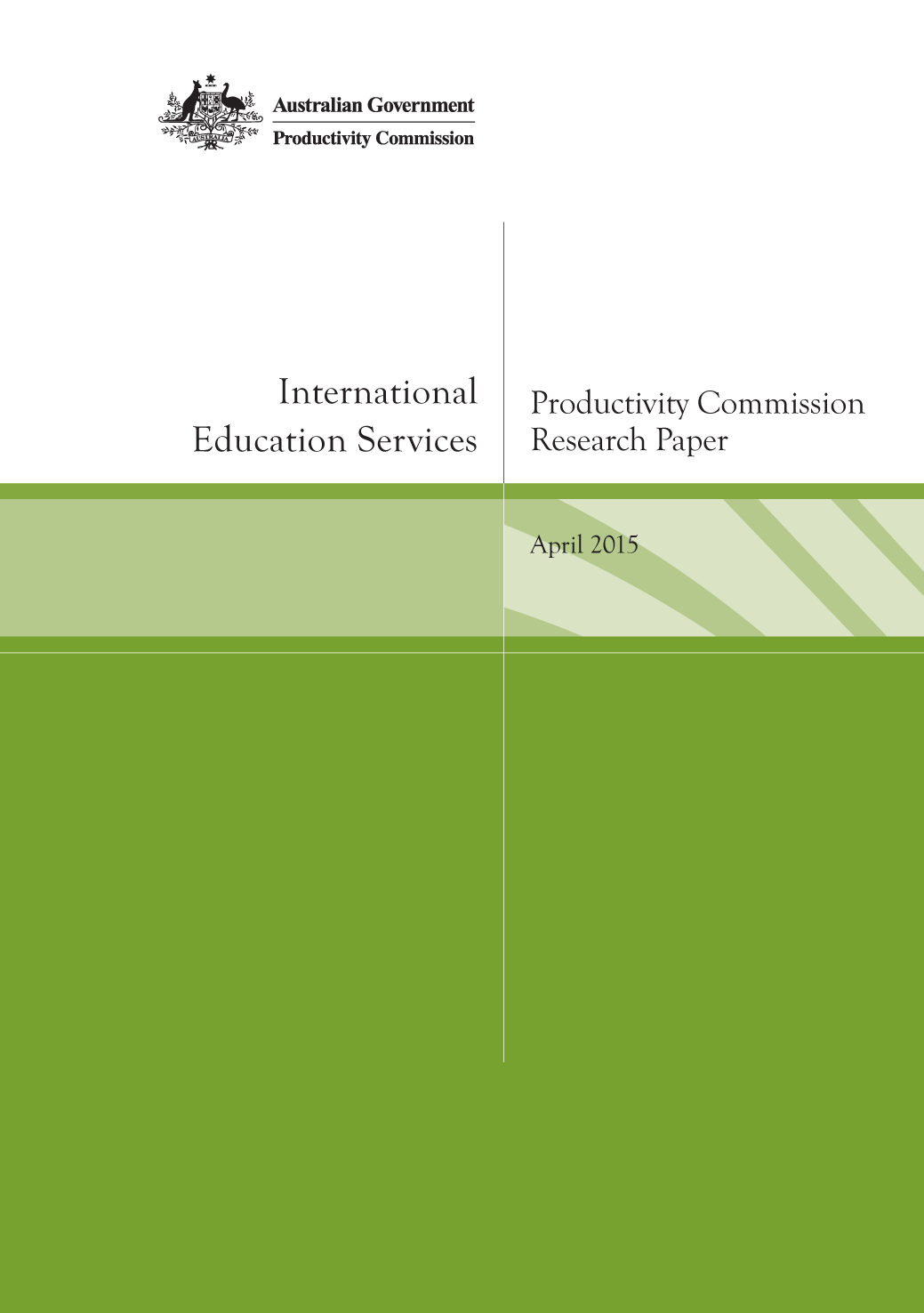
# International Education Services

Productivity Commission Research Paper, April 2015

Commonwealth of Australia 2015

**ISBN 978-1-74037-546-7 (PDF)  
ISBN 978-1-74037-547-4 (Print)**



Except for the Commonwealth Coat of Arms and content supplied by third parties, this copyright work is licensed under a Creative Commons Attribution 3.0 Australia licence. To view a copy of this licence, visit http://creativecommons.org/licenses/by/3.0/au. In essence, you are free to copy, communicate and adapt the work, as long as you attribute the work to the Productivity Commission (but not in any way that suggests the Commission endorses you or your use) and abide by the other licence terms.

Use of the Commonwealth Coat of Arms

For terms of use of the Coat of Arms visit the ‘It’s an Honour’ website: http://www.itsanhonour.gov.au

Third party copyright

Wherever a third party holds copyright in this material, the copyright remains with that party. Their permission may be required to use the material, please contact them directly.

Attribution

This work should be attributed as follows, *Source: Productivity Commission, International Education Services*.

If you have adapted, modified or transformed this work in anyway, please use the following, *Source: based on Productivity Commission data, International Education Services*.

An appropriate reference for this publication is:

Productivity Commission 2015, *International Education Services*, Commission Research Paper, Canberra.

Publications enquiries

Media and Publications, phone: (03) 9653 2244 or email: maps@pc.gov.au

|  |
| --- |
| The Productivity Commission |
| The Productivity Commission is the Australian Government’s independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.  The Commission’s independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.  Further information on the Productivity Commission can be obtained from the Commission’s website (www.pc.gov.au). |
|  |

Contents

Acknowledgments v

Overview 1

International education services are important to the economy 3

Government involvement in international education 6

Swings in visa policy settings 9

Quality regulation is a ‘work in progress’ 13

Alternative frameworks for student visa processing 16

The use of education agents is extensive and risky 19

1 Introduction 21

1.1 The international education sector’s contribution to the economy 21

1.2 Snapshot of the international education services sector 24

1.3 International education policy levers 28

1.4 The Commission’s approach 33

2 Trends in international education services 35

2.1 Global trends in international education services 36

2.2 Trends in Australian international education services 47

3 Student visa policy settings 63

3.1 The student visa program 64

3.2 Implications of Streamlined Visa Processing 75

3.3 Post‑study work rights 90

4 Quality regulation of international education services 99

4.1 Regulatory framework for quality assurance 100

4.2 Risks to quality and how they are being addressed 109

4.3 Transnational education services 121

4.4 Measuring the quality of international education services 123

5 Student visa processing alternatives 125

5.1 Summary of the current problems 126

5.2 DIBP’s proposed model 127

5.3 Alternative approaches 130

6 Education agents 133

6.1 Education agents in international student recruitment 133

6.2 Institutional arrangements around agents 136

6.3 Concerns with agent behaviour 138

6.4 Risks arise from the incentives faced by agents and providers 141

6.5 Mitigating agent risk 143

A Conduct of the project 149

References 151

# Acknowledgments

The Commission is grateful to everyone who has taken the time to discuss the issues canvassed in this research project. Particular thanks are extended to those who participated in the Commission’s roundtable held in Melbourne on 4 December 2014, and provided written comments.

The Commission would also like to thank officers of the Department of Immigration and Border Protection, the Department of Education and Training, the Department of Employment, the Australian Skills Quality Authority and the Tertiary Education Quality Standards Agency for their high level of engagement and the provision of data and information.

Paul Lindwall

Commissioner

30 April 2015