



Australian Government

Strategic Review of the Student Visa Program 2011

30 June 2011





Australian Government

**Strategic Review
of the
Student Visa Program

2011

Report**

THIS PAGE INTENTIONALLY LEFT BLANK

Table of Contents

Introduction	v
Executive Summary	vii
Recommendations	xiii
Abbreviations and Glossary of Terms	xxi
Chapter 1 How did I reach my conclusions?	1
Chapter 2 Principles which underpin this Report	5
Chapter 3 The Context	9
Chapter 4 The Foundation Stone	19
Chapter 5 The Universities	27
Chapter 6 Higher Degrees by Research	47
Chapter 7 Non-university Higher Education and Vocational Education and Training (VET)	55
Chapter 8 English Language	63
Chapter 9 Schools	69
Chapter 10 AusAID and Defence	75
Chapter 11 Non Award	79
Chapter 12 Integrity Measures	83
Chapter 13 Assessment Levels	101
Chapter 14 Agents	107
Chapter 15 Transnational Education	111
Chapter 16 A New Consultative Mechanism	117
Chapter 17 Other Matters	121
Appendix 1 – Terms of Reference	127
Appendix 2 – Stakeholders Consulted	129
Appendix 3 – Media Release inviting submissions	147
Appendix 4 – Submissions to the Review	149
Appendix 5 – Student Visa Application Process	155
Appendix 6 – PRISMS NCN/SCV Process	157
Appendix 7 – Summary of the Assessment Level Framework	159

THIS PAGE INTENTIONALLY LEFT BLANK

Introduction

On 14 January 2011, I started work on the Strategic Review of the Student Visa Program. This Review was commissioned by two Ministers: Chris Bowen the Minister for Immigration and Citizenship and Chris Evans the Minister for Tertiary Education, Skills, Jobs and Workplace Relations. The Terms of Reference are set out in Appendix 1.

My task was to make recommendations for a sustainable program which will balance Australia's economic interests, educational interests and migration interests. This Report is my response.

At the outset I want to make clear that this Report is not a thesis on international education. While I hope it has intellectual rigour, this Report is not an academic treatise. Similarly, I have not attempted to produce a definitive history of international education in Australia. That would be a worthwhile task but it is for someone else to do in another place at another time.

Nor have I sought to redesign the student visa system from "the ground up". There is a history, a set of procedures and a legal framework which already exists. It would be foolish to pretend that I am starting with a blank piece of paper on which to formulate my idea of some utopian scheme.

Instead what I have sought to do is to provide practical recommendations which build upon the existing framework while at the same time making what I consider to be essential reforms. I have tried to make recommendations which should be relatively easy to implement, but which can still make a substantial difference. Consequently this Report is focussed on the future not on the past. It does not contain any "findings" but rather a set of proposed actions.

While this Report has a number of suggested actions it is not intended to be simply a collection of recommendations. It is an integrated package. The initiatives that will enhance the position of some providers should not exist in isolation. Those initiatives, and the additional integrity measures proposed for the international student visa program, are interdependent. In my view it would be quite dangerous to have one without the other.

Technically this is a Report to the two Ministers who commissioned the Review. However, they made it clear to me from the outset that the Report would be publicly released. Therefore the style and tone of this Report is aimed at the general reader.

Michael Knight
30 June 2011

THIS PAGE INTENTIONALLY LEFT BLANK

Executive Summary

The international education sector is substantial and important. It grew rapidly over the last decade. At its peak in 2009 there were 491,565 international students enrolled in courses in Australia.

Since that time enrolments have fallen. And the numbers of new students enrolling are declining faster than the overall enrolment numbers. This is causing serious problems for the viability of the sector. A range of factors have contributed to this including increased global competition, changes to Australia's migration settings and a rising Aussie dollar. Many in the sector refer to these, and other factors, as creating "the perfect storm".

Changes to Australia's student visa program cannot solve all of the problems facing the international education sector. But there are certain things that can be done to help make Australian providers, particularly Australian universities, more competitive.

Helping Australia's universities compete internationally

This Report contains a series of measures targeted to improve the competitiveness of Australia's universities in the global market for international students. There are sound public policy reasons for treating the universities differently:

- The universities are the spearhead of Australia's international reputation for education.
- Quality is high right across the entire Australian university sector.
- Governments and regulators traditionally treat universities differently to other education providers.
- High quality is preserved by keeping the number of institutions recognised as universities relatively small.
- Because there are only 39 of them, the university sector is much easier to monitor and regulate.
- The university sector is very stable.
- Australian taxpayers have a huge financial stake in Australian universities.
- International students generally stay longer in a university course than with other educational providers.
- Overall university students have proven to be a relatively low risk from a migration integrity perspective.

The proposed benefits for Australian universities fall into two categories: streamlined processing of visas and post study work rights.

In terms of streamlined processing, the proposal is to treat students for most university courses as though they were Assessment Level 1, no matter what country they come from. Assessment Level 1 gives the "lightest touch" to student visa applicants. All applicants will still be subject to basic requirements such as having health insurance and not being a security or health risk. And the Department of Immigration and Citizenship (DIAC) will reserve the right to look separately at applications from any group that poses a particular concern.

However, beyond those basic requirements, DIAC will effectively take that university's word that the student is suitable. Therefore universities can be confident that their students will have their applications processed quickly. These substantial benefits come with significant obligations. The universities must be accountable for the visa outcomes of their students. If there are consistently poor visa outcomes from the students of an individual university then that university should be removed from the streamlined processing arrangements. They can still have international students, but they will be processed under the existing arrangements.

This streamlined processing arrangement should also apply to courses at other higher education, vocational education and training (VET) and English language training (ELICOS) providers when the course is explicitly packaged with a university course. But for these packages the university carries the same obligations and responsibility as it will for a course at the university itself.

This Report also proposes that international students graduating from most university courses (mainly Bachelor and Masters by Coursework degrees) and who are in compliance with their visa conditions receive two years post study work rights. Being able to obtain practical experience in Australia makes the qualification more valuable in the student's home country or in a third country.

The absence of a clearly defined post study work rights entitlement puts Australian universities at a very serious disadvantage compared to some of our major competitor countries. In the past the absence of such an entitlement has not proven to be a dramatic hindrance to Australian universities recruiting international students. But the world has changed. Global competition for quality international students is intensifying and almost certainly will continue to further intensify. Allowing a moderate period of post study work rights will be essential to ensuring the ongoing viability of our universities in an increasingly competitive global market for students.

Higher Degree by Research students

There are important non-monetary benefits to having international students at Australian universities. They bring a diversity of culture and background which enriches campus life for all students. International students expose domestic students to different cultural experiences and friendships are created across national boundaries. These **people to people links** can have an enduring value for Australia over many decades. But in the end the biggest attraction is the financial benefits most university students bring; their fees and the broader economic stimulus that comes from the money they spend on food, accommodation, leisure, travel etc.

The situation with Higher Degree by Research (HDR) students is very different. For Australian universities the revenue from PhD and Masters by Research students is almost incidental. The main driver for wanting HDR students is the talent, the skills and the research opportunities they embody. There is strong global competition to attract the brightest students and researchers, particularly in the sciences, mathematics and technology. The economic benefit they bring to Australia is not from the money they spend here; it is from the jobs created for others by applying the research they create.

This Report makes several recommendations to help make Australia a more attractive destination for international HDR students.

Other sectors

In terms of the non-university higher education providers and the VET sector, this Report proposes little change. They should continue to have access to the same visa arrangements and post study work opportunities as is currently the case. The main initiative proposed is more Australian government support to assist the VET sector to expand offshore.

Australia is a world leader in vocational education. But study in Australia is not within the financial reach of the overwhelming majority of potential students in Asia. There is an emerging, and potentially enormous, market for VET training within a wide range of Asian countries. In the short term many VET providers have concentrated on attracting students to Australia. But in the medium term Australia has the opportunity not merely to attract students but to "own the space" in the fastest emerging economies in the most populous countries.

The ELICOS sector is unusual in that approximately a third of its students do not enter Australia on a student visa. Instead they come on other visas like a working holiday visa or a tourist visa. In those cases there is no requirement for the student to already have a certain level of English proficiency. However, in the case of students from some countries they must establish a certain level of English proficiency before they can obtain a student visa. It does seem peculiar that a student needs to speak English before they can learn English. But it is even stranger that this requirement only applies to those who come on a student visa (who generally study for longer than those on a Tourist visa). The Report recommends ending this anomaly.

The schools sector is relatively small and appears to be functioning well. The Report recommends only minor changes, mainly ones sought by a range of State government education authorities.

Similarly relatively small changes are recommended for the separate visa category which covers AusAID and Defence sponsored students. The main issue of concern here is that one arm of the Australian government AusAID is giving scholarships to some people who are subsequently having trouble obtaining a visa from another part of the Australian government, DIAC. This is particularly a problem for people with a disability and people with HIV. This is a matter which needs to be sorted out before scholarships are awarded. AusAID, DIAC, the Department of Health and Ageing (DOHA) and other relevant government agencies should develop an integrated policy in relation to the award of scholarships and the facilitation of entry.

Improved integrity measures

A principal focus of this Report is on improved integrity measures in the student visa program. It recommends a major change to the criteria for assessing a student visa application. Unlike a tourist visa where it is a basic criterion that an applicant must be a temporary entrant who intends to return home, there is no explicit requirement to assess a student visa applicant the same way. The first item of business in assessing a student visa application should be whether or not the applicant is a **genuine temporary entrant**. Are they someone who will come, study and go home afterwards (unless there is a legitimate pathway to staying longer)?

Another critical issue to look at when assessing a student visa applicant should be whether or not they are a **genuine student**. While it should be essential to establish that the applicant will be a genuine temporary entrant that would not be sufficient to obtain a student visa. A person who intends to only reside temporarily but who plans to work illegally instead of attending an education course should not qualify for a student visa. A successful applicant for a student visa should be both a genuine temporary entrant **and** a genuine student.

Having more sensible criteria for assessing applicants for student visas should go a long way towards ensuring that the integrity of Australia's migration controls are not undermined by people seeking a migration outcome rather than an educational outcome. The best place to manage risk is in the initial visa decision offshore. However, even with the best possible assessment offshore there will inevitably be some applicants who misbehave once they reach Australia. A minority will work illegally, not turn up at the courses they are enrolled in, participate in sham marriages to bring others to work illegally, overstay their visa periods, or fail to comply with their visa conditions in a variety of other ways. Therefore it is crucial that DIAC has robust and effective integrity and compliance measures within Australia.

Unfortunately the current measures are a long way short of optimal. There is an extremely complex web of regulatory and legislative requirements including a system of automatic cancellations and mandatory cancellations. This Report recommends repealing the automatic cancellation and mandatory cancellation provisions and granting DIAC officers more discretion in such matters. It recommends targeting resources to areas of high risk. Through no fault of their own, DIAC integrity and compliance officers spend disproportionate time on procedural matters. Changing those settings will allow DIAC to concentrate more integrity and compliance resources on making life difficult for anyone rorting the student visa system.

Ongoing consultation

Throughout this Review I have tried to consult widely with stakeholders. Just because this formal Independent Review has concluded does not mean that there is not a need for ongoing consultation. In my view it is essential that DIAC has a mechanism to communicate and consult with stakeholders on a variety of matters related to the student visa program. This report recommends the creation of an Education Visa Advisory Group with members drawn from representatives of a broad range of education providers, students, state and federal government agencies, business and trade unions.

THIS PAGE INTENTIONALLY LEFT BLANK

Recommendations

Chapter 4 The Foundation Stone

Recommendation 1

That a new element be introduced into the eligibility criteria for a student visa. That new criterion will be to assess whether the applicant is **a genuine temporary entrant**. This new criterion should be the first to be considered in assessing any application for a student visa.

Recommendation 2

A successful applicant must be both a genuine temporary entrant **and** a genuine student.

Chapter 5 The Universities

Recommendation 3 – streamlined visa processing for universities

3.1 That all students in the categories set out below, irrespective of their country of origin – but subject to the provisions in 3.5, 3.6 and 3.7 should be treated as though they are all AL1.

3.2 This treatment should apply to the following university student applicants:

- Bachelor Degree;
- 2 plus 2 (or 3 plus 1) arrangements with partner universities;
- Masters Degree by Coursework.

3.3 The special treatment **should not apply** to:

- short courses;
- Associate Degree;
- Graduate diploma;
- Graduate certificate;
- Diploma and Advanced Diploma;
- non-award courses (except as provided for in Recommendation 18);
- the non-university courses at the six universities which are dual sector (VET and university).

3.4 The benefits should **also apply** to courses which are explicitly packaged with an eligible university course at the time when the offer of university enrolment is made. This might include English language (ELICOS) and/or foundation or pathway courses in circumstances where non compliance by the student at any part of the package would be regarded as non-compliance with the university enrolment.

- 3.5 The government should continue to require appropriate health checks, health insurance, character (predominantly criminal record/connections) and security checks.
- 3.6 The underlying DIAC powers in regard to every individual student application should continue to exist.
- 3.7 The government should also reserve the right to exclude certain high risk groups from the streamlined approach for university applicants. For example, the government might want to carefully assess all applicants from a persecuted minority group in a particular country. Applicants from such a group might have a huge incentive to apply for protection visas as soon as they reach Australia. The Australian Government may or may not wish to take such people on humanitarian grounds but that should be a separate decision and should not get mixed up with the process of granting visas for university students.

Recommendation 4 Post Study Work Rights

- 4.1 All graduates of an Australian university Bachelor degree, who have spent at least two academic years studying that degree in Australia, and who have complied with their visa conditions, should receive two years work rights.
- 4.2 All graduates of an Australian university Masters by Coursework degree, who have studied that degree in Australia, and who have complied with their visa conditions, should receive two years work rights on successful completion of their course.
- 4.3 This should apply irrespective of the nature of the course (for example whether it be Arts or Engineering) and not be tied to working in any particular occupation.
- 4.4 The mechanism for taking up these work rights should be administratively very simple with the following components:
 - the university must notify that the course has been successfully completed. (This will be earlier than the formal graduation which could be many months after the course has been completed);
 - DIAC should not undertake any detailed, time consuming, assessment of the applicant;
 - the scheme must be one which can be marketed by the universities to prospective students as almost guaranteeing post study work rights.

Chapter 6 Higher Degrees by Research

Recommendation 5

That all Higher Degree by Research (HDR) students – visa subclass 574 - be treated as though they are all AL1 applicants.

Recommendation 6

That where any English language or other preparatory course is required by the Higher Degree by Research provider then the whole package still be treated as AL1.

Recommendation 7

That all Higher Degree by Research students be given unlimited work rights.

Recommendation 8

Masters by Research graduates should receive three years post-study work rights and PhD graduates four years.

Recommendation 9

That the visa arrangements for Higher Degree by Research students be such that an extension for up to six months after submission of their thesis is available if needed during the interactive marking process.

Chapter 8 English Language

Recommendation 10

That, provided the integrity measures relating to the revised criteria for a student visa are implemented (as set out in Recommendation 1), the threshold English language test requirements for stand alone ELICOS students be removed.

Chapter 9 Schools

Recommendation 11

That the English language requirements for school students in AL4 be the same as those applying for AL1 through to AL3 and the associated waiver scheme abolished.

Recommendation 12

That the maximum period of time a school student visa holder can study English be 50 weeks across all ALs.

Recommendation 13

That the current restrictions on student guardians of a maximum of three months of study be maintained but unlimited part-time study rights for ELICOS study only be allowed.

Recommendation 14

That pre-paid homestay fees be included in financial assessments on the same basis as pre-paid boarding fees.

Chapter 10 AusAID and Defence**Recommendation 15**

That as a matter of some urgency AusAID, DIAC, DOHA and other relevant Australian government agencies develop an integrated policy in relation to the award of scholarships and how visa arrangements for awardees are to be managed. In particular they should address the situation of potential awardees who have a disability or HIV.

Recommendation 16

That PhD students entering under the subclass 576 visa have access to the same extension provisions recommended for Higher Degree by Research students in Recommendation 9, provided AusAID is prepared to fund their extended period.

Recommendation 17

That DIAC and DEEWR meet with State education authorities to work out what can be done to avoid the situation where a visa for a child dependent cannot be granted until proof of enrolment is present and state education authorities will not grant such proof until proof of visa grant is made. Any agreed remedy should apply across all student visa subclasses.

Chapter 11 Non-award**Recommendation 18**

That students coming for semester or year long non-award courses at an Australian university as part of their home universities degree and/or as part of an agreed student exchange between universities be given access to streamlined processing as outlined in Recommendation 3.

Chapter 12 Integrity Measures**Recommendation 19**

That DIAC undertake specific research targeted at integrity and compliance issues into student visa outcomes, including both primary and secondary applicants, to inform policy development.

Recommendation 20

That DIAC be appropriately funded to further develop research capability across the program.

Recommendation 21

That DIAC, to the extent permitted by legislation, co-operate with its counterparts across all levels of government to facilitate information sharing, to inform evidence based decision making.

Recommendation 22

In the event that the research over the next 12 months reveals systemic abuse of dependant (secondary applicant) visas, that the government seriously consider mirroring the recent UK policy and restrict dependant visas to Masters and above courses unless the primary applicant is sponsored by a government.

Recommendation 23

Current arrangements whereby SCVs automatically become NCNs should cease. SCV information should continue to be conveyed to DIAC who should use it as an input into a more targeted and strategic analysis of non-compliance.

Recommendation 24

Automatic cancellation of student visas should be abolished and replaced by a system in which information conveyed by SCVs is used as an input into a more targeted and strategic analysis of non-compliance.

Recommendation 25

The mandatory cancellation requirement for unsatisfactory attendance, unsatisfactory progress and working in excess of the hours allowed should be removed, giving DIAC officers the discretion to determine cancellation in particular cases on their merits.

Recommendation 26

DIAC should concentrate its compliance and integrity resources in relation to student visas on the highest risk areas.

Recommendation 27

DIAC should not only respond to information generated by PRISMS but also be proactive in detecting the sorts of breaches (for example sham marriages and exceeding permissible work hours) which are not reported in PRISMS.

Recommendation 28

That student work entitlements be measured as 40 hours per fortnight instead of 20 hours per week

Recommendation 29

That the necessary legislative changes be made to require the name of any agent involved to be entered into the student's data into PRISMS.

Recommendation 30

That DEEWR take steps to encourage providers to voluntarily enter agent data into PRISMS in the interim before the ESOS Act is changed to make this mandatory.

Recommendation 31

That DEEWR and DIAC establish a single student identifier to track international students through their studies in Australia.

Chapter 13 Assessment Levels**Recommendation 32**

That DIAC undertake a review of the AL framework, with a mind to either abolishing the system entirely or modifying the framework to make it relevant to current and future challenges facing the student visa program. This review should be managed by DIAC but should include reference to an external panel or reference group.

Chapter 14 Agents**Recommendation 33**

That DIAC upgrade its liaison at overseas posts with migration and education agents in relation to the student visa program, including regular meetings to keep agents abreast of any changes in rules and procedures.

Chapter 15 Transnational Education**Recommendation 34**

That Austrade be asked to prepare a more detailed outlook document that provides effective business planning intelligence demonstrating the opportunities, for offshore provision of vocational education.

Recommendation 35

That the highest quality Australian VET providers including TAFEs, be encouraged to explore offshore market opportunities.

Recommendation 36

That the Australian Government, through programs such as the Export Market Development Grants Scheme and other forms of assistance, support high quality Australian vocational education providers in expanding their offshore training services.

Chapter 16 A New Consultative Mechanism

Recommendation 37

That DIAC constitute an Education Visa Advisory Group as a primary means of regular two way communication between stakeholders in the international education sector and DIAC.

Chapter 17 Other Matters

Recommendation 38

That the policy regarding Pre-Visa Assessment (PVA) be discontinued.

Recommendation 39

That student visas be allowed to be granted in advance of four months before the commencement of the relevant course. Where necessary visas should specify a date before which the holder cannot enter Australia.

Recommendation 40

That DIAC regularly reviews the current living cost amount, and based on the CPI or other measure amend the amount, as required.

Recommendation 41

That DIAC review the exclusion criteria and policy which relate to student visa non-compliance.

THIS PAGE INTENTIONALLY LEFT BLANK

Abbreviations and Glossary of Terms

Often people within organisations use a range of shorthand expressions. It saves them time and makes life easier. But when you don't belong to that organisation, it can be disorienting. The Australian Public Service is very keen on acronyms.

Here is an attempt to explain some of the shorthand used in this Report.

Please note: the definitions below are not intended to be exhaustive or legally precise. They are meant to be sufficient only to help the terms make basic sense when you come across them in this Report.

Term/Abbreviation	Description
\$	All references are to Australian dollars.
2 plus 2	Formal structured joint program undertaken through partner universities, with two years at the overseas university and two years at the Australian university.
3 plus 1	Formal structured joint program undertaken through partner overseas and Australian universities with three years at one university and one year at the other university.
AEI	Australian Education International: the international arm of DEEWR. AEI leads strategic policy, regulation and government-to-government engagement in the international education sector.
AL	Assessment Level: each country, across each education sector, is assigned an AL which is based on the calculated immigration risk posed by students from that country studying in that education sector.
ANAO	Australian National Audit Office: the ANAO undertakes performance audits and financial statement audits of Commonwealth public sector bodies and provides independent reports and advice to the Parliament, the government and the community.
AQF	The Australian Qualifications Framework: a quality assured national framework of qualifications in the school, vocational education and training (VET), and higher education sectors in Australia.

Term/Abbreviation	Description
ASQA	Australian Skills Quality Authority: from 1 July 2011 ASQA is the national regulator of Australia's vocational education and training (VET) sector. ASQA will regulate courses and training providers to ensure nationally approved quality standards are met
ATN	Australian Technology Network of Universities - Curtin University of Technology, University of South Australia, RMIT University, University of Technology Sydney, Queensland University of Technology.
AusAID	Australian Agency for International Development: the Australian government agency responsible for managing Australia's overseas aid program.
Bridging visa	Temporary visa that provides non-citizens with lawful status and prevents them from being detained while they have business with the department or the courts regarding a departmental matter.
CoE	Confirmation of Enrolment: issued by a provider to a student as an offer of enrolment in a specific course. Electronically stored in PRISMS and notified to DIAC. A CoE is a pre-requisite for the grant of a student visa.
CPI	Consumer Price Index: a measure of changes, over time, in retail prices of a constant basket of goods and services representative of consumption expenditure by resident households in Australian metropolitan areas.
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students: a database of more than 1,200 Australian education institutions. Any education institution that recruits, enrolls or teaches overseas students must be registered on CRICOS.
DEEWR	Department of Education, Employment and Workplace Relations: the lead government agency providing national leadership in education and workplace training, transition to work and conditions and values in the workplace.
DIAC	Department of Immigration and Citizenship: manages the visa process for people who want to visit, work, study or live in Australia.

Term/Abbreviation	Description
DIISR	Department of Innovation, Industry, Science and Research: the lead government agency for encouraging the sustainable growth of Australian industries by developing a national innovation system, science and research, international competitiveness and productivity.
DOHA	Department of Health and Ageing: the lead Commonwealth agency for promoting, developing, and funding health and aged care services for the Australian public.
ELICOS	English Language Intensive Courses for Overseas Students: ELICOS programs are designed for students who require English language training before commencing formal studies in Australia.
ENS	Employer Nomination Scheme: allows Australian employers to sponsor employees who are foreign nationals for a permanent visa to work in Australia.
ESOS Act	Education Services for Overseas Students Act: protects overseas students coming to Australia on student visas and sets out clear roles and responsibilities for education institutions wanting to teach overseas students.
ETA	Electronic Travel Authority: an electronically stored authority equivalent to a visa – there is no passport stamp or label. Can be applied for by the applicant or on their behalf by a travel agent or airline. ETA information is accessible by airlines, travel agents and Australian border agencies.
eVisa	Electronic visa. eVisa is a service for lodging visa applications online.
Foundation course	Typically a one year intensive course designed to equip international students with the skills and capabilities to seek entry into higher education programs in Australia. These courses generally provide an academic entry pathway to first year undergraduate study or its equivalent.
GFC	Global Financial Crisis of 2007-11 which resulted in the collapse of large financial institutions, the bailout of banks by national governments, and downturns in stock markets around the world.

Term/Abbreviation	Description
Group of Eight	Australian National University, Monash University, University of Adelaide, University of New South Wales, University of Melbourne, University of Queensland, University of Sydney and University of Western Australia.
GSM	General Skilled Migration: allows the entry of people who are not sponsored by an employer and who have skills in particular occupations required in Australia. Applicants must pass a points test, which assesses their suitability for employment in Australia.
HDR	Higher Degree by Research: a Masters by Research or a doctoral degree (PhD)
IELTS	International English Language Testing System: one of the tests accepted by DIAC to assess applicants' level of English language proficiency in relation to their assessment level and education sector of study.
IT	Information technology: the use of computers and software to manage information.
JCIE	Joint Committee on International Education: the primary forum for Australian governments to engage collaboratively in pursuing common strategic directions in supporting the sustainability of international education.
MODL	Migration Occupations in Demand List: the list of occupations and specialisations identified by DEEWR that were in short supply. Applicants for GSM received additional points under the GSM 'points test' if they had an occupation on the MODL. The GSM points test no longer awards any points for MODL occupations.
MRT	Migration Review Tribunal: the independent merits review body where people can appeal against a range of decisions by DIAC.

Term/Abbreviation	Description
NEAS	National English Language Training (ELT) Accreditation Scheme. NEAS sets standards of quality in the provision of ELT programs and related services and provides a professional judgment as to whether ELT centres meet and continue to meet those standards.
NCN	Non Compliance Notice. This is an internal DIAC computer system record of a change to a student's circumstances that is automatically generated by reports received from education providers via PRISMS.
NSOC	National Senior Officials Committee. Senior officials of the Commonwealth, State and Territory education departments. They support the Ministerial Committee on Tertiary Education and Employment which is soon to become the COAG Standing Committee on Tertiary Education, Skills and Employment.
OANDA	Olsen And Associates. Financial services provider of currency conversion.
OECD	Organisation of Economic Co-operation and Development: seeks to promote policies that will improve the economic and social well-being of people around the world. The thirty four members comprise many of the world's most affluent countries as well as emerging countries such as Mexico, Chile and Turkey.
Package	Students may package their studies to combine a preliminary course with their main course of study on the one visa subclass. A foundation year before an undergraduate degree, or an ELICOS course before a VET course, are examples of packages.
PhD	Doctor of Philosophy. A higher university degree awarded for original research in various subjects.
PRISMS	Provider Registration and International Students Management System. This is a computer system developed by the DEEWR in association with DIAC for the purpose of receiving and storing information about overseas students.
Provider	Provider of education to international students under the ESOS Act.

Term/Abbreviation	Description
PV	Protection visa. This visa forms the onshore part of Australia's Humanitarian Program and offers protection to people in Australia who engage Australia's protection obligations under the Refugees Convention.
PVA	Pre Visa Assessment. This is an arrangement which applies to offshore higher-risk student visa applicants making their initial visa application by paper (rather than electronically via eVisa). It gives them an indication, but not a commitment, as to whether their final application might succeed.
RSMS	Regional Sponsored Migration Scheme: for skilled workers sponsored by employers operating in regional and low population growth areas of Australia to fill skilled vacancies in their business.
SCV	Student Course Variation: a report of changes in an overseas student's circumstances reported by a provider to DEEWR and recorded in PRISMS.
Sector	Education sector. A division of education services offered by education providers. For student visa purposes the seven sectors are: Independent ELICOS, Schools, VET, Higher Education, Postgraduate Research, Non-Award and AusAID/Defence.
SOL	Skilled Occupation List. The list identifies occupations which are of high value and will assist in meeting the medium and long term needs of the Australian economy. The SOL was developed based on research undertaken by Skills Australia. Persons seeking to apply under one of the GSM visa categories (including the subclass 485 visa) must have a nominated occupation which is on the SOL.
TAFE	Technical and Further Education – the state government run providers of vocational education and training.
TEQSA	Tertiary Education Quality and Standards Agency. This is the new national regulatory and quality agency for higher education. It is an independent body with powers to regulate university and non-university higher education providers, monitor quality and set standards.
the Model	The Proposed Skilled Migrant Selection Model – a set of new rules and procedures due to commence on 1 July 2012.

Term/Abbreviation	Description
TVAG	Tourism Visa Advisory Group. This is a forum for DIAC and the tourism industry to share information on visa initiatives, seek feedback and input on performance and policy developments and discuss emerging issues.
VAC	Visa Application Charge. This is the fee paid to lodge an application. It is not refundable if a visa is refused.
VET	Vocational Education and Training. Courses in the VET sector lead to the award of an AQF Certificate I, II, III, and IV, VET Diploma, VET Advanced Diploma, or Advanced Certificate.
YTD	Year to date.

The following visas are referred to in this report.

Student Visa Subclass	Description
570	Independent ELICOS Sector – for students studying stand-alone English language courses
571	Schools Sector – for students studying at primary, junior secondary or senior secondary school courses, and approved secondary school exchange programs
572	Vocational Education and Training (VET) Sector – for students studying Certificates I, II, III or IV (except ELICOS), VET diploma, VET Advanced Diploma, Vocational Graduate Certificate or Vocational Graduate Diploma courses
573	Higher Education Sector – for students studying a Bachelor Degree, Associate Degree, Graduate Certificate, Graduate Diploma, Higher Education Diploma, Higher Education Advanced Diploma or Masters by Coursework
574	Postgraduate Research Sector – for students studying Masters by Research or a PhD
575	Non-Award Sector – for students studying non-award foundation studies, or other full-time courses or components of courses not leading to an Australian award. This includes many exchange students.
576	AusAID/Defence Sector – for students sponsored by AusAID or the Australian Department of Defence undertaking full-time courses of any type
580	Student Guardian – for parents or relatives to stay in Australia as the guardian of a student who is studying in Australia

Work Visa Subclass	Description
119/857	Regional Sponsored Migration Scheme (RSMS) – for skilled workers sponsored by employers operating in regional and low population growth areas of Australia to fill skilled vacancies in their business.
121/856	Employer Nomination Scheme (ENS) – for skilled workers sponsored by Australian employers for a permanent visa to work in their business.
175	Skilled – Independent (Migrant) Visa – for foreign nationals under 45 years of age who have the skills and qualifications that meet the Australian standard for an occupation on the Skilled Occupation List (SOL)
176	Skilled – Sponsored (Migrant) Visa – for foreign nationals under 45 years of age who have the skills and qualifications that meet the Australian standard for an occupation on the SOL. Sponsorship by an eligible relative living in Australia or nomination from a participating State or Territory government agency is required.
457	Temporary Business (Long Stay) - Standard Business Sponsorship – for overseas skilled workers sponsored by employers to fill nominated skilled positions in Australia.
485	Skilled – Graduate (Temporary) – for international students who do not meet the criteria for a permanent General Skilled Migration visa to remain in Australia for 18 months to gain skilled work experience or improve their English language skills.
885	Skilled – Independent (Residence) visa – for international students who have completed their course studies in the last six months in Australia and holders of certain temporary visas to apply for permanent residence. A points test is used to select visa applicants with characteristics needed in the Australian labour market. No sponsorship is required.
886	Skilled – Sponsored (Residence) visa – for international students who have completed their course studies in Australia and holders of certain temporary visas to apply for permanent residence. A points test is used to select visa applicants with characteristics needed in the Australian labour market. Sponsorship by an eligible relative living in Australia or nomination from a participating State or Territory government agency is required.
887	Skilled – Regional (Residence) visa – for holders of certain provisional visas to apply for permanent residency. The applicant must have lived for at least two years and worked full time for a total period of 12 months in a Specified Regional Area of Australia before lodging a visa application.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 1 How did I reach my conclusions?

I started the Review with no preconceived ideas. Nor was there any secret list of prospective recommendations handed to me by either of the Ministers involved.

Personally, I have no background in this area. Apparently that was one of the attractions for the two Ministers: they wanted someone genuinely independent who would take a fresh look at the problems. While this meant I commenced with "clean hands" it inevitably meant that I also had an "empty head". Those who are unhappy with the recommendations in this Report will probably emphasise this fact.

During the course of the Review I met with many interested stakeholders. Appendix 2 contains a list of almost 300 stakeholders I consulted with. I travelled extensively within Australia to meet with education providers, students (and former students), business groups, trade union representatives, regulators, representatives of State and Federal governments, community groups, agents, other stakeholders and interested parties.

Together with the Head of the Review Secretariat, I visited India, China and Malaysia. We met with a wide range of stakeholders in each of those countries including, of course, representatives of their governments.

My terms of reference also required me to look at what our "competitor countries" are doing. While I did talk by phone to senior people in the Review of the UK Tier 4 Student Visa Scheme, I found it especially valuable to meet with officials from the United States of America (US), United Kingdom (UK), Canada and New Zealand in New Delhi, Beijing and Kuala Lumpur. Rather than visit the capital cities of our competitors, I chose instead to look at what their representatives are actually doing in key countries where we are competing for students.

As part of the Review process I produced (with the help of the Secretariat) a discussion paper to assist people in making submissions to the Review. That discussion paper can be accessed at www.immi.gov.au/students/student-submissions/pdf/student-discuss.pdf. As I said in the introduction to the discussion paper:

It is not meant to be a detailed discussion of all of the issues in this very complex area. Nor is it intended to foreshadow the recommendations of my final report. It is simply an outline of some of the issues already drawn to my attention which the Review needs to consider.

...(the discussion paper) is meant to stimulate discussion not pre-empt it. Please feel free to contribute your thoughts on any issue you feel is important which falls within my terms of reference.

There was a public call for submissions to the Review on 3 February 2011. A copy of the relevant media release is in Appendix 3. Many stakeholders and other interested parties were also sent emails encouraging them to make submissions. Submissions closed on 15 April 2011. Individuals and organisations making submissions were not limited to matters in the discussion paper. Many submissions did in fact raise important issues that had not been covered in the discussion paper and they have been taken into account in formulating this final Report. In all there were 202 submissions. A list of those who made submissions is contained in Appendix 4. The overwhelming majority of submissions (minus a handful where confidentiality was sought) were made publicly available at www.immi.gov.au/students/student-submissions/submissions-received.htm. And yes I did personally read each and every submission.

In addition to the formal submissions, there was a large volume of other written material which the Review needed to consider. This included statistical information, media reports, academic publications, and existing policy documentation.

As I began to formulate my recommendations there was an essential period of "reality testing", particularly with Department of Immigration and Citizenship (DIAC) officers, to make sure that they are practical and can be implemented.

Thanks

I want to take this opportunity to publicly thank everyone who participated in the Review process. Every contact I had (whether in person or in writing) helped to contribute to my understanding of the issues and was an important part of working towards the recommendations in this Report. While this Report could not encompass every single piece of information given to me, that does not mean it was not considered or that it did not play a part in helping shape my thinking.

For those who are disappointed with my recommendations I want to say that you did have a chance to be heard and your views were considered. Generally those who might be less happy with the outcome did put their views forcefully, articulately and cogently. They weren't ignored; it's just that I came to a different conclusion than the one they would have liked.

I would like to thank the many people from Australia, and countries which send students to Australia, who assisted the Review. I also received considerable help from the representatives of our competitor countries. Frankly I was amazed at the openness and generosity of both immigration and education representatives from Canada, New Zealand, the UK and the US in sharing their thoughts and experiences with me. It was very helpful and much appreciated.

Naturally I am grateful to the two Ministers for trusting me with this unique and interesting opportunity. Thanks also for the support from their personal staff.

This Review would have been impossible to conduct without the genuine support of senior officers from the two departments most involved: the Department of Education, Employment and Workplace Relations (DEEWR) and DIAC.

DIAC had a central role to play as the department which primarily administers the student visa program. I am particularly appreciative of the warmth and cooperation I received from many DIAC officers both throughout Australia and at overseas posts. It can't have been easy having a former State politician looking over their shoulders but the DIAC officers were always professional in their dealings with me. Many of them did much more than that and were very generous in the help and support they gave me. It is always risky to single out individuals but I particularly want to thank Kruno Kukoc, First Assistant Secretary, Migration and Visa Policy Division, and Paula Williams, Assistant Secretary, Education and Tourism Branch, who were my primary departmental contacts. Their input was invaluable.

Above all I want to thank the Secretariat which was superbly led by Penelope Robinson. John Hayton from DEEWR with his wealth of educational contacts and experience was a great contributor.

For the duration of the Review the Secretariat included Alexandra Procailo and Anna de Plater. At various times Neil Mullenger, Tandiana Sudirjo, Marianne Bowman and Sean Jolly also were part of our team.

All of the individuals in the Review Secretariat were a tremendous help and I simply would never have gotten to this point without them. But if there is anything which you don't like in the Report they are entirely blameless. In the end this is my Report and any faults you might find with it are definitely my responsibility.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 2 Principles which underpin this Report

No report is ever written in a vacuum. Every report has an underlying philosophy. Sometimes that is explicitly stated; more often it is just implicit and requires the reader to distil the underlying values. At the outset I want to make clear the principles and assumptions which underpin this Report.

1. The international education sector is a good thing for Australia

International students provide many benefits for Australia. Obviously their fees are an important income source. Combined with the other expenditures, on accommodation and living expenses, they generate substantial economic benefits. International students also add to the diversity of our student population. They provide enduring cultural links between individuals, institutions and countries. The starting point of this report is that all of these things are good for Australia.

2. Australia's "brand" depends on quality

Australia has a justifiable reputation as a quality provider of education. This is true across a variety of sectors: higher education, vocational education and training (VET), the teaching of English (ELICOS) and primary and secondary schools. And there are quality providers in both public and private sectors. Regrettably it is also the case that in recent years some low quality providers entered the sector particularly, but not exclusively, in some parts of the private VET sector. Going forward, maintaining Australia's reputation for quality is intrinsic to building a sustainable international education sector. We need good quality students in good-quality courses. Any diminution in quality compromises Australia's education "brand" and is harmful to the sector as a whole. It also tarnishes Australia's broader reputation for quality and could undermine our national "brand" beyond the education sector.

3. While growth is generally a positive it must be sustainable

Growth should not be an end in itself. Generally an increasing international education sector is desirable but it should not be growth at any cost. Bringing poor quality students into a poor quality course might have short-term economic benefits. However this is not socially desirable, educationally defensible nor helpful in building a long-term viable international education sector. Even high quality growth can bring its own problems. Increasing student numbers puts pressure on infrastructure, rents, community services, and, in some cases, the level of community acceptance.

4. There will always be a link between study and migration – even if only in the minds of prospective students

From time to time Australian governments change the rules and procedures in relation to who can migrate to Australia. These changes are quite properly made with the intention of enhancing Australia's national interest. At different points in time the weighting given to successful study with Australian education providers will differ. So too will the range of educational qualifications which are deemed to be of particular value to the Australian labour market. Whatever the rules, at any time there is always likely to be some intersection between study in Australia and the prospects of migrating to Australia - even if it is only in the minds of prospective students. How this relationship is managed will always have profound implications for the integrity of Australia's migration controls.

5. There is an inherent conflict between increasing the size of the international education sector and reducing the risk to integrity of migration controls

Regrettably we can't have it all. Huge student numbers and no risk to Australia's migration controls are simply not possible. Even with the demise of the shonkiest operators, who were really selling migration outcomes while masquerading as education providers, there is still substantial risk in the system. At one end of the spectrum educational providers have a financial interest in having more international students. At the other end of the spectrum, DIAC has the responsibility to only allocate visas to students who will return home (except when offered a legitimate pathway to permanent residence). It is also DIAC officers who have the difficult task of removing those who overstay their visa period. Unfortunately, the people who are the hardest to remove are often the people Australia would be least likely to choose if they were applying for migration from their home countries.

6. It is the Australian government of the day which decides what is in Australia's national interest

The welfare and interests of international students are an important and legitimate concern. So too is the financial interest of Australian educational providers and the broader economic interests affected by the number of international students in various communities around Australia. So far as many individual students are concerned, the closer the link is between studying in Australia and migration to Australia the better. And the more desirable it is from a student point of view then the better the potential short term rewards there are for education providers. But in the end it is the Australian Government, not students, not agents, not educational providers, not individual employers or even state governments which must decide what the appropriate link is between the international student sector and Australia's migration policy. And it is the government which must also decide the appropriate balance between the benefits international students bring and the risks some potential students pose to the integrity of the nation's migration controls.

7. An effective student visa system involves "playing the percentages"

No matter how well designed it is, no visa program provides guarantees for the outcomes of individual visa holders. For example, the granting of short-term visas for tourism purposes does not guarantee that the tourist will behave appropriately during their visit and will return home at the conclusion of the visa period. Instead, the system relies upon a series of indicators which maximise the chances of those people granted visas complying with the conditions. When the indicators are sensible and the rules are carefully applied then a high percentage of successful applicants will behave appropriately.

The same is true of the student visa program. Particular individual cases can give quite aberrant results. Take the following examples, both of which are theoretically possible:

- A highly educated student from a very respectable family in an Organisation of Economic Cooperation and Development (OECD) country comes to study for a PhD in chemistry at a leading Australian university. He ends up manufacturing illegal drugs for a crime syndicate.
- A poorly educated student from a family with criminal connections in a non-OECD country enrolls with an Australian education provider at the lower end of the market. His real intention is not to study but to manipulate the system to work and gain permanent resident status. However over time he becomes a successful businessman, a model citizen and his daughter becomes a university professor of chemistry.

Both of these extremes really could occur. But a student visa program cannot rest upon individual cases. It must instead look at how likely it is that the total group in a particular class of applicants will give Australia a good or a poor outcome. The odds of many in the class of people in the first example above "going bad" is relatively low. By contrast, the odds of a large group with the characteristics of the second example being the sort of migrants Australia wants is also low. In all potential groups of student visa holders, some individuals will turn out better and some worse than the general group. But it is the likely behaviour of the total group which must form the basis of policy formulation. We must "play the percentages" if we are to manage risk effectively.

8. The best way of reducing migration risk is to refuse the initial applications of people seeking to exploit the system

Once in Australia, people intent on undermining the integrity of the migration rules may seek review mechanisms in order to potentially avoid, or delay, removal for failure to comply with their visa conditions. This is not to say that every visa holder who seeks to avail themselves of Australia's justice system and appeals procedures is someone trying to pervert the system for nefarious ends. However, the same legal procedures available for those the process was intended to assist are also available to those with less pure intentions.

There is also always the possibility of people who intend to rort the system going "underground" and seeking to avoid detection for failing to comply with visa conditions.

The financial costs of removing from Australia those who breach their visa conditions are comparatively high compared to the costs of rigorously assessing their initial applications. Therefore a dollar spent on dealing appropriately with high risk applicants in their own country at the time of their application could save the Australian taxpayer many times that amount in detection and appeal processes should such an applicant get to Australia.

9. Resources should be concentrated on targeting risk

The simpler and easier procedures are for low risk applicants then the quicker and less resource intensive the process will be for both them and DIAC. It is in everybody's interest to expedite the granting of student visas to low risk applicants. Long and complicated procedures not only delay the issuance of visas to low risk applicants but they also divert resources that could be better used to give more careful consideration to higher risk applications.

The primary place for targeting resources to high risk applicants is "offshore" when the initial application is made. However the same principle of targeting resources to high risk areas also should apply within Australia when dealing with breaches of visa conditions.

10. In order to combat new rorts as they emerge, the rules and procedures cannot be static

While the vast majority of international students have good intentions, there will always be some applicants who will seek to exploit the system, either by trying to manipulate weaknesses within the rules or by trying to circumvent the rules.

While I am confident that the adoption of the recommendations in this Report would lead to an improved student visa program, I cannot guarantee that the measures would be foolproof. Indeed I am certain that they will not be.

Inevitably there will be unintended consequences of any changes to the student visa program. Unfortunately the nature of most unintended consequences is that they are also unanticipated. So when new, unanticipated rorts emerge it is important to respond to them quickly. As people with dubious motives find new ways to circumvent the system it is essential that the relevant authorities respond quickly and adjust the system to ensure the integrity objectives continue to be met.

Chapter 3 The Context

Australia's international education sector is substantial. Before 1985 it was quite tiny. The big change came when the then Australian Government first allowed universities to recruit full fee paying students from overseas. From then on the sector grew steadily: in the universities, other higher education providers, and the VET sector. This growth was paralleled by increasing enrolments in English language training (ELICOS) and secondary schools.

Table 3.1 below, shows that over the period 2002 to 2010 higher education enrolments have grown steadily. By contrast the VET sector experienced explosive growth and quadrupled in size over the period 2005 to 2009.

Overall enrolments peaked in 2009. However higher education enrolments continued to grow in 2010. VET, ELICOS and Other enrolments peaked in 2009 while Schools peaked in 2008. The Other category covers non-award courses, predominantly Foundation courses but also study abroad and exchange. These are mainly run by universities.

Table 3.1 Enrolments by sector 2002-2010									
Sector	2002	2003	2004	2005	2006	2007	2008	2009	2010
Higher Education	124,666	146,128	164,008	177,864	185,449	192,223	202,270	226,011	243,591
VET	44,786	45,991	45,547	50,919	67,018	101,988	153,881	207,985	206,581
Schools	23,223	26,945	27,311	25,096	24,479	26,765	28,303	27,380	24,235
ELICOS	57,452	62,101	61,743	64,560	76,905	102,214	127,247	137,539	113,477
Other	23,933	25,949	25,952	26,257	26,437	27,331	30,122	31,748	31,235
Grand Total	274,060	307,114	324,561	344,696	380,288	450,521	541,823	630,663	619,119

Source: AEI Statistics

Students came from a variety of countries. Not surprisingly, the biggest enrolments were from the two most populous countries in the world, China and India. Among other things, Table 3.2 below illustrates the rapid rise, and subsequent significant fall, in the numbers of Indian students studying in Australia.

Table 3.2 Enrolments by nationality 2006-2010					
Nationality	2006	2007	2008	2009	2010
China	95,581	113,680	134,641	157,262	167,767
India	38,670	62,861	96,589	120,496	100,310
Republic of Korea	30,888	34,256	35,145	35,656	33,986
Vietnam	6,710	9,634	15,853	23,713	25,788
Thailand	17,719	19,749	22,242	26,380	24,882
Other nationalities	190,720	210,341	237,353	267,156	266,386
Grand Total	380,288	450,521	541,823	630,663	619,119

Source: AEI Statistics

The most recent Australian Education International (AEI) data, to the end of April 2011, reflects the same trends with respect to overall enrolments. Enrolments in higher education continue to grow albeit at ever slower rates while the declines in the VET, ELICOS, Schools and Other sectors continued unabated.

Table 3.3 Enrolments by sector 2010-2011 Apr YTD			
Sector	YTD Apr 2010	YTD Apr 2011	Change %
Higher Education	198,416	203,708	2.7
VET	144,291	115,364	-20.0
ELICOS	64,104	50,615	-21.0
Schools	20,200	17,340	-14.2
Other	19,229	17,636	-8.3
Total in Australia	446,240	404,663	-9.3

Source: AEI Statistics

Overall enrolments are down 9.3 per cent year to date (YTD) until April 2011 when compared with April 2010. However the higher education sector, which is mainly universities, continued to grow slightly (2.7 per cent). Both the VET (-20 per cent) and ELICOS (-21 per cent) sectors continued to substantially contract. Enrolments in Schools (-14.2 per cent) and the Other category (-8.3 per cent) also continued to fall.

Table 3.4 Enrolment by nationalities 2010-2011 April YTD				
Nationality	YTD Apr 10	YTD Apr 11	Change	Share of all
China	123,818	120,799	-2.4	29.9
India	74,530	52,156	-30	12.9
Republic of Korea	24,512	21,417	-12.6	5.3
Malaysia	20,130	19,565	-2.8	4.8
Vietnam	18,529	18,043	-2.6	4.5
Other nationalities	184,721	172,683	-6.5	42.7
All nationalities	446,240	404,663	-9.3	100

Source: AEI Statistics

As can be seen in Table 3.4 above there was a decline in enrolments from all the top five nationalities. However the declines were very different with the number of enrolments from China declining by 2.4 per cent while those from India declined by 30 per cent.

While the total number of students in Australia remains strong by historical standards, the decline in new enrolments in the period 2009 - 2011 will have a continuing effect in future years, especially in the university sector where courses normally run for three or four years. Even if new enrolments return next year to earlier levels – and for the sector as a whole that is unlikely – the flow through effects of the 2009 – 2011 reductions will ensure that the overall numbers will still be below the previous peak.

For those education providers which rely entirely on international students any reduction in numbers obviously impacts their commercial viability. Other education providers which have a majority of domestic students but also substantial numbers of international students, like the universities, can also be strongly affected by a drop in international student numbers.

Not only is there a loss of fee income from any reduction in the number of international students coming to Australia but there are also adverse flow on effects for the economy. Students don't just pay fees; they rent accommodation, buy food and spend on a range of goods and services. Their families often come to visit and that adds to Australia's revenue derived from tourism. Fewer international students also mean fewer direct jobs in the education providers. This can have a further negative multiplier effect on the local economy, especially in those regional cities where education providers are among the main employers.

With regard to the Australian economy, international education is a substantial industry in its own right. However, throughout this report I have deliberately not used the term "industry". Instead I have referred to the "international education sector". Many students, parents and representatives of governments in the countries that provide students to Australia balk at the term "industry". While they accept that our education providers all make a "profit" on the fees of international students, there is still a strong belief that the underlying philosophy should emphasise educational rather than commercial imperatives.

No matter which term you use to describe our international education providers, recruiting students is critically important to their commercial viability. So it is hardly surprising that there was universal concern within the international education sector when student numbers began to fall. Many in the sector refer to the recent past as creating a "perfect storm". They point to a series of factors, the combined effect of which was a severe downturn in enrolment numbers of international students with Australian educational providers. Those factors include:

- **The strength of the Australian dollar.** Between the start of 2009 and the end of 2010 the Australian dollar increased its value against the currencies of our main competitor countries. The increases in value, calculated using www.oanda.com, were by 40 per cent in relation to the US dollar, 35 per cent for the UK pound, 19 per cent for the Canadian dollar and 11 per cent against the NZ dollar. For any Australian buying goods from America or the UK this was terrific. But for Australian education providers it quickly meant their courses became comparatively more expensive for international students than they were previously. Any price advantage Australian educational providers may have had evaporated in a quick and unexpected manner. And to make matters worse, Australia's two largest currency appreciations involved our two biggest competitors.

- **The rapidity and magnitude of changes to Australia’s migration and student visa policy settings.** In August 2009 stronger integrity checks were put in place for student visa applications. These included much closer scrutiny of applicants by DIAC officers based in some of our major markets. This initiative led to a substantially increased rejection rate for applicants from some parts of some countries. From 1 January 2010 the amount of living expenses which DIAC required applicants to have access to for each year of study dramatically increased - from \$12,000 to \$18,000. This figure had not been increased since 2001 and no longer reflected the true cost of living. On 8 February 2010 the Australian Government revoked the Migration Occupations in Demand List (the MODL). This action alone dramatically weakened the connection between studying in Australia and gaining permanent residence. Prior to this, international students undertaking any course on the MODL and the Skilled Occupations List (SOL) had what many perceived as an almost guaranteed path to gaining permanent residence in Australia. While all of the migration and visa changes were justifiable on the grounds of integrity and national interest there was a perception in some parts of the world that Australia had "rolled up the welcome mat".
- **Damage to Australia’s reputation flowing from international students’ safety concerns.** In the later part of 2008 and through 2009 there was an upsurge in reported crimes where the victims were international students. The largest incidence of this was in Melbourne and the victims were particularly Indian students studying vocational courses. These safety concerns received huge publicity overseas, particularly in India. Not surprisingly this undermined Australia’s reputation as a safe destination for students. The concerns of potential students and their parents were not limited to prospective Indian students considering vocational education courses in Melbourne. It spread across students and parents from a range of countries, and affected their judgements about a plethora of courses in many Australian cities. The state governments and their police forces responded to these concerns and the physical dimension of the problem was dramatically improved. But by then the reputational damage had been done and it will take some time to overcome the negative perceptions.
- **Bad publicity from provider closures.** In the last two years a significant number of providers, primarily in the private VET sector, closed with little or no warning. 16 providers closed in 2009 displacing 5,795 international students. A further 5,891 students were displaced in 2010 when another 33 providers closed. In some cases the same students were displaced more than once. While Australia's tuition assurance protection arrangements assisted those students into places with other education providers, the closures resulted in negative publicity internationally. Understandably, potential students and their parents worried about whether the provider they were considering would also end up collapsing.

- **The effects of the Global Financial Crisis (GFC).** Almost every aspect of the Australian economy was hurt in some way by the GFC. The international education sector was not immune.
- **Increased competition from international education providers in other countries.** More international students study at universities in the US than in Australia. But the percentages of international students in most individual US universities are much smaller than in their Australian counterparts. So they can take on many more international students if they want to. In the last couple of years a significant number of US universities and colleges have become much more active in recruiting international students. In the case of some public universities this has been a reaction to reductions in funding from the relevant state governments. They have sought to "fill the financial gap" by recruiting more international students. Canada too has become increasingly active in recruiting international students. Notwithstanding some tough decisions arising from their recent review, the UK continues to be an active competitor in Asia, particularly in the university sector. On a much smaller scale New Zealand continues to be active. Some European countries whose main language is not English have introduced courses in English to attract international students. And some countries like Singapore and Malaysia which have traditionally sent their students to Australia are now beginning to compete with Australia for the students of other countries.

The "perfect storm" is real and it is a serious problem. However it is important to recognise two additional facts.

Firstly, a number of matters negatively impacting the international education sector are things which are beyond the control of both the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and the Minister for Immigration and Citizenship. They cannot solve the effects of the GFC in the countries where Australian education providers seek to recruit students. Nor can they influence the factors which lead some US colleges to more actively recruit students from Asia. Similarly they cannot reduce the value of the Australian dollar in order to make our education providers more price competitive in the market for international students. True, these two Ministers can significantly impact some of the other matters, principally the visa and migration settings and (once the new national regulators are in place) the quality of registered educational providers. But the international education sector should not assume that the government dealing with those matters will necessarily restore international student numbers to the previous peak. Even if all providers are perfectly happy with all of the post Review initiatives implemented by the Australian Government, those initiatives alone cannot possibly solve all of the problems faced by the sector.

Secondly, there are genuine concerns about the risks to Australia's migration program posed by some aspects of the international education sector. The migration and student visa changes in 2009 and 2010 mentioned above did have an impact on the international education sector. But they were not made arbitrarily or capriciously. Nor were they made in a vacuum. They were made precisely because certain things were occurring within the sector – including things previously sanctioned by government – which were undermining the objectives of Australia's migration program.

Between 2002 and 2010 the numbers of international student enrolments rose dramatically from 274,060 to 619,119. The rise was especially rapid between 2005 and 2009 when the VET sector increased from 50,919 to 207,985. And it was accompanied by an especially dramatic increase in enrolments from the India subcontinent. These rose from 27,485 to 120,496 in just five years. The growth in the numbers of VET students from India was even more spectacular - increasing from 3,389 in 2005 to 75,573 in 2009.

A significant driver of this growth was the link between international education and migration to Australia. This was the policy of the Howard Government, initially continued by the Rudd Government. The underlying principle seemed very sensible: if Australia needed migrants to fill skill shortages then why not train international students here prior to them migrating? That way we would know that their qualifications were definitely right for Australian standards and they would have a much better understanding of the Australian way of life than a newly arrived migrant. And the fact that the international students were paying Australian education providers for their training was a bonus.

In theory it was a great idea. Unfortunately it didn't work out so well in practice. Unquestionably there are students who came to Australia via this arrangement, studied hard for good qualifications, obtained permanent residence status, later became citizens, and continue to work in a profession where Australia has skill shortages. These former international students have become valuable members of our nation. Regrettably that was not the whole story. Under this (now abolished) arrangement an international student was virtually guaranteed permanent residence in Australia if he or she did a course which led to a qualification for an occupation on the MODL or an occupation that gained 60 points on the SOL. These were very long lists. Do a course for any of the number occupations on these lists – whether it was mining engineer, accountant, hairdresser, cook, baker, drainer, fibrous plasterer etc – and so long as they passed a health check, met English language requirements, and didn't have a criminal record or were a security threat; then they were on the fast track to permanent residence.

For many people this became an easy way to migrate to Australia. You can't really blame the students for that. Australia is a great place to live. But instead of driving an increase in particular skills which Australia needed, the scheme outlined above ended up driving migration per se. People seeking to migrate to Australia often look for the easiest, cheapest, fastest way to do so. A lot of reputable institutions ramped up courses which would give an international student a SOL or MODL qualification. Some less reputable institutions set up courses with no serious educational purpose but basically designed to get fees from students en route to a migration outcome. Further down the food chain some nefarious operators set up whole institutions as nothing more than a migration scam.

Then there were some unscrupulous education agents on impossibly high commissions, funnelling students with fraudulent documents into any course irrespective of the quality of the course or the student. (I have met several DIAC officers who were told by prospective students that their interest in studying a hospitality course was "because I want to work in a hospital").

Many of the former students who accessed this scheme have obtained permanent residence status in Australia. And while some are working in the occupations they trained for many are not. Our capital cities do seem to have a lot of taxi drivers who studied commercial cookery, hairdressing or Information Technology (IT). Australia ended up with a lot more migrants but that of itself did not adequately address the nation's skill shortages.

It is not the role of this Review to apportion blame for that unfortunate period. Suffice to say that the changes made by the Australian Government in 2009 and 2010 were in response to this undermining of the migration program.

However, the effective severing of the nexus between study and permanent residence has not removed all of the risks in the student visa program. Unless it is conducted offshore (more about that in Chapter 15) international education does not exist independent of migration policy or independent of the prospects of undermining that policy.

Australia is a wonderful country and for significant numbers of people from less affluent countries Australia is a more attractive place to live than their home country. It is a basic fact of life that more people would like to come and live in Australia than is sustainable. Some people try and manipulate the migration rules to their own advantage; others simply break them. It is hardly surprising given the relative attractiveness of Australia that some people will try and circumvent the proper pathways if they are seeking to migrate. Similarly, for people who do not have the requisite skills or character that Australia is seeking in prospective migrants, the only way for them to get here is to blatantly break the rules.

Some people trying to get around Australia's migration rules pay people smugglers to put them on boats. Others try and obtain a visa as a tourist with the intention of never going home. And some will seek to come on a student visa with no genuine intention to study but with a fierce determination to remain in Australia. In all of these cases there will always be people without scruples but with high demands for money who will seek to exploit the situation of those determined to come to Australia.

Of course this does not mean that everyone seeking to come to Australia has impure motives. The overwhelming majority of tourists who visit Australia have an enjoyable time and return to their homes. Some "boat people" are genuine refugees whom most Australians are prepared to embrace on humanitarian grounds. The vast majority of international students are law-abiding and will return to their home countries irrespective of whether there is a pathway to permanent residence in Australia. And those who do find a legitimate pathway to permanent residence are generally great additions to our society. But Australia does need to choose carefully. The door is not open to anyone just because he or she would like to migrate to Australia. Unquestionably the Australian Government has both the right and the obligation to introduce the necessary controls.

The "perfect storm" scenario is real and it is a serious problem for the international education sector. But it is not the only relevant part of the context in which this Review takes place. Other factors which need to be taken into account include:

- concerns about the quality of some education providers and the effectiveness of regulatory controls;
- business groups' concerns about obtaining workers with the right skills and not just "paper qualifications";
- trade union concerns about the undermining of quality, wages and conditions, and the exploitation of both international students and Australian workers;
- debate in our country over the size and nature of the migration program; and
- the new skilled migration rules announced with the 2011/12 Federal Budget.

The new proposed Skilled Migrant Selection Model (the Model) is a two stage process to be implemented from 1 July 2012. Interested people will first be required to make an expression of interest. That is an online process and can be submitted from anywhere in the world, including by someone temporarily within Australia. But it is not a visa application and therefore will not give rise to a bridging visa while someone waits for a determination.

From time to time individuals who have made an expression of interest might be invited to lodge an application for a visa. This is the second stage of the process. It is an invitation to apply, not a guarantee of approval. Generally a person will only be invited to lodge an application for skilled migration if they have a suitable qualification and work experience in an area where Australia seeks skilled migrants at the time the invitation is made.

The abolition of the MODL list and the introduction of a better targeted SOL in 2010 effectively removed an almost guaranteed pathway to permanent residence for international students who undertook certain courses of study. After that time a prospective student could still make judgements based on a much reduced SOL on what courses might improve their chances of a subsequent successful application for permanent residence. Implementation of the Model from July 2012 shifts the dynamic further towards Australia's skill needs rather than to the migration aspirations of individual students. Hopefully this might lead to more students studying the courses they find useful for their own occupational future - wherever that might be – rather than an incentive to pick courses because they might lead to a migration outcome.

None of this means that there won't be pathways to migration for individual international students who have the skills which Australia needs. But the pathway will be much more targeted than it was in the past.

Nor do these changes remove the risk of individual students, agents or educational providers trying to rort the student visa system for migration outcomes. Perversely the removal of a set of arrangements under which people could abide by the rules and get permanent residence for the wrong reasons; now increases the risks of individual rorts. If the student rules no longer facilitate a migration outcome for people who would otherwise have great difficulty migrating to Australia, then they have three basic choices: accept they cannot come; seek to manipulate the rules; or deliberately break them. This reality needs to be factored into the context in which decisions are made about the future rules for the international student visa program.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 4 The Foundation Stone

The first item of business when reviewing the student visa program must be to look at the criteria for getting a visa. Just because someone wants a student visa doesn't mean they should get one. There must be some basic rules.

Now I haven't commissioned a survey, but it's a pretty fair bet that the general view of what an international student should be is fairly simple: it is someone who comes here with the intention of getting a good education and then departs Australia.

In that regard it's not much different to a tourist who comes to Australia, has a good time and then goes home. A student is someone who is here longer and with a more focussed agenda, namely to improve their education, but the underlying principle is the same. Maybe some students will end up migrating here. Maybe some tourists will too. But that's a separate issue to be dealt with in a separate process.

The criteria for a tourist visa (which comprise some 90 per cent of all visitor visas) are consistent with the broad expectation just outlined. The overarching criterion is that "the applicant satisfies the Minister that the expressed intention of the applicant **only to visit** Australia is genuine".

An applicant's claim against this criterion is tested by looking at:

- personal circumstances that would encourage them to return to their home country at the end of the proposed visit (for example, ongoing employment, family members, property, economic situation);
- personal circumstances in their home country that might encourage them to remain in Australia (for example, military service commitments, economic situation, civil disruption);
- conditions that might encourage the applicant to remain in Australia such as personal ties;
- the applicant's immigration history (for example, previous travel, compliance with immigration laws of Australia or other countries, previous visa applications/compliance action);
- the applicant's credibility in terms of character and conduct (for example, false and misleading information provided with visa application);
- whether the purpose and proposed duration of the applicant's visit and their proposed activities in Australia are reasonable and consistent (for example, is the period of stay consistent with "tourism"); and
- information in statistical, intelligence and analysis reports on migration fraud and immigration compliance compiled by the department about nationals from the applicant's home country.

The assessment process involves an element of discretion on the part of the DIAC officer assessing an application. But this is underpinned by a series of guidelines and objective matters to be taken into consideration. DIAC officers are advised to take a fair and reasonable approach to the genuine visitor requirement and are given advice. For example, officers are advised on how to assess whether an applicant has sufficient funds to support them while visiting Australia, how to assess older applicants and how to consider risk factors such as a previous application for a permanent visa.

DIAC does an impressive job in assessing applications for visitor visas. Every year it processes some 3.5 million applications. No assessment system can ever be perfect – the only way to be completely sure no-one breaches a visa condition is never to grant any visas. But the overstay rate for visitor visas granted by DIAC is very low. The percentage of visitor visa holders failing to leave Australia before their visas expired was 0.75 per cent in 2009–10 (that is only 3 in every 400). For the same period the rate of visitor visa holders who applied for a protection visa after arriving in Australia was 0.07 per cent (2680 people). These figures demonstrate that the vast majority of visitor visa applicants continue to be correctly assessed as genuine visitors.

Assessing applicants for visitor visas is core business for DIAC and they are very good at it.

By contrast the criteria for assessing a student visa application is not what you might ordinarily expect. It starts with a series of objective requirements such as:

- a confirmation of enrolment (or letter of offer) from a Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registered education provider;
- financial capacity to cover airfares, tuition fees, living costs (level of proof and period held varies according to the applicant's Assessment Level);
- documentary proof of a certain level of English language proficiency (level of proof and English standard required depends on Assessment Level and education sector);
- academic record – evidence of prior study and training (level of proof again depends on Assessment Level);
- health – must be of sound health, and in some cases undertake a medical examination. The applicant also must have overseas student health cover for the duration of their visa; and
- character – must be of good character, make a character declaration and may be asked to provide a police clearance.

A flow chart of the application process, including further details of these criteria, is at Appendix 5.

After these objective criteria are satisfied further consideration is given to **whether the applicant is a "genuine student"** including in the catch all criterion "**other relevant matters**".

Theoretically it is possible for an applicant to meet all of the objective tests, be judged a "genuine student" and then fall at the final hurdle because one of the "other relevant matters" was that the student admitted he had no intention of ever going home. It is also theoretically possible, and probably more likely, for a person with identical circumstances to clear all of the hurdles because they never volunteered their real intention.

In practice, what DIAC officers end up doing when they are concerned about a particular applicant is to look hard at the criterion of what is a "genuine student". This phrase is highly contentious and the two departments most involved in international education - DIAC and DEEWR - ascribe very different meanings to this term. Nowhere are these definitions formally recorded but they are embedded in the culture of each department. For DEEWR officers a "genuine student" is someone who is seriously committed to a course of study. For DIAC it becomes code for whether the applicant is primarily a student and not someone seeking to manipulate the program for migration purposes.

Sometimes these two different definitions coalesce. For example neither department would consider a person with very poor English, seeking to attend a course run by a poor quality provider with a history of involvement in migration scams, as a "genuine student". DEEWR wouldn't see them as serious about their education and DIAC would see their lack of genuineness from an educational perspective as proof that they were seeking a migration outcome and therefore unlikely to return home.

However in many cases the clash of definitions is quite stark. Under the DEEWR "definition" a student who is serious about their study, but has no intention of returning home, might still be considered a "genuine student". From the DIAC point of view a student who is not really serious about their studies but who is likely to return home might still be regarded as a "genuine student". In practice DIAC has used the criterion of "genuine student" as a surrogate measure for what should be the real criterion, namely whether the applicant is **a genuine temporary entrant**.

Not only does the current DIAC system introduce criteria which seem to be more of an educational issue than a migration issue, but the whole regulation appears to be back to front. Instead of beginning with a whole range of technical criteria like the availability of funds, the level of English proficiency and the procurement of health insurance, it would make much more sense to mirror the tourist visa situation and start with the basic criterion of whether or not the applicant will be a **genuine temporary entrant**.

Part of the test for deciding whether or not an applicant for a student visa is a genuine temporary entrant should be whether or not they have an incentive to return home. For example, the only child of a wealthy Chinese family with a vibrant and successful business would have a very strong incentive to return home after studying in Australia. That incentive would be even stronger if the course the applicant intended to study was directly related to the family business.

By contrast an applicant from a persecuted minority group in a relatively poor country, and whose parents are deceased, would have very little incentive to return home.

Yet in both of the preceding examples the students could be equally genuine about their studies. That illustrates the problem of using "genuine student" as a key criterion for deciding whether or not to issue a student visa. The argument that occurs between DIAC and DEEWR about what constitutes a "genuine student" should be redundant. It should not be the principal criterion for assessing an applicant for a student visa.

Similarly, the ongoing issue of the quality of individual courses should also not be at the heart of deciding whether or not an applicant should receive a visa. This is not to say that quality is unimportant. It is certainly preferable that students study at high-quality providers rather than at low quality providers. The integrity of the CRICOS registration process is vital. The new national regulators, the Tertiary Education Quality and Standards Agency (TEQSA) and the Australian Skills Quality Authority (ASQA), will be central to ensuring the quality of providers for both domestic and international students.

But the fact that a prospective student is seeking to study at a quality education provider in no way guarantees that the student will return home on the completion of the course. Indeed in some cases it could be the quality of the course - and the costs associated with doing a course of that quality - that will actually reduce the incentive for the student to return home. Consider the following example:

A student comes to Australia to undertake a two year course in Dental Technology at a TAFE college in New South Wales. The indicative annual costs for attending this course, for an unaccompanied student, will be almost \$37,000 per year as set out in Table 4.1 below.

Table 4.1 Indicative Annual Costs: Dental Technology Course	
Annual Tuition	\$17,890
Materials costs	\$300-\$1,000
Living costs	\$18,000
Airfare	\$1,500
Health Cover	\$420
Visa Application Charge	\$550
Medical Exams	\$300
English Language Test	\$150-\$400
Total	≈\$37,000

The total cash cost of undertaking this two year course is in the vicinity of \$74,000. That's a lot of money in anyone's terms but if you come from a not particularly affluent family in many non-OECD countries it is a huge investment. Assuming that the quality is high it might be a very worthwhile course for a "genuine student", international or domestic, to undertake. But from a student visa perspective there is a much bigger question: can the graduate command a salary premium in their home country that would justify the expense of doing the course? The reality is that while there might be good wages in Australia for someone with a Dental Technician qualification, it is pretty hard to imagine anyone in certain non-OECD countries getting the sort of salary supplement which would go anywhere near justifying the cost of the study. Where then is the incentive to return home? The reality is that, on the face of it, doing the course and returning home just doesn't make any sense.

If you look at the sensible criterion of whether there is an incentive to return home then different students could have different outcomes from the same course. A young man coming from a country with much lower wages than Australia would find it almost impossible to earn a salary at home to justify the expense of undertaking training in child care at an Australian college. Yet a different young man from the same country, sent by his rich parents to do the same course with a view to setting up a chain of western style child care centres to cater for the emerging middle class in that country, could justify the expense. Of course assessing a student's seriousness about returning home should not simply rest on the financial relativities of the cost of the course and the salary of graduates of that course at home. There are legitimate non-material values which people also put on courses. For example, a visual arts student might well spend a lot on a quality course without it leading to any apparent employment in the short term but still be absolutely committed to returning home. A financial cost benefit is not the only element to consider, nor is it the principal element. It is but one of a range of measures to take into account. In the end it all comes down to whether or not it makes sense to go home after doing the course. And if it doesn't make sense, then why should DIAC be issuing a student visa?

So if we reorient the assessment criteria to make better sense, what should it look like? Well, before incorporating the objective measures like level of English and proof of funds, there must be the test of whether the applicant would be a "genuine temporary entrant". A number of simple, straightforward factors could be taken into account when assessing the genuine temporary entrant criterion. These factors might be set out under five key headings:

Applicant's circumstances in their home country

- If a similar course is already available in the home country, does the student have sound reasons for not undertaking the study there?
 - Allowing for any reasonable motives such as wanting to experience a new culture, improving English and the value of an Australian qualification in their home labour market.
- Personal ties (family and community).
- Economic circumstances of the applicant and their family relative to the home country and to Australia.
- Military service commitments.
- Political and civil unrest.

Applicant's potential circumstances in Australia

- Applicant's links with Australia, including any strong community or family links which could encourage overstay or application for a protection visa.
- Applicant's knowledge of living in Australia, the course and the provider. This could include independent research on life in Australia, other courses and education providers.

Applicant's immigration history

- Previous travel, compliance with immigration laws of Australia or other countries, previous visa applications/compliance action.

Value of course to applicant's future

- Is the student seeking to undertake a course consistent with and appropriate to their current level of education?
- Relevance of the course to the student's past or proposed future employment either in their home country or a third country.

- Remuneration the applicant could expect to receive in the home country compared with Australia using the qualifications to be gained from the proposed course of study. This is obviously not so relevant for school or ELICOS students.

Background intelligence

- Information in statistical, intelligence and analysis reports on migration fraud and immigration compliance compiled by DIAC.

These factors would need to be strongly underpinned by advice to decision makers on how to interpret and administer them. This advice should emphasise that they are not "pass or fail" criteria, and the creation of "check lists" based on them would need to be discouraged. Rather, they are components which should be considered in reaching a judgement whether the applicant met or did not meet the genuine temporary entrant criterion. For example, it is feasible that some ties to community in Australia might help demonstrate that an applicant was genuine whereas ties of a different type might help demonstrate the opposite.

The first item of business in assessing a student visa application should be whether the applicant is a **genuine temporary entrant**. But this does not mean that the concept of **genuine student** is not also important. Indeed it should be a critical issue to look at when assessing a student visa applicant. A successful applicant will need to meet both criteria. However, the "genuine student" criterion should now focus on intention to study rather than it being a surrogate measure for whether or not the applicant will return home. While it should be essential to establish that the applicant will be a genuine temporary entrant that would not be sufficient to obtain a student visa. A person who intends to only reside temporarily but who plans to work illegally instead of attending an education course should not qualify for a student visa. A successful applicant for a student visa should be both a genuine temporary entrant **and** a genuine student.

Recommendation 1

That a new element be introduced into the eligibility criteria for a student visa. That new criterion will be to assess whether the applicant is a **genuine temporary entrant**. This new criterion should be the first to be considered in assessing any application for a student visa.

Recommendation 2

A successful applicant must be both a genuine temporary entrant **and** a genuine student.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 5 The Universities

One of the principal outcomes of this Review is to recommend improved visa access arrangements for Australian universities. A central conclusion is that our universities should be treated differently to the rest of the international education sector. This is not based on any personal whim or philosophical premise. Nor does it result from the fact that many years ago I studied at an Australian university. I subsequently taught at a number of TAFE colleges and several members of my family have received excellent educations from VET providers. In the paragraphs below I will set out a number of sound public policy reasons why I believe that the universities need to be treated differently.

First, it is worth considering the context in which Australian universities currently operate. All Australian universities are now heavily dependent upon international students. Some of Australia's oldest universities belong to an association called the Group of Eight. As Table 5.1 below indicates approximately one quarter of all students studying at the Group of Eight universities are international students.

Table 5.1 Group of Eight Universities Student Load 2009			
University	Domestic	International*	Per cent intn'l
Australian National University	13,309	4,270	24
Monash University	38,811	21,114	35
The University of Adelaide	15,945	6,229	28
The University of Melbourne	33,443	12,005	26
The University of New South Wales	34,883	11,487	25
The University of Sydney	38,463	11,969	24
The University of Queensland	31,757	8,826	22
The University of Western Australia	16,770	5,137	23

Source: Table 2.10 - DEEWR higher education statistics
 *International includes international students in Australia and international students studying offshore. In most cases this is only a few hundred but Monash has very substantial numbers at campuses in Malaysia and South Africa.

Frankly, I was surprised in the course of this Review to discover how high that percentage is. I suspect that many other Australians would also be surprised. The percentage varies from university to university. Some are considerably lower than the Group of Eight average; some are considerably higher. What is common to all of the Australian universities is that they are now dependent upon recruiting international students. The revenue from international students is extremely important to the universities.

Generally, the fee paid by an individual international student is different than the Australian Government and student contribution for a domestic student undertaking the same course. Table 5.2 below sets out some comparisons for different courses. The actual figures paid by international students vary from course to course and university to university. The table picks the fees from a range of different universities to give a flavour rather than detailed statistical analysis.

Table 5.2 Funding received by higher education Provider (\$ '000)		
Degree Type	Domestic*	International
Bachelor of Arts	43	61
Bachelor of Commerce	33	80
Bachelor of Civil Engineering	93	82
Bachelor of Information Technology	50	52
Bachelor of Medicine/Bachelor of Surgery	143	205
Bachelor of Science	69	69
<small>*Students are assumed to only undertake units in the same funding cluster as the overall course *Bachelor of Arts is assumed to be in social studies. Source: DEEWR and CRICOS</small>		

Generally the universities receive more money for an international student than a domestic student. Significantly the fee differential is particularly large in the course which is extremely popular with international students– the Bachelor of Commerce.

Universities use the fees from international students to help subsidise their general operations. Without that income they would have to either reduce their level of research or reduce their level of services to Australian students, most likely both. The only way to avoid such reductions would be for Australian taxpayers to "make up the shortfall".

But it is not just about money. Quite rightly the universities argue that there are other important benefits from international students. They bring a diversity of culture and background which enriches campus life for all students. International students expose domestic students to different cultural experiences and friendships are created across national boundaries. These **people to people links** can have an enduring value for Australia over many decades. There are ongoing benefits in trade, the political relationships between countries, and research collaboration. At its best, a positive experience of studying here creates hundreds of thousands of unofficial ambassadors for Australia.

Of course, many of these points are also true for other higher education providers and for the VET sector. So what makes the universities entitled to special treatment? In my opinion there are several important factors:

- 1. The universities are the spearhead of Australia's international reputation for education.** It was the universities which first recruited international students in substantial numbers. More importantly, it is the universities which are held in the highest regard by both parents and governments in the countries in which Australia seeks to recruit international students. For example, when parents in China are considering spending a very large amount of money to send a child to study in Australia their focus is overwhelmingly on sending them to university. My discussions with representatives of both the Indian and Chinese Governments reinforced this view. Universities are central to maintaining Australia's global education "brand" as one of quality.

2. **Quality is high right across the entire Australian university sector.** There is a great deal of healthy rivalry between the Australian universities. The universities often argue amongst themselves about relative quality and individual universities are quick to trumpet the news when they receive a higher ranking on an international list than some of their competitors. But notwithstanding this rivalry there is a general, and justifiable, agreement that the quality of education at Australian universities is universally high.
3. **Governments and regulators traditionally treat universities differently to other education providers.** Every university in Australia has its operations facilitated by legislation. This is true of both the public and the private universities. They have a special status conferred upon them by parliaments. Having your own act of parliament certainly conveys that a university is considered something special.

All education providers need to be registered by the appropriate regulatory authorities. Universities are no exception. But most providers then need approval to offer individual courses. By contrast every Australian university is empowered to itself accredit individual courses. If an Australian university wants to offer a new degree – say a Bachelor Degree in Communications – then the university has the delegated authority to determine that this is a properly accredited course. By contrast almost all other education providers wishing to establish a similar course would need specific approval from the regulatory body. This self accrediting power of universities was recently affirmed by the Australian Parliament in the legislation establishing the new national regulator, TEQSA.

4. **High quality is preserved by keeping the number of institutions recognised as universities relatively small.** Australia currently has 39 universities. Two foreign institutions, Carnegie Mellon University and University College London, also have small operations based in Adelaide. It is very difficult to become a university in Australia. While there are regulatory criteria that must be met to gain registration as a higher education provider these are much less demanding than the requirements to become a university. Even a reputable university from another country cannot set up in Australia as a university without meeting a range of very rigorous and demanding criteria. In many countries, including the US, there are fewer barriers to using the title "University". In fact some world renowned educational institutions do not even have "University" in their titles. But in Australia the right to call an education provider a university is both very valuable and jealously guarded. Over time there will be some new universities in Australia. Some of them will be domestic and some others might be overseas universities which set up here. But it will be almost impossible for one to be created without the very high standards that are common to the existing Australian universities.

5. **Because it is relatively small, the university sector is much easier to monitor and regulate.** Given some unfortunate past history, DIAC is understandably concerned about the potential adverse consequences of relaxing visa controls. It is not an easy thing to ask them to embrace a system where certain providers take more responsibility for the behaviour of their international students in return for greater certainty and speed in obtaining visas for their students. Obviously the smaller that group is then the easier it is to monitor and to interact with. If things do go "off the rails" DIAC should be able to respond quickly and effectively in a way that would not be possible if a broader group of education providers was involved. Although the numbers at each university are quite large there are only 39 of them. By contrast, in 2010 there were 730 other higher education and VET providers registered to provide courses for international students.

6. **The university sector is very stable.** Australia's universities are widely regarded as well managed **institutions** with high levels of accountability and transparency. It is hard to imagine any circumstances under which a university would go into liquidation or close down. In recent years there have been a number of providers which have collapsed. And there are others which have come very close to collapsing. Significantly, not one of them has been a university.

7. **Australian taxpayers have a huge financial stake in Australian universities.** All but two Australian universities, Bond and Notre Dame, receive the majority of their funding from the Australian taxpayer through access to Commonwealth Supported Places, capital and research funds. Bond and Notre Dame receive some government funding although the majority of their income comes from other sources. The mission of these universities is to create quality public education rather than generate a private profit. These institutions are funded by the broad Australian community and there are clear public policy reasons for treating them differently for this reason alone. As pointed out earlier if the quality of Australia's universities is to be maintained, then any shortfall of funds resulting from a reduction in the numbers of international students will potentially be a burden for Australian taxpayers.

- 8. International students generally stay longer in a university course than with other educational providers.** An undergraduate degree normally takes between three and four years depending on the course (though some are even longer). A Masters by course work is generally shorter – 18 months to two years – while a PhD is usually in the three to four year range. Many international students also are required by their university provider to undertake a foundation course and/or further training in English language before commencing at university. This can further increase the length of study. Because the average university student studies for a longer period than the average VET student, the positive benefits to the economy are considerably larger for the university sector. In a paper prepared for the Australian Technology Network of Universities (ATN) the authors point out that in 2009 international higher education accounted for 32 per cent of all international students but represented 57.5 per cent of all revenues from international students. The paper suggested that a higher education student studying onshore generated almost \$51,000 for the Australian economy in comparison to a VET student who generated \$21,000.
- 9. Overall university students have proven to be a relatively low risk from a migration integrity perspective.** University students present a very low risk. For example, the grant rate in 2009 - 10 for student visa applicants for Australian universities was extremely high (97.3 per cent). This compares favourably with that of the Schools sector, 89.5 per cent, ELICOS, 91.8 per cent and VET, 75.9 per cent. In other words, under the current arrangements DIAC grants almost all of the visa applications to study at an Australian university. But in far too many cases it does so slowly.

When taken as a whole the previous nine criteria provide a strong case for treating Australian universities differently to other education providers. That is not to say that there are not high quality non-university higher education providers. There clearly are. So too are there unquestionably some very high quality VET providers in both the public and the private sectors. But no education provider, other than an Australian university, fits **all** of the criteria set out above. This does not mean that non-university higher education providers should receive poor treatment. Quality providers in any part of the sector should continue to be supported so long as doing so does not undermine Australia's migration controls.

From a clear public policy point of view I believe the recommended changes for the university sector are justifiable. These changes are also essential for the long term viability of that sector and therefore very much in the interests of Australian taxpayers. Naturally there are some who will quibble about the special treatment given to universities. However, governments of all political persuasions regularly give special treatment to different groups when they believe it is good public policy. For example there is a difference in how those financial institutions classified as **banks** are treated compared to other financial institutions. Both sets of financial institutions are subject to a national regulatory framework but the banks are treated differently. They have greater status, and greater privileges. But with that comes additional responsibilities. This of course is analogous to the situation of the universities and other higher education providers.

Nor should there be any concerns that a public policy decision to confer some additional benefits, along with additional responsibilities, on the university sector infringes any competition principles. For a start the benefits would go to public and private universities alike so the concept of "competitive neutrality" is embraced. Indeed the privately owned universities will have access to these benefits while the government owned TAFEs will not. So it would be hard to draw any inference that publicly owned institutions are being advantaged over privately owned ones.

In terms of broader competition policy no university is being advantaged by these proposals compared to any other university. Certainly universities are advantaged over non-universities but the category of university is not a "closed shop". Entry to the title "University" is not restricted by quota. It is open to each and all entrants that meet the legislated criteria for this title. Any organisation which achieves the thresholds established in the public interest by government may seek to acquire a university title. The title can be acquired by both public and private institutions. The fact that it's a hard title to earn doesn't undermine the principles of competition. Quite the contrary, it makes the conferring of additional benefits on those institutions which meet the rigorous standards to become a university, all the more justifiable.

Naturally those education providers who do not also receive the benefits proposed for the university sector will ask: why not me too? **But there is a clear public policy justification, indeed a taxpayer imperative, to treat the universities in a different way.**

So, how much trouble are the universities in if overall enrolment figures for them are still rising, albeit only slightly? The answer is that they are in serious trouble because of declining **new** enrolments (or "commencements" to use the technical term). If students enrol for a three or four year course then it can take a while for declining numbers of commencements to pull down the overall numbers. For a period the "good years" can disguise the overall impact of a more recent drop in commencements.

Total university enrolments have generally held up surprisingly well in the face of some dire predictions from researchers, commentators and stakeholders. However, while these predictions may have overestimated the speed of the decline in higher education student numbers they were not wrong when predicting that a decline will happen.

In the years up to end of 2010 higher education enrolments continued to increase. And in the four months to the end of April 2011 they have continued to increase. But they will almost certainly be impacted in the future due to severe declines in the number of students undertaking English language training, foundation courses and some VET courses. If the numbers are dramatically down in the courses that feed into university courses then it is reasonable to assume that the number of students who will transition from these courses into higher education will also severely decline.

But it's not just the numbers in the "feeder" courses which are down. New enrolments (commencements) direct into university courses also now appear to be falling. There has been a 19 per cent decline in offshore visa grants for higher education (predominately universities) in the six months to April 2011 when compared with the same period in 2010. This suggests that a serious decline in the number of commencing students is almost upon us.

The ATN paper referenced above outlined three possible scenarios:

- an initial drop of 10 per cent followed by two years of stable numbers;
- a decline by 20 per cent each year for three years; and
- a decline of 35 per cent followed by two years of stable numbers.

My discussions with a variety of stakeholders suggest that while the ATN paper may have overestimated the speed with which the higher education sector would decline; it is absolutely correct in pointing out that the numbers of international students entering higher education will decline. This will impact institutions, communities and Australia more broadly. Prediction is inherently dangerous and like most of us I am only gifted with perfect hindsight. However I am inclined to accept the arguments of those who suggest that by the end of 2011 Australia could see a 5 per cent decline in international higher education students over 2010 numbers. By the end of 2012 the numbers could be down by 20 per cent on the 2010 figures.

What would that mean?

- By the end of 2012 Australia could see a decline of almost 50,000 higher education students when compared to the end of 2010.
- The numbers of international students in the higher education sector would continue to decline as smaller cohorts move through the system.
- Employment and economic activity in the university sector and those service providers supporting international students in Australia will decline. The contribution of international education to both Australia's immediate and longer term economy will fall.
- In the absence of measures to support our universities, further declines are likely.

On the basis of the data outlined above, it will take a concerted effort, and several years, to get the universities back to their previous position. But given the importance of the university sector and the serious competition that it faces from competitor nations, Australia will need to do more than it has in the past just to stay on level terms.

Processing times

One of the serious problems which Australian universities face in trying to be competitive globally is the perception of slow processing times for visa applications. Throughout the course of the Review there were many complaints about processing times, especially from universities and agents acting on behalf of universities. However, it is important to recognise that individual agents and individual students can have quite different experiences. And the circumstances are not the same in all countries. As part of the Review I visited China, India and Malaysia and met with groups of agents in each country. The satisfaction level was much higher with the Malaysian agents than it was with those from the other two countries.

A recent survey (as yet unpublished) by AEI also shows marked differences between countries. Australia was ranked as being the fastest country for processing student visas by Indonesian education agents. Korean education agents ranked Australia as the second fastest country (behind New Zealand). But Chinese education agents ranked Australia as the second slowest country (behind Canada). Chinese education agents ranked the US as the fastest country. The differences in experiences between countries are significant. It is important to recognise that Australia is perceived to be relatively speedy in a number of markets. Unfortunately the worst perceptions about visa processing times are in Australia's biggest market, China.

Some of the DIAC procedures do appear to make processing times quite slow. However, sometimes the problem is not DIAC but the fact that the applicant has not put in a complete application. For example, an applicant might not have submitted sufficient financial documentation. In those circumstances, DIAC gives the applicant the opportunity to provide additional information which delays processing the application. Also, as the AEI unpublished survey mentioned above points out, the relevant time is not simply the time taken to process the visa. Different countries have varying mixes between how much is done by the education provider and how much is done by the visa authorities. For example in the US the universities require considerable information about the financial circumstances of the applicant long before a visa application is submitted. By contrast, in Australia this information is gathered by DIAC once the visa application is submitted. It is not really fair to compare the two visa processing times in isolation. A more valid comparison would involve looking at the complete cycle from first applying to an institution through to applying for and being granted a student visa.

But even allowing for all of the preceding caveats it is also true that a significant number of applications are processed slower for Australia than is the case with competitor countries. Slow processing times are not just an irritation. They can have profound effects on whether or not a student actually does come to Australia. Being realistic, an Australian university is not the only choice, sometimes not even the first choice, for many international students. So if processing times are slower for a student visa to come to Australia, that can have a significant impact on whether a student comes to Australia or ends up in one of our competitor countries. Even just a perception that Australian processing times are slower than other countries can profoundly impact student choice. This is particularly a problem for universities because of the different timing of the academic year in the northern and southern hemispheres.

Other than New Zealand, our main traditional competitors are Canada, the UK and the US. Those countries are all in the northern hemisphere as are most of the countries from which Australian universities recruit international students. The gap between the end of the final year of high school and the commencement of university studies is much shorter for universities in the southern hemisphere compared to those in the northern hemisphere. A similar situation exists for students completing their undergraduate degrees in their home country and planning to proceed to a Masters degree overseas. Every country needs to be efficient with its visa processing but Australia needs to be especially quick. Unfortunately our reputation in some key countries is for being slow.

While visiting China I met a number of students whose visa approvals came through too late for them to commence a course at an Australian university at the time they had planned. Some of them had intended to study at the undergraduate level; some were candidates for Masters by Coursework; some were intending to come to Australia as part of a 2 plus 2 program (please see Chapter 15 for a discussion of these programs). In some cases the delay of a visa caused the students to delay their study in Australia. For others, it culminated in a decision to study in a different country. In all cases the slow processing lead to frustration and annoyance. Even when a visa approval came through in time, but just in time, there was still distress. Not only was there the anxiety that the approval might not come through in time, but the closer the approval comes to the commencement of the course the more expensive the airfare. As any traveller knows, the earlier you buy the better the price usually is.

Proposed improved student visa arrangements for the universities

The following package of measures is designed to both improve processing times and help our universities to be more competitive in the global market for students. These measures give universities substantial benefits. But with these benefits come greater accountability. Taken as a whole these proposals do not constitute a free gift.

The proposed measures place greater trust in the universities. In effect it says that if an Australian university selects a student then, subject to some qualifications set out below, DIAC will take that university's word that the student is suitable. Therefore universities can be confident that their students will have their applications processed quickly. Students will also have a post study work rights component attached.

However, if international students at a particular university have consistently poor visa related outcomes then that university runs the risk of government excluding them from this special treatment. Further details about accountability and responsibility are set out later in this chapter.

The recommended benefits for Australian universities fall into two broad areas – visa processing and post study work rights. The proposals are as follows:

Visa processing

All students in the categories set out below, irrespective of their country of origin – but subject to the provisions in (4), (5) and (6) should be treated as though they are all AL1.

1. This treatment should apply to the following university student applicants:
 - Bachelor Degree;
 - 2 plus 2 (or 3 plus 1) arrangements with partner universities; and
 - Masters Degree by Coursework.

2. The special treatment **should not apply** to:
 - short courses;
 - Associate Degree;
 - Graduate diploma;
 - Graduate certificate;
 - Diploma and Advanced Diploma;
 - non-award courses (except as provided for in Recommendation 18); and
 - the non-university courses at the six universities which are dual sector (TAFE and university).

3. The benefits should **also apply** to courses which are explicitly packaged with an eligible university course at the time when the offer of university enrolment is made. This might include English language (ELICOS) and/or foundation or pathway courses in circumstances where non compliance by the student at any part of the package would be regarded as non-compliance with the university enrolment.

4. The government should continue to require appropriate health checks, health insurance, character (predominantly criminal record/connections) and security checks.

5. The underlying DIAC powers in regard to every individual student application should continue to exist.

6. DIAC should also reserve the right to exclude certain high risk groups from the streamlined approach for university applicants. For example, the government might want to carefully assess all applicants from a persecuted minority group in a particular country. Applicants from such a group might have a huge incentive to apply for protection visas as soon as they reached Australia. The government may or may not wish to take such people on humanitarian grounds but that should be a separate decision and should not get mixed up with the process of granting visas for university students.

Post Study Work Rights

7. All graduates of an Australian university Bachelor degree, who have spent at least two academic years studying that degree in Australia, and who have complied with their visa conditions, should receive two years work rights.

8. All graduates of an Australian university Masters by Coursework degree, who have studied that degree in Australia, and who have complied with their visa conditions, should receive two years work rights on successful completion of their course.
9. This should apply irrespective of the nature of the course (for example whether it be Arts or Engineering) and not be tied to working in any particular occupation.
10. The mechanism for taking up these work rights should be administratively very simple with the following components:
 - the university must notify that the course has been successfully completed. (This will be earlier than the formal graduation which could be many months after the course has been completed);
 - DIAC should not undertake any detailed, time consuming, assessment of the applicant; and
 - the scheme must be one which can be marketed by the universities to prospective students as almost guaranteeing post study work rights.

I do not intend to lay out detailed prescriptions as to how DIAC can best implement this initiative. From my discussions with DIAC officers I know enough to feel confident that, should the government wish to adopt my recommendations, then they can be quickly and relatively easily implemented. However, I also know that there is more than one way to do so and that DIAC is much better placed than me to design the mechanism which meshes best with its other programs, computer systems and administrative arrangements. DIAC might want to create a separate visa class or they might prefer to make it a subclass of an existing visa (like the subclass 485 visa – but in this instance without occupational limitations). Or there might be another, better mechanism. Any new arrangement may or may not include an additional fee for applicants. Most likely DIAC will require proof of ongoing health insurance.

And naturally this new post study entitlement should be cancelled for anyone who is not complying with the conditions of their visa.

There is the related issue of what transitional arrangements, if any, should be made for students already studying at Australian universities. On the one hand they have no entitlements and were not promised any post study work rights. On the other hand it would seem harsh to exclude someone who has just commenced a four year degree and will graduate at the same time as a new student who starts a three year course next year. Without knowing the mechanism for implementation of this proposed initiative, it is not practical to assess how existing students could be incorporated into those arrangements. Ultimately any decision about transitional arrangements is a matter for the government. I would however urge them to be as generous as possible to existing students.

Along with processing times (and the related issue of the certainty of obtaining a visa) post study work rights was the biggest concern raised during the Review process. It was a common theme among universities, students and prospective students, parents, agents, and employers. Most of our competitor countries offer an automatic period of post study work rights for international students who successfully complete university studies. The main exception now is the UK which recently restricted, but not abolished, this entitlement due to very high levels of unemployment among their own university graduates.

Not unreasonably international students would like to gain some potential experience in the country they study. That has several advantages. Just as an Australian university education is a great asset internationally, so too is Australian work experience. For example, an international student who comes to Australia to study mining engineering at an Australian university leaves with a world class qualification. But if that student also takes home two years of experience working in the Australian mining industry, he or she is even more valuable in their home country or a third country.

It is important to recognise that international students who return home after studying in Australia need to be competitive in the job market in their own country. They must compete against their peers who graduated from their own country's best universities (often of very high quality) and graduates of universities in our competitor countries. So any post study practical experience obtained overseas can be a great differentiator for international students when competing for jobs in their own country. By contrast, if international students who study in Australia do not have an option of post study work experience, they are disadvantaged when competing in their home country with students who study in the US and Canada.

The benefits of post study work experience apply to university graduates irrespective of their course. It is not confined merely to the more occupationally oriented courses (like Engineering and Accounting) but also applies to the more generic courses. An Asian student who studies Arts with a major in Communication, and who intends to work in public relations in their home country, is much more valuable if they have a year or two of work experience with an Australian public relations firm.

The current subclass 485 visa is available to graduates of universities, other higher education and VET providers for post study work. However, this is restricted to those graduates who nominate an occupation on the SOL where Australia presently has a shortage of workers. Not only is this restricted to certain occupations but the subclass 485 visa application process has a substantial backlog of applicants waiting to be assessed. Ironically anyone applying for a subclass 485 visa will receive a bridging visa with full work rights – i.e. **not** restricted to the occupations that the final subclass 485 visa covers – as an interim measure. Creating a separate arrangement for university graduates removes them from the pool of people potentially applying for a subclass 485 visa. This should make it easier and faster to process other applicants for subclass 485 visas and substantially reduce the time people are spending on bridging visas.

The proposed university graduate two year work right is not linked to any particular occupation. Unlike the subclass 485 visa it is not designed to help meet Australia's skill shortage (though in some cases it may help). It is certainly not intended to provide a defined pathway to migration. However, under the new General Skilled Migration (GSM) rules to come into effect from 1 July 2012; two years of Australian work experience could improve the migration chances of some students. If their qualifications are in an occupation category which Australia might subsequently seek to recruit migrants from, then their Australian work experience would be an asset. But there are no guarantees.

In the case of employers, the existence of almost guaranteed postgraduate work rights would give them a degree of certainty (two years) should they choose to recruit international graduates of Australian universities. In particular cases this would enable employers to identify suitable graduates prior to the completion of the course. For example, Western Australian mining companies – which seem to have an almost insatiable need for graduate engineers – could identify suitable applicants in their final year of study knowing that the international students would almost certainly have a two year post study work visa.

In those occupations where Australia might in the future want to recruit skilled migrants, a two year post study work visa gives employers an opportunity to "try before you buy". It would enable employers to have a good look at how someone functions within the Australian workplace before deciding whether or not to begin the fairly complicated process of sponsoring that person for migration.

However, while this proposed new graduate work rights program could have migration benefits for some employers and some students that is not its main function. At its core, this initiative would be an adjunct to study at Australian universities. It links back to the recommendations in Chapter 4 about what should be the foundation stone of the student visa system, namely a requirement that the student is in fact **a temporary resident of Australia**.

Of course, there is no certainty that every international student graduating from an Australian university will exercise their post study work entitlement. Some will be keen to return home immediately. Others will work here only until that experience helps them leverage a firm job offer at home or in a third country. Unfortunately, some graduates will leave disappointed that they have been unable to find a suitable job – this is a proposal which facilitates a visa not an employment offer. And some, hopefully a small minority, will spend a period of time in menial work where the Australian wage rates might still be high compared to their home country.

I won't pretend that the proposed arrangements for post university study work rights will always lead to a perfect outcome. However the risks are relatively small compared to the benefits. Moreover, beyond the question of: "what will happen if we do this?" is the equally important question "what will happen if we don't do this"? The absence of a clearly defined post study work rights entitlement puts Australian universities at a very serious disadvantage compared to some of our major competitor countries. In the past the absence of such an entitlement has not proven to be a dramatic hindrance to Australian universities recruiting international students. But the world has changed. Global competition for quality international students is intensifying and almost certainly will continue to further intensify. Allowing a moderate period of post study work rights will be essential to ensuring the ongoing viability of our universities in an increasingly competitive global market for students.

Accountability and Responsibility

As mentioned earlier, these recommended substantial benefits for Australian universities do not constitute a free gift. They come with obligations. If DIAC is to effectively take the word of a university that its students are bona fide, then there must be a capacity to monitor outcomes. If a particular university recruits significant numbers of students who do not comply with their visa requirements, then it would be foolish for DIAC to continue to give applicants to that university the light touch and quick processing mentioned above. It would be unfair to hold any university liable for the outcome of each individual student. However, if there was a pattern of behaviour associated with a particular university which undermined the integrity of the student visa system; then that university would no longer be entitled to a streamlined process. Removing a university from the streamlined regime would have profound implications for that university's recruitment. It would place that university at a marketing disadvantage compared to its competitors. Even more importantly the public reputation of the university would be damaged. Quite rightly Australian universities place great store in their reputations and the possibility of having that compromised should be a great incentive for good behaviour. The ultimate punishment would be to remove a university from the streamlined processing system. But the threat of doing so is itself a major sanction. The possibility of being placed on a publicly revealed "watch list" would itself be a strong disincentive against poor behaviour.

Under these proposals, the universities would get the same streamlined processing for students whose offer includes a package of a foundation course, an ELICOS course, or both. It would not matter who the provider of that other course is. That might be the university itself, a related private provider, or a completely independent operator. Either way the same benefits would apply. However if students from a packaged course had particularly poor student visa outcomes then the university would be held accountable in the same way as it would for its own students. If prospective students are to receive the same benefits as though they were students of the university, then the university should have the same responsibilities.

DIAC will need to develop a series of criteria on which to monitor performance, but the obvious starting point is the same criteria used to determine the Assessment Levels (ALs) for countries:

- Rate of refusals of visa applications (non-fraud);
- Rate of refusals of visa applications (fraud);
- Rate of subsequent applications for protection visas;
- Rate of subsequent applications for other visas (eg partner, excluding protection and skilled visas);
- Rate of visa cancellations for non-compliance; and
- Overstay rate.

There would also need to be an additional criteria related to the extent of any downgrading from a course. A potential rort under the recommended model would involve students gaining entry to Australia due to an offer from a university but then "jumping ship" to a lesser course once they arrive in Australia. An applicant for the lesser course would almost certainly have attracted much more scrutiny in the first instance, hence the value of initially seeking to enter via a university.

The New Zealand immigration authorities have a wonderful expression to describe this phenomenon. They call it "waka jumping" (apparently named after a practice of jumping from one canoe to another).

Later in this Report I raise the possibility of DIAC reviewing the whole AL framework. The framework for monitoring the behaviour of the student cohorts at universities obviously needs to be consistent with whatever overall framework DIAC is using at the time. In the short term this will be the AL criteria. If that framework is refined at some future date then so too should the criteria for monitoring the universities.

Not only will DIAC need to monitor the visa compliance of students at Australian universities, but also communicate directly with universities. If there are emerging problems with students attending a particular university, then someone senior from DIAC should contact someone senior from that university and tell them. While the onus will be on universities to choose their students wisely, DIAC also should have a responsibility to share its information about student visa compliance and possible rorts with the universities. At present the contact between DIAC and education providers is at best minimal, more often non-existent. There are several reasons for this. Such contact is not a usual part of the DIAC business and the DIAC culture. DIAC officers are also wary of saying things which could be used in possible legal challenges. And, across the whole international sector, there are just far too many providers for DIAC to be able to manage a program of individual contact. However, because the recommended streamlined approach will only apply to 39 universities, sensible contact with individual universities should be much easier to deal with.

It is in the interests of both DIAC and the individual universities to have a regular dialogue and share information. If DIAC has concerns about students coming from a particular part of a particular country seeking to attend a particular university, then they should share those concerns with the university. It is extremely unlikely that any Australian university would disregard that sort of advice, especially as the sanctions for undermining the integrity of the student visa scheme would be so serious. Similarly DIAC should share with universities information which it has about individual agents who are of concern. DIAC officers at overseas posts get a pretty good feel for which agents are reputable and which are more prone to less savoury practices. If they are worried about a particular agent's behaviour DIAC should raise this with the university concerned. The proposals in Chapter 12 for enhancing integrity include a requirement to enter the name of any agent into the central record of student information. Making such an adjustment to the Provider Registration and International Students Management System (PRISMS) is an important start. But the information must be used and, where relevant, shared with universities, to improve outcomes.

The universities are not perfect

I have great regard for the quality and integrity of Australia's 39 universities. And the recommendations of this chapter are designed to support and strengthen their position in regard to recruiting international students. However, it would be naive to think that everything is perfect in terms of the universities' treatment of their current international students.

Concerns have been raised about the risk of universities adopting less rigorous academic standards for international students. The financial dependence which universities now have on the fees from international students could create pressure to soften entry standards and assessment standards. There is a risk that standards might be compromised to ensure both initial enrolment and ongoing enrolment (a failed first year student is not likely to be a source of second year fees). A few academics have alleged that this has already occurred at some universities. While short-term revenue pressures might provide an informal incentive for reducing standards, it is not in the long-term interest of our universities, or of the students themselves, to do so. Both universities and the new tertiary education regulator, TEQSA, need to be vigilant to ensure that the high quality and standards of Australian universities are not undermined.

There are also genuine concerns among both international and domestic students about what is the right balance of students from each source. How many international students are too many? If a particular course becomes dominated by students from one overseas country, then how much of an Australian educational experience are those students really getting? And what implications does that have for the nature of the education which home-grown Australian students are receiving at the same provider? Undoubtedly the education experience of domestic students is enriched by the addition of overseas students. But what if the domestic students end up as a tiny minority in the classroom in their own country? When international students constitute around 25 per cent of enrolments at an Australian university this issue at first look seems manageable. However, because international students currently are disproportionately clustered in certain courses – like business and accounting – the percentages in those courses of students from a single overseas country can be huge. This is a problem for both the international and domestic students.

In Shanghai I recently met some new graduates from an Australian capital city university. They were generally very positive about their experience. But the one common complaint they had was that "there were too many Chinese students" in their course. Some of those students reported that their level of English had actually declined while they were studying in Australia. They had spent much of their time outside the classroom speaking Chinese with other Chinese students. This is a real problem but not one which is easy to remedy. In the reverse situation it would not be surprising to find a group of Australian students in Shanghai tending to spend a lot of time together speaking English.

Universities do need to address these issues. They are critical to ensuring a high quality educational experience for both international and domestic students. Over time the situation should improve. To some extent the problems might be self-limiting. If international students find a course at a particular university contains too many people from their own country, this will affect their choices of where to enrol. So too, Australian students will "vote with their feet" if they feel that their educational experience is being compromised at a particular university. Ultimately, the most important thing any Australian university has is its reputation. In the long run their self-interest in protecting their reputations will impact on the behaviour of universities.

It is possible, though unlikely, that the implementation of the recommendations in this Report will lead to a dramatic rise in the number of international students at Australian universities. Once again the importance of protecting each university's reputation will be an important factor in preventing this. For example, it is unlikely that the universities in the Group of Eight will want to go much above their current percentage of around 25 per cent. To do so would run the risk of detracting from their existing reputations built up over many decades. What they might want to do is change the mix of international students and enrol more Masters and fewer undergraduates but that is up to them. I am hopeful that the benefits these recommendations provide, both in terms of processing visas and post study work rights, will give the universities a high degree of confidence that they can recruit the numbers of students they need. Being confident they will be more competitive in the international market for quality students, should make the universities less prone to grab marginal applicants. If they have more certainty then they can be more selective about which individual prospective students they offer enrolments.

But if individual universities do recruit a massive additional number of international students to the detriment of domestic students, there are relatively easy ways to remedy that. After all, 37 of the 39 are public universities; we (the Australian taxpayers) substantially fund their operations. The Australian Government can (should, and hopefully would) intervene. There are a variety of ways to do this. For example TEQSA has the power to cap the number of international students at an individual university. Indeed it can suspend an entire course from taking any international students. And, if all else fails, the government could simply limit the number of student visas available to individual universities.

Recommendation 3 – streamlined visa processing for universities

3.1 That all students in the categories set out below, irrespective of their country of origin – but subject to the provisions in 3.5, 3.6 and 3.7 should be treated as though they are all AL1.

3.2 This treatment should apply to the following university student applicants:

- Bachelor Degree;
- 2 plus 2 (or 3 plus 1) arrangements with partner universities;
- Masters Degree by Coursework.

3.3 The special treatment **should not apply** to:

- short courses;
- Associate Degree;
- Graduate Diploma;
- Graduate Certificate;
- Diploma and Advanced Diploma;
- non-award courses (except as provided for in Recommendation 18);
- the non-university courses at the six universities which are dual sector (VET and university).

- 3.4 The benefits should **also apply** to courses which are explicitly packaged with an eligible university course at the time when the offer of university enrolment is made. This might include English language (ELICOS) and/or foundation or pathway courses in circumstances where non compliance by the student at any part of the package would be regarded as non-compliance with the university enrolment.
- 3.5 The government should continue to require appropriate health checks, health insurance, character (predominantly criminal record/connections) and security checks.
- 3.6 The underlying DIAC powers in regard to every individual student application should continue to exist.
- 3.7 The government should also reserve the right to exclude certain high risk groups from the streamlined approach for university applicants. For example, the government might want to carefully assess all applicants from a persecuted minority group in a particular country. Applicants from such a group might have a huge incentive to apply for protection visas as soon as they reached Australia. The Australian Government may or may not wish to take such people on humanitarian grounds but that should be a separate decision and should not get mixed up with the process of granting visas for university students.

Recommendation 4 - Post Study Work Rights

- 4.1 All graduates of an Australian university Bachelor degree, who have spent at least two academic years studying that degree in Australia, and complied with their visa conditions, should receive two years work rights.
- 4.2 All graduates of an Australian university Masters by Coursework degree, who have studied that degree in Australia, and complied with their visa conditions, should receive two years work rights on successful completion of their course.
- 4.3 This should apply irrespective of the nature of the course (for example whether it be Arts or Engineering) and not be tied to working in any particular occupation.
- 4.4 The mechanism for taking up these work rights should be administratively very simple with the following components:
 - the university must notify that the course has been successfully completed. (This will be earlier than the formal graduation which could be many months after the course has been completed);
 - DIAC should not undertake any detailed, time consuming, assessment of the applicant; and
 - the scheme must be one which can be marketed by the universities to prospective students as almost guaranteeing post study work rights.

Chapter 6 Higher Degrees by Research

"The ability to attract highly talented researchers and research students to study and work in Australia is of fundamental importance in developing and maintaining the research workforce capacity needed for a vibrant and diverse innovation economy."

(Department of Innovation, Industry, Science and Research (DIISR), Submission to the Review, April 2011, p1)

High quality human capital is essential to Australia's ability to innovate, adopt home grown innovation and apply locally the knowledge that is generated outside of Australia. The more home-grown Higher Degree by Research (HDR) students Australia produces, then the better it will be for our economy. But it's not a straightforward process where Australia is insulated from the rest of the world. Some Australian research scientists might complete their undergraduate degree and their PhD at the one university and then move into a research position in the same city. But these days it would not be uncommon to follow a very different path: undergraduate degree in Australia, PhD in England, research in the US, teaching and researching at a New Zealand university, returning to a position in a different Australian city to where it all started. This is but one example of the myriad of paths and opportunities available to the most talented research students.

Talent is highly mobile. The brightest students and researchers are highly prized in many countries. Sharing ideas, attacking problems in new ways, and broadening horizons, is a valuable part of modern research. Important linkages are developed during a scholar's presence in institutions of higher learning. This can lead to continued attachment, either physically or through joint research and collaboration.

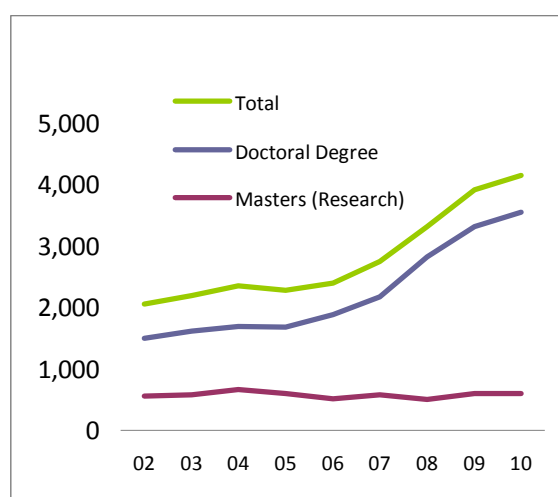
Australian HDR students are part of a global research community, and sometimes a global market. This is a good thing for Australia. But the corollary is that Australia also needs to attract HDR students from other countries for the same sorts of reasons. There is intense global competition for the best HDR students, particularly in the sciences, mathematics and technology. If Australia is to compete effectively then it is essential that we take all reasonable steps to facilitate the recruitment and entry of international HDR students. At its core the recruitment of undergraduate students from overseas is driven by the pursuit of much needed revenue. Yes there are other important considerations (set out in Chapter 3) but the revenue is the key attraction. However, for Australian universities the revenue from HDR students is almost incidental. The main driver for wanting HDR students is the talent, the skills and the research opportunities they embody.

Access Economics' paper - Australia's future research workforce: supply demand and influence factors – estimates that there are nearly 116,000 people aged 15 - 64 in Australia in 2009 that hold postgraduate research qualifications. In 2008 international students accounted for 23 per cent of all HDR completions.

In discussion with the Review, DIISR highlighted the government’s aims of increasing the number of students completing Higher Degrees by Research and the number of research groups performing at world class levels. These aims are set out in *Powering Ideas: An Innovation Agenda for the 21st Century* (Canberra: Commonwealth of Australia, 2009). International students will have an increasingly important role in supporting Australia’s research sector. This is particularly so as significant elements of the existing research workforce retire and employment demand for researchers increases.

The chart below uses AEI data to demonstrate that in the years 2002 through 2010 the number of international students commencing HDR qualifications in Australia went from just over 2,000 to almost 4,200. Students commencing Doctoral Degree study more than doubled while those commencing Masters Degree (Research) increased by 10 per cent.

The Higher Degree by Research student flow represents just 4.1 per cent of higher education commencements in 2010 and less than 1.3 per cent of total student flows.



In 2010 DIAC changed the way the Assessment Level system operated for students on Postgraduate Research visas (subclass 574). The effect was to ensure that all postgraduate research students were assessed at either AL 1 or 2. Internal DIAC research underpinning this decision found that the number of subclass 574 visa holders who had their visa cancelled under the general power for breach of particular condition/s was low. Similarly, the number of integrity referrals sent during the sample period (1 July 2008 to 30 April 2010) was negligible. The very small amount of fraud detected in the sample related entirely to financial documents.

DEEWR statistics show that in 2009 there were almost 13,000 international students enrolled in HDR courses. Of these students, 37 per cent studied at just eight universities. Only 23 international HDR students were in institutions other than universities.

HDR students make a very valuable contribution to Australian society. They are concentrated in a relatively small number of highly reputable institutions and have very high rates of compliance with their visa conditions. The demands of an increasingly sophisticated economy which values innovation suggest that having a greater number of HDR students will assist Australia's research profile. To the extent that these students return home or to a third country they will help develop valuable international research linkages.

Issues of Concern

There are a number of barriers that make it more challenging than is desirable for Higher Degree by Research students to choose Australia. And when they do choose Australia these impediments make life less attractive than might otherwise be the case.

1. Visa Processing Times

Students going into postgraduate research are a highly sought after group with significant and growing competition from the US the UK and other countries. Not surprisingly our competitors also see the benefits in having such a bright group of people at their higher education institutions and supporting innovation in their economies. The DIAC decision in 2010 to treat all HDR students as AL1 or AL2, irrespective of what country they come from, was a welcome initiative. But I believe we should go further. All HDR students should be treated as AL1.

That classification should continue to apply if the HDR student is undertaking a "package" course which includes English language training or some other preparatory course specified by their HDR education provider. Most HDR students have high levels of English. However there are a small number of students from countries where English is not the official language who need some specialised English language training. For example, an exceptionally bright maths student sponsored by the government of a country where the first language is not English might benefit from some specialised English training before commencing their PhD studies. I cannot think of any serious reason why such a student should find it more difficult to obtain a visa than a colleague with better English who commences a PhD immediately. Similarly, some HDR students may be required to undertake another form of preparatory course, for example a short course relating to certain academic skills needed to prosper in a lengthy research degree. Once again it would be appropriate to treat any such package as AL1 in its entirety.

HDR students are at the top end of the international student mix. They are mobile and in demand globally. HDR students are the least likely group to be orchestrating, or needing to pull, a migration rort. The high levels of compliance by this group are most likely partly the result of the level of scrutiny by Australian universities before acceptance takes place. There are some pretty serious academic requirements which must be met before an Australian university will accept a research student. If all students seeking a subclass 574 visa were treated as AL1 this would further speed up processing times and thus improve Australia's attractiveness.

2. Work Rights

HDR students are limited to working 20 hours per week. Undergraduate students are similarly restricted to 20 hours per week in term time. However, undergraduate students are able to work full time during university breaks. This option is not open to HDR students who, unlike undergraduates, don't have a three month break between December and March. HDR students are regarded as scholars with a full time academic program. This is a peculiar anomaly. HDR students are older, much more likely to have families with them and are more employable; yet in practice they have less work rights than undergraduates.

Under the current rules, a research student cannot take up a temporary block of tutoring offered by the university if it exceeds 20 hours in one week. Never mind, that the same student might not work again for a month, the rules are inflexible. And a student who just once breaches the 20 hour work rights rule is liable for mandatory cancellation of the student visa! Similarly, HDR students are unable to take up blocks of employment which may be closely related to their research. A HDR student is allowed to do 20 hours every week of menial work which is not at all related to their profession or research. But just one week of relevant work which exceeds 20 hours places the student's visa in jeopardy. This is obviously silly. It is an unintended consequence of the current rules rather than a deliberate policy by the Australian Government.

During the Review a number of people put different positions about how to resolve this anomaly. One suggestion was that HDR students could be allowed to average out their 20 hours work rights over a full year, that is, give them 1040 hours for the year rather than 20 hours per week. While this is superficially attractive it would be an administrative nightmare. How would it be policed? Would students be required to provide DIAC with a running total? The simple solution is to remove the 20 hour work rights restriction for HDR students and give them unlimited work rights.

Theoretically an HDR student could take advantage of this relaxation of the current rules and work full time to the detriment of their studies. But that doesn't make a lot of sense. The rewards from completing HDR studies would almost certainly outweigh any short term employment. What incentive would an HDR student have to delay their graduation? In the case of self funded students they are paying substantial fees and the financial incentive in almost all cases is for prompt completion. For those students funded by business, university scholarships, or overseas governments; there is additional pressure for them to complete as expeditiously as possible. Research students are more intensively supervised than most other types of adult students. If additional employment caused their progress to suffer this would soon become apparent to supervisors who have every incentive to assist the student to finalise their course within the expected timeframe.

3. Length of Visa

With most undergraduate and other qualifications the end of classes or exams signals the completion of the course. Unless the markers are extremely slow, a successful student gains the qualification soon after the last exam or piece of work is submitted. HDR students gain their qualifications through a very different process, by the examination of a thesis. The current approach is for the HDR student visa to expire shortly after the submission of the thesis. However this does not fully take into account the special nature of HDR degrees where it's not simply a matter of marking an essay or an exam to determine if the student has passed. In the case of an HDR thesis it can be a much more interactive process. For example, an examination committee might ask for rewriting sections of a thesis prior to passing it. It also might engage in discussion with the student about aspects of the research. The student might be required to "defend the thesis". If the student has to return home it can be more difficult to undertake this additional work effectively. University experience suggests that students who are able to stay through this period are more likely to quickly publish thus helping both themselves and their institution.

Consequently, it would be much more sensible if the subclass 574 visa enabled a HDR student to stay for up to six months after submission of thesis. While I strongly recommend that DIAC develop an appropriate mechanism to give effect to this principle I do not intend to be prescriptive about the exact mechanism. It will need to co-exist with the next recommendation concerning post study work rights for HDR students. DIAC officers are much better placed than me to design the technical visa arrangements in a manner which meets the objectives outlined in this and the next section.

4. Post Study Work Rights

In Chapter 5 of this Report I recommend that international students who graduate with a Bachelors or Masters by Coursework degree from an Australian university receive two years post study work rights. The case for HDR students is even more compelling. For all of the reasons outlined earlier in this chapter we should do everything possible to enable Australia to benefit from the skills of world class researchers. Guaranteeing successful HDR graduates post study work rights has two obvious benefits. First it helps to attract them to study here. Second it improves our chances of them staying for a period after graduation. In this regard the issue is not whether they will go home (or to a third country) after their post study work period has expired. The issue is more whether, given the global competition for quality researchers, they will actually stay in Australia for the period of post study work which this change would allow.

Successful Masters by Research students should be entitled to three years of post study work rights. PhD graduates should receive four years. As is the case with the recommendations for the two year post study work rights for other graduates, I am not attempting to prescribe the mechanism by which DIAC could achieve this. For all graduates it should be simple, streamlined and fast. The imperative to do so for HDR graduates is even higher. It is up to DIAC to decide whether HDR graduates access the same mechanism, or a different one, to other graduates. But whatever the mechanism chosen, it must be quick, effective and capable of being "marketed" to prospective HDR international students.

5. Visa Application Charge

Elsewhere in this Report (Chapter 17) the size of the Visa Application Charge (VAC) is discussed. While it would naturally be preferred by all applicants that the charge be lower, in the end this is a matter for the government to decide. It is the government which must weigh up all of the competing demands for funds; how to balance the myriad of revenue and expenditure possibilities. However, if the government was prepared to sacrifice any revenue in the hope that this might impact on student's choice about where to study, then I would suggest it start with the HDR students. It is unlikely that reducing the VAC for all students would have an impact on deciding whether or not to come to Australia.

However, given the strong global competition for HDR students, it might be worth making a significant gesture to HDR applicants. Complete abolition of the VAC for HDR students would have a very small budgetary impact. But it might send an important message about how the Australian Government values international HDR students.

Recommendation 5

That all Higher Degree by Research students – visa subclass 574 - be treated as though they are all AL1 applicants.

Recommendation 6

That where any English language or other preparatory course is required by the Higher Degree by Research provider then the whole package still be treated as AL1.

Recommendation 7

That all Higher Degree by Research students be given unlimited work rights.

Recommendation 8

Masters by Research graduates should receive three years post-study work rights and PhD graduates four years.

Recommendation 9

That the visa arrangements for Higher Degree by Research students be such that an extension for up to six months after submission of their thesis is available if needed during the interactive marking process.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 7 Non-university Higher Education and Vocational Education and Training (VET)

In addition to universities, there are also a diverse range of education providers which conduct courses classed as "higher education". These course categories include: a Bachelor Degree, Bachelor Honours Degree, Associate Degree, Graduate Certificate, Graduate Diploma, Diploma, Advanced Diploma and Masters Degree.

Some of the non-university higher education providers conduct highly specialised courses - for example theological training. Many apparently mirror courses which are also offered at universities – for example a Bachelor of Business. Others offer courses which either extend VET qualifications or compete with them – for example in areas like cooking and hospitality.

The non-university higher education sector is generally treated differently in terms of student visas to the VET sector. For a start it is included in the same visa category – subclass 573 – as most university courses. The VET sector is in a different visa category – subclass 572. On occasions, the higher education sector is treated differently with regard to ALs. For example, from April 2011 applicants from China and India for higher education courses are classed as Assessment Level 3 (AL3). By contrast, applicants from the same countries seeking to study at VET courses in Australia – even with the same providers – are classed as Assessment Level 4 (AL4) which has more requirements to satisfy.

The nature of education is changing (more about this in Chapter 15) and the distinctions between sectors are likely to become less defined over time. It's not so much that the nature of the courses will change, but that the same providers will offer both VET and higher education courses. And more and more VET providers are likely to seek to offer higher education courses. Significantly, the Australian Government has flagged that, in the not too distant future, it would like to merge the higher education regulator TEQSA and the vocational education and training sector regulator, Australian Skills Quality Authority (ASQA).

For the reasons outlined above, both the non-university higher education sector and the VET sector are discussed in this chapter. However, I do recognise that while there are increasing similarities there are still also distinct differences. At this stage I support the continuance of the different visa categories for higher education and VET. But this may need to be reassessed in the future. So long as there is a distinction between the ALs for higher education and VET, and while the higher education AL is lower than the VET AL, there will be an incentive for VET providers to seek to also gain higher education status.

Significantly, after DIAC dropped the ALs for higher education courses in China and India below the ALs for VET courses, there was an upsurge in new applications from VET providers seeking accreditation for higher education courses. This was particularly the case in Victoria. It is hard to believe that this upsurge was entirely coincidental. At least in part, this upsurge in registration applications would have been driven by visa requirements rather than educational imperatives.

In 2010 there were over 30,000 enrolments at 97 non-university higher education providers. Table 7.1 below sets out the enrolment history for the period 2002-2010. It shows the very significant growth that occurred in non-university provision with total numbers more than three times larger in 2010 than they were in 2002.

Table 7.1 Enrolments in higher education courses at non-university providers 2002-2010								
2002	2003	2004	2005	2006	2007	2008	2009	2010
8,459	11,119	13,748	16,148	16,926	18,953	22,576	27,163	30,266
Source: AEI Statistics								

Table 7.2 looks at the level of study by students undertaking courses at non-university higher education providers. What is immediately apparent is the predominance of Diploma level students who make up some 60 per cent of the total student flow. The other clear pattern is the growth in Bachelor degrees.

Table 7.2 Enrolments in higher education courses at non-university providers 2005-2010						
Level Of Study	2005	2006	2007	2008	2009	2010
Advanced Diploma	1,354	1,487	1,514	1,961	2,324	2,200
Associate Degree	0	87	199	490	752	1,043
Bachelor Degree	2,127	2,508	2,969	3,547	4,937	7,225
Diploma	12,169	12,405	13,737	15,839	17,908	18,249
Doctoral Degree	22	24	19	17	15	17
Graduate Certificate	67	32	31	13	25	19
Graduate Diploma	180	175	165	161	277	353
Masters Degree (Coursework)	193	180	305	536	914	1,154
Masters Degree (Research)	34	28	14	12	11	6
PHD & Higher Doctorate Qualifying	2	0	0	0	0	0
Total	16,148	16,926	18,953	22,576	27,163	30,266
Source: AEI Statistics						

Table 7.3 below provides information on the nationality of enrolments at non-university providers. Over the period 2005 - 2010 Chinese enrolments have gone from 35 per cent to 43 per cent of total flows. The other stand out feature is the growth in enrolments from Nepal and India although the decline in Indian enrolments has already shown up in the figures.

Table 7.3 Enrolments in higher education courses at non-university providers 2005-2010						
Nationality	2005	2006	2007	2008	2009	2010
China	5,811	6,333	7,174	8,898	11,295	12,978
Vietnam	265	364	579	1,116	1,717	2,086
Nepal	26	58	155	327	679	1,822
Korea	1,255	1,476	1,645	1,851	1,846	1,723
India	475	619	1,024	1,409	1,806	1,667
Indonesia	1,595	1,626	1,683	1,665	1,677	1,622
Malaysia	851	761	756	804	901	958
Hong Kong	1,574	1,098	936	1,193	1,225	769
Other	4,296	4,591	5,001	5,313	6,017	6,641
Total	16,148	16,926	18,953	22,576	27,163	30,266

Source: AEI Statistics

Vocational Education and Training

In 2010 there were 533 providers which supplied VET courses to international students. These are a particularly diverse array. They include state government owned TAFE colleges, nine public universities which also provide VET courses, publicly listed companies, private companies, non-profit organisations, components of multinational education providers, trade union and industry association training organisations, and family businesses. The VET sector includes some highly reputable and well established businesses. It also has included – and despite the regulatory improvements made in the last few years, I believe still includes – some providers more interested in profit than in education.

At last count 66 non-university providers were registered with CRICOS for both higher education and VET courses. But as mentioned earlier, this process is likely to accelerate with more applications in the pipeline. If other higher education providers were to receive the same benefits recommended for Australian universities, it would almost certainly be the case that a large number of other VET providers would seek to reposition themselves as higher education providers. The incentive to morph from one sector to the other would be enormous. This would have profound implications for the integrity of migration controls. It is therefore essential that the recommended benefits are confined to the university sector.

Table 7.4 Enrolments and Commencements in VET courses 2002-2010									
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Enrolments	44,786	45,991	45,547	50,919	67,018	101,988	153,881	207,985	206,581
Commencements	24,348	24,232	25,369	29,477	40,704	62,953	94,494	118,331	107,752

Source: AEI Statistics

The State of the VET sector

At first glance, the reduction in VET sector enrolments appears to be quite modest. However, the numbers are "propped up" by two factors. First, the "Enrolments" figure includes the carryover effects of previous enrolments for courses lasting more than a year. Secondly, some of those VET students affected by the pathway to migration being dramatically reduced after they commenced studies are enrolling in further VET courses while they are still in Australia. This phenomenon will to some extent mask the extent of the real decline and will probably continue to do so through to the end of 2012.

If we look at just new enrolments (referred to as "commencements"), rather than total enrolments, the drop is more obvious. The fall in VET sector enrolments was impacted by various elements contributing to the "perfect storm" mentioned earlier. However, substantial impact can be attributed to the dramatic changes to the visa and migration policy settings in late 2009 and early 2010.

Table 7.5 Commencements in VET courses by nationality YTD April 2006-2011						
	2006	2007	2008	2009	2010	2011
India	2,193	6,284	11,616	17,583	12,669	11,930
China	2,957	3,924	5,193	6,371	5,929	5,520
Thailand	1,146	1,362	1,823	2,369	2,983	2,953
Korea	1,310	1,368	1,970	2,507	2,931	2,639
Nepal	209	1,414	3,399	4,901	2,782	2,074
Pakistan	273	446	778	961	1,108	1,738
Vietnam	184	355	619	1,338	1,671	1,633
Brazil	848	1,048	1,338	1,650	1,627	1,591
Indonesia	497	585	861	1,220	1,333	1,490
Other	7,552	8,721	10,883	11,907	12,547	12,045
Total	17,169	25,507	38,480	50,807	45,580	43,613

Source: AEI Statistics

The above table demonstrates the significant decline in commencements from both India and Nepal, along with a more moderate decline in Chinese commencements, when comparing the latest available data (April YTD). Commencements from all three countries peaked in 2009. At that time (using the April YTD data) they represented 57 per cent of total commencements. A year later they represent 45 per cent of a significantly smaller number of commencements. It is hard to predict where this might end.

The table below looks at commencements according to broad fields of study. What it demonstrates in part are student behaviour changes coinciding with changes to the government's migration policies.

Table 7.6 Commencements by broad field of study 2005-2010						
	2005	2006	2007	2008	2009	2010
Architecture, Building	168	152	238	468	1,252	1,459
Arts, Humanities and Social Sciences	1,651	1,681	2,131	4,076	5,214	4,530
Business Administration, Management	8,080	10,161	14,773	21,510	32,475	50,235
Computer Science, Info Systems	2,686	2,947	4,295	5,651	8,115	5,421
Engineering, Surveying	737	1,358	1,958	4,355	6,502	5,503
Health, Community Services	1,447	2,012	3,854	6,920	4,577	3,550
Services, Hospitality, Transport	10,403	17,854	29,855	45,171	48,929	26,882
Visual and Performing Arts	780	801	876	1,419	3,910	3,336
Other	3525	3738	4973	4924	7357	6836
Total	29,477	40,704	62,953	94,494	118,331	107,752

Source: AEI Statistics

As Table 7.6 above shows, in 2010 there were dramatic declines in commencements in the Services, Hospitality and Transport field. This broad field included cookery, hairdressing and hospitality management. Simultaneously there was a dramatic increase in commencements in the Business Administration, Management field of study – courses linked to occupations that were still on the SOL. This strongly suggests that a significant driver for some students undertaking a VET course in Australia was the possible link to a migration outcome.

The overall reductions in commencements obviously hurt VET providers. And they hurt both high quality providers and poor quality providers. Many of the better providers have expressed their belief that the changes unfairly impacted on them. "It was right to hurt the shonks and the dodgy providers" they say "but why hurt us too?" At one level they have a case. A high-quality private provider, a government TAFE, and a dual sector public university, are very different to an unscrupulous operator with no interest in education who was running a private "college" as a migration scam. It is understandable that high quality providers are upset at being in any way associated with what has variously (and in some cases, fairly) been described as shonks, crooks and spivs.

However, many reputable providers were not only hurt by the contextual damage – the "guilt by association" – they were also impacted by the migration rules changes. The removal of the almost guaranteed pathway to migration for international students undertaking a course on the SOL and/or MODL lists of occupations inevitably hurt all providers of such courses. This led to the demise of some of the worst of the private providers. But it also impacted the revenue, and in some cases the commercial viability, of every education provider who conducted courses for occupations on the SOL and MODL lists.

Many providers have still not fully come to terms with those changes. During the course of the Review I received numerous verbal representations, and some formal submissions, strongly arguing for restoration of a closer link between vocational study and migration. For those providers who are dependent upon a link between their courses and migration outcomes, their situation is likely to further deteriorate. Not only are they impacted by last year's decisions, but the new rules for GSM announced with this year's Federal Budget, further erodes the connection between VET courses and migration. These new rules, to come into force on 1 July 2012 and explained earlier in Chapter 3, will make it increasingly difficult for those marketing VET courses to credibly promise a migration outcome.

The two things the VET sector most want is a closer link between their courses and migration; and fewer barriers to entry for prospective international students. Both undoubtedly would increase student numbers. But I am not prepared to recommend either.

To recommend any restoration of closer links between VET courses and migration would be inconsistent with the recent, considered, policy decisions of the Australian Government. Whether you agree with the policy or not (and personally I do strongly support those changes) that policy is unlikely to change in the foreseeable future. Of course many in the VET sector would like changes which would be in their own financial interests. But they would not necessarily be in the broader national interest.

In terms of the other VET sector desire: it would be premature for any Review to recommend making it easier for prospective VET students **as a whole** to obtain visas. Australia is entering a new era in terms of student visas and the VET sector. There have been some seismic changes. Not only is the context markedly different to what it was just two years ago, but that context itself is still evolving. This new environment includes:

- the removal of a government sanctioned scheme which large numbers of students and others accessed for migration purposes;
- the new GSM rules (from 1 July 2012) which further weaken the link between vocational training in Australia and migration;
- many providers already impacted by these changes are still in the process of adjusting, or are yet to adjust, their business models to these changes;
- a new national regulator for the vocational sector, ASQA, which is due to commence on 1 July 2011;
- increasing numbers of VET providers seeking registration to supply higher education courses;
- strong interest from foreign governments in Australian VET providers delivering more services in those countries (this is discussed further in Chapter 15); and
- the possible introduction of more sensible criteria for assessing student visa applications, along with other integrity measures, recommended in this Report.

It is far too early to predict with any confidence how this changed environment will affect the behaviour of prospective students, agents and education providers. How will the reputable providers in the VET sector adjust to the new realities? How many of the less reputable agents and providers will cooperate with residents of other countries to continue to try and facilitate an entry to Australia with no intention to return home? Unfortunately, in the short term, there are financial rewards for **any** steps taken to attract more students. Regrettably the most likely places for systemic rorts continue to be in the VET sector. That is not to say that the entire VET sector, or even the majority, lacks integrity. But with 533 registered providers offering VET courses to international students in 2010 it is far too risky to extend the benefits beyond the current arrangements.

Consequently this Report recommends little change to the rules and arrangements relating to the VET sector. The only significant changes are those integrity measures outlined in Chapters 3 and 12 which apply to all providers in all sectors. No specific changes are recommended affecting the VET sector other than the possibility of greater government support for offshore training detailed in Chapter 15.

This Report also recommends no direct changes to the rules and arrangements specifically relating to the non-university higher education sector. However, the maintenance of what are essentially the current arrangements for the VET and non-university higher education sectors, coupled with the streamlining of procedures for universities, should have some benefits for high quality providers. Streamlining the university applications frees up DIAC staff to concentrate on other applications. As noted previously there is a multiplicity of higher education and VET providers and both the core activities and the quality are variable. Of course for those high quality TAFE and private providers who partner with universities there will be great opportunities. Significant numbers of VET and higher education providers conduct foundation courses and/or ELICOS for students as part of a package with a university. Under the initiatives proposed in Chapter 5 those higher education providers who partner with any of the 39 Australian universities will also benefit from the streamlined processing arrangements for those packaged courses.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 8 English Language

The English Language Intensive Courses for Overseas Students (ELICOS) sector makes a significant contribution to Australia's international education provision. Some students come to study English as a "stand alone" activity. Many others study English as a precursor to undertaking further studies in Australia, studies for which they need a better grasp of English than they otherwise would have obtained.

People from overseas who study English in Australia come on a variety of visas, not just student visas. Some enter on tourist visas, others on a working holiday or a work and holiday visa. Tourist visa holders are allowed to study for up to, and including thirteen weeks, without breaching their visa conditions. Visitors on a work and holiday or working holiday visa are able to study for up to four months. (English Australia – the peak body for the sector – in a submission to a separate Review is seeking to have the amount of time a student can study on a tourist visa extended to four months as well.)

While there are no official statistics, it is clear that some ELICOS providers actively and successfully market short intensive language courses designed to fit with a tourist or the working holiday visas. English Australia estimates that in 2009 one third of English language students studied on non-student visa types. These numbers are not included in the official statistics which AEI collects for the ELICOS sector. Those statistics relate only to English language students who enter Australia on a student visa. Therefore, the following analysis of the sector pertains only to those who held a student visa.

Over the past nine years the number of ELICOS enrolments has almost doubled. However as can be seen in Table 8.1 below, there was a 17 per cent decline in numbers in 2010. The latest data for YTD to April 2011 illustrate that ELICOS enrolments declined by 21 per cent when compared with the same period in 2010.

Table 8.1 ELICOS - Full Year – Enrolments 2002-2010									
Sector	2002	2003	2004	2005	2006	2007	2008	2009	2010
ELICOS	57,452	62,101	61,743	64,560	76,905	102,214	127,247	137,539	113,477
Source: AEI Statistics									

Students come to learn English in Australia for a variety of reasons. However the majority of those on student visas go on to further study in Australia. AEI research demonstrates that of the international students who completed ELICOS courses in 2009 on student visas, 27 per cent went on to further study with higher education providers. Another 33 per cent undertook further study in the VET sector. Only 28 per cent of ELICOS students chose to complete just an ELICOS course.

Student behaviour differed markedly by nationality. Larger proportions of students from the Republic of Korea, Brazil, Japan, Colombia and Taiwan were ELICOS only students. Two thirds of Chinese students and 60 per cent of Saudi students progressed from ELICOS to higher education. In most cases it is likely that they would have been on a package arrangement, where the ELICOS study was a precondition for undertaking a higher education course for which they already had an offer of enrolment. About four in five Indian students and 46 per cent of Thai students progressed from ELICOS to VET. The significant decline in ELICOS enrolments from India is likely to reflect changes to the migration arrangements which have also seen a fall in Indian students coming to undertake VET courses.

ELICOS enrolments are highly concentrated by nationality. The top three nationalities made up 48 per cent of all ELICOS enrolments in 2010 (China alone represented 31 per cent). The top ten countries represented 80 per cent. Enrolments from all top ten source countries declined in 2010, including China which went down by 5 per cent. Only five countries in the top 20 saw increases.

ELICOS courses are provided in a range of institutions and sectors. Indeed ELICOS activities occur in almost all parts of the international education sector. Unpublished National English Language Training (ELT) Accreditation Scheme (NEAS) research shows that of the 269 active providers in 2010, 100 were stand-alone ELICOS providers, 99 were private VET providers and another 18 were publicly owned VET providers, 32 were universities and the remaining 20 were schools. The numbers of ELICOS students in the different providers also varied significantly. 24 providers had a capacity for 50 or less students. 81 providers had a capacity for between 51 and 150 students. But more than half of all registered providers, 164, had a capacity for more than 150 students at a time. Schools generally are among the small and medium providers with public VET institutions more highly represented in the large segment. The other groups spread proportionately over the three segments.

Key findings relating to ELICOS students who participated in the International Student Survey conducted by AEI indicate high levels of satisfaction on learning, living and support matters. Particularly high satisfaction was registered with teachers in terms of teaching ability, ability to be understood and approachability. Australia's English language teaching is highly regarded worldwide and arises from the huge effort made post World War II to assist migrants from non-English speaking backgrounds.

Issues of Concern

As outlined above, most ELICOS students on student visas progress to further studies in the higher education or VET sectors. For most of them this is part of a package arrangement made in advance of commencing their ELICOS studies. So if the numbers of ELICOS commencements decline then this reduction is likely to flow through to the other sectors. Many people involved with international education refer to the ELICOS sector as the "canary in the coalmine". Just as canaries once were used to test air quality for coal miners – if the canary fell off its perch then this was an early warning system for the miners of impending danger – so too a substantial drop in ELICOS numbers does not bode well for the higher education and VET sectors. In this regard the latest 21 per cent drop in enrolments in the YTD April 2011 is of great concern. At this stage it is not possible to quantify how much of that drop related to ELICOS only students and how much related to the cohort likely to progress to further studies. But it is reasonable to assume that at least part of the decline will impact onto the other sectors.

While this is a substantial concern for the ELICOS sector it does not mean that it can be solved by that sector or with a government policy targeted at the ELICOS sector. If students are not coming to do packages which include ELICOS the reasons are likely to relate to matters beyond the ELICOS sector, for example, rising exchange rates, visa processing times, and competition from other countries. Wider solutions to these issues will help some parts of the ELICOS sector. For example, those ELICOS providers which deliver components of packages in partnerships with universities should benefit from the initiatives recommended in this Report for Australia's 39 universities.

In addition there are possible measures that could specifically assist the ELICOS sector alone. As well as the generic concern about declining commencements there are two specific issues raised by the ELICOS sector with this Review:

1. The minimum standard of English required to obtain a visa

English language requirements are a condition of most student visas. That of itself is contentious. On the one hand it is reasonable to expect that a student commencing a VET or a higher education course with an Australian education provider has an appropriate standard of English. After all, those courses are taught in English. It can be argued that without the appropriate level of English an applicant cannot be a **genuine student** and is therefore not entitled to a visa.

A contrary argument is that testing English language proficiency should be a matter for education providers and not for DIAC. There is no intrinsic reason why a good grasp of English should make a person less likely to try and undermine the integrity of the Australia's migration controls. Or conversely that a poor grasp of English would make a person more likely to break the migration rules. However, there is a strong view among DIAC officers that, from their on the ground experience, poor English language ability is particularly common among student visa applicants who are more likely to try and rort the system. It is not a cause but it is co-related.

I do have strong reservations about the appropriateness of DIAC assessing the English language capacity of international students. And I also have concerns about the integrity of testing and the documentary "proof" offered in some locations. I also worry about English language being used as a de facto indicator for other risk factors. On balance though, I am reluctant to recommend the wholesale removal of the English language requirement against the advice of those DIAC officers who have to manage risk on a day to day basis.

However, having an English language requirement before someone is allowed to study English does seem a little bizarre. Currently there is a minimum standard of English language proficiency required for applicants from AL4 nationalities studying stand-alone ELICOS. This is the case if they are seeking a student visa. However, if they come on a tourist visa then there is no minimum English language requirement. As detailed in Chapter 4 – The Foundation Stone – there are a series of criteria to assess whether an applicant for a tourist visa is a **genuine temporary visitor**. That is the threshold test which must be met before a visa will be issued. Again, as detailed in Chapter 4, DIAC officers are very good at assessing the bona fides of applicants for tourist visas and the level of overstay is impressively low. There is no evidence to suggest that even that small overstay rate is disproportionately concentrated among visitors who study English language courses.

Earlier in this Report I recommended a change to the criteria for obtaining a student visa; that a threshold requirement be whether or not DIAC officers assess that the applicant will be a **genuine temporary entrant**. If those changes are implemented then both sorts of ELICOS student: those on a student visa and those on a tourist or working holiday visa will have to meet similar tests. Provided those reforms are introduced then I see no good reason for preventing both sorts of ELICOS students from being treated the same. In neither case should English language proficiency be a threshold requirement for the study of English. For both cohorts DIAC officers should have ample power to refuse visas to high risk applicants on other substantive grounds.

Removing the requirement to have a certain level of English before learning English makes sense educationally. And there are good reasons to believe this will not increase the risk of students failing to observe the conditions of their visas. However this change still carries with it a risk for how well these students will function in the community in their early weeks of English language training. The recommended changes undoubtedly will benefit ELICOS providers if they are adopted by the government. But with this benefit also comes a responsibility for the providers to be conscious of the welfare of their students. A student commencing English language training in a country foreign to them will need considerable support in the early stages of the course. ELICOS providers need to embrace a social responsibility as well as an educational responsibility.

2. The maximum period allowed for ELICOS study

For students from AL3 and AL4 nationalities there is a maximum duration of study allowed for either stand-alone ELICOS or packaged ELICOS studies. The durations vary according to the AL and the nature of the course. For example, the maximum period allowed is 50 weeks for a student visa holder rated AL3 who is studying a stand alone ELICOS course. By contrast, the maximum period for an AL4 student whose English language course is packaged with a VET course is 20 weeks.

English Australia, and many of its constituent members, argues that there should be no maximum period of English language study. Students do not all have the same intellectual endowments, or the same aptitude for languages, and will progress at different speeds. From a student perspective there is a case that can be made for some flexibility in the length of English language study. For individual ELICOS providers such a change would be clearly attractive, both from an educational and potentially from a commercial perspective.

However, it is unclear just how much of a potential commercial advantage there would be. The English Australia submission to the Review (at page 6) reports that in 2009 the average course length for ELICOS student visa holders was 15.3 weeks. That is well below the maximum time for the shortest permissible period (20 weeks) and quite tiny compared to the longest maximum period (50 weeks). It begs the question as to how many genuine students would benefit from an extension? Strangely the English Australia submission is silent on the question of how much longer any additional period should be. If there is no maximum period then would the visa be "open ended"?

Moreover, any proposed changes would not happen in a vacuum. They must be considered against not only the background of current risks to the integrity of migration controls but also the potential for exploitation. While I have no doubt that the motivation for English Australia to promote this proposed change is honourable, that does not ensure that less honourable individuals would not try to take advantage of it. Were the maximum of 50 weeks for stand-alone ELICOS study to be increased this runs the risk of becoming an attractive option for those applicants more interested in manipulating the system than gaining an education.

This could especially be the case if my recommendation to remove the threshold requirement of English language proficiency before a visa to study English is granted. On balance I am not prepared to recommend any change beyond the substantial one of removing the English proficiency requirement for stand alone ELICOS students.

Recommendation 10

That, provided the integrity measures relating to the revised criteria for a student visa are implemented (as set out in Recommendation 1), the threshold English language test requirements for stand alone ELICOS students be removed.

Chapter 9 Schools

Compared to universities, other higher education and VET, the Schools sector is small. In 2010 the schools sector represented only 3.3 per cent of commencements according to the official figures. However the actual percentage would be a little higher because the official figures do not include some students who are counted in the "Other" or VET statistics. There is a group of international students for whom secondary studies are part of an arranged preparation for further education, such as a VET course. Although these students are not in traditional "schools", they are still undertaking secondary school level studies. The overwhelming majority of all international school students are concentrated in the last few years of secondary (high) school.

Schools sector numbers have declined over the past three years. In 2010 commencements were more than 10 per cent under those of 2002 and more than 20 per cent below their peak in 2008. The number of providers involved in the sector peaked at 512 in 2003 and has fallen steadily with 431 providers active in 2010.

Table 9.1 Schools –Commencements 2005-2010						
	2005	2006	2007	2008	2009	2010
Primary School	862	1,107	1,292	1,057	871	751
Junior Secondary	1,767	1,772	2,076	2,266	2,095	1,658
Senior Secondary	7,773	8,225	10,232	10,980	10,010	8,469
Total	10,402	11,104	13,600	14,303	12,976	10,878

Source: AEI Statistics

Student flows in the Schools sector are highly concentrated by nationality. China is responsible for over 40 per cent of the 2010 commencements. The top three nationalities (China, Korea and Germany) together are responsible for 65 per cent. Just under half attend Australian public schools with the remainder attending independent schools or, in some cases, private for profit providers set up specifically to service international students.

As with other areas of international education, there are some changed patterns emerging in the schools sector. Representatives of the public school sector in several states told the Review that they are experiencing an increasing number of students coming to Australia for an exchange period rather than ongoing education. These students might come for a year, or sometimes only part of a year. This changed pattern is particularly common among students from Europe. The attraction for these students is as much the cultural enrichment experience as it is a formal educational experience.

Victoria and New South Wales between them account for just over half of all commencements. Queensland and South Australia, while suffering declining commencements in 2010, are the only two states to have commencements above, and significantly above, those they experienced in 2002.

Schools – commencements by state, 2002-2010									
	2002	2003	2004	2005	2006	2007	2008	2009	2010
NSW	4,343	4,325	3,616	3,182	3,485	4,594	4,987	3,847	3,094
VIC	3,317	3,342	2,950	2,646	2,732	3,513	3,594	3,082	2,545
QLD	2,026	2,204	2,219	2,208	2,456	2,762	2,858	3,039	2,853
SA	773	911	959	977	1,077	1,294	1,351	1,521	1,131
WA	1,214	1,228	1,083	898	898	980	1,020	971	890
TAS	261	197	216	243	205	224	240	257	152
NT	69	53	45	31	21	29	29	42	41
ACT	255	254	234	217	234	206	224	217	176
	12,258	12,514	11,322	10,402	11,108	13,602	14,303	12,976	10,882

Source: AEI Statistics

AEI research demonstrates that international students in the schools sector flow into other components of international education within Australia. Some 25 per cent move immediately to higher education and 12.5 per cent immediately to VET. This highlights the importance of the schools sector in providing a stream, albeit small, of appropriately qualified students familiar with Australia's approach to education.

Issues of concern

1. The minimum standard of English required to obtain a visa

Most school students do not have to be able to prove their ability to speak English. It is up to the school to decide what level is appropriate. The exception is AL4 students. Only AL4 nationalities are required to undertake English language testing but only for students who are over sixteen years of age. There are currently only two nationalities assessed at the AL4 level for the issue of subclass 571 visas – China and Bangladesh. China has had a waiver from application of this provision from its inception. So in practice Bangladeshi school students over the age of 16 are the only ones required to be tested.

The minimum standards of English requirements, as implemented, do seem anomalous. If there is a serious concern about prospective students from any country, there are other proper grounds for refusing a visa rather than the level of English.

2. The maximum duration of ELICOS study

The maximum duration of English language study for school students is affected by the relevant AL. AL1 and AL2 have no restrictions. A school student from those countries can undertake as much English language training as they require. By contrast AL3 students are restricted to 40 weeks and AL4 students to 30 weeks.

School students may require varying levels of study to bring them up to the level necessary to effectively participate at school. It does seem peculiar that students from European countries (classified as AL1 or AL2) whose first language is structurally similar to English, can have more time to learn English than some students from Asia (classified as AL3 or AL4) whose first language is so markedly different. It would appear that these rules are a surrogate measure to control visa risks. Once again there are better ways to control those risks than arbitrarily restricting the amount of ELICOS study a bona fide school student can undertake. The maximum period of stand alone ELICOS study is 50 weeks at AL3 and 40 weeks at AL4. I cannot see a good reason why the maximum period for school students should be any less. Indeed in the case of school students I would allow a 50 week maximum irrespective of the AL.

Generally, school students are a low risk group. The cohort that most concerns me is undertaking secondary education outside of the traditional public and private school milieu. I believe that sub-sector does require some special attention but a blanket restriction on the maximum duration of ELICOS study for school students is not the most sensible way to achieve this.

3. Student guardian arrangements

Where a student is less than 18 years of age a parent or relative can apply to accompany them to Australia as a student guardian. There may also be exceptional circumstances where a student over 18 years of age may need a guardian for religious or cultural reasons. Student guardians must reside with the student and are unable to work in Australia. Student guardians are not allowed to bring other family members to Australia with the exception of dependent children under the age of six.

DIAC and other stakeholders have concerns about the issue of student guardians. Breaches of the work and residence conditions have been identified. Some guardians have been working illegally (often for cash in hand). This undermines the working conditions of Australians and compromises the integrity of taxation revenue. Some guardians have moved to their home country, a third country or other parts of Australia distant from the student. Such behaviour raises strong concerns about the welfare of the minor student. Submissions to the Review have requested a number of amendments in relation to student guardians including:

- requiring all students under 12 years of age to be accompanied by a parent or close relative on a student guardian visa;

- allowing student guardians to study (they are currently restricted to three months of study over the life of their visa);
- allowing student guardians to work; and
- increased monitoring of student guardian visa conditions.

The first issue is a matter for state and territory regulators, though I do worry about very young children studying in any foreign country without the support of a parent or guardian.

In regard to study, three months does not seem long enough for a student guardian to learn enough English, which would probably be the primary focus study for those from a non-English speaking background. This is particularly the case if the guardian is only studying English part time so that their own studies do not interfere with their guardianship responsibilities.

Guardians are not here as students. If they want to engage in extensive study then they must apply for a student visa in their own right. The three month study requirement should remain and apply to all non-English language courses. However, it would be reasonable to treat English language study differently. Student guardians should be allowed unlimited time to study English albeit on a part time basis.

The serious issues of student guardians breaching work rights and not residing with the student should not be tolerated. These conditions should remain on the student guardian visa. Breaches of such conditions are the sorts of things which DIAC integrity and compliance officers should be proactive in detecting. The adoption of the recommendations in Chapter 12 to free up those resources to enable the targeting of high risk behaviour should help in this regard.

4. Financial requirements

Quite reasonably the government wants to be sure that families have adequate resources to support their school students while they are studying in Australia. In relation to the financial requirements, several submissions to the Review argued that pre-paid homestay fees should be counted towards the requirement just like prepaid boarding school fees are counted. This seems eminently logical and puts day schools, both public and private, on a similar footing to boarding schools.

However, in the early stage of the consultation process a number of stakeholders also emphasised to the Review the importance of effective regulation of home stay providers. While it is not part of my terms of reference I do share their concerns. State regulators would be well advised to ensure effective oversight of this area.

5. Quality provision

Generally the school visa system works well, as do the vast majority of schools which international students attend. Most international secondary school students attend state government run schools or highly reputable private schools. In both cases the quality of the educational experience is the key driver and in both cases, the international students constitute only a small percentage of each individual school's enrolments.

I do however have some concerns about those private businesses which run an integrated package of courses just for international students. There are examples where the same provider runs the ELICOS training, a school and VET programs as part of a total package (sometimes in the one CBD building) for international students. Such operations need themselves to have strong quality controls to ensure that the students receive the best possible education at each level. Regulators need to be vigilant in monitoring a situation where there is a strong financial incentive to progress students from one sector to another. The relevant authorities also need to combat any hint of exploitation of these students.

Recommendation 11

That the English language requirements for school students in AL4 be the same as those applying for AL1 through to AL3 and the associated waiver scheme abolished.

Recommendation 12

That the maximum period of time a school student visa holder can study English be 50 weeks across all ALs.

Recommendation 13

That the current restrictions on student guardians of a maximum of three months of study be maintained but unlimited part-time study rights for ELICOS study only be allowed.

Recommendation 14

That pre-paid homestay fees be included in financial assessments on the same basis as pre-paid boarding fees.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 10 AusAID and Defence

The Australian Agency for International Development (AusAID) and the Australian Department of Defence (Defence) sponsor a small but very important student flow. Those students are usually sponsored by the Australian Government but sometimes foreign governments. They are integral to various Australian bilateral relationships as well as demonstrating Australia's commitment to assist other countries in their development efforts.

Defence sponsored almost 1,000 students in 2010 while AusAID's scholarship program reached almost 2,100 students in 2010. There are a number of characteristics about both programs that are worth noting:

- over the next four years AusAID's scholarship program is expected to almost double in numbers to over 4,000 students;
- both AusAID and Defence sponsor students on a wide variety of programs which range in length from two week short courses through to postgraduate programs. The undergraduate officer cadet program at the Australian Defence Force Academy can take up to five years; and
- the overwhelming majority of students come in on the subclass 576 visa. However a range of other visa types are used for education related visits, such as when foreign military instructors are seconded to Australian Defence Force units, or where the duration of a course is short.

80 per cent of Defence sponsored trainees come in under the subclass 576 visa. While this visa has work rights attached to it, it is a Defence condition that trainees are not permitted to work. AusAID sponsored trainees have a two year return home requirement placed on their subclass 576 visa. While I have recommended elsewhere that certain graduates, who are in compliance with their visa conditions, be given access to work rights I do not intend that such a recommendation would override the non working and return conditions attached to scholarships. This group of trainees is quite different to the majority of the international students seeking education options in Australia.

The level of risk that attaches to students sponsored under the government programs is very small even though many of them come from nationalities with high Assessment Levels. However this visa subclass is not without its challenges for both agencies and their intended students/trainees.

It appears that from time to time students who have a disability or who have HIV are denied a visa because of concerns about the potential for them to impose costs on the Australian taxpayer through use of Australian medical facilities. This appears to be overcome only on a very cumbersome case by case basis where the agency concerned intervenes to assist the potential student to demonstrate that they have the resources to support their stay in Australia including their medical requirements.

Another major issue arises when students get caught in a catch 22 where the relevant DIAC officer will not issue a visa until the applicant can show that eligible children have been enrolled in school. But the relevant state education authorities will not enrol without proof of visa issue! This matter was raised with the review in relation to other classes of applicant as well. One can imagine the frustration of most Australians faced with two agencies whose approaches ensured mutually unachievable outcomes. It must be even more confusing for a potential visitor from another country. This issue was raised by stakeholders in relation to other visa types and any remedy should be applied more broadly than just for subclass 576 visa holders.

The health and education provisions of Australia's visa system meet objectives that would be broadly supported by the Australian community. However it does appear that excluding potential students solely because they have HIV or some disability is a rather too broad brush approach. This potentially excludes students who are well positioned to take advantage of an Australian education and use it to the benefit of their home country upon their return.

The Australian Government needs an effective whole-of-government approach to these issues. The government needs to decide who it is prepared to give a scholarship to in circumstances where visa policy settings are not likely to deny the grantee a visa. Australia looks foolish if AusAID awards a scholarship only to have DIAC refuse to issue a visa particularly if refusal is based on a disability or HIV grounds. These important issues need to be resolved. Maybe it is the visa policy settings which need to change. Perhaps it is the position of the Department of Health and Ageing (DOHA) which needs adjusting. Alternatively, AusAID might need to change its scholarship parameters. Whatever it is, there needs to be a common resolution and a common approach. As a matter of some urgency, the relevant agencies including DIAC, AusAID and DOHA need to work together to establish an integrated policy.

The issue of the length of visa for PhD students was raised by AusAID on the same basis as by the Higher Degree by Research community. In Chapter 6, I recommend that visa arrangements for Higher Degree by Research students include the ability to extend for six months in order to cover the period between submission of the thesis and the completion of examination. This arrangement should also apply to PhD students coming to Australia under subclass 576.

Recommendation 15

That as a matter of some urgency AusAID, DIAC, DOHA and other relevant Australian Government agencies develop an integrated policy in relation to the award of scholarships and how visa arrangements for awardees are to be managed. In particular they should address the situation of potential awardees who have a disability or HIV.

Recommendation 16

That PhD students entering under the subclass 576 visa have access to the same extension provisions recommended for Higher Degree by Research students in Recommendation 9, provided AusAID is prepared to fund their extended period.

Recommendation 17

That DIAC and DEEWR meet with State education authorities to work out what can be done to avoid the situation where a visa for a child dependent cannot be granted until proof of enrolment is present and state education authorities will not grant such proof until proof of visa grant is made. Any agreed remedy should apply across all student visa subclasses.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 11 Non Award

The non-award sector is a small but significant sector comprising much of the student cohort undertaking foundation (non-award) courses. It also covers exchange students and other students coming to Australia. The exchange and other students mainly attend Australian universities for a semester or a year long study experience generally known as "study abroad".

Table 11.1 demonstrates that the segment has grown significantly since 2002. The sector peaked in 2009 with a small decline in 2010. The most recent monthly AEI data for the YTD April 2011 shows an 8.3 per cent decline confirming that the decline that began in 2010 has continued into 2011.

Table 11.1 Enrolments in non-award courses 2002-2010									
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Enrolments	23,933	25,949	25,952	26,257	26,437	27,331	30,122	31,748	31,235
Number of Foundation	4,522	5,119	5,146	5,669	6,326	7,564	9,222	10,207	10,173

Source: AEI Statistics

The sector is dominated by the universities with over 80 per cent of enrolments occurring at a university. Half of the remaining enrolments are to entities closely associated with, or controlled by, universities providing foundation courses. There are also a range of smaller providers supplying specialised training, for example, aviation training.

Table 11.2 Enrolments in non-award courses by nationality 2002-2010 – some leading nationalities									
Nationality	2002	2003	2004	2005	2006	2007	2008	2009	2010
China	2,395	2,489	2,698	3,325	3,723	4,139	5,506	7,258	8,358
USA	7,788	8,992	9,164	8,718	8,135	7,880	7,837	6,958	6,460
Germany	1,131	1,566	1,785	2,009	2,168	2,401	2,513	2,328	2,280
Indonesia	1,057	1,073	891	711	657	693	720	826	913
Saudi Arabia	7	14	14	27	100	149	480	919	885
Vietnam	148	103	152	168	202	256	466	787	831
Sweden	1,100	1,084	834	841	648	534	567	569	542
Hong Kong	1,798	1,626	1,121	732	722	1,106	1,073	716	325
Other	8,509	9,002	9,293	9,726	10,082	10,173	10,960	11,387	10,641
Total	23,933	25,949	25,952	26,257	26,437	27,331	30,122	31,748	31,235

Source: AEI Statistics

Table 11.2 demonstrates that while the top three nationalities have changed over the period 2002 to 2010 they have collectively made up just over 50 per cent of enrolments during the period. Significant growth has been delivered by Chinese students who make up over half of all foundation (non-award) course enrolments. Americans make up the second largest cohort although their numbers peaked at over 9,000 in 2004 and have been steadily declining such that they represented almost 6,500 enrolments in 2010.

Foundation courses are not an end in themselves. They are essentially a stepping stone to a university course. Individual universities have their own arrangements with a variety of education providers who they recognise as conducting appropriate foundation courses. Some of these foundation programs are run by the universities themselves, others by providers that the universities are closely associated with, some by more independent providers. The implementation of National Standards for Foundation Programs approved by the Ministerial Council on Tertiary Education and Employment is a welcome development in quality assuring such programs.

In practice a foundation program's main value lies in it being recognised for progression to a higher education program. There's not a lot of point laying a foundation if you don't go on to build a structure! The proposals set out in Chapter 5 for streamlined treatment for the university sector include the ability to package ELICOS and foundation courses. If adopted those recommendations should facilitate the visa process for students studying (non-award) foundation courses where the course is packaged with a university course.

Australian universities increasingly encourage their students to spend a semester or a year studying overseas. This broadens the students' horizons both educationally and culturally. Not surprisingly Australian universities have both an interest and an obligation to host exchange students from other countries. These exchanges are generally revenue neutral for the universities. Most exchange students pay fees in their home country not where they undertake their exchange. But these exchanges help build enduring links between universities as well as disseminating a very positive view of the Australian university educational experience.

As the nature of how education is conducted evolves, it seems likely that increasing numbers of students will want to undertake part of their education at another university in a different country. Australians undoubtedly would like to see our students treated well overseas and we have a responsibility to reciprocate. Therefore it is appropriate to extend the streamlined processing arrangements to those students who come to an Australian university to undertake study as part of their home university's degree. The short term nature of their study plus the fact that they are enrolled in and progressing through their home institutions, suggests that they are a very low risk cohort.

Recommendation 18

That students coming for semester or year long non-award courses at an Australian university as part of their home universities degree and/or as part of an agreed student exchange between universities be given access to streamlined processing as outlined in Recommendation 3.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 12 Integrity Measures

To a greater or lesser extent, every sector of international education is vulnerable to people trying to rort the system. There are two main areas where people with ulterior motives might attempt to undermine the rules. Sometimes they are distinct areas, sometimes they are connected.

1. Obtaining Permanent Residence

Wanting to become a permanent resident of Australia is not a bad thing in itself. Almost everyone who lives here (me included) thinks this is a wonderful place to live, arguably the best country in the world. And migration itself is a very positive thing. Australia is a nation of migrants and the descendants of migrants. Throughout this Report I have tried to shy away from using the term "migration risk". That term is commonly used when DIAC officers and others involved in the field talk about potential rorts. Now while there is robust debate about the appropriate size of Australia's migration program, almost everyone agrees that some migration is desirable. The arguments tend to be about "who", "how", "when", and "how many"? Using the term "migration risk" suggests that if someone does migrate then that is somehow a bad thing. In fact, what people who use that term really mean is that there is a risk that someone will undermine the integrity of the migration program. That is quite different; unquestionably bad and something all Australians should be concerned about.

Many prospective migrants, including international students, follow the rules and achieve permanent resident status. They have behaved appropriately. Provided that the rules are sensible and they are properly administered, then this is a good outcome for Australia. By definition, they are the migrants we wanted. It is when people seek to "get around the rules" (or outright break them), that the integrity of the migration program is undermined. There is risk with any visa system and it requires continual vigilance and dexterity to minimise that risk and manage any issues that do occur.

2. Working temporarily in Australia

Australia has a number of programs which facilitate short term employment for residents of other countries. For example, there is a working holiday visa. There is also the subclass 457 visa program which is specifically designed to allow employers to bring temporary workers to Australia to fill short-term skill shortages.

By global standards wages in Australia are relatively high. Compared to less affluent countries in our region, wages for semiskilled and unskilled workers are very high indeed. This is an obvious attraction for those seeking both permanent migration and a temporary period of work in Australia. Sometimes the two categories overlap. A person may come to Australia with the intention of working the system to work and later try and use the various legal and appeal processes available to gain permanent residence. But there is also a distinct group who are here to make as much money as they can for as long as they can and then return home.

Such behaviour does not make these people innately evil. Many of us would contemplate doing the same thing if we were in their shoes. But this does not mean that Australia should allow such things to occur. If people enter on a student visa with the intention of working rather than studying, this undermines our system at several levels. It compromises the student visa program. It undermines the deliberate, ordered programs for temporary workers – like the subclass 457 visa. It potentially undermines the wages, conditions and occupational health and safety protections of Australian workers. And it often leads to exploitation of the workers themselves by unscrupulous employers and agents.

Under the current visa arrangements most international students are allowed to work 20 hours per week during term time, and unlimited hours during holiday periods. With two small exceptions, this report recommends a continuation of these rules. The first exception relates to Higher Degree by Research (HDR) students and was outlined in Chapter 6. The second is a small change to adjust student work rights to 40 hours per fortnight rather than 20 hours per week. This is consistent with the manner in which Australia assesses extra earnings for a range of domestic social security payments: we look at what happens over a fortnight not simply a week. International students involved in casual work often might be required at short notice to work a few extra hours on a particular shift, or fill in for someone who is sick. In the short term that could increase a particular week's work hours beyond the 20 hour limit. Currently the student has two choices when faced with such a situation:

- refuse the work, which might affect whether or not any casual work is offered in the future to someone so "uncooperative";
OR
- accept the work and be in technical breach of the work rules and therefore their visa conditions.

There is anecdotal evidence, particularly from trade unions, that the most unscrupulous employers exploit international students once they agree to an initial breach of their work rights. Such employers then demand all sorts of things from their international student employees – work at reduced wages, breaches of occupational health and safety conditions, even sexual favours. In effect, the international students are blackmailed by the threat of the employer reporting the student for their initial breach. Under the current rules a reported breach of work rights can lead to a mandatory cancellation of the student visa (more about that later in this chapter). Changing the arrangements from 20 hours per week to 40 hours per fortnight won't solve all of these problems but it will help at the margin.

Beyond the two exceptions outlined above, the 20 hours work rights rule should be maintained. By the standards of our competitor countries 20 hours per week is generous. I do not endorse those submissions which argue for an increase.

However, it is essential that we recognise how difficult it is in practice to enforce the 20 hour work rights rule. Firstly, DIAC does not have access to the taxation records of individual international students. Secondly, even if DIAC had such access, the complexity and time lags involved would make it extremely difficult to isolate breaches by individual students. The costs of doing so are likely to far outweigh the benefits. Thirdly, and probably most importantly, the worst breaches are not easily detectable from accessing records, precisely because they involve no records. Anecdotal evidence from students, industry associations and trade unions suggests that the biggest problems are in the "cash economy".

The most concerning situations involve "students" working full-time for less than an award wage, paid in cash by employers who have scant regard for occupational health and safety requirements. In the worst instances these rorts involve the collusion of an unscrupulous education "provider". I recently met a former international student who told me he studied Information Technology at a (now defunct) private college at Griffith. That's Griffith the New South Wales inland town not Griffith the Queensland based public university. The former student admitted that he had very little formal tuition but did experience a lot of seasonal labouring work. He picked up fruit not a qualification. And, of course, he was paid in cash.

Coming to Australia on a student visa with the intention of working rather than studying can be a good financial option for a person from a country much less affluent than Australia. Some VET sector courses are amazingly cheap. It is possible to find one year courses where the fees are under \$6,000 and two year courses for less than double that figure. Even with airfares, visa and related charges, this is still a very cheap way to enter Australia. There are people smugglers who charge more to put people on leaky boats with no certainty of ever reaching the Australian mainland! Even if the pay is below award wage rates – but "cash in hand" – an unskilled or semiskilled worker can find the whole transaction quite lucrative. It is certainly much more profitable than working in a menial position at home and far more lucrative than being a guest worker in the Middle East.

This chapter deals with five groups of integrity measures designed to reduce the risk of both the main types of rorts: those designed to obtain permanent residence; and those designed just to work.

A. NEW CRITERIA FOR STUDENT VISAS

Chapter 4 entitled **The Foundation Stone**, sets out a more sensible framework for assessing student visa applications. It focuses on changes to ensure that the student is a **genuine temporary entrant**. But it also retains the criterion of **genuine student**. The former should be used to reject those who are unlikely to return home after completing a course in Australia. The latter should be used to reject those whose real intention is not to study at all but to work in Australia. As outlined in the **Principles Which Underpin This Report** (Chapter 2), the best place to stop people we don't want being in Australia is offshore. The bigger the cohort of potential rorters who make it to Australia then the bigger the problem will be and the harder it will be to deal with.

B. DEPENDANTS

Australia is a country where all major political parties publicly articulate their support for "family values". Consistent with these views we have been generous in allowing international students to bring family members with them while studying in Australia. At first blush this seems a good and sensible thing to do. Unfortunately, the reality is less rosy. When a spouse is added to most student visa applicants, that spouse receives the same work rights as the student. And, as we have seen above, that means the same capacity to breach those work rights combined with the same difficulties of detection.

Table 12.1 Number of student visas granted to primary and secondary applicants by sector 2007-08 to 2010-2011				
	Financial Year	Primary	Secondary	Ratio
570 Independent ELICOS Sector				
	2007-08	28562	1965	0.07
	2008-09	33776	2676	0.08
	2009-10	31982	3260	0.10
	2010-11 to 31/03/11	20505	2124	0.10
571 Schools Sector				
	2007-08	16963	31	0.002
	2008-09	14103	36	0.003
	2009-10	12498	29	0.002
	2010-11 to 31/03/11	7216	17	0.002
572 Vocational Education and Training Sector				
	2007-08	59951	8621	0.14
	2008-09	83694	20095	0.24
	2009-10	58360	13670	0.23
	2010-11 to 31/03/11	37909	9552	0.25
573 Higher Education Sector				
	2007-08	115410	14961	0.13
	2008-09	118290	15570	0.13
	2009-10	107185	11819	0.11
	2010-11 to 31/03/11	75985	8986	0.12
574 Postgraduate Research Sector				
	2007-08	4320	2631	0.61
	2008-09	5071	3264	0.64
	2009-10	5512	3829	0.69
	2010-11 to 31/03/11	4061	2768	0.68
575 Non-Award Sector				
	2007-08	20536	245	0.01
	2008-09	18799	200	0.01
	2009-10	17951	188	0.01
	2010-11 to 31/03/11	10697	93	0.008
576 AusAID or Defence Sponsored Sector				
	2007-08	2615	1904	0.73
	2008-09	2540	1518	0.60
	2009-10	2699	1517	0.56
	2010-11 to 31/03/11	2276	1252	0.55

Source: DIAC statistics

Table 12.1 above sets out the numbers of student visas granted to primary and secondary applicants in the last four financial years, including the ratio for each sector. That ratio varies quite dramatically between different education sectors.

The highest percentages are in the AusAID or Defence Sponsored and the Postgraduate Research sectors. This is neither surprising nor a concern. These students are generally older, sponsored by governments, and bring their families with them. They are all very low risk groups in terms of threats to the integrity of Australia's migration rules.

The Higher Education and independent ELICOS sectors have relatively low ratios – around 0.07 to 0.13 depending upon the financial year.

It is the VET sector which has had the biggest comparative rise. There the ratio increased substantially from mid-2008 onwards. In 2007/8 it was 0.14 but it is now 0.25. Table 12.2 below sets out the breakdown of primary and secondary visas for a range of countries.

Table 12.2 Number of student visas granted to primary and secondary applicants by country 2007-08 to 2010-2011				
	Financial Year	Primary	Secondary	Ratio
China, Peoples Republic of				
	2007-08	48371	1502	0.03
	2008-09	53592	1739	0.03
	2009-10	52498	2043	0.04
	2010-11 to 31/03/11	35852	1475	0.04
India				
	2007-08	39612	8099	0.20
	2008-09	50112	15404	0.31
	2009-10	23273	6553	0.28
	2010-11 to 31/03/11	14253	4855	0.34
Korea, South				
	2007-08	16706	2613	0.16
	2008-09	14687	2664	0.18
	2009-10	13529	2887	0.21
	2010-11 to 31/03/11	8267	1753	0.21
Brazil				
	2007-08	10378	716	0.07
	2008-09	11439	1086	0.09
	2009-10	10349	1112	0.11
	2010-11 to 31/03/11	6769	600	0.09
Malaysia				
	2007-08	9648	974	0.10
	2008-09	10487	1058	0.10
	2009-10	9640	1003	0.10
	2010-11 to 31/03/11	7159	575	0.08
Indonesia				
	2007-08	6916	1308	0.19
	2008-09	7290	1391	0.19
	2009-10	7230	1499	0.21
	2010-11 to 31/03/11	5095	1026	0.20
Saudi Arabia				
	2007-08	3587	2574	0.72
	2008-09	4396	3233	0.74
	2009-10	4065	3253	0.80
	2010-11 to 31/03/11	3187	2509	0.79
Nepal				
	2007-08	8628	1630	0.19
	2008-09	10407	3588	0.34
	2009-10	4678	1395	0.30
	2010-11 to 31/03/11	4247	1534	0.36
Libyan Arab Jamhuriya				
	2007-08	135	174	1.3
	2008-09	165	261	1.6
	2009-10	625	697	1.1
	2010-11 to 31/03/11	426	548	1.3

Source: DIAC statistics

The difference in the ratios between the two largest source countries for international students is quite stark. China has a ratio of 0.04 in the first nine months of this financial year. India by comparison has a ratio of 0.34. Nepal has a similar ratio, 0.36. The highest ratio is from Libya but these are primarily the families (spouses and children) of HDR students on government scholarships. The Indian and Nepalese secondary visa holders are primarily the spouses of VET students. Before the government introduced a range of integrity measures in 2009-10 there had been massive growth in student numbers from the Indian subcontinent, primarily in the VET sector. The growth in spouse numbers mirrored the previous upsurge in student numbers. And it has suffered the same declines.

There are certainly spouses of students who come to Australia as part of a genuine and loving relationship, who observe all of the conditions relating to the visa (including the limitation on the number of hours worked) and who will return home at the end of the visa period. These are the spouses that the secondary visa for dependants is designed to assist. However, there are also spouses who are parties to a "marriage of convenience" who live in different locations to their spouse, work full time (usually for cash) and hope to never leave Australia.

Based upon the current research data, or more correctly the lack of it, it is impossible to quantify how many spouses are in genuine relationships and how many are involved in sham marriages. It is also impossible to say how many in genuine marriages are still rorting the system by working illegally. The problem of identifying sham marriages is especially hard when most of the students bringing spouses to Australia are from countries where arranged marriages are the norm. It is extremely difficult for DIAC officers to try and distinguish between which arranged marriages are genuine and which arranged marriages are a sham.

However, there are growing concerns among DIAC officers based in the subcontinent. Newspaper advertisements for marriage partners which trumpet that the advertiser has actual or potential access to an international student visa are worrying. So too are comments by senior government officials who refer to "the reverse dowry" scheme. DIAC officers in some overseas posts are now seeing increasing numbers of young men, who had their own applications for student visas rejected, reappearing as dependent spouse applicants.

There are increasing concerns that "dependent spouses" could become the new student visa rort. It has the potential to be the new backdoor route to work in Australia and perhaps also the new backdoor route to try and exploit the system for migration purposes. The UK has faced a similar problem in recent years. It recently responded with some tough new rules:

- no visas for dependants are allowed unless the student is undertaking **postgraduate** education at a higher education provider;

- the only exception is for government sponsored students who are still able to bring spouses or partners and children under the age of 18.

While I have serious concerns about the possible exploitation of the current Australian rules for dependants, I am not at this stage prepared to recommend that Australia implement the UK initiatives. There are several reasons for this:

- (i) While the ratio of secondary visas to primary visa holders remains high for certain countries and certain sectors, the absolute numbers of secondary visa holders fell in 2009/10. This pattern was continued in the first nine months of the 2010/11 financial year. In practical terms, fewer students in the higher risk cohorts have similarly meant fewer spouses;
- (ii) If the changes to the criteria for a student visa set out in Chapter 4 of this Report are implemented, that should reduce the numbers of high risk students. Quite likely, those integrity measures will also reduce the numbers of non-genuine spouse applications. This may reduce the potential size of the problem.
- (iii) There is not sufficient hard data on which to base such a major policy decision to dramatically reduce the dependant entitlement for student visa holders. Although there is an increasing amount of anecdotal evidence, there is a lack of serious rigorous research.

However, this is an area which requires extreme vigilance in the next few years. If I had to speculate on the area where the "next rort" will emerge, then I would say it would most likely be in the area of dependants. And while it is more likely to be closely associated with students who are not themselves genuine students or genuine temporary entrants, it has the potential to be more widespread.

Nor is it necessarily likely to be confined to any particular education sector. For example, consider the potential case of a young woman from the subcontinent who is a genuine student undertaking a four year university degree and who has every intention of returning home at the conclusion of the studies. It is still possible that she could enter into a sham arranged marriage with a partner whose main attraction is that he would pay her university fees – the "reverse dowry" mentioned above. They would never live together. The husband would enter Australia with the intention of working full time, most likely in the cash economy, possibly with no intention to ever return home.

Quite frankly we do not know how big a problem this is. DIAC needs to be much more proactive in collecting the relevant data. It also should target integrity and compliance resources to investigate this area. Should the recommendations in the next section about prioritising enforcement activities be implemented, then that should free up resources for such investigations. DIAC also should liaise with other organisations, particularly trade unions, the Fair Work Ombudsman and Fair Work Australia, the Overseas Student Ombudsman and state and territory ombudsmen who might help identify improper work practices.

If the evidence does show widespread abuse, or even a significantly rising level of abuse over the next twelve months, then the government should seriously consider implementing similar reforms to the recent UK initiatives.

Recommendation 19

That DIAC undertake specific research targeted at integrity and compliance issues into student visa outcomes, including both primary and secondary applicants, to inform policy development.

Recommendation 20

That DIAC be appropriately funded to further develop research capability across the program.

Recommendation 21

That DIAC, to the extent permitted by legislation, co-operate with its counterparts across all levels of government to facilitate information sharing, to inform evidence based decision making.

Recommendation 22

In the event that the research over the next 12 months reveals systemic abuse of dependant (secondary applicant) visas, that the government seriously consider mirroring the recent UK policy and restrict dependant visas to Masters and above courses unless the primary applicant is sponsored by a government.

C. ENFORCEMENT

Throughout this Report I have tried to make things comprehensible to the general reader – to try and simplify as far as possible the technical terms and complexity which bedevils this area. Whether or not I have succeeded in this regard is a matter for you to judge. However, I should acknowledge that this next section is the most complicated and technical part of the entire Report. It is extremely important but also extremely difficult to simplify.

At the outset there are five essential concepts to be aware of. (A flow chart encapsulating the five elements of the process is at Appendix 6).

1. PRISMS

Technically this is the Provider Registration and International Student Management System but I have never heard anyone call it that. PRISMS is the name of the computer system into which students' details are entered. It is managed by DEEWR but also accessed by DIAC, education providers, agents and regulators.

When a student enrolls with an Australian education provider, the details are entered into PRISMS. If a student completes the course satisfactorily, without breaching the conditions of their visa and without making any variations to their course of study, that is pretty much it so far as PRISMS is concerned. The only additional entry would be the date when the student completed the course.

Any "bad behaviour" – for example failing the course, not turning up to classes etc – is also supposed to be entered into PRISMS. Of course, this can only happen if the education provider makes such information available.

2. STUDENT COURSE VARIATION (SCV)

Ideally a student enrolls, attends classes, passes the relevant assessments, and then completes the course. Whenever anything different happens the education provider is meant to notify DEEWR. That information is called a Student Course Variation (SCV). Not only do these notifications cover major problems, like failing the course or not attending, they can also include relatively minor matters such as a student changing to a different course with the same provider.

3. NON COMPLIANCE NOTICE (NCN)

The provider registers information about a change to a student's record as an SCV on PRISMS. Most, but not all of this information is then relayed, via DEEWR, to DIAC, where it turns into a Non Compliance Notice (NCN). The actual process by which a reported problem – an SCV – turns into an NCN is complicated. There are two sorts of SCV ("unsatisfactory attendance" and "unsatisfactory course progress") which are immediately converted into Non Compliance Notices. These are known respectively as NCN 8 and NCN 10. A further 19 SCVs are automatically converted into NCNs after 28 days unless there has been a satisfactory resolution to the issue beforehand. All NCNs place what DIAC calls a "decision bar" on the student's immigration record. That means that no further visa can be issued unless the NCN has been resolved. It also means that the student cannot electronically lodge a new visa application while the NCN is unresolved.

4. AUTOMATIC CANCELLATION

So far the sequence is that the provider makes the initial notification, the SCV is created, and then the NCN comes into existence. For the two SCVs which automatically turn into NCNs – NCN 8 ("unsatisfactory attendance") and NCN 10 ("unsatisfactory course progress") - there is another step. Unless the student reports to DIAC within 28 days with proof of exceptional circumstances beyond the visa holder's control, then these two NCNs – and just these two – turn into automatic cancellation of the student's visa.

5. MANDATORY CANCELLATION

Automatic cancellation is where a certain chain of events starts and unless something intervenes (more about that below) that chain ends automatically in a cancelled visa. Left to its own devices, the process just keeps rolling on "by operation of law".

Mandatory cancellation is a bit different. When certain breaches of visa conditions come to DIAC's attention, the department must cancel the student's visa. There is a small intervening step where DIAC has to make sure that the breach was not due to exceptional circumstances beyond the student's control. In practice the definition of exceptional circumstances is very narrow, but does include provider error. For example it might cover political upheaval or a natural disaster. Unsuitability of the course for the student or the student for the course would not qualify. This can lead to some very unfair outcomes and causes considerable stress, not just for the student but also for DIAC officers involved.

A student reported for working in excess of 20 hours per week is also subject to mandatory cancellation. Legally, a DIAC decision maker cannot take into account exceptional, compassionate or compelling circumstances if someone is found to have worked 21 hours in just one week. The officer has no discretion under the current rules: the visa must be cancelled. My recommendation that allowable working hours be assessed as 40 hours per fortnight rather than 20 hours per week should help with this issue, but will not of itself address the problems caused by the mandatory cancellation provision.

To further complicate matters, some things which lead to automatic cancellation can also be things which lead to mandatory cancellation. But not everything which must lead to mandatory cancellation if DIAC becomes aware of it is also on the automatic cancellation track. For example, the instance of a student working more than 20 hours per week does not lead to automatic cancellation. However, if DIAC becomes aware of it then it must lead to mandatory cancellation.

Conceptually, the student visa cancellation processes are peculiar. In practice they give rise to distorted outcomes which paradoxically are more likely to increase risk rather than reduce it.

As a general rule the cancellation of visas issued by DIAC is a discretionary process. There are only three exceptions which involve mandatory cancellation. These are prescribed in the Migration Regulations:

- where the holder's presence in Australia should not be permitted on the grounds of prejudice to international relations or security;

- where an overseas student is in breach of visa conditions relating to academic progress; and
- where a student is in breach of their work conditions.

Quite rightly, a person on any visa should be removed from Australia if they are a security risk. That applies to tourists, temporary workers and students alike. But students are the only group which is also subject to mandatory cancellation for other reasons.

In practice this is an especially messy arrangement:

- **The system is overloaded with non compliance notices generally.** In recent years enormous pressure has been placed on DIAC's student compliance regime by the dramatic increase in the numbers of overseas students. This pressure has exposed underlying issues with the DIAC student compliance regime itself, especially in the way that the constant flow of NCNs is responded to.

The number of NCNs doubled in the four years between 2006 and 2010, reflecting the growth in the international education sector. This has created an enormous backlog of NCNs that DIAC officers have not had an opportunity to investigate. At the end of 2010 DIAC had over 287,000 outstanding NCNs (some of which were 10 years old). In the first three months of 2011 more than 30,000 new NCNs were created every month. In many cases, due to the workload, the only time an NCN is dealt with by DIAC student compliance staff is when the student applies for another visa. When this happens, because there are limited resources to investigate, it is rare for an officer not to lift the decision bar, except in the cases of NCNs 8 and 10 where auto-cancellation has already been initiated.

- **It is also clogged up with NCNs relating to minor changes rather than serious risks.** Despite the term "non compliance notice", many of these notices simply reflect changes to a student's study circumstances rather than non-compliance with the conditions of their visa. Of the 21 SCVs reported to DIAC, five are considered high risk ("unsatisfactory attendance", "unsatisfactory course progress", "non-commencement of studies", "cessation or withdrawal from studies" and "unsatisfactory welfare arrangements"). Out of 96,200 SCVs in the first three months of 2011, only 35 per cent fell into the high-risk categories, with just two per cent being NCNs 8 and 10.

- **DIAC staff resources are predominantly allocated to automatic cancellation notices.** Imagine you are a student and you get a notice saying that unless you convince DIAC of your extenuating circumstances then your visa will be cancelled in 28 days. That's a pretty good incentive to rush into a DIAC office as soon as possible. Not surprisingly, that's what a lot of students do. And once they have contacted DIAC that "stops the clock". Cancellation no longer must happen within 28 days – action is suspended until DIAC investigates the student's claims. However, because NCNs 8 and 10 entail automatic cancellation, up to 80 per cent of student compliance officer time is taken up dealing with them. What time remains to student compliance officers is then absorbed responding to requests to lift the "decision bar", often in relation to low-risk NCNs. Thus the high risk NCNs that do not entail automatic cancellation are not prioritised for investigation. DIAC compliance officers are spending much of their time following up the consequences of this process to the detriment of their investigation of often more serious non-compliance activity.
- **Providers are given extraordinary power over students by being able to initiate a report which leads to automatic cancellation of a student's visa.** Providers are meant to assist students before any automatic cancellation process begins. However, the increase in automatic cancellations in recent years has been driven, in part, by the emergence of some providers who will use the auto-cancellation mechanism carelessly or even maliciously. The unreliability of the SCVs from such providers has been graphically illustrated in Victoria, where closer investigation of automatic cancellations between July and December 2010 resulted in only 24 per cent found to be justified, (with some providers having a 100 per cent error rate). After merits review, this total reduced further to 19 per cent. The process can also be deleterious for some genuine students who may have run into difficulties in coping with their course of study and require help and monitoring rather than having their visas cancelled.
- **The courts are not impressed.** As well as often resulting in inequitable outcomes, automatic and mandatory cancellation for NCNs 8 and 10 has attracted continued adverse commentary in the Federal Court. The majority of automatic cancellation decisions have been overturned by the Court. Despite a large investment of resources by DIAC into the auto-cancellation process, legal challenges have meant that between May 2001 and December 2009 the automatic visa cancellation regime was valid for only five months. As reported by the Australian National Audit Office (ANAO), DIAC cancellations were upheld only for a five month period; all others were overturned. Almost 19,000 students were affected, many of whom had left Australia due to the automatic cancellation of their visas prior to those cancellations being overturned.

The recent ANAO Report expressed serious concerns about DIAC's handling of the whole Non Compliance Notice regime. I share those concerns but my concerns go deeper. The current system obliges DIAC to concentrate its student integrity and compliance staff resources in areas which do not constitute the greatest risk. In reality DIAC has been overwhelmed by the huge volume of NCNs and has no choice but to deal essentially with the two NCNs which lead to automatic cancellation. The opportunity cost of this is that DIAC cannot devote its resources to the highest risk areas. The following two examples give an illustration of how dysfunctional the system has become.

Example 1

A student is struggling with his studies for an architecture degree at an Australian university. The student is very bright but lacks design flair. His teachers urge him to switch to engineering which they believe would be ideally suited to his talents. However the student insists on persevering with architecture, perhaps because there is a family expectation.

The student fails several subjects and the university is obliged to report him for "unsatisfactory course progress". That in turn leads to an NCN 10 being issued which requires automatic cancellation of the student's visa. Not only will the student have to leave Australia, but if he leaves due to a cancelled visa he would not be eligible for another student visa (or many other temporary visas, including a visitor visa) for a period of three years unless he were able to present compelling or exceptional reasons.

Example 2

A young man enters Australia on a student visa but his real intention is to work full time and, if possible, never return home. On arrival in Australia this man goes straight to work for an employer who pays him less than award wages but always in cash. He never commences his course. The course provider notifies DEEWR and an NCN is generated. But the process stops there. An NCN for failure to start a course is not one of those NCNs which leads to automatic cancellation.

Overwhelmed by the number of NCNs generally, and forced to concentrate on those which lead to automatic cancellation of a student visa, DIAC doesn't have the resources to follow up a "student" who is deliberately and seriously rorting the system. There is anecdotal evidence to suggest that some agents of dubious repute, sometimes in collusion with particular education providers, are exploiting this situation.

The current enforcement arrangements for breaches of student visas are a long way short of optimal. The mandatory cancellation requirements are inequitable and leave DIAC without the necessary discretion to consider individual circumstances. The conveyor belt of SCVs turning into NCNs is inefficient and ineffective. This is further compounded by the automatic cancellation provisions which, in practice, mean that DIAC resources are concentrated on a bureaucratic imperative to the detriment of pursuing high risk cases.

What should be done?

Currently, we have a compliance regime that is driven by the mechanical outputs of PRISMS rather than by any conscious and applied consideration of risk. DIAC student compliance officers spend much of their time removing NCN bars from student records that arguably should not have been there in the first place, and dealing with the sometimes inequitable results of the automatic cancellation regime.

There is a pressing need to turn off the NCN conveyor belt and for DIAC student compliance officers to develop a far more strategic approach to combating non-compliance. Firstly, the process whereby an SCV automatically becomes an NCN should be halted. While it would make sense for DIAC to continue to receive all the information currently conveyed by the SCVs, this should be used strategically to profile students and institutions of concern rather than merely adding to the NCN backlog. Low-risk or no-risk SCVs (eg student transferred to another provider) should be given correspondingly low attention. Resources should instead be concentrated on the higher risk SCVs (eg non-commencement).

As part of a more targeted and analytical approach, DIAC student compliance officers should also broaden their view of non-compliance beyond the outputs of PRISMS. For example, PRISMS focuses on compliance with the ESOS Act and has nothing to say about many key aspects of the risks of breaking the migration rules. Serious risk issues like the propensity of students at particular institutions to apply for protection visas, engage in sham marriages, overstay their visas or work in excess of their visa conditions, simply don't appear in the SCV/NCN regime. If DIAC wants to catch most instances of people actively rorting the system they need to be proactive in their investigations rather than simply follow up things notified by education providers to PRISMS. Greater analysis of risk factors should be combined by DIAC student compliance officers with PRISMS information in a new approach to targeting particularly high-risk providers and students.

The automatic cancellation of a student's visa is patently not working as a compliance and integrity tool and is in fact hindering the effective use of available student compliance resources. Automatic cancellation should therefore be abolished and NCNs 8 and 10 remain SCVs and used as possible indicators of non-compliance rather than as an end in itself.

An alternative approach, involving an examination of the student's study history, counselling about maintaining enrolment, and meeting course requirements should be adopted. Recent trials have indicated that this is far more effective in resolving issues. A good example of the sort of case where this approach gives a better outcome is where a genuine student has taken a course under pressure from their parents but in fact would be better suited to a different course. Helping shift the student to a more appropriate course gives a much better outcome for both the student and DIAC. The recent trial indicates that the majority of students treated in such a way will go on to successfully study and comply with their visas. The trial also found that such an approach is much less resource intensive for DIAC than the current automatic cancellation regime.

The sensible alternative to mandatory cancellation - whether it is for NCNs 8 and 10 or for breach of the work condition -- is to give greater discretion to DIAC decision makers. They can then take all circumstances into account when considering whether or not the visa should be cancelled.

Recommendation 23

Current arrangements whereby SCVs automatically become NCNs should cease. SCV information should continue to be conveyed to DIAC who should use it as an input into a more targeted and strategic analysis of non-compliance.

Recommendation 24

Automatic cancellation of student visas should be abolished and replaced by a system in which information conveyed by SCVs is used as an input into a more targeted and strategic analysis of non-compliance.

Recommendation 25

The mandatory cancellation requirement for unsatisfactory attendance, unsatisfactory progress and working in excess of the hours allowed should be removed, giving DIAC officers the discretion to determine cancellation in particular cases on their merits.

Recommendation 26

DIAC should concentrate its compliance and integrity resources in relation to student visas on the highest risk areas.

Recommendation 27

DIAC should not only respond to information generated by PRISMS but also be proactive in detecting the sorts of breaches (for example sham marriages and exceeding permissible work hours) which are not reported in PRISMS.

D. KEEPING TRACK OF EDUCATION/MIGRATION AGENTS

PRISMS stores eight categories of information. The CRICOS Register stores four of those categories namely;

- Provider Name
- Provider Location
- Course offered
- Contact details

The PRISMS Database stores a further three categories namely;

- Student details
- Enrolment details
- Student course variations (SCVs)

A final category records organisations able to access the system.

Theoretically this data should enable DIAC and DEEWR to examine patterns of behaviour involving students and their education providers. Elsewhere in this Report I have dealt with some limitations of the available data generally – and a specific issue is addressed below. But the existence of data in PRISMS which links an individual student with an individual provider is an important base from which to start.

Many international students and many education providers use agents. It would be useful to monitor patterns of behaviour which are linked to individual agents. For example it would be extremely important to know if a particular agent was linked to a large number of students who breach their visa conditions. Unfortunately, the collection of data on agents is more haphazard than it is for students and education providers. Where a student comes to a provider via an agent the agent's details may or may not be recorded. If the agent has access to PRISMS and entered the student's details directly, then that connection will be recorded. However if the agent sends the student's details on to the institution which then enters the details itself, the agent may not be recorded against the student entry.

Providers should be required to enter into PRISMS the name of any agent used in the recruitment of each individual student. Most likely this will require a change to the ESOS regulations. Hopefully it should not involve any significant changes to PRISMS. If that is the case, then it should be possible to encourage providers to voluntarily enter the agent data in the interim period before any regulatory change is implemented.

Recommendation 28

That student work entitlements be measured as 40 hours per fortnight instead of 20 hours per week

Recommendation 29

That the necessary legislative changes be made to require the name of any agent involved to be entered into the student's data into PRISMS

Recommendation 30

That DEEWR take steps to encourage providers to voluntarily enter agent data into PRISMS in the interim before the ESOS Act is changed to make this mandatory.

E. KEEPING TRACK OF STUDENTS

Obviously the more information DIAC has about individual students, the better it is able to manage the integrity of the student visa program. The easier it is to access such data, then the more effective any monitoring will be. Both DEEWR and DIAC hold significant data in their respective computer systems. Each student has a unique number to help identify them within each of the two computer systems. The problem here is: it's not the same number!

I recognise that there are a plethora of historical and computer system reasons why there isn't a common identifier for each individual student. In 2010 there were over 600,000 international student enrolments in Australia. It really is about time that the DEEWR and DIAC sorted this out.

Recommendation 31

That DEEWR and DIAC establish a single student identifier to track international students through their studies in Australia.

Chapter 13 Assessment Levels

When an application for a student visa is being considered, one of the elements taken into account is the Assessment Level (AL) for the applicant. There are differing requirements to be met depending upon whether the applicant is AL1, AL2, AL3, or AL4. Technically there is a fifth level – AL5 - but currently no country has been placed into that category.

Exactly which AL category a particular applicant is considered under depends upon both the applicant's passport country and the course proposed to be studied. Every country has a rating but it is not the same rating for every education sector. For example, a postgraduate research student from India is subject to AL2. An Indian applicant for an undergraduate university degree will be considered against the criteria of AL3, and an Indian applicant for a VET course will be subject to AL4.

The requirements for an applicant are different for each AL. The level of proof of available funds required is a good example. An applicant being considered under AL1 is not required to provide any evidence of the funds they intend to use to support their stay in Australia. All that is required is a declaration that the applicant has access to the required funds. By contrast, an AL4 applicant will have to show evidence such as personal funds (or funds provided by a close family member) of a specified amount held in a bank account for six months, to support the student for the entirety of the course.

These rules are quite complicated. A summary is attached as Appendix 7. Generally, the lower the AL then the lighter the touch given by DIAC officers in considering the application. All applicants – irrespective of their AL – must still satisfy essential requirements like having health insurance and not being a security risk. But in terms of the risk to Australia's migration controls, an AL1 applicant is regarded as a very low risk. Therefore applicants in that category require very little investigation and can be processed speedily. By contrast, an AL4 applicant is subject to more intensive assessment.

The criteria for deciding the appropriate AL for each country and sector are based on the past performance of students from each country in the different course categories (HDR, VET etc). The relevant criteria are:

- Rate of refusals of visa applications (non-fraud);
- Rate of refusals of visa applications (fraud);
- Rate of subsequent applications for protection visas;
- Rate of subsequent applications for other visas (eg partner, excluding protection and skilled visas);
- Rate of visa cancellations for non-compliance; and
- Overstay rate.

A formula has been developed by DIAC to "weight" these different criteria. However, there are several problems with using this model:

- 1. Changes in the ALs lag behind the data – sometimes a long way behind.** This is obviously a problem for a country which "deserves" to be promoted to a lower AL rating. In the interim period applicants from that country are not being treated "fairly". But it is a much bigger problem for Australia when a country needs to be shifted to a much higher AL category but there is a substantial lag. During such a period applicants from that country would be assessed more generously than objectively should be the case. Sometimes these problems can be slow to become obvious under the current formula. For example, one of the factors is "overstay rates". In the case of students undertaking a four year course, it's a long time before overstaying the visa period becomes apparent.
- 2. Quite small changes in actual behaviour can have a huge impact on a country's AL rating.** While the formula gives proportionate weight to most of the factors, it treats applications for protection visas at full value. So even if the students of a particular country are performing excellently on almost all of the other criteria, a few applications for protection visas could dramatically change the AL rating. Just four higher education students from the US applying for a protection visa could suddenly change the whole US rating for higher education visas from AL1 to AL4. Now it's pretty unlikely that US students would be applying for protection visas. But this theoretical example shows how dramatic changes in a country's rating can come from quite small individual changes in behaviour.
- 3. The "objective measures" don't always give a sensible result.** A war-torn country with a history of violence and corruption would not seem a sensible place for Australia to recruit students. However, if Australia previously had a small number of students from that country all of whom had good outcomes, then that country would be "entitled" to a low AL rating. Large scale recruitment from that country would almost certainly not be a desirable thing for Australia. But in the short term, a strict reliance on the AL formula would facilitate precisely that undesirable outcome.

On the other side of the coin, a country whose students pose relatively little risk can still be allocated a disproportionately high AL because of the actions of one part of a previous student cohort. The recent Australian National Audit Office (ANAO) report is critical of DIAC for giving China a lower AL for the Higher Education sector than it technically "deserves" on a strict application of the formula. To the authors of the ANAO report this suggested a decision influenced by interplay between DIAC's integrity interests; its program objective of assisting the growth of the international education industry; and its interests in increased efficiency in visa processing.

However, it is at least as likely that the decision was influenced by good sense. It recognised the limitations of the AL formula which visits upon an entire country the migration "sins" of one particular subsection. In both of the instances outlined above, strict reliance on only the AL formula would give an aberrant outcome.

- 4. The ALs only distinguish between countries and don't take into account differences within countries.** Talk to any DIAC officer who is familiar with student applications from India or China and they will pretty quickly tell you the geographical locations that worry them. The risk profile for a few Indian states is much higher than it is for India as a whole. And the difference between the Indian states of most concern and those states whose applicants are particularly low risk is stark indeed. Similarly, the risk profile of applicants from a handful of Chinese provinces is dramatically different to those from cities like Beijing and Shanghai. More people live in the Beijing municipal area than reside in many countries. Those countries have their own AL but Beijing has the same rating as the rest of China.

It is a serious limitation that the ALs are country specific and don't take into account regional differences.

- 5. The ALs only distinguish between education sectors and not individual providers.** Just as the ALs do not differentiate between regions within countries, they also treat all education providers in a particular sector as though they carried exactly the same risks. An individual VET provider with an excellent record will be in the same category as another VET provider which has an extremely poor record.

As part of this Review I considered the possibility of recommending a shift to risk rating all providers rather than risk rating countries. However, I was not comfortable doing so. While the concept is attractive there are enormous practical barriers to implementing such a regime. For a start, the data suffers from similar limitations to the data for countries – the time lag problem, the disproportionate impact of small changes in behaviour and outcomes which are not "sensible".

Secondly, the relatively small size of some education providers means that these problems are magnified. Small changes in behaviour can have disproportionate impacts on determining the AL for a country. Very small changes could have huge impacts on the AL for an individual provider, especially a relatively small provider. Thirdly, it will take some time before we can properly assess the impacts on individual providers of a wide range of policy and administrative changes that have been made. This is particularly the case with small providers in both the VET and higher education sectors.

For example, consider the situation of a small VET provider which in the past was heavily dependent upon the strong link between study and migration. When the system virtually guaranteed a permanent residence outcome there was no incentive for students to apply for protection visas or to overstay their student visas. Consequently that provider could appear to have very low risk in terms of the integrity of the migration system. What will the profile of that same provider look like following several government decisions which dramatically weaken the link between study and migration? It will take some time to establish exactly what the behaviour of students at individual providers will be under these changed arrangements.

Similarly, should the government introduce the changes recommended in this Report to the criteria for a student visa it will also have an impact. The introduction of explicit criteria of whether or not the applicant would be a **genuine temporary entrant** might affect the cohort recruited by individual providers but it will take some time before we can properly assess that behaviour. Ideally, if the new criteria are effective, then the history of individual providers would become less critical. If higher risk applicants are stopped before they are granted a visa then this should reduce the rate of overstay generally. In that new environment what might be more significant would not be the overstay rate but the link between individual providers and high rates of visa refusals.

It is now 10 years since the AL framework was introduced into the processing of student visa applications. DIAC officers themselves acknowledge that it is a fairly "blunt tool" which needs an overhaul. It is also the view of the ANAO that the AL process is struggling to cope with the current scale and complexity of the program. Even within the existing framework there are obvious questions such as:

- Is the difference between AL1 and AL2 worth preserving?
- What is the point of having AL5 if no one ever gets allocated to it?
- Could the ALs be collapsed to three levels of risk; low, medium, high?
- Do the financial requirements in AL3 and AL4 achieve what they are intended to do?

But beyond these, and other, specific questions, there is the broader issue: is an AL system the right tool for the future? I am loath to recommend in this Report any tinkering with the AL system when I believe it needs a fundamental overhaul. One option for that overhaul might be to abolish the AL system and replace it with a more fine-grained approach to assessing the risk of individual applicants. Reviewing the AL framework cannot be divorced from a broader discussion of how best DIAC officers can assess risk. The existing AL system is very dated. It was designed for a different time when the number of applications for student visas was much smaller than it is today. The whole AL framework should be reviewed.

I do not believe that such a Review needs to be led by an independent person from outside of DIAC. In my view DIAC itself is quite capable of undertaking such a Review. However it would be beneficial if there was also an external panel or reference group which could provide input into a review by DIAC of the AL framework.

Recommendation 32

That DIAC undertake a review of the AL framework, with a mind to either abolishing the system entirely or modifying the framework to make it relevant to current and future challenges facing the student visa program. This review should be managed by DIAC but should include reference to an external panel or reference group.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 14 Agents

Agents can act on behalf of an applicant for a student (or any other) visa, helping prepare and lodge their applications. They can also act as a recruiter of applicants on behalf of an Australian education provider. Some agents only perform one of these roles; but some perform both. At the height of the boom in student visas, especially for VET courses leading to permanent residence, some agents overseas found a lucrative niche market recruiting eager applicants for eager providers. This is not to say that these agents were necessarily acting unlawfully or that many agents do not give genuine assistance to students and education providers. The point is, if the conditions are created for some agents to act opportunistically, they will do so.

Serious problems with agents arise when they creatively assist applicants to "meet" the selection criteria or when they recruit naïve applicants into courses run by unscrupulous providers. We need better monitoring of agents and more effective sanctions against agents who act unethically.

While the extent to which they are employed varies among education providers, almost every provider makes some use of agents. A majority of students, particularly in India and China, use agents. It is not obligatory for an applicant to use an agent except if they are lodging their application electronically from one of the four countries where AL2-4 applicants can access the eVisa system. In these cases the participating agent must be registered with DIAC. Registration as an eVisa agent commits the agent to a code of conduct, abrogation of which can result in the agent having their access to the eVisa facility taken away. I should note here that DIAC's objective is to eventually extend e-lodgement to all student visa applicants. If DIAC retains the requirement that all AL2-4 applicants who apply online must use a registered agent, this could go some way towards monitoring and controlling the conduct of these agents. This is no paper tiger: a recent review by DIAC resulted in over 200 agents in India, China and Australia having their access to the eVisa system suspended, including for providing fraudulent information in support of a student visa application.

The quality of agents varies enormously. At one end of the spectrum are groups like IDP. This company is owned by 38 Australian universities and SEEK Limited, an online employment and training company. IDP has over 40 years experience in student placement services.

At the other end of the spectrum are certain sole traders with not much more than a catchy title, a string of promises and a mobile phone.

Agents offshore are free to charge applicants what they like, or what the market will support. In Australia they can also set their own fees but there is better market information. The Office of the Migration Agents Registration Authority regularly publishes the average range of fees charged by agents in Australia (currently between \$400 and \$1800 for a student visa).

There is also no limit on the commissions that agents overseas can charge Australian providers for recruiting students to their courses. The Baird Review quoted one provider as stating that agents have charged up to 50 per cent of tuition fees as a commission. The Baird Review also noted that both providers and students raised concerns about these commissions. Some providers felt they had little choice but to pay them and little influence over these agents. If some providers use agents who charge them exorbitant fees, it is reasonable to assume that the quality of the education offered by these providers suffers because of the substantial amount of their money being siphoned off to agents. Besides, agents might well recommend particular courses and providers based on what commission was being paid. Baird felt that students should be aware that the agent was receiving a commission and how much it was.

Just as there is a variety of agents, there is also a variety of attitudes to them. These attitudes fall into three broad categories: ignore them; license and empower them; work cooperatively with agents but informally rather than formally. My own attitude broadly falls between the second and third categories.

While some education providers are moving in the direction of less reliance on agents, they continue to be a fact of life. And, in many cases, they play a very positive role. I do not consider refusing to engage with agents to be a viable option for DIAC.

Some submissions to the Review argued for a more formal role for agents in the visa process. There are three possible levels of authority that can be given to agents:

- They can be approved to act on behalf of an applicant in certain situations, for example where the student is not allowed to lodge an eVisa application directly themselves in the eVisa trial countries. This role is restricted to being a vehicle for lodging the student application and gives DIAC some control and leverage over the agents involved;
- Agents can themselves lodge an application directly on behalf of an applicant. For example people wishing to come here on holiday can have their application for an Electronic Travel Authority (ETA) lodged for them by a travel agent, airline or specialist service provider as part of the travel package; or
- Agents can be directly licensed by DIAC implying that non-licensed agents would be excluded from acting on behalf of applicants. The first two options confer some benefits on "trusted agents". This third option determines who can work as an agent and who cannot.

The second option involves conferring more benefits on certain agents in relation to tourist visas than does the first option in relation to student visas. However, in the case of tourist visas, the length of the visa is much shorter than that of a student visa. Therefore any poor visa outcomes will show up much quicker in the tourist sector than they would in the international education sector.

I do not support proposals to license agents. Under a licence system DIAC would in effect decide which agents would be recognised and which would not. Superficially this seems attractive. But in practice it is fraught with huge difficulties. Most agents operate in countries other than Australia. In those circumstances DIAC lacks the resources and the legal power to enforce licensing provisions and to sanction agents directly in cases where they behave in an unscrupulous manner. There is a risk that any licence system would create a marketing tool for individual agents over their competitors rather than an improved visa processing system.

Although I do not support a formal licensing of agents, I strongly support DIAC engaging with agents, including conferring benefits on agents DIAC agrees to register for specific purposes. Some overseas posts already do this effectively. It is something which should be encouraged. It is beneficial for both DIAC and agents to meet regularly and for DIAC to be proactive in keeping agents abreast of any changes in rules and procedures. I realise that this means more work and DIAC should consider whether its posts are adequately resourced to upgrade this task. On the other hand, DIAC officers have told me that any investment in cultivating and educating agents pays off in a greater understanding of DIAC's expectations and compliance with DIAC's requirements.

In addition to engaging with agents, it is also essential that DIAC and DEEWR monitor the behaviour of agents. Some important information regarding agent behaviour will come from the experience of DIAC officers at overseas posts. Their experiences of interacting with individual agents are an important source of data. It would also be very helpful if there is some more formal data available on agent behaviour. For example, it would be useful to know if particular agents are linked to particular education providers which have poor visa related outcomes. Currently, there is no requirement to enter the name of any agent into the record of an individual student in PRISMS. This is clearly a gap in the system. In an earlier chapter I recommended that it should be mandatory for the name of any agent involved in the recruitment of a student to be listed against that student's record in PRISMS.

I note in this context that the Baird Review remarked on the responsibility that providers should (but do not always) take for the conduct of the agents they employ overseas. Despite some providers' claims that they have little or no influence over their agents, Baird rightly saw this as an abrogation of responsibility. I support the Baird Review's position that "It is important the message is clearly given to providers that if they contract with an education agent to represent them then they must conduct sufficient due diligence to be confident the education agent will accurately represent them, their courses and living in Australia". As Baird notes, the ESOS Act already makes Australian providers responsible for all their agents. Amending the ESOS Act to include protection against unethical marketing practices and establishing financial penalties for providers whose offshore agents can be shown to have acted unethically, as recommended by Baird, would reinforce this responsibility.

I note that, following Baird, the government has already introduced a new requirement for providers to list on their websites the education agents with whom they have agreements. The government has also enabled the introduction of specific regulations concerning providers' use of agents.

I support the promotion of agent professionalism and self-regulation by requiring providers to only use education agents who:

- belong to a professional association where one exists;
- have completed an appropriate training course; and
- comply with their home country requirements.

DEEWR should also continue its role in leading the development of an international approach to influencing education agent behaviour, with the aim of developing a statement of agreed principles for ethical recruitment by agents.

Recommendation 33

That DIAC upgrade its liaison at overseas posts with migration and education agents in relation to the student visa program, including regular meetings to keep agents abreast of any changes in rules and procedures.

Chapter 15 Transnational Education

The nature of education is changing and this will impact the international education sector over time. This short chapter is not intended to be a detailed exposition of the future directions of education. Instead it merely flags two important areas which will have implications for Australia in the medium term. Both of these will have significant ramifications for the international education sector and the student visa program.

1. Globalisation and education

While the majority of international university students come to Australia for the entirety of their course, this is not the only method of study. As well as the more traditional route, there are a variety of other ways Australian universities are involved with international students. These include:

- twinning or partnerships arrangements where a student completes part of a degree in their home country and then travels to an Australian university to complete the program, graduating with an Australian degree;
- a twinning arrangement similar to the one above, but this time with the student receiving two separate qualifications, one from their home university and another from the Australian university;
- jointly badged programs where the student graduates with one parchment or testamur with the degree of both institutions included. The student might or might not spend time in Australia as part of such a program; and
- study at an overseas campus of an Australian university. An international study experience may now be delivered "at home".

Most Australian universities have arrangements with universities in Asia which can recognise study undertaken in home countries for credit towards Australian awards. There is however increasing use of more integrated arrangements referred to as "2+2" or "3+1" depending upon how many years are spent at the home university and how many in Australia.

An example of this is the relationship between Victoria University and Liaoning University in China. A "2+2" program is run in a part of Liaoning University where students gain a degree from both Liaoning University and Victoria University. Entry to this program is more competitive than entry to the general university population. A high standard of English is also required and further English study is a mandatory part of the course. The fees are considerably higher than for a standard course at Liaoning University. The course is taught by a mixture of Chinese academics and academics from Victoria University.

This course has an emphasis on preparing students for further study internationally. When I visited Liaoning University in Shenyang recently I met a range of students who had a variety of course plans. Some were intending to do two years at Liaoning and two in Melbourne at Victoria University (a traditional 2+2). Others were intending to spend three years at their Chinese University and one year in Australia (a 3+1). Some were planning to spend the entire four years of their undergraduate course at Liaoning and then undertake postgraduate study at an Australian university, not necessarily Victoria University. There were also some students who did not intend to ever physically study in Australia but to complete four years in Liaoning and use their Australian university qualification as a stepping stone to postgraduate study in the US or the UK.

The relationship between Liaoning and Victoria universities is not unique. It is merely a window into the different ways in which Australian universities are interacting with international students. These changing patterns are likely to become increasingly common in the not too distant future.

As well as the "twinning" arrangements, there are a number of instances where Australian universities have established campuses in foreign countries. This has particularly been the case in Malaysia and Singapore:

- Monash Sunway in Kuala Lumpur;
- Curtin Sarawak located in East Malaysia;
- Swinburne University of Technology, also in East Malaysia;
- James Cook University Singapore; and
- Curtin, also in Singapore.

In addition to those campuses of Australian universities there are significant partnership arrangements. RMIT for example has more than 8,000 students in a program with Singapore Institute of Management. Similarly the University of Newcastle has more than 2,000 students in a partnership with PSB Academy.

Overseas branch campuses or single faculties are now firmly part of the transnational education scene particularly in the United Arab Emirates (UAE) and South East Asia. Other Australian offshore campuses include:

- Monash University, South Africa
- RMIT University, Ho Chi Minh City, Vietnam
- Charles Sturt University, Burlington, Ontario, Canada
- University of Wollongong, Dubai, United Arab Emirates

An increasingly interesting feature of the Transnational enrolments (TNE) is the presence of third country citizens enrolling in Australian programs offshore. Just because an Australian university operates a campus in Malaysia doesn't mean that all of the students will be residents of Malaysia. In Singapore, for example, international students now comprise over a third of the TNE enrolment. While the TNE programs including the branch campuses have always had students from third countries, all the Australian branch campuses in Malaysia and Singapore report significant increases in students from China, India, Indonesia, Myanmar, Africa or the Middle East in the last year.

Articulation of international students (through "twinning" programs) into universities in Australia and the establishment of offshore campuses by Australian universities in foreign countries are part of the changing face of international education. But that is not the whole story. The emergence of the World Wide Web (www) plus the increasingly ubiquitous personal computer, have profound implications for the way education is delivered. This not only affects the obvious areas of distance education but teaching more generally. In one of his Boyer lectures last November, the vice chancellor of the University of Melbourne, Glyn Davis, made the following observation:

"As the Web makes knowledge widely available, so it undercuts the traditional authority of professors. What was once largely a public or not for profit activity has attracted large and successful private competitors. Mail-order courses always existed on the margins of higher learning, but the combination of new technology and sophisticated private provision has created commercial phenomena such as the private University of Phoenix. These global enterprises package for a worldwide market programs once offered only by traditional public universities."

As Australian universities respond to this challenge they are likely themselves to become more involved with distance education, online learning, and "blended learning" (involving a mixture of different methods).

All of these changes not only will have implications for the way in which Australian universities conduct their programs for international students, but they will also have ramifications for the student visa program. Some online and distance education programs will involve occasional "face-to-face" learning. In some courses this might involve tutorials conducted in the international students' home country. But it also might involve a component of travel to Australia. This raises the obvious question of how the Australian visa programs will deal with this. Should the short-term visits be conducted under a tourist visa, a student visa or something different? And how should risk be assessed for applicants in these programs?

Similarly, what will be the impact of increasing numbers of students from "third countries" studying at offshore campuses of Australian universities? The recommendations of this Report include streamlined processing arrangements for international students spending a year or two of their degree in Australia as part of a "twinning" program. For now, that is certainly an appropriate thing to do. But what happens in the future if substantial numbers of students from third countries seek to also take advantage of those articulation arrangements into Australia? Will they have the similarly low risk profile of students currently undertaking a 2 plus 2 or 3 plus 1?

The increasing globalisation of international education is likely to see much more short term travel by students, academics, administrators and researchers. Hopefully this will represent low risk activity as these people will be coming for a specific purpose as part of the mission of their home institution. It could be to gain part of a qualification, conduct research or negotiate research collaboration, negotiate other partnership arrangements or undertake teaching. The visa system will need to change in ways that facilitate this developing reality. Once again DIAC will need to develop the appropriate ways of assessing risk.

There are no easy answers to the questions which will arise from this changing global environment. But these are issues which DIAC will need to watch carefully. My Review has endeavoured to deal with the current situation and the immediate future. As some of the elements of international education change in the coming years, the government will need to decide how to balance these arrangements with what undoubtedly will be future demands, particularly from the university sector. It will be the same fundamental dilemma the government faces now but in a changing framework: how to remain competitive in the global educational market while still ensuring the integrity of Australia's migration controls.

2. Vocational Education Opportunities Offshore

In New Delhi I met with the Indian Minister for Human Resource Development, Kapil Sibal. Minister Sibal spoke favourably about the quality of Australian vocational education. However, he seemed much more interested in high quality training being available in India rather than to Indian students travelling to Australia. In Australia, vocational education is accessed by people across all income groups. But for students from other countries, they must fit into particular income strata in order to afford to be able to study in Australia. Of course, if those students do not return to their home country then there is no addition to the vocational skill base of that country.

The university sector in Australia has consistently high quality. And some Australian universities are particularly well regarded internationally. Our two major bilateral education partners, China and India, also have outstanding universities with international reputations. There are many reasons why students from those countries will choose to study at an Australian university. But for an elite student there are many options: their home country, Australia, the US, the UK, Canada, New Zealand; to name but a few.

By contrast, Australia's reputation for vocational education is that of a world leader. It is widely recognised that no one, certainly no English-speaking country, does it better than Australia. Australia's vocational institutions have already had considerable success in engaging internationally. I was impressed by the fact that the National Quality Council reported that in 2009 some 142 providers delivered courses to over 73,000 students in 66 countries. However the market for vocational training within Asia is potentially enormous.

In the short term many VET providers have tended to concentrate on attracting students to Australia. That has been more cost-effective for them. It is much easier to pay a commission to an agent to recruit students than it is to set up an offshore operation which may involve considerable risk. But in the medium term Australia has the opportunity not merely to attract students but to "own the space" in the fastest emerging economies in the most populous countries.

In India I saw an indication of the opportunities available. At Gurgaon near New Delhi I visited a small training operation for potential workers in the construction industry. The trainees were all young men from rural communities. The training was conducted by a local commercial organisation using customised curriculum based on a Western Australian TAFE qualification. Individual students were receiving job ready skills in areas like: scaffolding, painting and carpentry. The curriculum was developed by TAFE and successful students receive a Certificate 1. The Australian construction firm Leighton is a partner in the project and provides employment for the graduates. From Leighton's point of view they are able to hire workers who have the vocational skills the job requires. For the students, the course enables them to both develop vocational skills and access a pathway to employment. The best graduates of the early courses have returned for further training. Generally they are the people promoted to greater responsibility on the worksites.

While the potential opportunities for Australian vocational providers to conduct courses offshore are immense, the challenges are also considerable. Setting up in a foreign country is extremely difficult. In some countries it is particularly challenging to find the most appropriate local partner. The revenue from an individual student undertaking vocational training in their home country will be less than it would be for students studying in Australia. And, in the short to medium term, there will undoubtedly be difficulties in attracting the appropriate staff. But there are many millions of young men and women who will be seeking vocational training and opportunities in their own countries rather than a migration outcome in Australia.

This is a market well worth further developing for Australia's vocational education providers.

Recommendation 34

That Austrade be asked to prepare a more detailed outlook document that provides effective business planning intelligence demonstrating the opportunities, for offshore provision of vocational education.

Recommendation 35

That the highest quality Australian VET providers including TAFEs, be encouraged to explore offshore market opportunities.

Recommendation 36

That the Australian Government, through programs such as the Export Market Development Grants Scheme and other forms of assistance, support high quality Australian vocational education providers in expanding their offshore training services.

Chapter 16 A New Consultative Mechanism

Many submissions to the Review called for improved communication between stakeholders and both DIAC and DEEWR.

Commenting on the mechanisms for consulting on educational matters is beyond the remit of my Review. But it is appropriate for me to make some recommendations on an improved mechanism for consulting on student visa matters.

It's hardly surprising that I am confident that the implementation of the recommendations in this Report will lead to a robust student visa program and a sustainable international education sector. But I am conscious that the sector is a living entity and the student visa program cannot itself remain static. Several of the recommendations in this Review specifically propose that certain matters be dealt with in the near future, for example an internal DIAC review of the AL framework. As well, when declaring the principles which underpin this Report, I made it very clear that the student visa system will need adjustments as new threats to its integrity evolve. And, of course, there are a variety of different ways that some of the immediate actions recommended in this Report can be implemented.

So there is much still to be done and this should not be an internal matter for DIAC alone. Throughout this Review I have tried to consult widely with stakeholders. Just because this formal **Independent Review** has concluded does not mean that there is not a need for ongoing consultation. In my view it is essential that DIAC has a mechanism to communicate and consult on the implementation of any of the recommended changes which the government decides to embrace. Similarly there is a need to interact more formally with stakeholders in relation to possible changes in the future. And that's just some of the things DIAC should talk to stakeholders about. Beyond that there will be other issues that stakeholders would want to raise with DIAC. In seeking a mechanism for improved consultation, DIAC's model for communicating with tourism visa stakeholders is a good starting point.

In 2002 DIAC established the Tourism Visa Advisory Group (TVAG) to improve its interaction with stakeholders in the tourism sector. Generally, stakeholder feedback in relation to the TVAG has been positive.

TVAG meets four times a year. DIAC chairs and provides the secretariat for the meeting. TVAG provides a forum for sharing information. DIAC is able to engage with key stakeholders on forthcoming changes to the tourist visa program while learning from those stakeholders about key issues and concerns in the sector. This information then provides a solid information base for considering the future needs of the sector. From time to time departmental and industry specialists are involved as guest speakers.

This approach has contributed to a feeling of openness and accountability and ensures that information is shared on issues when they are small, hopefully mitigating their potential to become larger difficulties.

There are a number of existing consultative mechanisms in the international education space. These include the Interdepartmental Forum which brings together deputy secretary level officers from the range of Commonwealth Government departments with an interest in international education policy. The aim of this group is to ensure a whole-of-government approach to international education policy.

Another body involves both Federal and State representatives and is created under the auspices of the Council of Australian Governments. The Joint Committee on International Education (JCIE) is a subsidiary body of the National Senior Officers Committee (NSOC). The NSOC is made up of senior Commonwealth and State Government education officials and in turn reports to the Ministerial Committee on Tertiary Education and Employment (soon to be known as the Standing Committee on Tertiary Education, Skills and Employment).

These bodies focus primarily on government stakeholders.

There is a body with a wider membership -- The Government Industry Stakeholder Consultation -- which comprises both DIAC and DEEWR along with education peak bodies. Notionally it meets twice a year and is jointly managed by DIAC and DEEWR who take turns in chairing. This has not met since May 2010 although there have been individual consultations with some representative groups.

During the Review the nearest thing I could find to a broader stakeholder body that met regularly was the Client Stakeholder Groups which DIAC sponsors in each State. I met with several of them in the course of the Review and I found that valuable. However those bodies have a much broader range of interests than the student visa program. It would be desirable if DIAC had a forum which included a wide range of stakeholders but with a charter focussed on student visa issues. It would be relatively straightforward to replicate the TVAG model as a way to improve communication and consultation with stakeholders in the student visa program.

While the focus should be on student visa issues it might be appropriate to also include other education related visa matters such as the movements of administrators, researchers and academics. Appropriate terms of reference would need to be drafted, but as a minimum an Education Visa Advisory Group should provide a forum for participants to discuss:

- policy matters involving education related visas;
- emerging issues and trends in the international education sector that may impact on education related visas; and
- operational initiatives regarding education related visa.

The membership could include:

Peak Bodies

Universities Australia
Australian Council of Private Education and Training Providers
TAFE Directors Association
Council of Private Higher Education
Australian Government Schools International
Independent Schools Council of Australia
English Australia
Council of International Students Australia
International Educational Association of Australia

Government

Department of Education, Employment and Workplace Relations
Department of Immigration and Citizenship (Chair)
Department of Innovation, Industry, Science and Research
Department of Foreign Affairs and Trade
Australian Trade Commission
ACT Government
NSW Government
NT Government
QLD Government
SA Government
TAS Government
VIC Government
WA Government

Other interested bodies

Australian Chamber of Commerce and Industry
Australian Council of Trade Unions

Recommendation 37

That DIAC constitute an Education Visa Advisory Group as a primary means of regular two way communication between stakeholders in the international education sector and DIAC.

THIS PAGE INTENTIONALLY LEFT BLANK

Chapter 17 Other Matters

Pre-Visa Assessment

The Pre-Visa Assessment (PVA) arrangement is a DIAC policy which normally applies to AL3, 4 and 5 applicants making their initial student visa application by paper (rather than electronically via eVisa).

The PVA requires a student to lodge their paper application with DIAC on the basis of a letter of offer from their proposed education provider. DIAC then initially assesses the application and if the application looks as though it is satisfactory, the applicant is advised by DIAC to proceed with health examinations (if not already undertaken), pay tuition fees, and obtain a Confirmation of Enrolment (CoE) from their proposed education provider.

When DIAC receives this further information, a final assessment of the application is then made.

The stated purpose of the PVA process is to discourage non-genuine students from applying; avoid students gaining undue expectations of being granted a visa; and limit the number of refused visa applications for which education providers are obliged to refund tuition fees that have been paid in advance.

While I understand the desire to mitigate these risks, it is not clear how effective the PVA process is in discouraging applications which are unlikely to be successful. Furthermore, the risk-mitigation benefits of the PVA need to be weighed against the considerable time and effort the PVA can add to the student visa assessment process. For example, once the PVA letter is sent by DIAC to the applicant, the applicant has up to two months in which to receive the letter and ask the provider to issue a CoE. On receipt of the CoE, DIAC has to match the CoE against the original letter of offer to ensure that they are for the same course. DIAC then resumes the visa assessment process which may have been significantly interrupted by the PVA. It's complicated and involves a fair bit of "double handling". It takes up a lot of staff time, time that could be otherwise used to process visa applications.

In 2009 - 10, some 36,329 applications for student visas from offshore were subject to the PVA. This was approximately 21 per cent of total offshore student visa applications. Substantial benefits in time and effort could accrue from removing the PVA and requiring providers to issue a CoE to all overseas applicants who meet their course requirements and whom they wish to enrol. In submissions to the Review, there was strong support for this from within the education sector.

Timing of student visa grants

Current DIAC policy is that student visas offshore should be granted not more than four months (124 days) prior to the start date of the student's course. This is a policy position and not a legal requirement.

Furthermore, the eVisa system currently prevents offshore eVisa applications being lodged more than 124 days before the commencement date in the CoE.

These policy and systems settings seek to prevent students from arriving in Australia well before they are due to start their studies which could encourage unlawful activity such as working prior to the commencement of their course.

The operation of this policy may, in some cases, mean the stockpiling of ready to grant applications, leading to poorer performance against service standards and dissatisfaction for student visa applicants. While this situation does not arise at all times and at all processing centres, it can and does occur at posts which have their student visa caseload well in hand.

Most educational providers have distinct enrolment times during the year. For example, the universities have their largest number of commencements at the beginning of Semester One – usually late February or early March. They have a second substantial intake at the start of Semester Two – around July. The provider enrolment peaks are obviously mirrored in the DIAC workload. Anything which helps "smooth out" the workload should improve efficiency.

Preventing student visa holders spending an inordinate amount of time in Australia before their courses begin is sensible. However, halting the visa grant process as a way of preventing this outcome appears to be clumsy and in some ways counter-productive.

Taking into account other measures I have suggested in this report (such as the **genuine temporary entrant** requirement) there would be merit in removing this policy. DIAC officers should be allowed to grant a visa as soon as they are satisfied all requirements are met. To mitigate any residual risk, a date could be specified when the visa holder can enter Australia. This would match other countries' requirements (such as the US and UK) which do not let student visa holders enter the country until close to the course start date.

Varying the Visa Application Charge

In my discussion paper I raised the issue of whether the student visa application charge (VAC) was too high. The table below gives a comparison of the Australian VAC with some of our competitors:

Comparative visa charges (in Australian dollars) as at 16 June 2011	
Australia	\$550 (including any accompanying dependants)
New Zealand	\$61 online via education provider
	\$167 lodged in New Zealand
	\$129 lodged in Pacific/Australia
	\$175 lodged in rest of world
Canada	\$121 primary applicant and for each dependant
UK	\$1077 primary applicant applying onshore (in person)
	\$538 per dependant applying at same time as the primary applicant applying onshore (in person)
	\$1305 per dependant applying onshore (in person) at later date
	\$592 primary applicant applying onshore (by post)
	\$296 per dependant applying at same time as the primary applicant applying onshore (by post)
	\$844 per dependant applying onshore (by post) at later date
	\$391 primary applicant applying offshore
	\$391 per dependant applying at same time or later date, as the primary applicant applying offshore
US	\$132 primary applicant and for each dependant

This table suggests that the Australian VAC is, in general, higher than our competitors. If the VAC were a major disincentive to prospective international students there would be merit in reducing it. However, preliminary results from a recent AEI survey of education agents, alumni and prospective students suggests the visa cost is not a major disincentive to studying in Australia.

Initial results from the survey (from three of Australia's largest source countries for international students: China, Indonesia and Korea), found that the cost of a visa was considered to be the least important factor by the majority of groups surveyed. Quality of education was considered to be the most important factor for the majority of groups. The cost of tuition and the cost of living were the second and third most important factors for the majority of groups.

Of course almost anyone who pays any government fee or tax would prefer it to be lower. But even those who argue for a reduction in the VAC do not claim that this will lead to increased student numbers. The arguments are usually made in a contextual sense: it's about the message the size of the fee sends. The size of the VAC cannot be considered in isolation. All governments must balance a plethora of competing demands on their revenue and expenditure. In the end it is a matter for the government, rather than this Review, to decide its budgetary priorities. If the government did want to consider any possible reductions in the VAC then I would suggest it look at two specific areas rather than "across the board reductions".

If we accept the argument that a reduction in the VAC is more about "the message of welcome" it sends then the priority area, as mentioned in Chapter 6 could be the HDR students. These are the students who potentially bring a disproportionate value to Australia far in excess of their fees, and for whom there is fierce global competition. Abolishing the VAC altogether for HDR students could be a part of a broader message of Australia's determination to attract more of them.

Alternatively if the emphasis in any policy to reduce the VAC was based on relative "fairness" then there would be a case for considering a lower VAC for shorter courses (such as stand alone ELICOS). This could provide an incentive for these students to apply for a student visa rather than the current situation where many of these students undertake their study in Australia on a visitor visa. Under a student visa they would receive the associated protections of the ESOS which are not available to those studying on a tourist or working holiday visa.

However, while I have some suggestions about possible options, this Report makes no recommendations with regard to the size of the VAC.

Indexation of the Living Cost requirement

On 1 January 2010, the amount of funds students are required to have in order to support themselves each year in Australia – the cost of living requirement - was increased from \$12,000 per year to \$18,000 per year. The \$12,000 figure was set in 2001. There were valid criticisms that the \$12,000 figure no longer reflected the true cost of living for overseas students, given the rise in the cost of living since 2001.

While international students are able to supplement their income with money earned through part-time work in Australia, the living costs requirement helps to support the success of students in their studies. They are not meant to be reliant on such work to meet all their expenses.

However, while DIAC was criticised for not raising the figure over many years, they were also criticised for the sudden and substantial jump. Many stakeholders complained to the Review about this. Indeed they expressed considerable anxiety about the possibility of any future dramatic increases. It would be sensible for the government to make an annual review of the amount and where necessary adjust the figure based on the Consumer Price Index (CPI) or a similar measure of cost of living in Australia.

Exclusion periods

Former student visa holders, who are outside of Australia may under some circumstances be subject to an 'exclusion period'. That prevents them from being granted another student visa for three years from a certain date.

This can happen to former student visa holders whose visas were cancelled because of non-compliance with the terms of their first visa. As discussed in Chapter 12, many of these cancellations, on further examination, are based on questionable grounds.

Student visa applicants affected by an exclusion period can be granted a visa before the three years is up. But there must be compelling circumstances that affect the interests of Australia, or compassionate or compelling circumstances that affect the interests of an Australian citizen, an Australian permanent resident or an eligible New Zealand citizen.

Although DIAC policy does allow for some discretion to allow for grant of a further student visa to former student visa holders whose visa was cancelled, there is merit in extending or removing some of the provisions. The current arrangements 'capture' students, who have had their visas cancelled but who are for all intents and purposes still a **genuine student**.

I have already made separate recommendations that the automatic cancellation of student visas for breach of the study requirements and mandatory cancellation of student visas for breach of the work limitation be reformed. This could reduce the number of otherwise genuine students who under current requirements may not be able to be granted a further student visa. However, some unfortunate individuals could still be subject to the three year exclusion rule on technical grounds rather than unacceptable behaviour on their part. Therefore it would be worthwhile having DIAC review the current exclusion arrangements.

Recommendation 38

That the policy regarding Pre-Visa Assessment (PVA) be discontinued.

Recommendation 39

That student visas be allowed to be granted in advance of four months before the commencement of the relevant course. Where necessary visas should specify a date before which the holder cannot enter Australia.

Recommendation 40

That DIAC regularly reviews the current living cost amount, and based on the CPI or other measure amend the amount, as required.

Recommendation 41

That DIAC review the exclusion criteria and policy which relate to student visa non-compliance.



Australian Government

Terms of Reference

Strategic Review of the Student Visa Program

Overview

Australia's Student visa program enables international students to study in Australia. The program facilitates the continued strength and competitiveness of the international education sector while ensuring appropriate integrity measures are maintained.

The Government values the important economic and cultural contribution made by the international education sector. In the past decade the sector has undergone rapid growth. The number of Student visas granted has more than doubled from 108 000 in 1997-98 to 269 828 in 2009-10.

The integrity of the Student visa program has been challenged in recent years by the promotion of Australian education courses as a pathway to permanent migration.

The Government reformed the Skilled Migration program to clearly affirm that while there are opportunities for international students seeking permanent residency in Australia, there is no guaranteed pathway. These changes have delivered a Skilled Migration program that is now driven by the skills needs of industry and employers, rather than the educational choices of international students.

More recently, the international education industry in Australia has come under increasing pressure as a result of the rising value of the Australian dollar, the ongoing impact of the global financial crisis in some countries, and increased competition from other countries in the international education market. The sector has also faced negative publicity in the wake of several attacks on international students and the closure of some international education providers.

While Australian education is already highly regarded, the Government is focused on driving reforms to further improve quality. Building Australia's reputation as a provider of quality education is the key to strengthening the competitiveness of our international education sector.

In this context it is timely to review the framework underpinning the Student visa program to ensure it is well positioned to respond to current and future challenges.

The Government has appointed the Hon Michael Knight AO to undertake a strategic review of the Student visa program. The Review will report to Government by mid 2011.

Terms of Reference

With a view to enhancing the quality, integrity and competitiveness of the international education sector, as well strengthening the integrity of the Student visa program, the Review will examine and make recommendations on:

1. An effective partnership framework that considers the respective roles and responsibilities of key stakeholders, including education providers, the Department of Immigration and Citizenship, the Department of Education, Employment and Workplace Relations, and state and territory education departments.
2. The appropriateness of existing threshold requirements for Student visa applicants including English language proficiency, financial capacity and educational qualifications.
3. Approaches to more effectively gauge and manage immigration risk in the Student visa caseload, including considering the suitability of the Assessment Level model.
4. Approaches, including compliance measures, to prevent misuse of the program and deter breaches of visa conditions.
5. The suitability of separate visas for Schools, Vocational Education and Training, Higher Education, Postgraduate Research, AusAid or Defence, Non-award and Student Guardians.

Key considerations

The Review will take into account:

- Student visa programs in comparable countries.
- Relevant reviews and inquiries.
- Global trends in the international education market.
- The objectives of Australia's demand-driven Skilled Migration program.
- Best practice data management, exchange and analysis, with regard to privacy principles.

Appendix 2

Stakeholders Consulted

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
COMMONWEALTH GOVERNMENT				
Bowen	Chris	Minister for Immigration and Citizenship		FED
Brumby	Tara	Adviser	Office of Minister Bowen	FED
Evans	Senator Chris	Minister for Tertiary Education, Skills, Jobs and Workplace Relations		FED
Byron	John	International Adviser to Senator Kim Carr, Minister for Innovation, Industry	Office of Minister Carr	FED
De Leo	Marianne	Adviser	Office of Minister Evans	FED
Proctor	Murray	First Assistant Director General Sectoral Policy Division	AusAID	FED
Hassett	Michael	Director, Scholarships Section	AusAID	FED
Haddad	Amy	A/g Director, Scholarships Section	AusAID	FED
Evans	Pat	Executive Director, Export and Investment Services	Austrade	FED
Linford	Peter	Senior Trade and Investment Commissioner, South Asia (New Delhi)	Austrade	FED
Harris	Tracy	National Education Manager	Austrade	FED
Stevenson-Perks	Quentin	A/g National Education Manager	Austrade	FED
Yuile	Peter	Deputy Chief Executive Officer and Executive Director Government and Corporate Services	Austrade	FED
Gonsalviz	Amy	Manager (Education)	Austrade	FED
Angley	John	General Manager, Government and Communications	Austrade	FED
Wallis	Jane	Trade Commissioner, Beijing	Austrade	FED

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Morrell	Alan	Senior Trade Commissioner	Austrade	FED
Martins	Paul	Senior Trade and Investment Commissioner Minster, Council (Commercial)	Austrade	FED
Pillai	Padmini	Education Manager, Malaysia	Austrade	FED
Innes	Graeme	Disability Discrimination Commissioner and Race Discrimination Commissioner	Australian Human Rights Commission	FED
Asher	Allan	Commonwealth Ombudsman	Commonwealth Ombudsman	FED
Masri	George	Senior Assistant Ombudsman	Commonwealth Ombudsman	FED
Griew	Robert	Associate Secretary, Tertiary, Skills, International and Indigenous Strategy	DEEWR	FED
		Australian Education International - India, China and Malaysia	DEEWR	FED
		Onshore staff – National and State/Territory offices	DEEWR	FED
Varghese AO	Peter	Australian High Commissioner to India	DFAT	FED
Strahan	Dr Lachlan	Deputy Head of Mission, New Delhi	DFAT	FED
Holly	David	Australian Consul General Chennai	DFAT	FED
Raby	Geoff	Australian Ambassador to China	DFAT	FED
Meehan	Graeme	Minister and Deputy Head of Mission, Beijing	DFAT	FED
Connor	Tom	Australian Consul-General, Shanghai	DFAT	FED
Kupa	Miles	Australian High Commissioner to Malaysia	DFAT	FED
Chittick	Craig	Deputy High Commissioner, Kuala Lumpur	DFAT	FED

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Pierce	Mark	Assistant Secretary South and Central Asia Branch	DFAT	FED
Kang	Pablo	Assistant Secretary International Organisations Branch	DFAT	FED
Ford	Andrew	A/g Assistant Secretary, Trade Competitiveness and Advocacy Branch	DFAT	FED
Bevan	Frances	Trade Competitiveness Section	DFAT	FED
Metcalfe	Andrew	Secretary	DIAC	FED
		Offshore staff - India, China and Malaysia	DIAC	FED
		Onshore staff - National and State/Territory offices	DIAC	FED
Kelly	Patricia	Deputy Secretary	DIISR	FED
Baly	Anne	FAS, Research Division	DIISR	FED
Manion	Alison	A/g Manager, Research Performance and Analysis Team	DIISR	FED
Starmer	Sean	Senior Adviser Science and Technology, New Delhi	DIISR	FED
O'Brien	Denis	Principal Member	Migration Review Tribunal, Refugee Review Tribunal	FED
Schofield	Kay	Chair	National VET Regulator	FED
Cross	Rebecca	Deputy Secretary	Department of Prime Minister and Cabinet	FED
Morton	Madonna	Assistant Secretary, Education and Workforce Participation Branch	Department of Prime Minister and Cabinet	FED
Bradley AC	Professor Denise	Interim Chairman	Tertiary Education Quality and Standards Agency (TEQSA)	FED

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Hawke	Ian	Interim CEO	Tertiary Education Quality and Standards Agency (TEQSA)	FED
Tang	May	Tourism Australia, Shanghai	Tourism Australia	FED
Furnell	Peta	General Manager, Social Policy Division	Treasury	FED
STATE/TERRITORY GOVERNMENTS				
ACT				
Cover	Leanne		Joint Committee on International Education (JCIE)	ACT
NSW				
Saccaro	Francesca	CEO, DET International and TAFE International and International Business	NSW Department of Education and Training	NSW
Seath	Diane	Director, International Students	NSW Department of Education and Training	NSW
Manchanda	Rohit	Director, Trade and Investment, India	NSW Government Business Office Mumbai	NSW
Howland	Mark		JCIE	NSW
Queensland				
Kimber	Ian	A/g Assistant Director, General Tertiary and Non-State education	DET	QLD
Braddy	Hon Paul	Chairman, QETI Advisory Board	Trade and Investment Queensland	QLD
Dignam	Stuart	Executive Director, Queensland Education and Training International and Strategic Projects	Trade and Investment Queensland	QLD
Sullivan	Elizabeth	A/g Manager, Queensland Education and Training International	Trade and Investment Queensland	QLD
Solomons	Rod	Trade Commissioner to South Asia	Trade Queensland India	QLD

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
South Australia				
Nieuwenhuis	Adrienne	Director, Quality and Tertiary Education Policy	Department of Further Education, Employment, Science and Technology (DFEEST)	SA
Karthigasu	Saraswathi	Senior Project Officer	DFEEST	SA
O'Leary	Therese	Training Advocate	Office of the Training Advocate	SA
Greaves	Heidi		JCIE	SA
Tasmania				
Gutteridge	David		JCIE	TAS
Victoria				
Hanna	David	Deputy Secretary	Department of Business and Innovation (DBI)	VIC
Lekakis	George	Executive Director, International Student Experience	DBI	VIC
Brown	Cameron	Manager, International Education Strategy, International Education Branch	DBI	VIC
Raeburn	Taliessin	Senior Policy Analyst	DBI	VIC
Ingham	Chris	Director, Tertiary Education Policy and Governance	Department of Education and Early Childhood Development	VIC
Christophers	Sue	General Manager, International Executive	Department of Education and Early Childhood Development	VIC
Haire	Katy	Executive Director, Policy and Cabinet	Department of Premier and Cabinet	VIC
Geddes	Inspector Ian	Deputy Chief of Staff Office of the Chief Commissioner	Victoria Police	VIC
Prentice	Alexandra	Manager, International Student Care Service	Victorian Multicultural Commission	VIC
Bourton	Gary	Manager, International Education	Victorian Registration and Qualifications Authority	VIC

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Glover	Lynn	Director	Victorian Registration and Qualifications Authority	VIC
Werry	John	Strategic Adviser, Workforce Participation Policy	Workforce Victoria, DBI	VIC
Conaghan	Geoffrey	Commissioner to India	State Government of Victoria	VIC
Western Australia				
Strickland	Richard	CEO, Chair of Joint Committee on International Education (JCIE)	Department of Education Services	WA
Lloyd	David	Manager, Business Development	Department of Education Services	WA
Bontempo	Joe	Principal Business Analyst	Department of Education Services	WA
Viney	Brad	Assistant Director, Education and Training Regulation	Department of Education Services	WA
Field	Chris	Ombudsman	Ombudsman	WA
White	Mary	Assistant Ombudsman	Ombudsman	WA
PEAK BODIES/EDUCATION				
Tudor	Frank	Chairman of the Board and National President	Australia China Business Council	PEAK
de Leo OAM	Joy	Executive Officer	Australian Council of Private Education and Training (ACPET)	PEAK
Thomson	Vicki	Director	Australian Technology Network Universities SA	PEAK
Phillimore	John	Executive Director, Curtin Institute of Public Policy	Curtin University	PEAK
Wood	Professor David	Deputy Vice-Chancellor and Vice President	Curtin University of Technology	EDU
Matthews	Associate Professor David	Chair, English Australia	Director, Curtin English Language Centre	PEAK
Russo	Jason	Market Analyst	Education Adelaide	PEAK
Von Wald	Denise	Chief Executive	Education Adelaide	PEAK
Forbes	Professor Dean	Deputy Vice Chancellor	Flinders university	EDU
Lipman	Gerald	Chief Executive	International College of Hotel Management	EDU

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Sleath	Marilyn	Director International Education	International Education Services	PEAK
Porter	Mark	Chair	ISCA	PEAK
Paxton	John	Member, WAPETIA	Perth International College of English	PEAK
Ciccarelli	Dr Anna	DVC(I), University of Queensland	Queensland Education and Training International (QETI) - Advisory Board	PEAK
Nelson	David	University of Queensland	Queensland Education and Training International (QETI) - Advisory Board	PEAK
Mahajan	Sangeeta	Nudgee International College	Queensland Education and Training International (QETI) - Advisory Board	PEAK
Coaldrake	Professor Peter	Vice Chancellor	QUT	EDU
Sheppard	Scott	DVC (I) and former AEI Counsellor in Beijing	QUT	EDU
Meakin	Chris	Senior Policy Adviser	QUT	EDU
Dawson	Janelle	Chair WAPETIA	Sterling College	PEAK
Amrein	Andre	General Manager	TAFE SA International	EDU
Taplin	Professor John	Pro Vice Chancellor (I)	University of Adelaide	EDU
Grieg	Rob	Director, International	University of SA	EDU
Robson AM	Professor Alan	Vice Chancellor	University of Western Australia	EDU
Smith	Mr Kelly	Director, International Centre	University of Western Australia	EDU
Watts	Marnie	Director of International Programs	Woodcroft College	EDU
Hicks	Mary	Director, Education Employment and Training	Australian Chamber of Commerce and Industry (ACCI)	PEAK
Field	Claire	National Executive Officer	Australian Council of Private Education and Training (ACPET)	PEAK
Webber	Elizabeth	Chair	Australian Government Schools International (AGSI)	PEAK

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Melville	Tony	Director, Public Affairs and Government Relations	Australian Industry Group	PEAK
Hicks	Mary	Director Education Employment and Training	Australian Chamber of Commerce and Industry (ACCI)	PEAK
Field	Claire	National Executive Officer	Australian Council of Private Education and Training (ACPET)	PEAK
Webber	Elizabeth	Chair	Australian Government Schools International (AGSI)	PEAK
Melville	Tony	Director, Public Affairs and Government Relations	Australian Industry Group	PEAK
Hunt	David	Vice President Chief Operating Officer Global Division	Educational Testing Service (ETS)	PEAK
Tyson	Eileen	Director, Client Relations	Educational Testing Service (ETS)	PEAK
Cook	Helen	Associate Director of Client Relations	Educational Testing Service (ETS)	PEAK
Blundell	Sue	Executive Director	English Australia	PEAK
Arkell	Richard	General Delegate	English Australia	PEAK
Maroya	Alex	Director, Training	Master Builders Association	PEAK
Duckworth	Colin	Senior Policy Officer	Motor Trades Association of Australia	PEAK
Holmes	Anne	Executive Director	National English Language Accreditation Scheme (NEAS)	PEAK
Boffa	Stefan	Operations Manager	National English Language Accreditation Scheme (NEAS)	PEAK
Lang	Jennie	Chair	Universities Australia DVC(I) Group and PVC(I) UNSW	PEAK
Withers AO	Dr Glenn	Chief Executive Officer	Universities Australia	PEAK
Ross	Carole	Centre Manager	Box Hill Institute	EDU
Coleman	Patrick	Director, Policy	Business Council of Australia	PEAK
Noonan	Dave	National Secretary	CFMEU	PEAK

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Li	Rongyu	Executive Director	Deakin University (and IEAA Board Member)	EDU
Shipstone	Tim	Industrial Officer	ACTU	PEAK
Sutton	John	National Secretary	CFMEU	PEAK
Kinnard	Bob	National Research and Policy Officer	CFMEU	PEAK
Bastian	Paul	National President	AMWU	PEAK
King	Conor	Executive Director	Innovative Research Universities	PEAK
Murray	Dennis	Executive Director	International Education Association of Australia (IEAA)	PEAK
Rosenberg	Professor John	Deputy Vice- Chancellor and Vice- President (International and Future Students)	La Trobe University	EDU
Stinson	Liz	Director	La Trobe University (and IEAA Board Member)	EDU
Byrne AO	Professor Edward	Vice-Chancellor and President	Monash University	EDU
Jeremenko	Megan	Senior Adviser, Government and External Relations	Monash University	EDU
Birrell	Bob		Monash University	EDU
Yang	Sunny	Director, Future Students	Monash University	EDU
Gardner AO	Professor Margaret	Vice-Chancellor and President	RMIT University	EDU
Lamont	Ailsa	Executive Director, International	RMIT University	EDU
Riordan	Martin	CEO	TAFE Directors Australia	PEAK
Holden	Peter	Director	TAFE Directors Australia	PEAK
MacKenzie	Bruce	Chair/CEO	TAFE Directors Australia/Holmesglen Institute of TAFE	EDU
Douglas	Will	Deputy Executive Director	The Academy of the Social Sciences in Australia	PEAK
Bentley	Guy	CEO	Blue Mountains International hotel Management School	EDU
Atcheson	Robert	National President	Council of International Students Australia	PEAK

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
McComb	Adrian	Executive Officer	Council of Private Higher Education	PEAK
Taylor	Alison	Executive Director, International Programs	Macquarie University	EDU
Fraser	Lyndell	Executive General Manager	Navitas	EDU
Tam	On Kit	Deputy PVC, Business International	RMIT University	EDU
Payne	Tim	Director, Policy Analysis and Communication	The University of Sydney	EDU
McCarthy	Jenny	Head of School, Member of Council	UIC Sydney	EDU
Voninski	Alek	Director	UNSW International	EDU
Stoianoff	Natalie	Director, Master of Industrial Property Program Faculty of Law	University of Technology Sydney	EDU
Chuah	Tze Ay	Director, UTS International	University of Technology Sydney	EDU
Cui	Connie	Manager, UTS International Recruitment	University of Technology Sydney	EDU
Berridge	Steven	Director	Victorian University International	EDU
Elms	Martin	Manager, Government Relations	CQ University	EDU
Hawkins	Professor Ken	Deputy Vice Chancellor (I)	CQ University	EDU
Dowsett	Dallas	Deputy Director	The University of Queensland	EDU
Lane	Kevin	Professional Services Manager	Migration Institute of Australia	PEAK
Fee	Mariann	Chief Executive Officer	The University of Melbourne	EDU
INTERNATIONAL				
India				
Singh	Sujatha	Indian High Commissioner to Australia	Canberra	INDIA GOVT
Dasgupta	Amit	Indian Consul-General, Sydney	Sydney	INDIA GOVT
Sibal	Kapil	Minister	Minister for Human Resource Development	INDIA GOVT
Puri Das	Vibha	Secretary, Higher Education	Ministry of Human Resource Development	INDIA GOVT

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Vaish	Anshu	Secretary, Schools Education and Literacy	Ministry of Human Resource Development	INDIA GOVT
Singh	Didar	Secretary	Ministry of Overseas Indian Affairs	INDIA GOVT
Tiwari	Atul	Joint Secretary, Financial Services and Emigration Policy	Ministry of Overseas Indian Affairs	INDIA GOVT
Sahni	Vijay	Joint Secretary, Diaspora Services and Protector General of Emigrants	Ministry of Overseas Indian Affairs	INDIA GOVT
Bardhan	Anand	Director, Emigration Policy	Ministry of Overseas Indian Affairs	INDIA GOVT
Badhok	R C	Director, Emigration Services	Ministry of Overseas Indian Affairs	INDIA GOVT
Sangawan	Yogeshwar	Director, Diaspora Services	Ministry of Overseas Indian Affairs	INDIA GOVT
Reddy	Latha	Secretary	Ministry of External Affairs	INDIA GOVT
Goel	Arun K	Joint Secretary (South)	Ministry of External Affairs	INDIA GOVT
Ranganath	S V	Chief Secretary	Government of Karnataka	INDIA GOVT
Prakash	Ved	Chairman	University Grants Commission	INDIA GOVT
Beg	Faisal	Trade Commissioner	High Commission of Canada, New Delhi	CANADA GOVT
Cridland	Simon	Counsellor and Head, Advocacy Program Public Diplomacy, Media, Academic and Cultural Relations	High Commission of Canada, New Delhi	CANADA GOVT
Manicom	David	Minister Counsellor Immigration	High Commission of Canada, New Delhi	CANADA GOVT
Goggin	Sally	Director, Education British Council India and Sri Lanka	British Council, New Delhi	UK GOVT
Dix	Chris	Counsellor Immigration	UK High Commission, New Delhi	UK GOVT
Chapman	Melanie	Education Counsellor	New Zealand High Commission, New Delhi	NZ GOVT

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Park	Chris	Branch Manager Immigration	New Zealand High Commission, New Delhi	NZ GOVT
Thornhill	Elizabeth		Embassy of the United States of America, New Delhi	USA GOVT
Glazeroff	Josh	Visa Chief	Embassy of the United States of America, New Delhi	USA GOVT
Sajona	Lavon	Lead Security Inspector	United States Department of State Office of the Inspector General - New Delhi	USA GOVT
Herman	James	Minister Counsellor for Consular Affairs	Embassy of the United States of America, New Delhi	USA GOVT
Duhan	Balbir	GM Training	Brentford Institute for Technical Training	EDU
Kamineni	Priya	International Regional Manager	Bond University	EDU
Pahwa	Ravneet	Country Director - India	Deakin University Australia Deakin International - India	EDU
Chauhan	Anita	Manager, India Office	Edith Cowan University	EDU
Malhotra	Ashini		Griffith International India	EDU
Rajasekharan Pillai	V N	Vice-Chancellor, Chairman , Distance Education Council	Indira Gandhi National Open University	EDU
Nuna	Sheel	Director South Asia Adjunct Professor	Queensland University of Technology	EDU
Mirchandani	Vinod	Country Manager	University of Melbourne	EDU
Chenoy	Dilip	Managing Director and CEO	National Skill Development Corporation	EDU
Singh	Dinesh	Vice Chancellor	University of Delhi	EDU
Das	Anjan	Senior Director	Confederation of Indian Industry	PEAK
Khosla	S P	Chairman	Dynamic Staffing Services	OTHER
Sharma	D P	GM (Selection)	Dynamic Staffing Services	OTHER
Tyagi	S C	GM (Civil Selection)	Dynamic Staffing Services	OTHER
Dua	K K	General Manger	Dynamic Staffing Services	OTHER

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Chandok	Kapil	Global Education Consultant	Kaaiser International Education	OTHER
Pental	Harmeet	Regional Director, South Asia	IDP Education India Private Limited	OTHER
Sood	Raja	Head, Marketing (South Asia) & Client Relations	IDP Education India Private Limited	OTHER
Vittal	Ramganes	General Manager, Human Resources	Leighton Contractors (India) Pvt Ltd	OTHER
Singh	Ravi	Managing Director	Global Reach	OTHER
Bhutani	Arun	CEO	IAE India Venues	OTHER
Kumar	Gulshan	Managing Director	Kangaroo Studies Pvt Ltd	OTHER
Johar	Bubbly	Vice President	AAERI	OTHER
Qureshi	Jamal	South Asia Regional Marketing Manager	Perth Education City	OTHER
Padgoankar	Dileep	Consulting Editor	Times of India	OTHER
Bagchi	Indrani		Times of India	OTHER
Kulakamrni	Sagar	Principal Correspondent	Press Trust of India	OTHER
Mitra MP	Chandan	Editor-in-Chief	The Pioneer	OTHER
Dinesh	K	Co-founder and Member of the Board	Infosys Technologies Limited	OTHER
Joshi	Eshan	Associate Vice President - HRD	Infosys Technologies Limited	OTHER
United Kingdom				
Laker	Jo	UK Border Agency		UK GOVT
Bell	Amy	UK Border Agency		UK GOVT
China				
Wei	Zhang	Counsellor and Consul-General	Embassy of the People's Republic of China in Australia	CHINA GOVT
Yang	Zhongbo	Second Secretary	Embassy of the People's Republic of China in Australia	CHINA GOVT
Qi	Mei	Counsellor, Consular Department	Ministry of Foreign Affairs	CHINA GOVT
Qiao	Jie	Deputy Director, Consular Department	Ministry of Foreign Affairs	CHINA GOVT
Zhao	Peijun	First Secretary, Consular Department	Ministry of Foreign Affairs	CHINA GOVT

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Hui	Zhou	Deputy Director	Ministry of Education	CHINA GOVT
Stvan	Martina	Counsellor/ Deputy Program Manager	Embassy of Canada	CANADA GOVT
Board	Steffan Miles	First Secretary	Embassy of Canada	CANADA GOVT
Heath	Matt	Regional Manager	Embassy of the United Kingdom	UK GOVT
Qin	Li	Assistant Director, Education Marketing	Cultural and Education Section, Embassy of the United Kingdom	UK GOVT
Donahue	Linda L	Minister Counsellor for Consular Affairs	Consul General of the United States of America	USA GOVT
Yang	Will	Program Manager	Embassy of the United States of America China	USA GOVT
Burrows	Bruce	Minister-Counsellor	Embassy of New Zealand	NZ GOVT
Shuo	Wang	Program Officer, Division for Exchange Programs	Peking University	EDU
Li	Yansong	Vice President (International)	Peking University	EDU
Cheng	Wei (Professor)	President	Liaoning University	EDU
Zhou	Jie (Professor)	Dean of Asia-Australia Business College	Liaoning University	EDU
Bentley	John	International Manager	Victoria University	EDU
Gong	Sally	Executive Head of Sydney Institute of Language and Commerce	Shanghai University	EDU
Zhou	Zhewei	Executive President	Shanghai University	EDU
Hands	Tom		Austcham	OTHER
Poole	Belinda		Austcham	OTHER
Peng	Sang	President	Beijing Overseas Study Service Association	OTHER
Sun	Charles	Chairman and CEO	China Education International	OTHER
Pan	Penny	Manager of Australian Department	Han Terry Consultancy	OTHER
Sun	Susan	Managing Director	Han Terry International Education	OTHER
Sun	Charles		China Education International	OTHER

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Liu	Tao		Dong Fang ICEF	OTHER
	Tracey		Beijing Aus Canada	OTHER
	Monica		Beijing Wuhu Zhongshi	OTHER
	Chris		Chivast El	OTHER
Tian	Karen		China Star Corp	OTHER
Xun	Phoenix		Beijing Aceleader CEC	OTHER
	Rebecca		New Oriental Vision	OTHER
	Vivian		Beijing Eduglobal	OTHER
Gao	Philip		Audji	OTHER
Dai	Sunny		JJL Overseas Education	OTHER
Chen	Luyi		JJL Overseas Education	OTHER
Zhu	Yanmin	President	JJL Overseas Education	OTHER
Malaysia				
Nordin	Dato' Seri Mohammad Khaloed	Minister for Higher Education	Ministry of Higher Education	MALAYSIA GOVT
Faridah	Datuk'	Deputy Director General (Development)	Public Service Department	MALAYSIA GOVT
Ali	Datuk Farida Mohd	Deputy Director General of Public Service (Development)	Public Service Department Malaysia	MALAYSIA GOVT
Muhi	Fauzana Binti Abdul	Assistant Director	Public Service Department Malaysia	MALAYSIA GOVT
Don	Dato' Mohd Tajudin Bin	Director, Human Capital Development Division	Public Service Department Malaysia	MALAYSIA GOVT
Hashim	MD Radzi Bin	Deputy Director	Public Service Department Malaysia	MALAYSIA GOVT
Yoke	Datin Chan - Low Kam	CEO and Co- Founder	HELP University College	EDU
Chan	Datuk Dr Paul T H	President and Co- Founder	HELP University College	EDU
Neilsen	John	Pro Vice Chancellor	Curtin University, Singapore	EDU
Anderson	Dale	CEO	James Cook University, Singapore	EDU
Pollard	Robin	Pro Vice Chancellor and President	Monash University, Malaysia	EDU
Cochrane	Robert	Pro Vice Chancellor	Newcastle University	EDU
Tan	Angeline		AUG Global Network	OTHER

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Wong	Janet		Carlton Education Network	OTHER
Pan	Mable		E& M Education Counselling Centre	OTHER
Hii	Joseph		GEN Education	OTHER
Low	Teddy		GEN Education	OTHER
Shah	Alpa		IAEC	OTHER
Klass	Paula		IDP Education Australia	OTHER
Chiew	Subrinna		iEdu Care Services	OTHER
Toh	Michael		iEdu Care Services	OTHER
Lam	Aileen		JM Education Counselling Centre	OTHER
Mausomi	Max		MYC Enterprise	OTHER
Mesgara	Mahdis		MYC Enterprise	OTHER
Geseh	Rosidah		Nazza Education	OTHER
Cindy	Anita		Nazza Education	OTHER
Folk	Michael JC	Principal Consultant	Probiz Business Services	OTHER
Koay	Kevin		Studylink	OTHER
Leong	Ji Li		Studylink	OTHER
Other				
Baird	Bruce			OTHER
Crowe	Des	National Chief Executive Officer	Australian Hotels Association (AHA)	OTHER
Andrew	Michael	Australian Chairman	KPMG	OTHER
Pollock	Anthony	Chief Executive and Managing Director	IDP Education Pty Ltd	OTHER
Pearcey	Laurie	Chief Executive Officer	Australia China Business Council	OTHER
Rodgers	Lesley	Executive Assistant, National Secretariat	Australia China Business Council	OTHER
Janis	Marika	Director	Australia China Business Council - NSW	OTHER
Jin	David	Executive Assistant	Australia China Business Council - NSW	OTHER
Harrowell	Jim	Partner, Arbitrator	Hunt and Hunt	OTHER
O'Halloran	Paul	Regulatory Affairs Manager	ITC	OTHER
Jockel	Maria	Principal	Australia China Business Council/Kennedy Strang Legal Group	OTHER
Harris	Sharon	Migration Specialist	Sharon Harris and Associates	OTHER
Helm	Laura	Legal Policy and Practice Lawyer	Law Institute of Victoria	OTHER
Ma	Jensen	Tan and Tan Lawyers and Consultants	Law Institute of Victoria	OTHER

SURNAME	FIRST NAME	POSITION	ORG	ABRV.
Ford	Carina	Carina Ford Immigration Lawyers	Law Institute of Victoria	OTHER
Rodan	Erskine	Erskine Rodan and Associates	Law Institute of Victoria	OTHER
Stratton	David	Nevett Ford Melbourne	Law Institute of Victoria	OTHER
Italiano	Joseph	Joseph Italiano and Associates	Law Institute of Victoria	OTHER
Da Gama Pereira	Valerie	Da Gama Pereira and Associates	Law Institute of Victoria	OTHER
Lee	Jennifer	Russell Kennedy	Law Institute of Victoria	OTHER
Mathews	James	Account Manager	Parker and Partners	OTHER
Brett	Kevin	Director, Client Services	I-Graduate International Insight	OTHER

THIS PAGE INTENTIONALLY LEFT BLANK



Australian Government

3 February 2011

Submissions Invited for Student Visa Review

The Hon Michael Knight AO today issued a call for submissions to the review of the student visa program.

The international education sector is important to Australia in establishing bilateral ties with key partner countries and supports employment in a broad range of occupations in the Australian economy as well as delivering high-value skills to the economy.

‘To assist those wishing to contribute to the review, I will release a discussion paper in early March which will outline some of the key issues, particularly those that have been raised by stakeholders in my initial round of consultations,’ Mr Knight said.

‘Already it is clear that there is a lot of interest in this area so I anticipate receiving good quality feedback from interested organisations and individuals.’

Submissions addressing the terms of reference can be made up to and including 15 April 2011, when the period for accepting submissions will close. Submissions that do not address the terms of reference are unable to be considered as part of the review. **See:** [Terms of Reference Strategic Review of the Student Visa Program](#) (70KB PDF file)

Mr Knight is arranging consultations with government and industry throughout Australia and will also be investigating major student sources and competitor countries to gain a broader appreciation of international education and the role of student visa systems.

‘The review affords education providers and stakeholders with an important opportunity to share their vision of the sector’s future,’ Mr Knight said.

‘I encourage all interested stakeholders to contribute to the review process.’

The Minister for Immigration and Citizenship Chris Bowen and the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Chris Evans, announced Mr Knight’s appointment and the review on 16 December 2010.

Mr Knight is due to deliver his report to the government by mid-year.

The guidelines for making a submission are available from the Department of Immigration and Citizenship website. **See:** [Submission Invited for Student Visa Review](#)

THIS PAGE INTENTIONALLY LEFT BLANK

Submissions to the Review

Number	Submission
001	Council of Deans and Directors of Graduate Studies in Australia
002	Asia Pacific International College
003	Rachna Raval
004	International Travel Education and Business Services
005	Timothy Cunningham
006	Murtaza Bilgrami
007	Abhishek Mehta
008	Franz Kratschmer
009	Andrew Weida Liew
010	Sachin Pabalkar
011	Navitas English Perth
012	Kevin Le Grice
013	Mohammad Tahir Iqbal
014	Bivisa
015	Rita Batra
016	Migrate Australia South Australia Pty Ltd
017	Narula International
018	Roman
019	CONFIDENTIAL
020	Ganga Reddy
021	CONFIDENTIAL
022	EasyMigrate Consultancy Services
023	K S Singh
024	Macquarie Education Group Australia
025	Debashia Chanda
026	CONFIDENTIAL
027	Anthony Reeder - Australian Catholic University
028	Australia India Society of Victoria Inc.
029	West Coast International College of English
030	Nicholas Baxfield
031	Kevin Le Grice
032	Charles Darwin University
033	Australian Information Commissioner
034	Association of Australian Education Representatives in India
035	Sonya Singh
036	China Education International
037	Kelly Colleges
038	Canning College
039	Central Queensland University
040	St Paul's International College

Number	Submission
041	CONFIDENTIAL
042	CONFIDENTIAL
043	John Paul International College (Submission 1)
044	John Paul International College (Submission 2)
045	Queensland Catholic Education Commission
046	Bernice Ong
047	Mary Ancich
048	CONFIDENTIAL
049	John James Quintero
050	Krishna
051	Australian Association of Aviation and Aerospace Industries
052	Perhimpunan Pelajar Indonesia Australia
053	Summan Jehan
054	David Nelson
055	Academy of the Social Sciences in Australia
056	Jie Fan
057	Napalese Associations of Australian Education Representatives
058	CONFIDENTIAL
059	English Australia
060	University of Ballarat
061	Mercedes College
062	Carl Holtman
063	Canterbury Technical Institute
064	South Australian Government
065	Australian Education Assessment Services
066	Chengdu Huaying Consulting and Service Co. Ltd
067	Australian College Information Centre
068	Business SA
069	FundsV
070	Group of Eight
071	Christopher Riley - Australian Catholic University
072	National Educational Consultancies' Association
073	Trish Swart
074	International Education Services
075	Victoria University
076	Kenny Yang
077	Griffith University
078	CONFIDENTIAL
079	CONFIDENTIAL
080	Bond University
081	Charles Sturt University
082	National Tertiary Education Union
083	Satish Patel
084	Medibank
085	Vision International

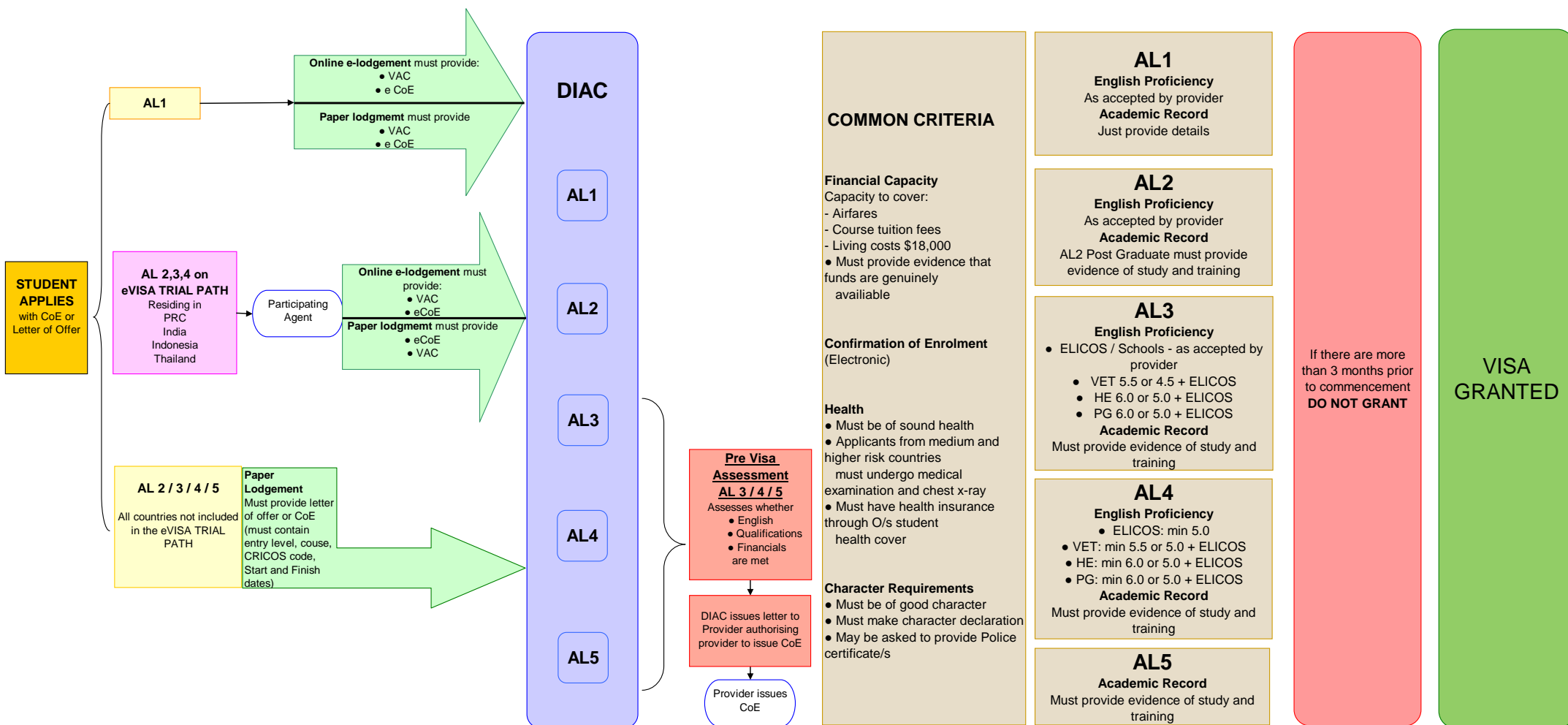
Number	Submission
086	Australia China Business Council of Victoria
087	International College of Hotel Management
088	Association of Australian Hotel Schools
089	Council of Private Higher Education Inc
090	Australian Government Schools International
091	Australian Department of Innovation Industry, Science and Research
092	International Student Legal Advice Clinic
093	The Gordon TAFE
094	Federation of Foreign Education Consultants in India
095	Francaustralia Education
096	Atlas Education Consultants Pvt Limited
097	Think Before
098	Study Gold Coast
099	Robert Menzies College
100	National English Language Teaching Accreditation Scheme Limited
101	CONFIDENTIAL
102	Australian National University College
103	Cambridge ESOL
104	Educational Testing Service
105	The University of Western Australia
106	Swinburne University of Technology
107	The Royal Melbourne Institute of Technology
108	Queensland Department of Education and Training
109	Southern Cross University
110	CONFIDENTIAL
111	Deakin University Student Association
112	GrangerAustralia
113	The University of Sydney
114	Hospitality Training Association
115	University of Technology Sydney
116	Nudgee International College
117	Independent Schools Council of Australia
118	The University of Melbourne
119	Australia Go
120	Law Institute of Victoria
121	AustCham Beijing
122	Australian Academy of Science
123	Queensland University of Technology
124	CONFIDENTIAL
125	Sydney University Postgraduate Representative Association
126	Automotive Training Victoria
127	Australian National University
128	Student's Representative Council – The University of Sydney

Number	Submission
129	Ethnic Communities' Council of Victoria
130	International Education Association of Australia
131	Sydney College of English
132	Australian Department of Resources, Energy and Tourism and Tourism Australia
133	Federation of Ethnic Communities' Council of Australia
134	Charlton Brown
135	Master Builders Australia Ltd
136	CPA Australia
137	Robert Hughes
138	Australian Services Roundtable
139	CONFIDENTIAL
140	Universities Australia
141	Commonwealth Ombudsman
142	CONFIDENTIAL
143	Navitas
144	Council on Australia Latin America Relations
143	ISANA International Education Association Inc
146	University of Southern Queensland
147	Australian International Education Centre QUEST Hungary
148	The Australian Institute of Welfare and Community Workers
149	Indian High Commission Canberra
150	Wollongong University
151	Carnegie Mellon University
152	IDP Australia
153	CONFIDENTIAL
154	Australian Pacific College
155	Council of International Students Australia
156	Newcastle University
157	Woodcroft College
158	National Tourism Alliance
159	Macquarie University
160	Competitive Careers Pty Ltd
161	Victorian Employers' Chamber of Commerce and Industry
162	Education Consultant Association of Australia
163	United Voice
164	Migration Solutions
165	National Union of Students
166	Migration Institute of Australia
167	CONFIDENTIAL
168	Tasmanian Government Education and Training International and University of Tasmania
169	Australian Technology Network
170	Interface International
171	Tahir Iqbal

Number	Submission
172	MEGT Education Group
173	Australian National University – Students' Association
174	Australian Council for Private Education and Training
175	John Findley
176	CONFIDENTIAL
177	Restaurant and Catering Australia
178	National Catholic Education Commission
179	Geoff Clark
180	Janak Pathak
181	Kenyan High Commission Canberra
182	CONFIDENTIAL
183	Business Council of Australia
184	Victorian Automobile Chamber of Commerce
185	Discover English
186	CLB Training and Development
187	Toorak College
188	Ivanhoe Grammar School
189	La Trobe University
190	Immigration Lawyers Association of Australasia
191	Australian Council of Trade Unions
192	Australian Federation of International Students
193	Construction, Forestry, Mining and Energy Union of Australia
194	South Australian Department of Trade and Economic Development
195	Innovative Research Universities
196	TAFE Directors Australia
197	State Government of Western Australia
198	State Government of Victoria
199	Community Relations Commission
200	CONFIDENTIAL
201	Australian Department of Defence
202	State Government of New South Wales

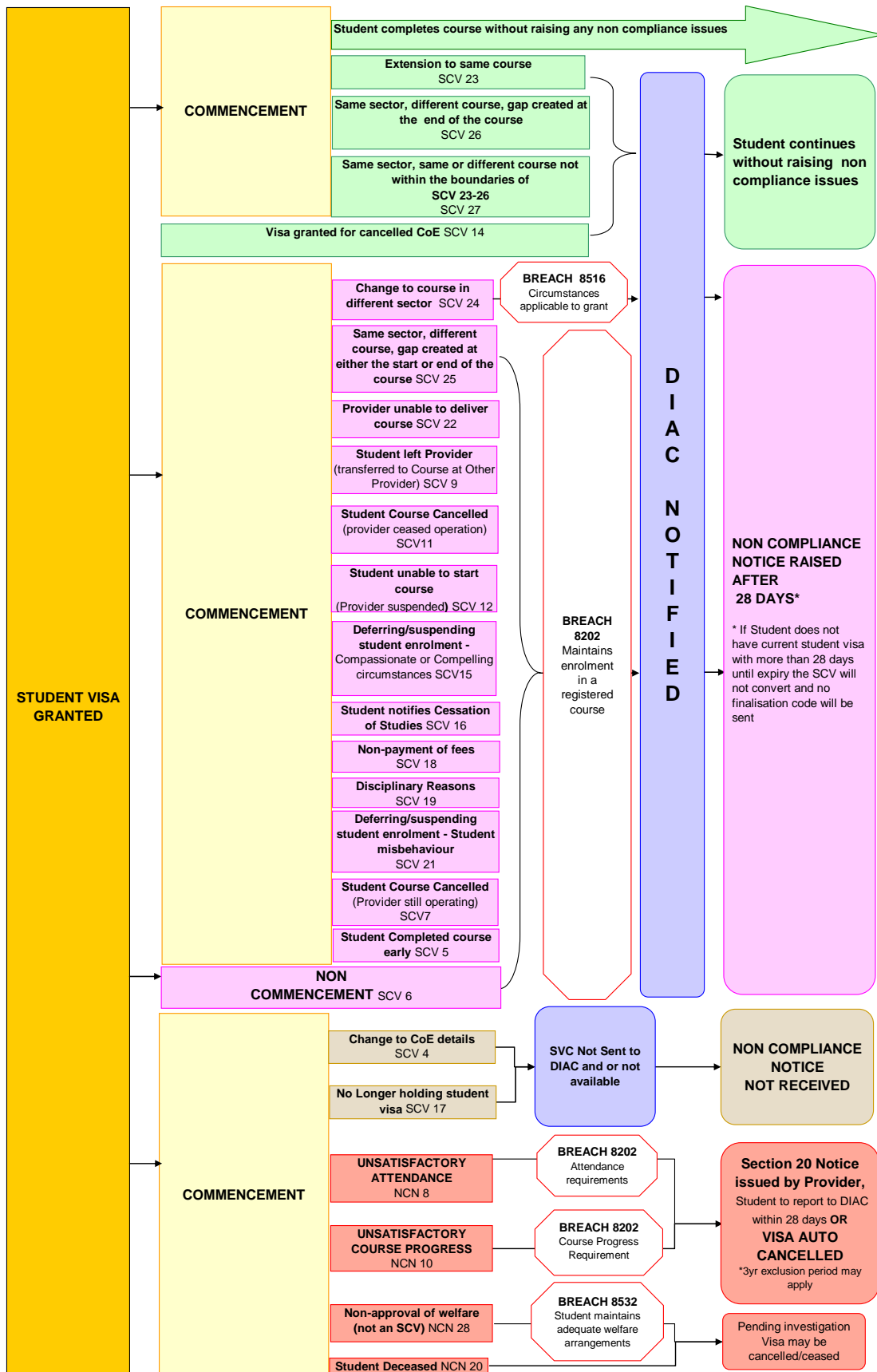
THIS PAGE INTENTIONALLY LEFT BLANK

Student Visa Application Process



THIS PAGE INTENTIONALLY LEFT BLANK

PRISMS NCN/SCV PROCESS



THIS PAGE INTENTIONALLY LEFT BLANK

Current Summary of the Assessment Level (AL) framework as of June 2011

To be granted a student (subclass 570–576) visa, prospective students must meet legislative requirements relating to their financial capacity, English language proficiency, and educational qualifications.

The amount of evidence a prospective student must provide to demonstrate they meet these requirements is based on their Assessment Level (AL). ALs are prescribed according to the passport the prospective student holds and the education sector of their proposed course of study. There are five ALs: AL1 has the least evidentiary requirements and AL5 has the most.

There are a number of different types of student visas. Each student visa subclass represents a particular education sector:

- Subclass 570 – Independent ELICOS
- Subclass 571 – Schools
- Subclass 572 – Vocational Education and Training
- Subclass 573 – Higher Education
- Subclass 574 – Postgraduate Research
- Subclass 575 – Non-Award
- Subclass 576 – AusAID or Defence.

Prospective students seeking to study only one course on their student visa can match their passport to the education sector of their course to calculate the appropriate AL for their visa application.

DIAC provides a list of passport countries and the corresponding ALs for each student visa subclass for the information of students. The table below provides an example of this list:

Passport held	570 ELICOS	571 Schools	572 VET	573 Higher Education	574 Postgrad. Research	575 Non Award	576 AusAID/ Defence
Afghanistan	3	2	3	3	2	3	all 576 travel documents are Assessment Level 2
Andorra	1	1	1	1	1	1	
Argentina	2	1	2	1	1	1	
Austria	1	1	1	1	1	1	
Bahamas	2	2	2	1	1	2	
Bahrain	1	1	1	1	1	1	
Bangladesh	4	4	4	3	2	3	

Not all passport countries are included on this list. Where a prospective student's passport is not listed, then their relevant AL is as follows:

- all prospective students seeking a subclass 576 (AusAID or Defence Sector) visa are Assessment Level 2;
- all prospective students seeking a subclass 574 (Postgraduate Research) visa are Assessment Level 2;
- all prospective students seeking one of the remaining student visa subclasses, specified below, are Assessment Level 3:
 - 570 – Independent ELICOS;
 - 571 – Schools;
 - 572 – Vocational Education and Training;
 - 573 – Higher Education;
 - 575 – Non-Award.

Following are brief summaries of the main pathways that students take to meet Schedule 5A requirements. These tables are not exhaustive.

AL	Evidence of Financial Capacity	Evidence of English language proficiency	Maximum duration of ELICOS study	Other requirements
1	<p>All sectors: Give a declaration that the applicant has access to funds for the full period for – course fees, living costs, school costs and travel costs.</p>	<p>All sectors: Enrolment by education provider</p>	<p>All sectors: no limits</p>	<p>Independent ELICOS: NIL</p> <p>Schools: If not a secondary exchange student, evidence the student is at least six years of age and has educational qualifications as required by the provider.</p> <p>VET: NIL.</p> <p>Higher Education: Education qualifications as required by provider.</p> <p>Postgraduate Research: Education qualifications as required by provider.</p> <p>Non-award: NIL.</p>

AL	Evidence of Financial Capacity	Evidence of English language proficiency	Maximum duration of ELICOS study	Other requirements
2	<p>All sectors: Evidence of funds from an acceptable source* for the first 12 month period and a declaration that they have funds for remainder of course.</p> <p>* does not include an item of property</p>	<p>All sectors: Enrolment by education provider</p>	<p>All sectors: no limits</p>	<p>Independent ELICOS: Education qualifications as required by provider.</p> <p>Schools: If not a secondary exchange student, evidence the student is at least six years of age and has educational qualifications as required by the provider.</p> <p>VET: NIL.</p> <p>Higher Education: Education qualifications as required by provider.</p> <p>Postgraduate Research: Evidence that the student has completed an undergraduate degree or equivalent.</p> <p>Non-award: NIL.</p> <p>AusAID/Defence: Evidence the student has the support of the AusAID or Defence minister and the expected duration of study.</p>

AL	Evidence of Financial Capacity	Evidence of English language proficiency	Maximum duration of ELICOS study	Other requirements
3	<p>All sectors: Evidence of funds from an acceptable source* for the first 24 month period and a declaration that they have funds for remainder of course.</p> <p>Plus evidence that the regular income of any individual (including the applicant) providing funds to the applicant was sufficient to accumulate the level of funding being provided by that individual.</p> <p>* includes a money deposit held for at least 3 months prior to application, a loan from a financial institution and a loan from home government.</p>	<p>Independent English Language Intensive Courses for Overseas Students (ELICOS) and Schools: Enrolment by education provider</p> <p>Vocational Education and Training (VET) and Non-Award: 5.5 International English Language Testing System (IELTS) or 4.5 IELTS with a preliminary ELICOS course*</p> <p>Higher Education and Postgraduate Research: 6.0 IELTS or 5.0 IELTS with ELICOS course*</p> <p>*among other options</p>	<p>Independent ELICOS: 50 weeks</p> <p>Schools: 40 weeks</p> <p>VET, Non-Award, Higher Education, and Postgraduate Research: 30 weeks</p>	<p>Independent ELICOS: Evidence of previous schooling, training or other study.</p> <p>Schools: If not a secondary exchange student, course at least 16 months duration; completed secondary school to year 6 level; age limitations (eg less than 17 years old when commencing year 9 studies); can't undertake studies at Year 8 or lower.</p> <p>VET: Successfully completed schooling to year 11 level.</p> <p>Higher Education: Successfully completed schooling to year 12 level (with concessions for foundation/Cert IV courses).</p> <p>Non-award: Successfully completed schooling to year 11 level.</p>

AL	Evidence of Financial Capacity	Evidence of English language proficiency	Maximum duration of ELICOS study	Other requirements
4	<p>All sectors: Evidence of funds from an acceptable source* for the first 36 month period and a declaration that they have funds for remainder of course.</p> <p>Plus evidence that the regular income of any individual (including the applicant) providing funds to the applicant was sufficient to accumulate the level of funding being provided by that individual.</p> <p>* includes a money deposit held by an acceptable individual ** for at least 6 months prior to application, a loan from a financial institution and a loan from home government. ** acceptable individual is the applicant, applicant's spouse or de facto partner, applicant's parents or grandparents, applicant's brothers and sisters or an uncle or aunt of the applicant who is an Australian citizen, permanent resident or eligible NZ citizen and usually resident in Australia.</p>	<p>Independent ELICOS: 5.0 IELTS</p> <p>Schools: If 16 years old or over, 5.0 IELTS or 4.0 IELTS with preliminary ELICOS; waiver available for PRC nationals.</p> <p>VET and Non-Award: 5.5 IELTS or 5.0 IELTS with a preliminary ELICOS course</p> <p>Higher Education and Postgraduate Research: 6.0 IELTS or 5.0 IELTS with ELICOS course</p>	<p>Independent ELICOS: 40 weeks</p> <p>Schools, Higher Education, and Postgraduate Research: 30 weeks</p> <p>VET, Non-Award: 20 weeks</p>	<p>Independent ELICOS: Education qualifications as required by provider.</p> <p>Schools: Course at least 16 months duration; completed secondary school to year 9 level; age limitations (eg less than 17 years old when commencing year 9 studies); can't undertake studies at Year 8 or lower.</p> <p>VET: Successfully completed schooling to year 12 level.</p> <p>Higher Education: Successfully completed schooling to year 12 level (with concessions for foundation/Cert IV courses);</p> <p>Non-award: Successfully completed schooling to year 12 level.</p>

AL	Evidence of Financial Capacity	Evidence of English language proficiency	Maximum duration of ELICOS study	Other requirements
5	<p>Schools: Evidence of funds from the applicant* for the full period plus funds for a further 12 months following the full period.</p> <p>All other sectors: Evidence of funds from the applicant* for the full period.</p> <p>Plus evidence that the income of the applicant was sufficient to accumulate the funds.</p> <p>*money deposits held by the applicant for 5 years prior to application</p>	<p>All sectors: IELTS 7.0</p>	<p>Independent ELICOS: 40 weeks</p>	<p>Independent ELICOS: Education qualifications as required by provider, English tuition required for employment.</p> <p>Schools: Course of at least 2 years; completed secondary school to year 9 level; principal course will assist the applicant; age limitations (eg less than 17 years old when commencing year 9 studies); can't undertake studies at Year 8 or lower.</p> <p>VET: Successfully completed schooling to year 12 level; the principal course will assist with obtaining employment or in their current employment.</p> <p>Higher Education: Successfully completed schooling to year 12 level; the principal course will assist with obtaining employment or in their current employment.</p> <p>Non-award: Successfully completed schooling to year 12 level; the principal course will assist with obtaining employment or in their current employment.</p>