

14th August 2009

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
eewr.sen@aph.gov.au

Dear Sir / Madam

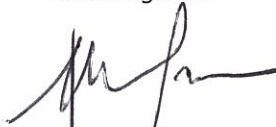
Navitas as one of Australia's leading quality private education providers appreciates the opportunity to make this submission to the Senate Inquiry into the Welfare of International Students.

We believe Navitas has a unique perspective as a provider of education in all mainland states of Australia and across all educational sectors from secondary through to post graduate higher education. Also our public / private partnerships in adult migrant education programs with government gives us additional insights into the issues faced by newly arrived migrants and international students.

We would also welcome any invitation to appear before the Senate Education, Employment and Workplace Relations Committee to further discuss the matters raised in this submission.

If there are any further enquiries please feel free to contact myself directly.

Kind regards

A handwritten signature in black ink, appearing to read "Rod Jones", written over a horizontal line.

Rod Jones
Chief Executive Officer
Navitas Limited

Navitas Limited

**Submission to the Australian Senate
Education, Employment and Workplace
Relations Committee in relation to the
Inquiry into the Welfare of International
Students**

13 August 2009

www.navitasworld.com

Preamble

Navitas Ltd (Navitas) welcomes the opportunity to make a submission to the Australian Senate Education, Employment and Workplace Relations Committee in relation to the Inquiry into the Welfare of International Students.

Navitas believes the Inquiry and forthcoming government reviews are timely. There is a demonstrable need for a more coherent and comprehensive appreciation of and involvement in the industry at the Australian Government level.

The various inquiries and reviews will provide an opportunity for all stakeholders (governments, education providers, international students, civil authorities, local communities, businesses and employers)

- to understand the breadth and depth of Australia's international education industry and its contribution to the Australian economy and society;
- to identify areas requiring attention, improvement and change; and
- to participate in formulating a comprehensive national strategy to ensure the industry's development and long-term sustainability.

A successful international education industry has a critical contribution to make to Australia's future as a nation increasingly engaged in global economic, political, cultural and social activities.

About Navitas

Navitas commenced operations in 1994 as a provider of university pathway programs. It has grown to be a highly successful Australian-based global provider of education and related services. In 2004 Navitas listed on the Australian Stock Exchange.

Through its partnerships with universities, industry and government Navitas' objective is to maintain a 'trusted, whole of learning life' relationship with students, clients and partners that provide meaningful outcomes for all. A number of Navitas entities have been in operation for over a quarter of a century.

Navitas delivers education across the traditional sectoral boundaries that define higher, vocational, English and secondary education offering AQF qualifications from Certificates through to Masters Degrees. Navitas offers:

- University pathway and managed university campus programs for students studying in Australia, Sri Lanka, Singapore, Kenya, Zambia, Canada, Indonesia and the United Kingdom;
- English as second language courses for international students and English language settlement and work preparation programs for migrants and refugees;
- Education, training and business solutions to employers to meet their requirements for 'work-ready', skilled employees, and to provide learners and

clients with relevant, practical tertiary and vocational skills, work experiences and support in their career development and working lives; and

- Recruitment of students for educational institutions in Australia, Canada, the US and the UK through major networks and operations in China and India.

Annually Navitas provides educational opportunities for over 42,000 students each year from more than 120 countries; and settles over 3,650 new Australians. The company employs over 4,000 staff. Since 1994 Navitas has contributed well over a \$1 billion in royalties and flow-on student revenues to Australian university partners.

Over more than a quarter of a century Navitas has built its reputation as being a credible quality education provider and partner. Navitas has played an active role in enhancing support systems and programs for learners and setting students up for success either at university or in the Australian community. Many Navitas staff are respected, active members of the international education community and have worked to ensure high standards of delivery and support for international students and the rigorous enforcement of those standards.

Navitas is proud of the substantial achievements of Australia's international education industry, providing many hundreds of thousands of international students with a quality education, skills for their future careers, and in many cases, life long engagement with Australia.

Inquiry – Terms of Reference

On 17th June, the Senate referred the following matter to the References Senate Standing Committee on Education, Employment and Workplace Relations for report by 16 November 2009.

- 1) The roles and responsibilities of education providers, migration and education agents, state and federal governments, and relevant departments and embassies, in ensuring the quality and adequacy in information, advice, service, delivery and support, with particular reference to:
 - a) Student safety,
 - b) Adequate and affordable accommodation,
 - c) Social inclusion,
 - d) Student visa requirements,
 - e) Adequate international student supports and advocacy,
 - f) Employment rights and protections from exploitation, and
 - g) Appropriate pathways to permanency;
- 2) The identification of quality benchmarks and controls for service, advice and support for international students studying at an Australian education institution; and
- 3) Any other related matters

Submission

Navitas wishes to submit the following key points:

1. The Welfare of International Students

The phenomenal success of Australia's fee paying international education industry, from its beginnings in the 1980s, has in large part been driven by a core principle of meeting learners' needs and providing students with a rewarding Australian educational and cultural experience. The Australian ethic of a 'fair go' and respect for difference has been a valued feature of our international education delivery¹.

As an organisation that has worked in international education for over 25 years Navitas supports and celebrates cultural diversity and abhors all forms of violence, racism and discrimination. We have a long-established track record of successfully providing enabling courses and support systems for international students. We understand the special challenges that international students face when coming to a foreign country and endeavour to ensure that all students are immersed in a safe and accepting environment.

Navitas is opposed to and will not condone any form of racial vilification or discrimination. We will not tolerate violence. And most importantly, we will not permit our learning community to be negatively impacted by the actions and views of a small minority of individuals who thrive on hate and prejudice. Navitas works closely with the police, government officials, and industry bodies to provide assistance to ensure the safety of all our students.

Australian society has changed over recent decades and while we are still a relatively safe country it is increasingly evident that we need to ensure our students are provided with the knowledge and support they need to live and study safely while they are in Australia.

That responsibility is shared by all stakeholders, with accredited agents playing a key role in providing information and advice to students before they arrive in Australia, education providers being accountable for the totality of the student experience and the quality of the education outcomes, and governments responsible for ensuring appropriate policy frameworks are in place and for enforcing legislation.

Navitas agrees that effective and targeted action by governments, providers, local communities, civil authorities and students themselves is needed to improve international student safety and security.

¹ In November 2006 Navitas commissioned independent research to explore international student motivations for studying overseas and for choosing Australia as a study destination. A significant factor in choosing Australia as a destination was that we are a "Multicultural But Non-Racist Society"

Proposal 1

Navitas proposes that Commonwealth and State Governments and providers work together to develop and coordinate 'student safe' strategies and messages and to disseminate these messages extensively through a wide variety of suitable media.

High housing and transport costs affect international student safety and security. High housing costs frequently force students to live in areas more prone to crime and with poorer quality accommodation, and often at a distance from their place of study.

Proposal 2

Navitas proposes that Governments, in partnership, should develop a strategy to increase provision and access by international students to reasonable cost international student housing of appropriate standard and quality and in suitable locations.

NSW and Victoria are the only two States which do not provide international students with transport concessions. Lack of travel concessions mean students' income, which could be better spent on accommodation, is required to meet the cost of travel. Many students work to make up the difference and frequently must travel at night on public transport.

Proposal 3

Navitas calls on the Senate, for safety reasons and equity reasons, to urge the NSW and Victorian Governments to grant international student travel concessions commensurate with those received by Australian students.

Over 80% of international students have a positive experience in Australia². However this is not the case for all students.

There is a dearth of published material, and evidence-based data, on the lived experiences of international students. This gap has meant that perception rather than fact has driven much media reporting in recent months. It has led to the generalisation and distortion of a number of unfortunate incidents.

It is obvious that we need to know more about the difficulties and positive experiences faced by international students and their social engagement with Australian students and the community.

² 2007 Follow-up International Student Survey Executive Summaries – Higher Education and Vocational Education and Training May 2008

It is critical that we improve data collection, especially around crime and other priority areas of concern and just as importantly, identify, document and disseminate good practices.

Proposal 4

Navitas calls for the Government to support, maintain and disseminate the results of an ongoing program of applied research on international student experiences to inform policy and practice.

It is essential that international students have sufficient financial resources to undertake their study in Australia. Under the conditions of a student visa grant when students commence a course of study they can work up to 20 hours per week while the course is in session and unlimited hours during scheduled course breaks.

From media reports it is apparent that some students have not been adequately informed of the cost of living in Australia and the work rights associated with their visa grant. It is also apparent that some have received inadequate or misleading advice from a few unscrupulous agents.

As a result it appears that some students have arrived with insufficient funds to complete their course of study without working in excess of the permitted 20 hours per week. There have been some reports in the media of proposals to increase the number of hours that students can work per week. Navitas is of the view that this is not a sensible solution for students engaged in full-time study; it can only be to the detriment of their studies, welfare, health and safety.

Proposal 5

Navitas calls for a more rigorous approach by Governments, industry and providers to ensuring students are aware of the financial implications of living and studying in Australia.

Further Navitas calls for the retention of the current student visa work conditions.

2. A Balanced View – Understanding the Issues

This inquiry has been initiated as a result of recent media attention focusing on international student safety and welfare issues.

It is clear from an examination of the ESOS legislative framework, including the National Code, that there are already detailed and specific standards in place to cover all aspects of the student experience, encompassing:

- Marketing Information and Practices;
- Student Engagement Before Enrolment;
- Formalisation of Enrolment;
- Education Agents;
- Younger Overseas Students;
- Student Support Services;
- Transfer Between Registered Providers;
- Complaints and Appeals;
- Completion Within Expected Duration;
- Monitoring Course Progress;
- Monitoring Attendance;
- Course Credit;
- Deferment, Suspension or Cancellation of Study During Enrolment;
- Staff Capability, Educational Resources and Premises;
- Changes to Registered Providers' Ownership or Management.

In addition to the legislative requirements and consumer protection frameworks there is an enormous amount of work done, both at the sectoral level by professional associations and peak bodies, and at the provider level, to provide leadership in raising educational, professional and ethical standards.

Whilst it is critical to fully address issues of student welfare and safety it is equally important to ensure that these issues are situated within the context of a strong and respected Australian international education industry delivering to over 500,000 students annually. It is critical to understand the industry's breadth and depth; its contributions and achievements as well as having an understanding of the extent of problems, their causes, and existing frameworks, regulations and mechanisms in place to address these matters.

The quantum of current regulation is substantial and the observed practices of the great majority of providers and consumers indicate that the system works appropriately. The risk would appear to reside more in the consistency and timeliness of enforcement.

Accordingly any review of the regulatory framework should direct attention to the application process and timely monitoring and enforcement. It should address opportunities for streamlining to ensure any changes are efficacious and do not increase the compliance hurdles on the majority of providers that are highly compliant and delivering quality education.

Any measures that flow from the Inquiry should be based on a rigorous examination of the evidence, be appropriate to the context, and be explored for any unintended negative consequences. Past reviews, due to time pressures, lack of sufficient evidentiary data or adequate consultation with industry, have delivered changed regulations with a number of unintended negative consequences for the industry.

Additionally the regulatory regime needs to be sufficiently flexible to accommodate changing student needs and curricula combined with emerging delivery technologies and methods of teaching.

Proposal 6

Navitas calls for a balanced and 'fit for purpose' review of the legislative and regulatory arrangements to facilitate robust compliance without increasing the burden on quality providers and students.

3. The Need for a Strategic Approach

Australia's international education industry is recognised worldwide as a leader in delivering quality outcomes for students within the context of strong consumer protection and quality assurance frameworks.

While the student experience is central to what we do, there are many factors that need to be taken into account when assessing the current 'health' of the Australian international education industry.

Navitas acknowledges that there are issues requiring attention, however believes that these issues are neither systemic nor widespread amongst the majority of education providers.

Navitas is concerned that the terms of reference for this Inquiry may result in a focus on the student experience without fully exploring and understanding the complexity, breadth and depth of the international education industry and its strategic, economic, cultural and political contribution to Australia.

Proposal 7

Navitas calls for the Senate to take into account the broader context of international education when considering current issues.

Navitas believes that a strategic approach similar to that taken by the Government in relation to the tourism industry is required for international education. The recently released Jackson report, *Informing the National Long Term Tourism Strategy*, calls for a national strategy, an industry development body, greater investment in the industry by government, increased industry research and better data collection,

professional development of industry staff members, improved and streamlined regulation between the Commonwealth and the States, and a greater emphasis on leadership. There are clear parallels with what is required in international education.

The recent Bradley Review of Higher Education touched on certain aspects of international education and recommended "the establishment of a whole-of-government approach, in partnership with providers in the industry and the movement of regulation of the industry to an independent body."³

Proposal 8

Navitas supports a strategic review of international education along the lines of the recent Jackson review for Tourism and the Bradley Review of Higher Education.

Navitas supports the views of professional and peak bodies, such as English Australia and the International Education Association of Australia, in their calls for Government to accord international education a higher profile.

Navitas is of the view that the size and importance of the international education industry is sufficient to justify a dedicated Parliamentary Secretary focus.

Proposal 9

Navitas believes that the importance of the international education industry to Australia warrants the Government appointing a Parliamentary Secretary with responsibility for the industry.

4. Legislation / Regulation

Australia already has a world leading regulatory framework. The framework is in place and standards are clear. Rather than needing more regulation, what is needed is a focus on ensuring that the responsible authorities have the resources, the legislative powers and the will to act that is required to enforce the existing legislation.

There are three significant areas of risk associated with the international education industry – providers, students and agents. It is generally agreed that it is a small minority of each of these groups that pose this risk.

An additional area of risk is the lack of effective enforcement by State/Territory and Commonwealth departments, primarily arising from the lack of a coherent, integrated national approach to enforcement.

³ Review of Australian Higher Education December 2008

Governments should ensure resources are provided to guarantee effective enforcement of regulatory provisions governing the industry.

In addition, regulatory and quality assurance frameworks urgently need streamlining, simplifying and coordinating. The framework in which educational institutions operate is complex and spans both Commonwealth and State-based legislation. While the aims of the framework are laudable and desirable, the reality for a large number of institutions is that the current regulatory structure creates duplication, inconsistency and inefficiency and does not achieve optimal outcomes for students, providers or governments.

Within Australia Navitas operates in Western Australia, South Australia, Victoria, New South Wales, Queensland and the Northern Territory and, in most instances, is separately registered and monitored by the various higher education, vocational and ELICOS regulatory bodies in each of these States and Territories. Navitas has an annual compliance and regulatory related spend of over \$1.5 million in direct fees and charges and an estimated \$3.5-4.5 million in people time. A significant proportion of these costs arise from the duplication, inefficiencies and inconsistencies of the current regulatory environment.

It should be noted that Navitas does not in any way support the dilution of the consumer protection mechanisms. However, Navitas is seeking improvements to regulatory and compliance legislation, frameworks and practices that inhibit the legitimate operations of quality education providers while allowing rogue providers to continue to operate. The vast majority of education providers enjoy a deserved reputation for providing high quality education and training however the actions of a few continue to undermine this reputation.

Proposal 10

Navitas calls for the forthcoming ESOS review to focus on improving enforcement of the existing legislation.

There is a demonstrable need for a more integrated and coherent appreciation and coordination of the industry at the Australian Government level.

Australia's market position at the forefront of the international education industry is not assured and we run the risk of losing reputation and market share to other countries that have, or are in the process of introducing, developed integrated and strategic national approaches.

Government should establish a national international education development authority, covering all international students (whether on student, tourist or working holiday visas), as the focus for ongoing development of the international education industry.

In addition a sustained industry research capability is critical to provide the evidence base to inform policy and practice. The focus of research should be wide and include the social, cultural, educational and business aspects of the industry.

Proposal 11

Navitas calls for Government to establish a national international education development authority as the focus for the ongoing development of the international education industry. The authority should have an industry-wide research facilitation role, in close cooperation with all stakeholders, and be capable of commissioning and supporting relevant industry related research.

5. Investment

The current fee-paying international education industry as we now know it has only been in existence for just over two decades and yet, in its submission to the House of Representatives Economics Committee Servicing our Future inquiry, the Treasury described the industry as “a success story in the Australian economy”⁴.

This extraordinary and commendable growth of Australia’s now third largest export industry has not seen concomitant investment by Governments in the infrastructure required to ensure a sustainable future for the industry. Current investment is in no way commensurate with Governments’ investments in other major industries.

Providers⁵, professional bodies and students have consistently requested Government to invest in additional resources for:

- Accreditation and registration compliance monitoring and enforcement;
- Development of a professional development framework for the increasing numbers of staff required to work in international education;
- Student services support;
- Accommodation infrastructure; and
- Research.

To date the required level of investment has not been forthcoming.

⁴ May, 2007

⁵ Providers, both public and private, have in the main, been the primary investors in developing and sustaining Australia’s international education industry to the position it holds today as a global leader in international education and as Australia’s third largest export industry.

Proposal 12

Navitas calls for investment by Governments in this critical industry to be lifted to a level commensurate with that for other major industries.

An example is the ESOS Assurance Fund. The ESOS Assurance Fund ('the Fund') is the final mechanism to ensure that refunds are able to be paid to students where the provider has defaulted and the relevant Tuition Assurance Scheme is not able to place the student in a like course. When the Fund was established, the Government contributed just \$1 million towards the establishment of the Fund. The liquidity of the fund is increased only through provider contributions.

It is apparent from media and industry discussion that the Fund is under-capitalised and the risk of its failure is significant. It appears that the major risks to the Fund are due to a small percentage of providers that have been allowed to massively exceed their accredited student load or changes to migration policy that are in the domain of Government and are outside of the control of the Fund and the industry providers who contribute to the Fund.

It is flawed practice that industry is in the position of bearing the financial and reputational impact where provider defaults may stem from migration policy changes or lack of timely monitoring and enforcement.

Navitas is of the view, in the interests of the stability and future viability of the international education industry, that Government intervention is required to ensure that the Fund is capitalised to the point where the risk of failure of the Fund is significantly reduced. The simplest method would be a Government contribution to the Fund of up to \$20 million. Alternative methods such as underwriting shortfalls in the Fund are also available.

We believe that this support for the Fund would not only give consumers and industry confidence, but would also ensure that the order of magnitude of the Fund is appropriate considering the value of the export revenues generated by the industry.

Proposal 13

Navitas calls on Government to contribute to the ESOS Assurance Fund to ensure it is sufficiently capitalised to perform its functions.

6. Education Agents

Education agents play an important role in providing advice to students considering study in Australia⁶.

For many international students and their families, education agents provide critical advice and support in the decision-making processes related to study abroad. Education agents are a conduit for information and advice between provider, student and family, and facilitate the often complex application processes (for both courses and visa). They allow the provider to engage with the market from a distance and ensure that the student makes informed choices about destination, course, accommodation and living options.

Education agents are also important business partners for public and private education providers; they are able to identify market trends and opportunities and highlight risks and threats that may impact the growth of enrolments and the business of the provider. The agent provides a point of local contact with prospective students and an important role in the post-arrival stage of the student experience, particularly for parents.

Understanding that the activities of agents based overseas cannot be regulated by Australian legislation, the ESOS Act already makes education providers accountable for the actions of their agents.

There is no tangible benefit in having an Australian-based partner of an offshore agent. In terms of compliance with consumer legislation a local partner adds nothing that cannot be provided by a professional, well-trained and informed agency offshore. Adding another layer of regulation will not remove the potential for some agents to mislead or provide erroneous information to their customers.

Education agents that operate in Australia and provide advice regarding visas must be registered as migration agents and are subject to the Migration Act.

The issues go further than agent compliance with a set of criteria, it is about ensuring that agents are viewed as a valuable part of the industry and that agent professional bodies (for example, AAERI, and TIECA) are recognised by both overseas and Australian governments and empowered to regulate their industry sector.

Australia, at the Government, sectoral and provider level, has led the world in developing appropriate training programs for education agents. Agents have been encouraged to undertake this training as a way of demonstrating their professionalism to potential students and of differentiating themselves from untrained agents.

⁶ Various independent surveys identify education agents as valuable information sources for international students.

Navitas has a comprehensive set of procedures for appointing and management of its agent network. Education agents are engaged according to set terms and conditions to ensure compliance with the requirements of the National Code and ESOS Act. Criteria and performance indicators are set and measured for all agents together, with on-going and formal end of year performance reviews that address not only business performance but student service satisfaction. This is evaluated through a formal student survey process via a third party organisation.

As an authorised provider representative an education agent should be required to have a high level of expertise and knowledge in a number of different areas including:

- student visa requirements and obligations
- personal security and safety
- arranging suitable accommodation or advising of accommodation options
- Work and Employment Rights
- Rights of international students in Australia
- Opportunities and rights for migration

Navitas believes that the existing ESOS framework provides sufficient sanctions, if enforced, for holding providers accountable for the activities of their agents.

Proposal 14

Navitas calls for education agents to be viewed as valued partners with a key role to play in advising potential students.

Navitas calls for Governments to ensure resources are provided to guarantee effective enforcement of regulatory provisions governing the conduct of education agents.

7. Appropriate Pathways to Permanent Residency

It is apparent that many of the current problems in the industry relate to attempts by a small number of agents, providers and students to misuse, rather than legitimately use, Australia's international education system as a means to permanent residency. There is a need for governments to take a more active role in monitoring misuse and abuse of the system by providers, students and agents. However, these problems, including over-recruitment in some vocations, should not be a reason for changing the underlying intent. Facilitating the pathway of international student graduates to permanent residency is an intelligent and strategic move.

This decade Australia, like most developed countries has experienced significant skills shortages. While some of these shortages have been alleviated in the short term due to the impact of the global economic downturn, this respite will be short lived. Moreover, with rapidly changing global economic drivers different skill sets will be required to underpin the growth of the Australian economy.

It is timely to review the links between education and migration; to move beyond a superficial 'feast or famine' approach and to identify long-term skills gaps (through a significantly enhanced Critical Skills list), where we would actively encourage international students undertaking their education in Australia to remain and apply for permanent residence.

There is exceptional value for Australia in facilitating international students to undertake their education, apply learnings through valuable work experience, acculturation and employment, and subsequently take the path to permanent residency and citizenship. This process gives each party the opportunity to review suitability for longer-term commitment as well as providing the potential for positive on-going linkages where there is a return to a student's home country.

Skilled migration, including via an education-employment pathway, is a necessary component of the Federal Government's objective for Australia to become a leading knowledge economy. The international education-employment paradigm is moreover entirely consistent with the Australian Government's⁷ stated objectives of having 40% of 25-34 year olds with a qualification at a bachelor level or above by 2025. We cannot achieve this aim solely through domestic enrolments in public higher education institutions. The private education sector will become an increasingly significant partner with Governments and the public education sector in this endeavour.

The Government needs to establish processes which facilitate or reinforce the benefits of attracting increasingly skilled individuals to areas of longer-term economic need. Active encouragement and support of best practice mechanisms for achieving this should be encouraged⁸.

Proposal 15

Navitas calls for the Government to develop a clearly articulated education-employment pathway, linked to long-term economic need, for international students that leads to permanent residency.

⁷ The Hon Julia Gillard MP, Speech, Universities Australia Conference, Wednesday 4 March 2009

⁸ An example of current good practice is the DIAC endorsed Professional Year program offered by Navitas and other providers.

8. Conclusion

Navitas appreciates the opportunity to make this submission to the Senate Inquiry into the Welfare of International Students and would also welcome the opportunity to appear before the Senate Education, Employment and Workplace Relations Committee to further discuss the matters raised in this submission.

Rod Jones

Chief Executive Officer

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