

Productivity Commission Issues Paper
April 2015

Barriers to Services Exports

ACPET submission

Introduction

Established in 1992, ACPET is the national industry association for private providers of post-compulsory education and training. ACPET has over 1,000 members nationally who deliver a range of higher education, vocational education and training (VET) and English language courses across all states and territories and internationally.

ACPET's mission is to enhance quality, greater choice and innovation in Australian education and training. ACPET members include commercial and not-for-profit entities, community groups, industry providers and enterprise-based organisations. ACPET works with governments, industries and community organisations to ensure higher education, English language and VET programs are well targeted, accessible, and delivered to a high standard.

There are some 1,200 Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registered educational and training providers in Australia of which some 440 are ACPET members. Accordingly, ACPET is pleased to see that the Productivity Commission is considering the barriers that may be hindering the growth of services exports, including educational services.

Context

The Productivity Commission's recent report on international education services highlights that the sector is valued at some \$17 billion¹. Recent data indicates that the sector has rebounded following the declines of several years ago following the impact of the GFC, currency movements, safety concerns by Indian students and visa changes.

The Chaney report highlights the future potential of the sector with mobile international student numbers expected to double from 3.4 million in 2009 to seven million by 2020². It is important, then, that attention is focused on measures that will support Australia's continuing prominent role, especially as traditional and emerging competitors, particularly in Asia, seek to lift their share of this growing international student market.

The recently released 2014 survey of international students highlights the strong levels of satisfaction with their study experience in Australia. Satisfaction levels have mostly been maintained, or improved, since the survey of 2012³. For now, the fundamentals of Australia's international student policy framework are sound.

While student survey and performance data supports the fundamentals and growth potential of the sector, the decline in international student numbers after the peak of 2009 highlights the susceptibility of this market to economic and other circumstances. It also flags the role of changes to Australia's international education policy settings.

ACPET's priority is on ensuring that these settings are not only appropriate but provide the policy stability that will give confidence to international education providers to undertake the necessary investments.

¹ Productivity Commission, *International Education Services, Research Paper, April 2015*, p21

² International Education Advisory Council, *Australia – Educating Globally*, DIISRTE, February 2013, p21.

³ Department of Education and Training, *International Student Survey 2014 Overview Report*, April 2015

Visa Arrangements

The Productivity Commission's international education services report summarises the changes that have occurred in student visa arrangements over the last 15 years⁴. The report highlights six major reforms alone in the three years to November 2014.

The Commission's paper highlights the potential impact over the uncertainty and volatility of visa arrangements on international education services. While ACPET understands the need to ensure the integrity of Australia's student visa arrangements, it supports the need for policy stability to underpin provider planning, investment and growth.

While ACPET appreciates the intent of Streamlined Visa Processing (SVP) arrangements to promote growth and simplify application processes, it shares the Commission's concerns that SVP has distorted the international education market and put at risk the quality of Australia's education systems.

ACPET members have identified significant concerns that SVP arrangements are distorting the study decisions made by international students and leading to adverse practises such as course hopping. While providers who do not have access to SVP arrangements are concerned with their discriminatory impact, there is a broader concern that education quality, the fundamental that underpins the Australia's international education sector, needs greater consideration in determining student visa arrangements.

In its submission to the *Future directions for streamlined visa processing (SVP) discussion paper* in December 2014⁵, ACPET advocated an overhaul of SVP arrangements along the following lines:

- An integrated risk framework based on agreed principles that addresses immigration risk, provider risk and consumer protection of students with visa arrangements that allow for efficient assessment and approval of visa applications from high quality, low risk providers
- Evolution from SVP for a select group of providers of advanced diploma and above courses, to an efficient and effective streamlined student visa regime which supports all CRICOS listed quality educational providers and allows for growth in the educational sector
- More transparency in the immigration processes which would allow providers to lower their risk particularly if this is affected by use of particular agents and or brokers

⁴ Productivity Commission, op cit, page 65

⁵ ACPET, *Submission to Future Directions for streamlined visa processing- discussion paper*, December 2014

Regulation

The DET international student survey cited above has one clear message for Australia's international education market – quality is paramount. Its reputation is the key to student decisions to study in Australia.

ACPET members remain concerned with poor behaviours and that the regulation of the market, including the activities of brokers and agents, needs to be better enforced and enhanced to address some of the concerns with issues such as course hopping and phantom students.

While the recent Productivity Commission paper on international student services advocates for a reduction in the use of agents, ACPET acknowledges that agents play an important (and increasing) role in the sector and would advocate for a more proactive and targeted audit process to ensure that regulations are being adhered to and quality maintained.

Coordination

The development of integrated student visa arrangements that takes into consideration education quality parameters would require a more coordinated government policy and program approach. Such an approach would respond to the broader need for a more coordinated government approach to the sector.

At present, for example, there are a number of reviews or strategies focused on the international education sector being undertaken by the departments of Education and Training, Immigration and Border Protection and Trade. Added to these agencies are the various state and territory bodies seeking to promote international education services in their jurisdiction.

ACPET is concerned that the complexity of arrangements is not providing for a clear, integrated approach to developing, regulating and marketing international education services. This was a key issue identified in the Chaney Report cited above.

Information

As with most markets, information is pivotal to identifying and developing international education markets. Consultations with ACPET members highlight the challenges of seeking to develop international markets and particularly transnational education services. Notwithstanding the presence a number of government agencies have in key markets, members would value stronger support in navigating the regulatory and legal barriers in overseas markets.

ACPET notes also there are fees attached to some information and support provided by Austrade. In the context of seeking to maximise the economic opportunities from this growing international market for Australia, further consideration of this fee structure may be warranted.