

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the Education Services for Overseas Students Amendment Bill 2005

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Submitter: Mr Jason Hart
Vice-President

Organisation: Council of Australian Postgraduate Associations

Address: Box 42, Trades Hall
2 Lygon St
Carlton South
Vic 3053

Phone: 03 9650 7666

Fax: 03 9650 5011

Email: vicepresident@capa.edu.au

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A submission by the
Council of Australian
Postgraduate Associations
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Council of Australian Postgraduate Associations Inc
Box 42, Trades Hall
2 Lygon St
Carlton South VIC 3053
Phone: (03) 9650 7666
Fax: (03) 9650 5011

Contact person:
Mr Jason Hart, CAPA Vice-President
Email: vicepresident@capa.edu.au
Mobile phone: 0425 823 188


Council of Australian Postgraduate Associations Incorporated

Introduction

The Council of Australian Postgraduate Associations (CAPA) is the national peak body representing Australia's 257,000 postgraduate students. These students are engaged in both coursework and research programs and include 84,600 international students.¹

CAPA welcomes the invitation to make a submission to this inquiry. We also refer the Committee to our submission to the current Senate Employment, Workplace Relations and Education Legislation Committee Inquiry into the *Higher Education Legislation Amendment (2005 Measures No. 4) Bill 2005*, for a comprehensive analysis of the issues arising from the operation of a campus of a private foreign university in Australia.

The main objectives of the proposed amendment to the *ESOS Act* are to:

(1) enable Table C listed foreign owned and operated higher education providers (subject to proposed amendments to the *Higher Education Support Act 2003* or *HESA*) to also be registered as providers under the *Education Services for Overseas Students (ESOS) Act 2000*. Such providers would therefore be able to enrol international students.

(2) enable providers registered under the *ESOS Act* to charge international students an amount as part of their tuition fee to meet the provider's obligations under the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code). This fee will not breach the *ESOS Act* or any education related Act.

This submission will address these two objectives.

¹ Department of Education Science and Training, *Students 2004 [full year]: selected higher education statistics*, available online at:
http://www.dest.gov.au/sectors/higher_education/publications_resources/profiles/students_2004_selected_higher_education_statistics.htm

List of Recommendations

Recommendation 1: That there is further consultation with relevant stakeholders about the provision of education and student support services by foreign private providers operating in Australia.

Recommendation 2: That the enrolment of international students with foreign providers is deferred pending the outcome of consultation with relevant stakeholders.

Recommendation 3: That if Recommendation 1 and 2 are accepted the commencement date of the relevant amendment items is altered accordingly.

Recommendation 4: That the proposed Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005 is withdrawn.

Recommendation 5: That if Recommendation 4 is accepted the proposed amendments to Schedule 1 items 5 and 6 are rejected.

(1) Enrolment of international students

This amendment will allow overseas higher education providers to offer degrees in Australia to international students. It is being proposed now because Carnegie Mellon University (CMU) has received approval from the Government of South Australia to operate from 2006. However, if approved, any overseas university that meets CRICOS², State Government, HESA and ESOS requirements will be similarly able to offer courses to international students in Australia.

As the first courses to be offered by CMU are postgraduate courses (Master of Science in Information Technology and Master of Science in Public Policy and Management), CAPA is particularly interested in the implications of this amendment.

(1.1) Recent enrolment levels of international students in business courses in the US have fallen significantly, particularly since the US strengthened visa regulations. CMU is hoping to attract these students back by offering its programs in a location that is more attractive to international students.³ For students from Asia, the closer proximity to home may be appealing on financial and personal grounds despite expected annual fees reported to be \$US32,000 or \$A42,600.⁴ For those students who are considering applying for permanent residency on completion of their course, the additional points awarded for study in a regional location (Adelaide) may be an added incentive.⁵

The South Australian Government also hopes that international students will be drawn to study in the State, thus increasing its proportion of the international students who study in Australia.⁶ This has immediate revenue benefits but also offers long term economic benefits if these students decide to apply for permanent residency. Having studied in South Australia, they may be more likely to settle there permanently.

Yet again, international students are being seen as 'cash cows', in this case by both Australian and overseas interests. CAPA questions how much thought has been given to the needs of international students likely to study with CMU and similar providers. Australia's offshore programs were established with little forethought and it is only recently that universities and the Australian Government have paid attention to course quality and student support issues.⁷ CAPA is concerned that the lack of information about the

² Commonwealth Register of Institutions and Courses for Overseas Students

³ David Cohen, 'US giant casts large shadow', *Australian*, 17 Aug 2005, p44

⁴ Michelle Bockmann, 'Elite US uni gets \$20m hello', *Australian*, 15 July 2005, available online at: http://www.theaustralian.news.com.au/common/story_page/0,5744,15934572%255E12332,00.html

⁵ Gavin Moodie, 'Adventures in cultural cringe', *Australian*, 25 May 2005, available online at: <http://www.theaustralian.news.com.au/printpage/0,5942,15394497,00.html>

⁶ Mike Rann, 'US campus for Adelaide', *Australian*, 1 June 2005, available online at: http://www.theaustralian.news.com.au/common/story_page/0,5744,15467545%255E12332,00.html

⁷ CAPA, *Submission to the National Quality Strategy for Australian Transnational Education and Training*, May 2005, available online at: <http://www.capa.edu.au/frameset.html?./papers/index.html>

CMU proposal and the rush to enable student enrolment for 2006 will result in similar problems. It will be the students who suffer if it is found after courses have commenced that, due to this haste, CMU is unable to meet ESOS or other requirements.

(1.2) The effect on Australian universities that offer similar programs to international students initially may be slight, but as this legislation will facilitate further ventures by overseas providers, the long-term outcome is less clear. The international student market is not infinitely expandable and ultimately Australian public universities may find that they are losing market share to foreign private providers operating in Australia.

(1.3) The Australian Government website for international students extols the benefits of studying in Australia and states that 'in Australia you will experience a unique kind of education – a learning style that encourages innovative, creative, independent thinking.'⁸ International students choose to study here for many reasons, but certainly the campus culture and educational style are important factors. CAPA is concerned that prospective students may have inaccurate expectations of the type of experience they might receive with a foreign provider.

The lack of information about the courses to be offered in 2006 is worrying, particularly in regard to how they will be taught and the resources to be utilised. The relationship between CMU and *iCarnegie*, a curriculum software company, suggests that delivery of courses may be in a very different format to that which students studying in Australia have come to expect.⁹

The accuracy and comprehensiveness of information generally available for potential international students is already so concerning that CAPA is developing an advice booklet for prospective international students. The establishment of foreign providers may exacerbate this problem.

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Recommendation 3: That if Recommendation 1 and 2 are accepted the commencement date of the relevant amendment items is altered accordingly.

⁸ <http://www.studyinaustralia.gov.au/Sia/en/Home.htm>

⁹ Carnegie Mellon University, 'Carnegie Mellon's Heinz School participates in feasibility study for new private university in Australia', media release 8 Nov 2004, last accessed online 8 July 2005 at: http://www.cmu.edu/PR/releases04/041108_australia.html

(2) Services fee

The second major objective of the ESOS Amendment Bill is to allow higher education providers to continue to charge a fee to international students for the support services that providers must supply in order to comply with the National Code and the *ESOS Act 2000*. This fee could be charged regardless of whether the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fess) Bill 2005 (commonly referred to as voluntary student unionism or VSU) is passed.

(2.1) Student support services required by the National Code include:

- independent grievance handling
- orientation
- information about academic progress, further study, and accommodation
- appointment of a student contact officer to promote the 'successful adjustment by overseas students to life and study at an Australian institution [and] assist students to resolve problems which could impede successful completion of their study programs.'¹⁰

The recent report of the evaluation of the *ESOS Act* stated that professionals and students found support services to be:

*.... an effective preventative strategy as well as part of the quality assurance process. That is, they can help students adjust more quickly to study, maintain attendance and satisfy course requirements (and thus meet visa conditions), as well as improve the quality of their educational experience and sense of satisfaction on completion.*¹¹

There is no doubt that support services are needed and most of these support services currently are provided by student organisations.

While many students go through their university life without difficulty, many others encounter problems during their time as a student. Universities can be daunting places, especially for students who experience a culture change by moving to another country (such as international students), or another town or city (such as students from rural backgrounds). It is the support provided by student organisations that eases the transition to university, and often allows students to

¹⁰ DEST, *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (The National Code)*, Commonwealth of Australia, 2001

¹¹ PhillipsKPA and LifeLong Learning, *Evaluation of the Education Services for Overseas Students Act 2000*, DEST, Commonwealth of Australia, May 2005, p. 99, available online at: http://www.dest.gov.au/sectors/international_education/publications_resources/profiles/evaluation_report

*overcome difficulties that would otherwise lead them to abandon their studies.*¹²

The support services required by the National Code represent the absolute minimum that is needed to help students through their course. Like all students, international students also need a campus environment that is conducive to an 'adjustment...to life and study'. Without a vibrant student culture, where all students are encouraged to interact and exchange ideas and experiences, the adjustment will be harder.

*Extra-curricula activities are important to mental and physical health and to achieving balance in life. Clubs also foster skills development such as leadership, organisational, and financial management skills. Clubs are a means for isolated students to meet others with common interests. Isolation and loneliness affect up to two thirds of international students but can be eased if the students can find support.*¹³

(2.2) Student organisations are best placed to provide or have input to most of the support services required by the National Code. Yet, even if international students are charged a fee for these support services, if VSU is introduced many of these services will cease to be available. This is because the range and depth of support services currently provided by student organisations are dependent on all students contributing financially. The income derived solely from international student fees would not be sufficient to allow many of these services to continue.

*The nature of student services is that viability and access are maximised where services are used widely and the revenue base for services is broad. Once a significant number of users withdraw, the capacity to provide for low volume services, or services provided at lower demand times, reduced significantly. When services become restricted, fewer will seek to use them, and a downward spiral develops in which the services fall away.*¹⁴

(2.3) In addition, the Government is at present considering the recommendations of the *Evaluation of the Education Services for Overseas Students Act 2000*. The review found that the current National Code is inadequate to ensure that support services are consistently and appropriately provided. Several pages of discussion outline the support services that should

¹² CAPA, *Submission to the Senate Employment, Workplace Relations and Education Legislation Committee Inquiry into the Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005*, June 2005, available online at: <http://www.capa.edu.au/frameset.html?./papers/index.html>

¹³ CAPA, *Submission to the Senate Employment, Workplace Relations and Education Legislation Committee Inquiry into the Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005*, June 2005, available online at: <http://www.capa.edu.au/frameset.html?./papers/index.html>

¹⁴ Senate Employment, Workplace Relations and Education Legislation Committee, *Inquiry into the Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005*, Opposition Senators' Report, p.27, available online at: http://www.aph.gov.au/Senate/committee/eet_ctte/highed_unionfees/report/index.htm

be provided and the recommendations list a comprehensive array of standards to be met.¹⁵

If these recommendations are accepted providers, quite appropriately, will be compelled to provide these much more comprehensive support services. For some providers this will involve increased costs, costs that through this amendment can continue to be passed on to the students without restriction. This may result in an increase in already high fees. But also these fees can be increased without any requirement for the institution to quantify and justify the increase. The potential for the economic exploitation of international students is amplified.

(2.4) When the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fess) Bill 2005 was first proposed, many in the sector pointed out to the Government that the legislation would conflict with the *ESOS Act*. Concerns were expressed for both individual students and for Australia's international education market.

The proposed amendment to the *ESOS Act* appears to be an acknowledgement that VSU will create a problem for the provision of support services to international students, although a cynical interpretation might be that the amendment is designed solely to protect the international education market. The Minister for Education has stated that this market represents an annual national income of \$7.5 billion and 50 000 jobs.¹⁶

*The Australian industry cannot afford to mark time if it is to retain its competitive edge. Indeed, there is mounting evidence that this edge is beginning to fray. The evaluation team argues that the next stage of the evolution of the Australian education export industry must maintain the concentration on quality as its distinguishing mark, even if that is at the expense of quantity. This means quality in the educational outcomes a bona fide student can obtain and quality in the student's experience while in our country.*¹⁷

(2.5) While international students have specific needs, many of the support services mandated by the National Code are obviously also required by local students. Yet the proposed VSU legislation would prevent universities charging local students a fee for these same services.

¹⁵ PhillipsKPA and LifeLong Learning, *Evaluation of the Education Services for Overseas Students Act 2000*, DEST, Commonwealth of Australia, May 2005, section 7.4, available online at: http://www.dest.gov.au/sectors/international_education/publications_resources/profiles/evaluation_report

¹⁶ Brendan Nelson, 'Building and enhancing quality in Australia's international education sector', media release 10 June 2005, MIN 1128/05, available online at: <http://www.dest.gov.au/Ministers/Media/Nelson/2005/06/n1128100605.asp>

¹⁷ PhillipsKPA and LifeLong Learning, *Evaluation of the Education Services for Overseas Students Act 2000*, DEST, Commonwealth of Australia, May 2005, p. xxxiv, available online at: http://www.dest.gov.au/sectors/international_education/publications_resources/profiles/evaluation_report.htm

Student organisations, individual vice-chancellors and the AVCC have pointed out that students are unlikely to pay a services fee voluntarily at the time of enrolment. This is because they might not have an appreciation of the ensuing benefits until support services such as advocacy are actually needed.¹⁸ By contrast, the Minister and members of the Government have been at pains to argue for the capacity of students to determine their own needs.

*We believe this, that in the twenty-first century, that students ought to be free to decide what services they want to buy with their hard-earned money, what clubs they want to join, and also students these days are mature adults, they should be entitled to have every right to decide what they want to spend their money on...and students are of course adults. They know exactly what they want to spend their money on and they shouldn't be patronised, nor looked down on...*¹⁹

It seems strange that the Government believes that local students have this capacity, but international students do not. CAPA recommends that the Government accept the advice of those working closely with students - the student organisations and universities - and enable all students to have access to vital support services by allowing universities to charge a student services fee.

*The ESOS amendment recognises that international students need support services such as orientation and advocacy. It also recognises that these services, many of which are provided by student organisations, are under threat with the current VSU Bill. Why is Minister Nelson prepared to deny domestic students the same levels of support?*²⁰

Recommendation 4: That the proposed Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005 is withdrawn.

Recommendation 5: That if Recommendation 4 is accepted the proposed amendments to Schedule 1 items 5 and 6 are rejected.

¹⁸ Senate Employment, Workplace Relations and Education Legislation Committee, *Inquiry into the Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005*, Majority Report, p.4, available online at:

http://www.aph.gov.au/Senate/committee/eet_ctte/highed_unionfees/report/index.htm

¹⁹ Brendan Nelson, 'Transcript of doorstep interview', 24 Aug 2005, available at:

<http://www.dest.gov.au/Ministers/Media/Nelson/2005/08/tran240805.asp>

²⁰ CAPA, "Nelson VSU legislation amended by stealth", media release 22 Sept 2005, available online at: <http://www.capa.edu.au/frameset.html?./papers/index.html>

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