

INTERNATIONAL EDUCATION

A TDA Position Paper

September 2003



TAFE Directors Australia (TDA) is the national association of Institutes of Technical and Further Education and the TAFE divisions of multi-sector universities in Australia. It is incorporated in the ACT as an independent non-profit association.

TDA provides national leadership in promoting the role and contribution of public vocational education and training to Australian social, cultural and economic development.

TDA provides a forum for cooperation and exchange of ideas on vocational education matters, as well as a mechanism for providing effective input into national policy formulation. TDA also facilitates the representation of TAFE Institutes on key committees and boards dealing with vocational education and training matters and consults with other sectors of education on matters of mutual interest.

Additionally, TDA undertakes research, develops relationships with other countries on vocational education and training matters, and provides opportunities for the professional development of Directors and other TAFE staff.

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INTERNATIONAL EDUCATION

1. Introduction

Educational services is now one of Australia's major exports and has the potential for substantial further growth. Exports of international education services generated \$4.5 billion of export income in 2001-02.¹ Education is Australia's third largest services export.

The growth and economic importance of international education has been widely reported and is seen as a vital component in the development of a modern Australian economy. It contributes significantly to Australia's national income through fees paid by students and students' expenditure on goods and services, as well as through the income earned from offshore educational provision. As the Minister for Education, Science and Training, Dr Nelson, pointed out recently international education also plays an important role in promoting innovation, developing people-to-people links, and in underpinning Australia's competitiveness, trade, skilled migration, diplomacy and national security.²

As well as these benefits to the nation, international students bring very significant direct financial, social and cultural benefits to the education institutions involved and their student communities.

In June 2003, there were 186,000 international students studying in Australia.³ This ranks Australia as the third largest international student market in the English-speaking world behind the United States and United Kingdom.

Over half of the students that come to Australia to study are undertaking university courses and the Government's efforts and activities have been mainly focused on the Higher Education sector. What is not so well reported is the contribution that other sectors make to International Education.

In June 2003 32,084 overseas students were studying in vocational education and training courses.⁴ This represented over 17% of the total market. Of the 32,084 who are undertaking vocational courses, 10,329 or nearly one-third were studying in government owned institutions most of which are TAFE Institutes. There are also significant numbers undertaking English language courses in TAFE Institutes.

Nevertheless, the TAFE sector's share of the international education market is still relatively small when compared with universities and even with private VET providers. TAFE Directors Australia shares the view that there is clear scope to build on the TAFE sector's current international education efforts and in doing so to enhance the contribution that TAFE makes to the economic development of Australia.

¹ DFAT; recent figures for export earnings from international students in the VET sector are not available. DEST estimates that in 2000, export earnings from onshore students in the VET sector were \$713 million

² 2003 Budget announcements

³ DEST data for student enrolments on 4 June 2003. Numbers of students enrolled during the year as a whole could be expected to be higher.

⁴ Ibid.

Success in this endeavour would be consistent with the Government's policy objective of promoting a sustainable education export industry based on diversification of markets, modes of delivery and levels of study, together with a focus on quality students.⁵

If TAFE is to be successful, however, action will need to be taken by government to address a number of obstacles and impediments that currently stand in the way of increasing the sector's international education exports.

It is also important that TAFE and government work together in a collaborative effort to address current challenges and develop a strategy for future expansion. Success in these endeavours would enrich Australia and the quality of TAFE.

2. The Scope of International Education

Most discussions relating to the importance of international education and the export of education services tend to focus on international students studying in Australia. However, there are two categories of export services:

- **Inbound services** which include full fee paying students studying in Australia and
- **Outbound services**, ie the provision of education and training services offshore by institutions or consortiums.

Outbound services include both fee for service student programs and international aid and non-aid projects offshore. Unfortunately, there is little in the way of data on offshore provision. We do know, however, that there is extensive offshore activity and that TAFE Institutes have a significant involvement.

The focus on onshore activity has meant that policy initiatives and government support have been mainly directed at expanding the number of students coming to Australia. It has also had the effect of understating the TAFE sector's importance in international education.

In TDA's view there are large opportunities offshore that have yet to be tapped but innovative and strategic approaches are necessary to provide the customisation and long term commitment that is required to successfully implement and foster offshore provision.

3. The Development of Education as an Export Industry

The development of education as an export industry had its origins in the Colombo Plan, introduced in 1950. This government aid program brought significant numbers of overseas students to study in Australian universities.⁶ Until 1979 there was an annual quota of 10,000 overseas students and almost all of these were receiving assistance under aid programs and attended universities or their equivalent.

⁵ These objectives were stated in an address by Michael Gallagher (Group Manager International, DEST) to AEI industry seminars, March 2003

⁶ Davis, J. (1994), "Education: A Reluctant Industry". In I.Marsh (ed.), *Australian Business in the Asia Pacific Region: The Case for Strategic Industry Policy*, Melbourne: Longman Cheshire, p.196.

In 1980 the quota on overseas students was removed and replaced by an unofficial country quota and an Overseas Student Charge was introduced. The overseas Student Charge recovered between 20-50% the cost of the course.⁷ By 1982-83, the number of overseas students studying in Australia had risen from 10,000 to 16,000. In 1986, following two policy reviews, the Government took a decision to allow public institutions to enrol overseas students and charge fees.

This history is important in understanding why the education export industry has developed in the way it has. Through its aid programs, the Government played a major role in fostering the development of an international education industry centred on universities. TAFE institutions, unlike their university counterparts, were never a significant player in relation to the Colombo Plan. As a result, TAFE institutions did not have the advantage of early exposure to the international education market in the way universities did. They did not have the opportunity to benefit from the goodwill and institutional reputations generated by Australia's aid programs. Nor did they have the early opportunity to develop the knowledge and experience required in meeting overseas student needs.

4. The Benefits of an International TAFE Sector

TDA believes that there would be significant national economic, social and cultural benefits if TAFE institutions were able to expand their share of the international education market. These benefits include:

(i) Economic

Increasing market share, provided it is not at the expense of another Australian education sector, will increase the size of the Australian economy. Increased numbers of international students at TAFE Institutes would expand Australia's national income through fees paid by students and students' expenditure on goods and services, as would the income earned from offshore educational provision. There are also other benefits. The report of the Committee of Review of Private Overseas Student Policy commented in 1984:

there are many examples in submissions of how Australian educated people have played an important role in decisions to award contracts to Australian firms where there was little apparent difference between the competitors.

*Also of invaluable assistance to Australian exports is the familiarity that Australian educated people have with the standards and regulations that can lead to the development of similar standards in other countries.*⁸

Similarly, Australian business in preparing bids internationally can support tenders by offering training and be confident that their efforts are supported by a TAFE sector that is internationally experienced. Widespread international experience within Australian TAFE institutions will enhance industry bids to gain international project work.

⁷ Ibid

⁸ Goldring, J. (1984), *Mutual Advantage: Report of the Committee of Review of Private Overseas Student Policy*, AGPS: Canberra, p.70.

(ii) Cultural Enrichment

International education programs bring educational and wider cultural benefits. They enrich the educational environment through providing exposure to diverse customs, peoples, and ideas and give Australians and the people of the other countries involved a better and more informed international outlook.

Australian students gain a knowledge of Asian and other cultures and business practices by studying alongside international students. By studying in Australia, international students build up a relationship with Australia and Australians. These relationships can provide a strong foundation for the future and help support Australian efforts to build closer economic and diplomatic ties with the countries of the Asia Pacific region.

(iii) Employment

International education is a labour intensive industry and can be an important employment generator. Increased student numbers lead to greater demand for both teaching and support staff. There is also a multiplier effect in other industries. The Government estimates that the education export industry contributes directly and indirectly about 43,000 jobs for Australians.⁹

(iv) Customer Service

Internationalisation of the education industry has brought with it a much sharper customer service focus and responsiveness to student needs. The international student market is highly mobile with many countries competing to attract students to their institutions. Failure to maintain a quality product and good customer service brings with it swift penalties in terms of declining student numbers. Our observation is that institutions that are engaged in international education improve their customer focus and that the whole student body benefits from this.

(v) Tourism

International education is a significant component of tourism and can help grow the tourist market. Around 16% of tourism expenditure comes from visitors whose primary reason for visiting Australia is education. In addition, each international student generates 4.5 visits a year to Australia from family and friends during their studies.¹⁰

5. Impediments to the Development of International Education in the TAFE System

Historically, TAFE did not have the benefit of early exposure to international education that the universities gained through government aid programs. There has not been the same activity base, knowledge and experience on which they could draw to support a major

⁹ Minister for Education, Science and Training, Media Release “\$113 million to Strengthen International Education” 13 May 2003

¹⁰ Ibid

international marketing effort. But TAFE's international efforts have been hindered as well by a number of impediments, many of which stem from government requirements or policies and which are within the Government's power to address. Impediments include:

(i) The Student Visa Regime – Risk Assessment Approach

TDA recognises and accepts the need to limit undesirable outcomes of the Student Visa Program such as the entry of non-genuine students, applications for protection visas, illegal work and non-attending students. However, the Program is currently operating in such a way as to preclude many genuine potential students from studying in TAFE Institutes and is having a negative impact on Institutes.

A recent research report, *Overseas Students in TAFE 2001 – 2002* by Dr Louise Watson¹¹ clearly demonstrated that the design of the visa system and the stringency of the regulations placed on the VET sector had had a severe impact on TAFE Institutes. The current approach taken to visa risk assessment fails to distinguish between high and low risk providers within the VET sector. This means that an unreasonably high risk assessment level is being accorded TAFE – one that does not accurately reflect the actual performance of TAFE providers.

Survey data for non-compliance with visa conditions showed that the non-compliance rate in the TAFE sector was considerably lower than the non-compliance rate for all education sectors and was clearly very much lower than the rate for VET private providers.

Dr Watson concluded that a strong case had emerged for DIMIA to place TAFE Institutes in a separate visa sub-class and that they should not be subject to the higher risk assessment levels generated by non-TAFE providers in the VET sector.

While the Watson study was not able to address all the risk indicators that are currently used by DIMIA to establish risk assessment levels, because separate data has not been collected by DIMIA for TAFE and is therefore not available, TDA is confident that further investigation would firmly establish that the overall risk for the TAFE sector is relatively low.

The main objective of the Student Visa Program should be to ensure that abuse of student visas is minimised while not penalising or deterring genuine students. Therefore the primary consideration for DIMIA in designing the key elements of the program should be the assessment of risk that is attached to certain classes of students. Both TAFE Institutes and other VET providers should be given risk assessment levels that accurately reflect their practices. To do so would enhance the integrity of the visa system as a whole.

It is in everyone's interest to encourage the growth of Australia's international student market including the TAFE sector provided that the integrity of the visa program is not compromised. Bringing risk assessment levels into line with actual performance would serve both objectives. Many of TAFE's main markets would move to more favourable assessment levels.

¹¹ Watson, Louise *Overseas Students in TAFE, 2001-2002: A Survey*, The Lifelong Learning Network, University of Canberra, January 2003

At their meeting in June 2003, the ANTA Ministerial Council agreed to request the Commonwealth to collect separate data for individual VET RTOs, both government owned and private providers, for each of the risk assessment measures that DIMIA employs. It also requested the Commonwealth to investigate establishing separate categories of VET providers for the purposes of administering the student visa regime. This is an encouraging development and we look forward to the results of this investigation.

For the future, we also consider it important that DIMIA review the appropriateness of the various risk assessment measures currently used. TDA with the support of other peak bodies has been arguing for some time that some of the measures used are of questionable relevance, that the weighting given to others is inappropriate and that a review of the risk assessment methodology is over-due. DIMIA has now initiated such a review, but we would like to see it carried forward with a greater sense of urgency than currently appears to be the case.

(ii) Failure to Provide Consistent Treatment between Education Sectors in the Visa Regulations

At present, the visa regulations applying to the VET sector are significantly more restrictive and onerous than those applying to other education sectors even where the risk level is judged to be the same. There is no good reason why this should be the case. As a general principle, the requirements should be consistent across sectors at the same risk assessment level.

TDA put this view strongly to DIMIA during the review of the Program undertaken in 2002. DIMIA's preliminary recommendations released in December 2002 generally reflect acceptance of this point and if implemented would go some way toward improving the situation. But although submissions on those recommendations were made by interested parties in January 2003, final decisions have still not been announced. This is a matter of considerable concern especially given lead times involved for implementation.

Also of concern are some remaining areas where a discriminatory approach is being adopted which have not been addressed by DIMIA in their recommendations. In particular, student applicants from countries in the higher risk categories wanting to undertake a VET course are required to demonstrate the usefulness of the course for career development and employment. There is no such requirement for university applicants. Judgements against the criterion are necessarily subjective. It is clear to us that visa issuing officers do not have a good understanding of what may be appropriate for an individual in terms of further education and training for the purposes of career development and that this lack of understanding can lead to visa refusals for genuine students.

(iii) Lack of Transparency in Visa Decisions

Frequently visas have been refused to students without any reason being given. This has been of concern for a number of reasons, not least because the lack of information can hamper both agents and providers in their efforts to improve the quality of future applications.

TDA considers that it is essential that visa authorities be required to provide reasons for non-acceptance of a student. A system lacking in transparency is open to corruption and undermines confidence in the objectivity of officials making decisions on visas. DIMIA has

announced that it will in future give reasons for visa refusals. This is welcome. However, it will be important if there is to be a real improvement in the system that the reasons given are clear and make sense to the applicant and that interpretations of the regulations are consistent across visa issuing offices.

(iv) Visa Fees and Charges

Australia's fees for student visas are the highest in the world. Like other education sectors, TAFE Institutes have been of the strong view that visa fees and related charges on international students should be reduced to facilitate greater internationalisation of the education industry.

Yet a 27% increase in student visa application fees from \$315 to \$400 was announced on 13 May 2003 as part of a package of measures with the claimed objective of supporting and expanding Australia's international education industry. Revenue from this and other student visa measures, together with new provider registration charges, are to fund a number of new government promotion and support activities and regulatory measures.

While some of these measures may have merit, TDA considers that it is inappropriate to fund them from imposts on students and providers especially given the broader national benefits that are expected to result. As Minister Nelson has emphasised, international education is vital to Australia's continued economic growth and development and broader opportunities flow to the nation as a whole from the education and training of overseas students¹². There is a real danger that increased visa fees will have a negative impact on the numbers of students seeking to come to Australia.

Government assistance to the international education industry is very small compared with the assistance that has been given to support and grow other industries. Given the acknowledged wider national benefits of an expanded international education industry, the Government should be seeking to enhance its support for the industry, and to do so from general revenue rather than through new imposts on students and providers.

Further, as the AVCC has pointed out, from 2005-06 the amount of revenue raised by the new fees and charges will be higher than the planned expenditure.¹³

(v) Customer Service Levels at Overseas DIMIA Posts

Although Australia has higher visa fees than other countries, it provides a poor service to potential students applying for visas. The service is characterised by poor documentation, a lack of standard procedures, inordinate processing times, a lack of basic knowledge about Australia's VET system amongst overseas immigration staff and extremely limited opening times by the overseas posts responsible for the issue of visas. A successful export industry needs to nurture its customers.

¹² See media releases "\$113 million to Strengthen International Education" and "Protecting Australia's international education sector" by the Minister for Education, Science and Training, the Hon. Brendan Nelson, 13 May 2003

¹³ Australian Vice-Chancellors Committee, *Excellence and Equity: Foundations for the Future of Australia's Universities, the AVCC Response to the Higher Education Reforms in the 2003 Budget*, June 2003, p21.

At times no service at all is provided. For example, in late 2002/early 2003 visa processing in the Dubai office totally broke down. Students from the entire range of Middle Eastern countries were not able to get any response from the Australian Embassy in Dubai. As a result, large numbers of students were not able to get visas to commence their courses on time.

We also believe that there is a real need to establish an approach and processes that will ensure more consistent application and interpretation of visa regulations.

(vi) Inadequate Data

There are a number of shortcomings in the official statistics for international education and this has made accurate assessment of developments in the international education sector impossible.

DEST has published useful data in the past on international education but it is now out of date, with the latest full AEI publication on Overseas Student Statistics being for the year 2000, and only selected summary statistics available for the year 2001. There is no indication when detailed statistics for 2001 and 2002 will become available. Moreover, it is not possible to get an accurate estimate of the extent of TAFE activity, first because the data does not include offshore VET activity and second because it does not distinguish TAFE from other public providers.

DIMIA figures for visa grants are by visa class and do not distinguish public from private providers. In the past it has also been impossible to get an accurate picture of trends in the VET sector from DIMIA visa figures because students undertaking “packaged” courses (eg combined diploma and bachelor degree courses) are classified by the higher level course (ie Higher Education).

There is a pressing need for better data, including off-shore activity as well as more detailed statistics on in-bound students. DEST has recently initiated work on data collection in relation to off-shore delivery which is welcome. It is desirable that this be extended to include all offshore activity in due course.

(vii) Lack of Synergy between Australian Immigration Needs and Eligibility Requirements under the Student Visa Regime

Australia is currently encouraging the immigration of skilled migrants in cooking and nursing because of skill shortages in Australia. In these areas, Australia cannot meet its immigration targets. But under the existing student visa rules, students from many of Australia’s main student markets who want to study these courses in Australia cannot do so because they are certificate III and IV courses and they are not deemed as suitable programs for students from Assessment Level 4 countries.

It would be of great value to Australia if a closer link were formed between our skill needs and our educational export strategies. This would seem to be a simple process yet co-ordination has thus far proven to be elusive.

(viii) Private Provider Bankruptcies

It is widely accepted that the number of bankruptcies and other dysfunctional activities by some private providers has damaged Australia's international effort. The impact has been felt particularly by the VET sector including TAFE. While the establishment of the Tuition Assurance Scheme has gone some way to addressing this problem, further instances of private provider bankruptcies are continuing to damage international perceptions of the Australian VET sector.

TDA considers that it is vital that the ESOS Act requirements in relation to provider registration be properly administered and enforced. Failure to properly enforce provider registration qualifications will continue to damage Australia's educational export effort.

(ix) Lack of a Level Playing Field

In recent years universities and their commercial arms have made a major thrust into the international VET market and this has had a detrimental impact on the TAFE sector. The competition has not been on equal terms. Universities being self accrediting are able to offer diplomas without have to meet the AQTF requirements for diplomas that TAFE Institutes must meet. They have also been able to offer higher level VET qualifications, as well as offering qualifications outside the Australian Qualifications Framework such as Associate Degrees.

It is TDA's view that some of these qualifications, including some of the diploma programs, have been of a questionable standard and that this is reflecting poorly on the Australian VET sector as a whole. It is an issue that needs to be addressed if TAFE Institutes are to expand their international markets.

(x) Variable TAFE Performance by State

The international effort by TAFE institutions has been the subject of some criticism on the grounds that numbers of students are small compared with private VET providers and the Higher Education sector.

Appendix 1 outlines government performance compared with non-government performance by State. It is noteworthy that performance is not uniform among the different States and Territories and that in Victoria the TAFE sector out performs private providers. Victoria accounts for almost half of the TAFE market. It is not clear why this should be the case. Possible reasons include organisational arrangements, programs offered, and marketing strategies.

There would be value in a study being undertaken to examine the reasons for Victoria's superior performance to determine whether others could benefit from the approach and strategies adopted by Victorian TAFE Institutes.

(xi) Insufficient Critical Mass for Large-scale Offshore Project Work

There are growing opportunities for undertaking lucrative, large scale project work in areas such as the Middle East. However, winning these projects is beyond the capacity of an individual TAFE institution.

In Australia there are a number of project management companies that tender internationally for vocational educational work – both government and private. In most States a project management company specifically focusing on international vocational educational has been created by State governments; in the case of Victoria, a company has been set up by the TAFE Institutes with some government support. Recent experience has been, however, that the cost of bidding for some projects and the extent of resources required to undertake successful project implementation can be beyond the resources available to existing organisations, even those set up on a state basis. TDA believes that to improve performance and Australian market share, both private and public organisations would benefit from the development of a Commonwealth government sponsored national co-ordinating company, set up on private sector lines, to lead bids for large and complex VET projects of over \$50 million.

(xii) Domestic Focus of the National Training Framework

ANTA's focus in developing the National Training Framework has been on meeting the needs of Australian industry. While the need to develop skills in Australia that will underpin Australian industry's international competitiveness has been a driving force, ANTA has been less concerned with the international competitiveness of the VET sector itself and developing qualifications that are portable internationally.

Unfortunately, there are significant features relating to the national VET system that present barriers to attracting additional numbers of international students. Firstly, Training Packages have been developed for the local market. They are not well understood internationally. The constraints on offering courses outside the Training Package framework mean that courses developed for Australian students and leading to Australian VET qualifications are often of limited appeal to the international market.

Secondly, it has become increasingly difficult to offer international students VET courses with guaranteed articulation into degree courses. In the past VET Diploma courses have been a popular pathway to a Bachelor degree course. However, the adoption of competency based Training Packages and universities' reservations about them have meant that articulation arrangements can be even more difficult to develop than they have been in the past and some existing arrangements have come under threat. This is a major impediment given the preference of many international students to undertake programs of study that lead to degree qualifications.

6. The Way Forward

It is vital that the barriers and impediments that have been identified above are addressed. TAFE's efforts will be in vain unless this happens. Strong national leadership and a collaborative approach involving all government agencies with responsibilities in these areas are required.

The sector would also benefit enormously if a more focused and strategic approach were taken by the Australian Government in promoting the Australian vocational and education training sector internationally. The Government through Australian Education International supports the generic promotion of the Australian education industry. It also undertakes some activities that are specifically designed to assist the VET sector. There is little evidence however, at least in the VET sector, that the selection of AEI's activities and allocation of funding for them is being taken against a strategic assessment of key goals and priorities and the most effective use of resources.

We also believe that it is important that ANTA give greater attention to internationalising the VET sector in its work. In this regard, we are pleased that ANTA has included 'facilitating access to international markets' as one of 12 specific strategies for the new national VET strategy covering the period 2004-2010. But much will depend on the action plans and measures that are taken to give effect to this objective.

While we look to government to take a number of actions to facilitate and encourage TAFE's international efforts, TDA recognises that if TAFE Institutes are to be more successful in the international market, they will need to strive for best practice. They will need to develop and exhibit the key features that are characteristic of best practice exporters. These include

- Excellent service
- Being market driven not product driven
- Responsiveness to the needs of clients, agents and change
- Having a pathways focus
- Good support services
- Being innovative in approach
- Internationalisation of its products
- A capacity to build relationships over the long term

The recommendations and the proposed plan of action that we are putting forward have been developed to support these objectives.

7. Conclusions and Recommended Plan of Action

(i) Collection of Better Data

As a first step, TDA believes that Australian Education International (AEI), should work with TDA to document the breadth and extent of the TAFE sector's current international effort including onshore and offshore student levels, project activity, and their financial impact.

(ii) Identifying Goals and Strategies

Concurrently, work should be undertaken to identify State / Institute goals for international education, the systemic barriers to achieving these goals, and strategies that might be adopted.

(iii) Benchmarking Current Performance

There would be considerable value in examining current organisational arrangements and strategies and undertaking benchmarking work to identify what works well. This work should include establishing, for benchmarking purposes

- (a) The performance of TAFE Institutes in attracting students to Australia – both in comparison with one another and with their international counterparts.
- (b) The performance of TAFE project oriented companies (e.g. ITA and TAFE Global) with private Australian companies (e.g. SMEC) in obtaining and undertaking offshore work.
- (c) The role and effectiveness of Australian government agencies compared with overseas counterparts in providing support, both financial and non-financial; the latter should include the speed of visa processing and other aspects of DIMIA's customer service

(iv) Professional Development Programs

There are two main ways in which Australia's international efforts would benefit from greater emphasis being given to professional development programs.

First, delivery capabilities would be enhanced by more resources being put into professional development programs in areas related to cross cultural communication teaching strategies, international student promotion and international curriculum. ANTA could make an important contribution by supporting programs in these areas including through Reframing the Future funding.

Second, there is a pressing need for DEST and DIMIA to improve their understanding of the TAFE system and its products and for DIMIA to implement professional development programs to improve customer service in overseas agencies.

(v) Internationalising the VET product

ANTA has acknowledged in the development of the new national VET strategy that more needs to be done in facilitating access by the Australian VET industry to international markets. Ensuring that Australian VET products are acceptable and attractive to international markets is an important part of that. This raises substantial questions in relation to the current policy on Training Packages and their requirements and needs to be taken into account in the High Level Review of Training Packages that is now underway. Action also needs to be taken to ensure that Australian vocational education and training standards are harmonised with international standards and that Australian qualifications are recognised internationally.

A closely related aspect that needs to be addressed is how articulation arrangements can be improved and made more certain for international students interested in proceeding from a TAFE qualification to a university degree.

There also needs to be greater coordination between our assessment of future skill needs, the development of export education strategies and DIMIA's policies on skilled migration and student visa requirements. The current situation where, although there are widespread skill shortages in the traditional trades and health industry, DIMIA has put barriers in the way of international students undertaking VET courses in Australia needs to be addressed.

(vi) Ensuring the Quality of the VET Product

The Government has announced its intention to devote increased resources to ensure greater onshore compliance with the *Education Services for Overseas Students (ESOS) Act 2000* which regulates providers in Australia. Action to remove providers of concern from the industry has our strong support, although we consider that it is inequitable to levy reputable providers such as TAFE Institutes, through increased provider registration charges, to fund this activity.

Funding is also being provided to promote offshore quality assurance including the possible development of an industry self regulatory model. This would seem to have merit in principle but more details are awaited.

We consider that attention also needs to be given by government authorities to ensuring that all providers of diploma courses to international students in Australia, including university providers, are offering courses of an acceptable level and quality and that they meet AQF standards.

(vii) Assessing the Performance of International Students

Currently little information is available on international students' performance including pathways and employment outcomes.

There would be merit in collecting data and analysing international student outcomes. The information would be useful in developing data that could be used in promoting the Australian VET system internationally as well as identifying any shortcomings and problem areas in our current approach that need to be addressed.

(viii) Getting Better Leverage from In-Country Programs and Offshore Projects

Successful offshore activity promotes the quality of Australian provision and recognition of what the Australian VET system and Australian qualifications have to offer. Delivery of in country programs may be linked with programs in Australia and in some cases students who have undertaken part of their program offshore will expect and will be offered the opportunity to complete their course in Australia. We believe that there would be benefit in DEST taking a greater interest and role in facilitating the development of offshore programs not only because of the benefit of those programs in the short term to Australia but also because in the longer term they can have spin-off benefits and lead to greater numbers of students coming to Australia.

The Commonwealth Government could also play a helpful role in facilitating and supporting bids for large scale international projects in the VET sector. As a first step we recommend that the Government in conjunction with the States and Territories fund a feasibility study into the benefits that could accrue to Australia if a national overseas project bid company were established.

(ix) Implementing Improvements to the Student Visa Regime

A number of problem areas with the student visa regime that need to be addressed were identified above in Section 5 of this paper. TDA recommends that

- (a) DIMIA's recommendations arising from the 2002 review be implemented as a matter of urgency;
- (b) that in addition the Minister for Immigration act to remove the discriminatory requirement for applicants in visa sub-class 572 for evidence of the usefulness of the proposed course for career development/employment;
- (c) DIMIA collect data to facilitate more accurate risk assessment levels by provider type and, where risk assessment levels are found to differ, establish separate categories of VET providers for the purposes of administering the student visa regime;
- (d) DIMIA's review of its risk assessment methodology be expedited; and
- (e) DIMIA establish basic customer service protocols for overseas staff handling visa applications

(x) Ensuring that Visa Fees and Other Charges are Competitive

TDA urges that the recent increase in fees and charges be reviewed and that action be taken to ensure that Australian visa fees and provider registration charges are not out of line with those charged by our international competitors.

APPENDIX

**PERFORMANCE OF PUBLIC SECTOR VET
INSTITUTIONS COMPARED WITH PRIVATE SECTOR
INSTITUTIONS BY STATE, NOVEMBER 2002 TO JUNE
2003**

State	Sector	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
ACT	Government	337	286	205	204	303	303	295	287
	Non-Government	130	128	109	72	117	117	119	94
	Total	467	414	314	276	420	420	414	381
NSW	Government	3436	3422	1894	1945	2867	2867	2879	2860
	Non-Government	13236	13251	12117	12549	13258	13258	13081	12974
	Total	16672	16673	14011	14494	16125	16125	15960	15834
NT	Government	24	20	14	16	22	22	23	22
	Non-Government	0	0	0	0	0	0	0	0
	Total	24	20	14	16	22	22	23	22
QLD	Government	945	957	606	733	1082	1082	1112	1096
	Non-Government	2597	2350	2018	1995	2547	2547	2484	2504
	Total	3542	3307	2624	2728	3629	3629	3596	3600
SA	Government	748	743	488	588	691	691	715	722
	Non-Government	388	351	329	258	304	304	307	303
	Total	1136	1094	817	846	995	995	1022	1025
TAS	Government	170	162	103	94	144	144	147	141
	Non-Government	14	11	6	6	8	8	8	9
	Total	184	173	109	100	152	152	155	150
VIC	Government	4747	4663	3149	3808	4514	4514	4390	4287
	Non-Government	3300	3216	2515	2539	3323	3323	3415	3393
	Total	8047	7879	5664	6347	7837	7837	7805	7680
WA	Government	886	839	435	865	945	945	911	914
	Non-Government	2607	2404	2149	1905	2692	2692	2612	2478
	Total	3493	3243	2584	2770	3637	3637	3523	3392
TOTALS		33565	32803	26137	27577	32817	32817	32498	32084

