Information Package is an important element in identifying and developing international education markets. There are fees attached to some information and support provided by Austrade. In the context of seeking to maximise the economic opportunities from this growing international market for Australia, consideration of the cost-benefit of these fees may be warranted.

Notwithstanding the presence a number of government agencies have in key markets, members would value stronger support in navigating the cultural, regulatory and legal barriers in overseas markets. This advice would be particularly beneficial where new market opportunities have been identified.

Maintaining competitive visa and strong consumer protection (5.1)

One of the key determinants of the success of Australia's international education sector is visa requirements. The fluctuation seen in student numbers in recent years has been due, in part, to significant policy changes. The Productivity Commission's International Education Services research paper summarises the changes that have occurred in student visa

⁴ ACPET Submission to the Review of the ESOS Act, Dec 2014

arrangements over the last 15 years⁵. The report highlights six major reforms alone in the three years to November 2014.

The Commission's paper highlights the potential impact of the uncertainty and volatility of visa arrangements on international education services. While ACPET understands the need to ensure the integrity of Australia's student visa arrangements, it supports the need for policy stability to underpin provider investment and growth.

ACPET shares the Commission's concern that Streamlined Visa Processing (SVP) has distorted the international education market and put at risk the quality of Australia's education systems.

ACPET members have identified significant concerns that SVP arrangements are distorting the study decisions made by international students and leading to adverse practices such as 'course hopping'. While providers who do not have access to SVP arrangements are concerned with their discriminatory impact, there is a broader concern that education quality, the fundamental that underpins the Australia's international education sector, needs greater consideration in determining student visa arrangements.

Its submission to the *Future directions for streamlined visa processing (SVP) discussion paper* in December 2014⁶, ACPET advocated for an overhaul of SVP arrangements along the following lines:

- An integrated risk framework based on agreed principles that address immigration risk, provider quality and consumer protection of students with visa arrangements that allow for efficient assessment and approval of visa applications from high quality providers
- Evolution from SVP for a select group of providers of advanced diploma and above courses, to an efficient and effective streamlined student visa regime which supports all CRICOS listed quality educational providers and allows for growth in the educational sector
- More transparency in the immigration processes which would allow providers to lower their risk particularly if this is affected by use of particular agents and or brokers

ACPET trusts that the outcomes of the current review of SVP will be finalised and consulted with stakeholders as a matter of priority.

5. What are the best measures of success for international education?

Based on the international education survey cited above, it is clear that the quality of the sector drives decisions by students seeking Australia as a study destination. This is why ACPET considers the vision for the sector should focus on building world best quality. Initiatives that will preserve and promote the quality of the sector are pivotal.

⁵ Productivity Commission, *op cit*, page 65

⁶ ACPET Submission to *Future Directions for streamlined visa processing- discussion paper*, December 2014

For transnational education, in particular, the capacity of providers to establish offshore operations and joint ventures will be important as new markets and delivery approaches are developed. The regulatory frameworks and government support will need to be able to support these opportunities.

6. What would you like to see progressed as a priority for the strategy in the first year?

ACPET's priorities revolve around maintaining the quality of the international education sector and providing policy stability.

Accordingly actions to enforce and where necessary lift quality standards are a priority. The industry cannot afford to see the recent publicly aired concerns with the sector continue. The outcomes of the work underway by the IEAA need to quickly be assessed and appropriate reforms instigated. Likewise the ESOS review needs to be completed and actions implemented.

The current Strategic Review of SVP is the latest in a series of visa reviews and changes that make business planning fraught. The Government needs to ensure that the proposals arising from the current review are thoroughly consulted with all relevant stakeholders so that effective, secure, student visa arrangements that support and grow quality international education outcomes can be achieved.

It is more than two years since the Chaney Report recommended the establishment of Ministerial Coordinating Council for International Education. Prompt action to establish the Council would assist in engaging key stakeholders on the implementation of the National Strategy.