Dear Mr Baird

The University of Sydney is grateful for the opportunity to make a submission to the Review of the Education Services for Overseas Students (ESOS) Act.

The internationalisation of Australian higher education has brought enormous benefits to Australia. By welcoming international students, we have not only strengthened our education institutions but provided for Australia a unique opportunity to build relationships and a real engagement with the future leaders of our neighbouring countries and beyond.

The University of Sydney has a longstanding, international reputation as a high quality education and research institution and relies upon this reputation to attract the most promising students and the brightest researchers to travel to Sydney from all over the world.

We rely upon Australia’s reputation as a nation that has built and will sustain a quality education sector.

It is critical if we are to sustain both the reputation and the reality of a quality education sector that the legislative platform for our international education provides sound, consistently applied regulation informed by the needs of the nation, the institutions and the student themselves.

An unfortunate by-product of the sector’s success is that international education is now perceived in the media and elsewhere as an "industry" and enrolments by international visitors and the contribution they make to the Australian economy is considered an "export." As if the people investing in their own futures and helping our future with leading edge research were simply commodities.

It is true that international education is of considerable value to the Australian economy and should continue to be so, if we invest as a nation in maintaining high quality education and research. But it is also true that this phenomenon is much more than an industry or an export sector. It is about real people and people’s needs, perceptions and aspirations.

To sustain international education for the benefit of Australia and the world, we continue to have two challenges. We must live up to our promises: quality education and a safe, welcoming environment. Almost all in the sector strive for quality and those that are not driven by a quality mission need to be dealt with by much more effective regulation.
In managing risk, nevertheless, there is a wide variation between the well-resourced and long-established education institutions and a number of smaller, more recent actors in international education provision. A differentiated, more interventionist regulation for compliance in those segments of the education sector that are more heavily reliant on international student income might more appropriately identify and address risk to the reputation of the sector and more appropriately protect students.

Inadequate ESOS compliance and enforcement in high risk areas of the industry have contributed to recent problems particularly in some sections of the vocational education and training sector that threaten the international education sector and Australia’s reputation more broadly.

Looking ahead, without a strong, durable global reputation as a safe, welcoming, high quality education provider, Australia will risk steady erosion of its appeal in an increasingly competitive environment.

It is important to acknowledge that the Australian Education brand is built and sustained by many more actors than simply those governed by the ESOS Act. Not only the Australian Government and State Governments promote Australia’s reputation. All Australians are, whether consciously or not, brand ambassadors when they travel outside the country.

If all Australians and all visitors to Australia can reasonably be assured that effective and well targeted regulation sustains quality and a good student experience, they will serve us well as brand ambassadors. If we doubt ourselves, our doubts will become amplified in an increasingly competitive world.

This review is therefore timely and important. The University’s submission takes the liberty of raising a number of issues that are not directly governed by the ESOS Act but that are closely related to the objectives of the review.

We welcome this and other related initiative of the Government to sustain international education as a valuable component of Australia’s reputation and our national life.

Yours sincerely

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Brand Australia information to improve student awareness

International students rely upon a range of sources for information about study options in Australia, some governed by the ESOS Act and others not. Some will hear about Australia as a potential education provider from alumni, some from schools or education agents, and, increasingly, many will seek primary information from electronic sources, both official and unofficial.

For the student to develop understanding about Australian and its educational offerings, different kinds of information are required at the awareness stage and at the decision making stage.

Ideally the “halo effect” of Australia’s reputation as a safe, welcoming, English speaking, developed country with a high quality education system should result in awareness and consideration of Australia, alongside other traditional destinations such as the United States and the United Kingdom.

While that reputation has been built over time, based on authentic strengths and capabilities of the Australian education system, the brand is not immune to damage over time from information that contradicts its essence.

Australia’s brand is also relatively vulnerable because international knowledge about Australia is often superficial, based upon images dominated by tourist icons and natural imagery. In comparison, international knowledge of destinations such as the US and UK is often rich and layered, with their longstanding heritage as quality providers of not only international education but a wide variety of other high value services and experiences. Information about such countries is abundant. Indeed, such countries also actively invest in public diplomacy and cultural diplomacy to promote positive international understanding.

The Australian brand is built and sustained by many more actors than simply those governed by the ESOS Act. Not only the Australian Government and State Governments promote Australia’s reputation. All Australians are, whether consciously or not, brand ambassadors when they travel outside the country. All Australian organisations, including not only higher education institutions but also businesses engaged in trade and investment and non-government organisations engaged in international activities, provide a public face of Australia to the world. International alumni and other visitors to Australia will also take back with them to their home countries experiences and views about Australia.

The messages such brand ambassadors take into the world influence the world’s awareness of Australia and its attributes. While there is no mechanism that will ever ensure all of Australia’s brand ambassadors convey similar or consistent messages, as there might be in a global business with a brand strategy, there is a strong argument for governments and the education sector to ensure all Australians and visitors are equipped with accurate information about the strengths of our international education offering.
An important dimension of the information task is, therefore, should be an education campaign for internal Australian audiences that would underpin the messages we seek to convey to international audiences.

Without a strong, durable global reputation as a safe, welcoming, high quality education provider, Australia will risk steady erosion of its appeal in an increasingly competitive environment.

The University of Sydney welcomes the Australian Government’s initiative to establish a Brand Australia Council and, given the importance of international education to Australia, proposes that the Council look actively at supporting the consistent provision of information about Australian education to all stakeholders and potential brand ambassadors.

Indeed, a more multidimensional approach to marketing Australia in the world will allow for a deeper understanding of the depth of Australia’s offerings, including the diversity of the Australian education system.

The University of Sydney has a longstanding, international reputation as a high quality education and research institution and relies upon this reputation to attract the most promising students and the brightest researchers to travel to Sydney from all over the world.

A more strategic investment in promoting our education system, in all of its diversity, as a key element of Brand Australia, will not only strengthen international understanding of our offering, but sustain the sector in the face of risks or specific issues that might impact on individual institutions or components of the sector from time to time.

**ESOS Act information to improve student decision making**

Once the international student is engaged in a decision making process about where to study, more detailed and reliable information is required and it is at this phase that the ESOS Act can regulate standards.

Indeed, one authoritative source of standard information about studying in Australia is arguably required in order to reduce the risk of inaccurate, misleading or damaging information provided by other sources.

The Act should ensure that all registered education agents provide such official information to prospective students, both in English and in their home language. The latter is particularly important in those cultures in which parents will be key decision makers as well as the student themselves.

To ensure that the official information pack (whether on-line or in hard copy) has been provided and understood, consideration might be given to requiring acknowledgement of such by the prospective student, a signed statement to the agent or institution and/or at the point of application for a student visa.
The information pack will change over time and it will be important for the Australian Government to notify institutions and agents of any substantive changes, so that they can bring them to the attention of prospective or current students.

On arrival in Australia, international students have a further set of information needs, including practical advice and assistance in finding information for the full range of study and living requirements. Education institutions have widely varying capabilities to meet these needs.

At the University of Sydney, international students are met on arrival in Australia and provided with a range of support and advisory services throughout their period of study. Students at smaller institutions, however, sometimes find themselves without sources of advice and support. To ensure that their needs are met, there is a case for a central, staffed contact point for information in each major population centre.

In Sydney, an international student information/drop in centre would be ideally located in the education precinct close to Broadway and Central Railway Station. Given the importance of international education to Sydney for our international engagement and as the city’s largest export sector, all three levels of government might be able to fund such a centre. Information provided by such a centre would be regulated by the ESOS Act.

Resolving student complaints

Australia welcomes around half a million international students to our education and training institutions each year. There will inevitably arise issues, including complaints, from international students that have a system-wide relevance, others relevant in specific sub-sectors or institutions and yet others specific to the individual.

The University of Sydney has well-established student representation and complaint handling processes. At the sector-wide level, nonetheless there is a need for effective international student representation to ensure that the needs and views of international students are heard by governments and all education institutions.

Similarly, we would support a national system of complaints handling including a national Ombudsperson and governance by the Ministerial Council for Tertiary Education and Employment of nationally harmonised and consistently applied regulation of international education, to provide a guaranteed quality service and experience for all international students.

A consistent approach to adequate regulation should, nonetheless, include the capacity for flexibility to deal with the individual circumstances of each student.

In the event of an institution excluding a student, regulation might require institutions to have a more flexible approach. Under Standard 13 of the 2007 National Code, institutions must allow a student 20 working days to access the provider’s internal complaints and appeals process following an exclusion decision. As exclusion advice usually occurs at the end of a semester, the 20 day period can prevent the student from moving forward, such as re-enrolling or transferring to another institution. It is proposed that institutions be required to allow students to continue or transfer prior to the lodgement and outcome of any appeal processes.
There is also a lack of alignment between educational penalties and visa penalties on international students. For example, in those cases in which an education institution excludes a student for unsatisfactory progress and attendance the exclusion period is one year, yet the visa exclusion period is three years. This is unnecessarily harsh and a visa exclusion commensurate with the education institution practice would be fair and reasonable.

Where international student needs differ from domestic students

International students need to demonstrate prior to departure that they have adequate financial capacity to complete their course of study, are required to enrol in full time study and are restricted to 20 hours of paid work per week once in Australia. While 20 hours is a reasonable upper limit for a full time student, Migration Regulation 1994 – Schedule 8 should be amended to allow each student to average the 20 hours per week over a semester, to allow for greater flexibility in line with study commitments.

There are also some circumstances in which it is not reasonable to require an international student to be enrolled in a full time study load. For example, some students are eligible for credit against formerly completed studies at other institutions, yet are currently required to enrol in extra units of study not necessary to achieve their desired qualification, simply to satisfy visa obligations. Such regulations need to better reflect student needs and institutional capacity to warrant appropriate study loads.

International students also need to demonstrate that they have taken out health insurance, but cover can lapse in some cases in which the student receives a visa extension, a gap that should be closed.

Currently, students are restricted from transferring between education providers for a period of six months. This does not apply to domestic students. The regulation was introduced in response to predatory practices by institutions targeting students on arrival in Australia and providing incentives and conflicting information. Once agents and others are better regulated, as outlined above, to ensure comprehensive and authoritative information is provided to students pre-departure, this restriction on student choice should no longer be necessary.

Like domestic students, a major challenge for international students is finding and securing affordable accommodation, particularly in major cities such as Sydney, which has rental costs commensurate with other global cities. In other major destinations for international education, such as the UK and US, there is a much more developed infrastructure of student housing than in Australia. To encourage investment in student housing, Federal and State Governments should consider the introduction of affordable student housing policies and work with the sector to identify lands in proximity to major education precincts and close to public transport that might be made available for student housing.

Proportionate regulation and risk management

The University of Sydney supports effective and consistently applied regulation of international education to ensure student needs are adequately protected.
In managing risk, nevertheless, there is a wide variation between the well-resourced and long-established education institutions and a number of smaller, more recent actors in international education provision. A lighter touch regulation, for example, of institutions which rely upon international students for less than 30% of their income would be quite consistent with sound risk management, while continuing to require reporting against ESOS Act implementation on an annual basis and five-yearly audits. A differentiated, more interventionist regulation for compliance in other segments of the education sector that are more heavily reliant on international student income might more appropriately identify and address risk to the reputation of the sector and more appropriately protect students.

Currently, new providers of international education are not audited for their first year of operation. Up front audits prior to provider registration and an ESOS requirement for registration related to the demonstrated financial viability of a provider would help mitigate risk and identify areas of likely non-compliance up-front, reducing the need for later enforcement action.

**Student visas and the national interest**

One of the risks to the sustainability of Australia’s international education sector is the development in recent years of institutions and courses geared to students driven by the goal of permanent residency rather than education.

If we are to sustain a quality education sector, the immigration pathway must not be a primary driver for international students. Students must be genuinely seeking and must receive a quality education, well regulated by government.

There should, nevertheless, be scope for long term students at the university level to continue making a contribution to Australia post-graduation. This is a different proposition from an automatic permanent residency pathway across the whole sector.

Currently, only graduates who can meet permanent residency requirements can apply for visa subclass 485, to remain in Australia for a further 18 month period following graduation. The anomalies have resulted in the famous examples of students undertaking hairdressing courses but with no intention of becoming hairdressers. With the reduction in recognised skills categories, the worst examples of abuse have been addressed.

We do, however, need highly skilled people to consider staying in Australia. The long term trend for Australia is for a growing economy, skills shortages and the need for internationally competitive, skilled people to innovate and strengthen our knowledge economy.

Graduates from all Australian universities are the kinds of skilled employees that Australia needs, yet currently most international students must immediately return to their home country after studying here. If cutting the link between education and permanent residency is applied across the board, we may unintentionally reduce our national potential.

When a university student has a genuine offer of post-graduation employment they should automatically qualify for a further 18 month visa. This would make a broader pool of skilled graduates available to Australian employers. This is consistent with our immigration program that
brings skilled people to Australia, with the added advantage that they have already studied here and built connections with Australia.

In some workforce areas, such as the health workforce, Australia has suffered chronic skills shortages, particularly in regional areas. Currently, some state governments are not even guaranteeing hospital internships for international students, on the assumption that they will return overseas on completion of their internship. Yet we have a ready source of Australian-trained health professionals who might fill gaps in our country hospitals and some of whom might ultimately decide to stay and make a long term contribution to this country.

This is another example of the need for appropriate regulation, a proportionate approach to risk management and a sustainable international education sector for Australia.