

**SUBMISSION BY THE NATIONAL EDUCATION PROVIDERS TASKFORCE  
(NEPT) TO THE SENATE STANDING COMMITTEE ON EDUCATION,  
EMPLOYMENT AND WORKPLACE RELATIONS INQUIRY INTO THE  
WELFARE OF INTERNATIONAL STUDENTS**

## **1.0 Introduction**

The National Education Providers Taskforce (NEPT) appreciates the opportunity to provide a submission to the inquiry and compliments the Senate Standing Committee for the timing and degree of importance it has placed on this key issue.

The National Education Providers Taskforce (NEPT) is a national association of large long-established private Registered Training Organisations (RTOs) that seek to provide high quality education outcomes and student services primarily, but not exclusively, to international students. NEPT was formed in 2008 in order to differentiate its member colleges from the proliferation of more recently established private RTOs who we believe are, all too often, offering low quality education delivery and little, if any, additional services to their students.

NEPT members meet regularly to discuss issues of mutual concern. Meetings are held in Melbourne as the largest members of the taskforce (Cambridge International College, Carrick Institute of Education, Education Access Australia, Meridian International Hotel School and Sheila Baxter Hairdressing College) have their National Headquarters in Melbourne. However, two of these member Colleges have substantial campuses in other states (Cambridge International College also has Adelaide and Perth campuses; Carrick has Sydney, Brisbane and Adelaide campuses). The total number of international students enrolled in our member colleges exceeds 20,000 across Australia from over 30 different countries of origin.

In this submission, the NEPT has focused on key welfare concerns that are experienced by our international students under the broad categories of education agents, accommodation, transport, course delivery, pastoral care and regulatory frameworks.

## **2.0 Education Agents**

An international student's first step on the pathway to studying in Australia often involves their contact with an Education Agent in their country of origin. While some countries have made recent attempts to regulate their education agent industry, too often there is little effective control over the information that is provided to prospective students. Bonafide Australian public and private RTOs use all their best endeavours to ensure that they only sign-up contracts for recruitment of students (Agency Agreements) with long-established reputable agencies. However, in some countries, such as India, there exists a plethora of sub-agents who do the initial recruitment of a student in the local town/village and then, have the "official paperwork" for their student undertaken by a larger Agent in a big city. Keeping track of this intricate network of agents (who have signed Agency Agreements with Australian education providers) and their sub-agents elsewhere is an almost impossible task.

This can result in a great deal of mis-information being provided to prospective international students that subsequently exaggerates their expectations of what may be awaiting them in Australia. There is no doubt that some Australian RTOs are also partly responsible for this mis-information through such devices as providing overly optimistic information in their marketing material that influences Agents and students' perceptions. NEPT members seek to only provide material to our students and Agents that involves the passing on of objective information as per the ESOS Act and the National Code.

The commission paid to overseas Agents has also become an issue of concern that directly impacts on students' subsequent welfare. In order for a new private RTO to gain support from Education Agents and commence operations in Australia, they are increasingly resorting to payments of commissions in the order of 30 to 40 percent. As the industry standard is approximately 20 to 25 percent commission – clearly the more commission paid by small new colleges, the more this will compromise their

ability/willingness to provide their subsequently enrolled students with small class sizes, high quality teaching staff and additional student services – such as pastoral care.

While NEPT understands that it is very difficult for Australian Government authorities to regulate overseas Agents, there is an equally troubling issue that has arisen with the recent massive increase in On-Shore Education Agents with offices in all the major Australian Capital cities.

In 2006, former Federal Education Minister, Hon. Julie Bishop, MHR, changed the regulations that applied to international students' minimum study duration with Australian education providers from 12 months down to only 6 months. The intention of this change was to assist students change providers if they were dissatisfied with the provider they had initially enrolled with. However, an unanticipated consequence of this lower minimum study period was to encourage many on-shore un-regulated Agents to exploit the vulnerability of international students. This has now reached the stage where students are paid to distribute leaflets on street corners directing other vulnerable international students to an on-shore Agent who will transfer them into a cheaper college, an easier course of study at another provider or into guaranteed "work experience" etc. What these on-shore Agents do not mention to the students they sign-up is that they are often receiving 30 to 40 percent commission payments from "dodgy" small private RTOs who will place the student into a course (or back-fill them into a course to boost numbers) with the little hope of achieving a quality education outcome.

Both the Australian University and TAFE sectors and large established private RTOs (such as NEPT members) are now losing many students who seek to transfer out of their initial course after only 6 months because they have succumbed to pressure from a persuasive on-shore Agent. This "student poaching" has become endemic since the minimum period of study regulation was reduced to only 6 months.

### **Recommendation 1**

Australian Government authorities seek ways to better regulate and enforce off-shore Education Agents' practices and procedures to ensure consistency in information flow and maintain Australia's reputation as a high quality education destination.

### **Recommendation 2**

DEWR changes the minimum required study period for international students with their initial enrolled Australian education provider from 6 months back to 12 months (unless there is a genuine proven need to change providers).

## **3.0 Accommodation**

Just as overseas based (off-shore) Education Agents are often not providing genuine objective information to prospective students about Australian education providers/courses, the same situation occurs with accommodation referrals. There are also a range of cultural factors that affect and influence an international student's decision on where to live when they arrive in Australia.

Based on the experience of NEPT members, many Chinese students tend to lease inner-city apartment accommodation. Vietnamese students, by contrast, will often home-stay with their extended family members in the large Vietnamese-Australian communities in Sydney and Melbourne. However, international students from areas such as India, Mauritius, Sri Lanka, Pakistan, Nepal and Africa will often seek out the most inexpensive rental accommodation in the outer suburbs of our major capital cities. Unfortunately, these tend to be the same suburbs that have for many years, had the highest incidence of youth violence (see Melbourne Herald-Sun 28<sup>th</sup> August 2009, Page 5 under 'Feature Article').

Often because they stand-out from their suburb's ethnic majorities, international students who rent accommodation in these areas are therefore exposed, from the time of their arrival, to racist taunts and attacks. This situation is exacerbated as many of these students have no choice but to seek part-time employment to supplement their savings. The part-time jobs available to them often involve late

night shift work in CBD areas. The students are then required to travel on public transport, often alone, very late in the evenings to return to their outer-suburban accommodation. Again, this makes them vulnerable to abuse and attacks both on the public transport system itself and walking to/from the train/tram/bus station.

The sheer “tyranny of distance” in their daily travel routines, also adversely affects international students’ school attendance and performance. Off-shore education agents will often recommend accommodation options available through an Australian-based friend of the Agent who will then arrange a lease/sub-lease on above average rental market rates and requiring up to three modes of public transport to travel to/from the education provider. It is not unusual to have unsuspecting students arrive in a major Australian city only to find they have committed to accommodation that requires them to travel from one side of a large Australian city to the other each day to attend lessons.

### **Recommendation 3**

The nexus between off-shore Education Agents and Australian-based accommodation providers be regulated to ensure equitable rent arrangements and objective information about distance between accommodation options and education provider location.

### **Recommendation 4**

State Governments and Local Government be encouraged to provide for cluster student accommodation options close to Australian capital city CBD amenities and public transport.

## **4.0 Transport**

Many of Australia's competitor nations in the international education industry provide student concession fare entitlements on public transport to international students. In Australia, some states have chosen to provide international students with this entitlement but others have not.

As the vast majority of international students gain part-time employment while studying in Australia, they are required to pay income and other taxes but have a strong belief they are discriminated against with current full fare public transport requirements.

For the reasons mentioned in the above section on *Accommodation*, they are also not aware, when they arrive in Australia, that they will be required to pay the highest fare sector or multiple fare sectors because of the distance of their accommodation from their education provider.

NEPT member colleges often receive very negative feedback from international students about the public transport concession issue. Feedback includes that, when international students befriend Australian domestic students and travel with them, they have genuine feelings of financial discrimination compared to their peers.

### **Recommendation 5**

The Federal Government liaises with relevant State Governments to ensure uniform provision of public transport student concession fare eligibility to all international students across Australia.

## 5.0 Course Delivery

The NEPT acknowledges that there is a great deal of debate currently in the media and other national fora about quality benchmarking in the provision of post-secondary courses to international students. There is no doubt, for many of the reasons listed above, that a number of small recently established private RTOs are putting at risk Australia's education industry credentials through the provision of less than adequate training and nationally recognized academic study. Unfortunately, a number of university and TAFE public providers of education in Australia are using this debate to argue the case for them to have monopoly post-secondary education delivery rights to international students. Such arguments do no service to our international education industry at all and fail to recognize the following factors:

- As public education providers still rely substantially on government funding for infrastructure, it would be impossible for them to build, lease or sub-lease sufficient classroom space to meet the overall international student enrolment needs. Large private RTOs, such as NEPT members, also spend enormous amounts of capital each year equipping commercial kitchens, computer laboratories, automotive workshops and other teaching facilities. These fit-out costs involve a substantial amount of financial risk to large private RTOs but they have enormous multiplier effects to the benefit of the Australian economy.
- Public university and TAFE education providers often lack the flexibility in procedures and processes to customize training to suit the needs of employers and students. Whether it be customizing course content to make it industry relevant or providing flexible delivery hours to international students, good quality private RTOs fill an important community need within the nation's education sector.
- By having a relatively open and competitive education training market (compared to our competitor countries), Australia's education delivery has



become much admired. Because our public universities and TAFEs are required to compete with private RTOs, this factor forces them to respond, more adequately themselves, to both student and Australian industry/employer expectations. Monopoly provider status would only encourage Australia's public education providers to reduce their range of courses, become more stringent in their modes of delivery and dilute our international education industry's hard-won reputation as being a diverse and flexible world-class education destination. International students also benefit from internationally competitive tuition fees as a result of this public/private education sector competition.

- The public university and TAFE providers themselves have come to rely heavily on good quality private RTOs in Australia. Testimony to this is the large number of official pathway programs that allow for international students to commence their studies (off-shore or on-shore) with established Australian private RTOs. These students then gain full academic credit for their first or second year of study towards a subsequent Diploma or Degree qualification that they enroll in with a public provider of education.

#### **Recommendation 6**

Australian government authorities recognize the importance of retaining an open and competitive post-secondary education training market/system for international students across our nation. Our government should establish a regulatory framework that recognizes and rewards good quality private RTOs and, conversely, does not tolerate poor quality providers.

## 6.0 Pastoral Care

A key point of difference between high quality public and private education providers and poor quality providers is the extent to which a range of pastoral care services are provided to their enrolled international students. NEPT private provider college members all support the concept of ensuring that our students receive strong support in addition to their formalized tuition. The range of student services provided at various NEPT member colleges include:

- A full orientation program for international students prior to commencing their course of study.
- Free access to professional counselors employed by the college specifically to look after students in need.
- A range of free, subsidized and not-for-profit activities such as sport, excursions, movie club which are auspiced/sponsored by the college.
- English conversation classes that provide international students with a top-up to their formal English tuition.
- Homestay service provision and other accommodation options advice also available.
- Native language speaking staff to initially assist international students – particularly when they commence their English language studies in Australia.

Clearly, the small recently established Australian private RTOs which have compromised their financial viability by agreeing to large Agent commissions (see 'Education Agents' section above) and reduced tuition fees, are usually not able/willing to offer such pastoral care services. Again, this only serves to create an impression that many Australian education providers do not care for their students - other than to make profit from the tuition fees.

### **Recommendation 7**

Australian government authorities require all education providers enrolling international students to agree to provide at a minimum, an agreed range of student services – in addition to the students' tuition/education delivery.

## **7.0 Regulatory Frameworks**

There are a wide range of opinions as to the appropriate jurisdictions (State or Federal) and government departments authorities that should be responsible for the regulation of the \$ 15 billion per annum international education industry in Australia. The trend appears to be towards regulatory powers being centred within the Federal Government jurisdiction.

The experience of NEPT members is that many good quality large private RTOs are subject to a constant array of audits from different levels of government and separate departments. It is not unusual for a large private college to encounter three or more audits from different bodies every year. The cost of these audits, in addition to meeting onerous annual compliance requirements, is a major impost. When a private RTO wishes to put a new course onto their scope (course delivery), they are also subjected to long delays and high cost investigations. Obviously, these compliance costs have to be passed on, in some form or another, through increases in student tuition fees.

In contrast, public university and TAFE education providers in Australia are permitted to be self-accrediting in creating and delivering new courses. They are also not subjected to anything like the number and detail of the audits that private RTOs are required to comply with.

There is, no doubt, a need to ensure that small recently established private RTOs are subject to the strongest possible regulatory framework. However, there is a strong case that long established high quality private RTOs should be given some

acknowledgement and/or dispensation from constant audits and delays in course approval and the like.

**Recommendation 8**

A two tiered regulatory framework should be implemented for private RTOs across Australia. This regulatory framework should differentiate between the audit/course approval requirements imposed on long established quality private RTOs compared to small newly established private RTOs.

**8.0 Conclusion**

NEPT members would welcome any feedback or further requests for information relating to the above issues raised in our submission. We would also appreciate the opportunity to speak to this submission before any appropriate Senate Committee hearings held across Australia. Our contact person for further correspondence is as follows:

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