

Attention - Mr. John Carter  
Committee Secretary  
Senate Standing Committee on Education,  
Employment and Workplace Relations  
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18<sup>th</sup> August 2008

Dear Mr. Carter,

I am pleased to present the submission from TAFE Directors Australia ("TDA") to the Senate Committee Inquiry into the Welfare of International Students.

TDA understands the Committee will be holding special interstate hearings, with visits to Melbourne (1<sup>st</sup> September, 2009), and Sydney (2<sup>nd</sup> September, 2009).

TDA would like to indicate that our Board Executive of TAFE Directors would welcome presenting evidence – our preference would be Melbourne, however Sydney would be available if necessary (AM if possible?).

We welcome your deliberations.

Yours sincerely,



**MARTIN RIORDAN**  
Chief Executive Officer  
TAFE Directors Australia



**Submission**

**TAFE Directors Australia**

**to**

**The Senate Committee on Education,  
Employment and Workplace Relations**

**Inquiry into Welfare of International Students**

August 2009

TAFE Directors Australia  
National Secretariat  
[www.tda.edu.au](http://www.tda.edu.au)

## Issues Impacting Education Quality

INTRODUCTION -- TAFE Directors Australia is the national peak association for Australia's 58 TAFE and technology institutes, including the five Australian dual sector university and TAFE institutions.

Our Institute members provide accredited qualifications and skills that are high quality, hands on, and industry relevant for over 1.67 million students per annum, including over 27,000 international students.<sup>1</sup>

MARKET – Official NCVET data confirms Australia's 58 TAFE Institutes deliver 78 per cent of accredited qualifications to domestic and permanent resident students in Australia (2008), enrolling students across campuses located in a broad geographic network of more than 1300 city CBD, suburban, regional and remote campus locations.

AEI DATA – The data shows that for international students, the TAFE Institutes are dominant with offshore delivering AQTF VET based qualification.<sup>2</sup>

INTERNATIONAL SURGE IN NUMBERS -- Yet in Australia, the dominant supplier of VET courses for international students onshore grew to be private colleges, particularly over the past five to 10 years, following the large number of immigration-tied courses promoted offshore. For example, student numbers in private colleges leapt from 5911 in 2005 to a staggering 26,667 in 2008, largely on the backdrop of promotions for permanent residency -- a growth rate of 60 per cent per annum. Federal, state and territory regulation did not require further detailed course qualification and completion data from private providers vis-à-vis public VET (TAFE).

STANDARDS -- These private college enrolment trends quickly impacted quality standards to Australian quality VET education<sup>3</sup>, and accordingly, industry expectations of skills, and public safety from skilled technicians were raised.

2008 EVIDENCE -- This trend of suspect quality was noted by the TDA Board Executive during its appearance in a hearing last year to the Senate Committee (Sept, 2008), in the case of conduct of Australian private colleges operating in China, which followed publication of Joint Recommendations from the TDA/Australian College of Educators National Forum on Engagement of Youth from Schools to Skills (Hobart, 2008). Later questions in evidence from DEEWR flagged that the ESOS Act was not applied to offshore delivery. This offshore reputation issue is separately noted, below.

REGULATORY FUNCTION -- Importantly, these quality issues were exasperated by flawed delivery of ESOS and Immigration legislation and related regulations, a key remit of Federal agencies – worsened by inadequate Federal liaison and management with governing VET States and Territory

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<sup>1</sup> National Center for Vocational Education Research (2007) Australian vocational education and training statistics: Students and courses

<sup>2</sup> [www.aei.gov.au](http://www.aei.gov.au)

<sup>3</sup> Reports to National Quality Council, 2007,2008

regulators. This failure caused Federal agencies to inadequately act to align student visas, and visas on temporary residence regulation, nor issuing and related controls on electronic-based student ceiling numbers which CRICOS registration of 'Registered Training Organisations' provide.

DISCREPANCIES -- TDA notes that in contrast to operating protocols governing (Federally-controlled) Higher Education Providers -- with specific regulatory risk management and self accreditation for Australia's 38 universities (eg Class A for universities, B and C for non-university providers) --- the nation's private component within the 4,500 VET registered training organisations (RTOs) were not segmented to provide clarity on government (TAFE) and non-government institutions, and instead were increasingly funded under Competition Policy to grow with course offers into (low-infrastructure/cost) training segments of the domestic training market, or in many cases almost exclusively cater to international students – without education qualifications required under their management. Even at peak body level, significant funding by Federal DEEWR (DEST) and allied statutory authorities and agencies was also extended to the private peak body ACPET, frequently at the expense of TAFE – sometimes at subtle levels such as conference sponsorships, and in addition, in reported contract assignments.

EXPORT MARKET DEVELOPMENT GRANTS -- In some cases, private college's extensive financing of offshore "education" promotions were further supported, as they were found to be eligible under Austrade's Export Market Development Grant scheme.

AEI '*STUDY IN AUSTRALIA*' MARKETING – Current marketing of the Australia education brand provides for little differentiation, especially segmenting financially secure A-level quality providers. The Bradley Review of Higher Education recommended changed functions for the Australian Education International agency, operating within DEEWR. And as noted above, the OECD VET Benchmark Mission to Australia, recommended improved transparency across Australian providers.<sup>4</sup>

MIXED MESSAGES, EG CHINA MARKET -- The current international study crisis is a timely reminder, that beyond potential for separating the regulatory and marketing components of AEI, more sophisticated and transparent marketing should be an Australian Government priority for advertising and related services offshore. For example, during the previous five years, AEI applied a policy of insisting to TDA, and its TAFE Institutes members, that any promotion offshore supported and/or funded by AEI, concurrently is mixed with private college promotion. This included any travel expense funding to TAFE be matched with travel support to private colleges, or the peak body representative.

In the China market in particular, where Australia's TAFE Institutes have under an MoU an extended cooperation agreement with the China CEAIE (MOE-endorsed exchange agency for schools, skills and universities) seeking relationships with its corresponding TAFE (IE, public VET in Australia), education conferences have been significantly confused by this policy, especially with questions raised about the Australian Governments' apparent endorsing of private colleges, and questions on quality which China MOE itself ultimately applied restrictions on Australian VET collaboration license agreements with its polytechnics, pending clarification on such quality offshore AQTF standards.

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<sup>4</sup> OECD VET Benchmark Report on Australia, Nov 2008. [www.oecd.org](http://www.oecd.org)

PPP FUNDING 2008-09 -- This private college 'level playing field' support was more recently (2008-09) further boosted by private colleges dominating online DEEWR tender applications for Federal Productivity Places Programme funding.<sup>5</sup>

CULTURE -- TDA contends that in recent years until early 2009, Federal Education (DEST/DEEWR) actions left industry impressions/evidence that there was a "Culture of Indifference" to private college quality. In addition to the context of applied competition policy-based neutral public/private Federal funding, this significantly supported, and often self-funded many otherwise private college, several of which have subsequently failed - albeit in recently tightened immigration/economic conditions - leaving thousands of international students seeking return of fees, or seek transfer to alternate courses.

NQC -- Equally, TAFE Directors Australia concerns about functioning of the peak body, the National Quality Council, were put aside by Federal regulators.<sup>6</sup> These concerns by TDA were also communicated to the Minister.

REPUTATION -- This market imbalance has created wide implications to impact the welfare of international students, and this issue is a primary focus of TDA Recommendations to the Senate Inquiry.

NATIONAL REGULATOR – TDA contends that these actions have tarnished the Australian VET quality brand, and highlighted credibility concerns about Australian HE and VET private college registrations.

TDA seeks support from the Senate Inquiry to direct stricter controls, overturn and if necessary fast-tracking the Bradley Review/Skills Australia proposals for respective HE and VET national regulators of registration, with the purpose to deliver improved transparency in regulation and more accountable funding across Australian post-school education.

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<sup>5</sup> [www.deewr.gov.au](http://www.deewr.gov.au), and tender data revealed in *Campus Review* articles, 2009.

<sup>6</sup> TDA is a member of the NQC

## TDA Recommendations to Senate Inquiry Terms of Reference

### **TERMS OF REFERENCE**

*(a) the roles and responsibilities of education providers, migration and education agents, state and federal governments, and relevant departments and embassies, in ensuring the quality and adequacy in information, advice, service delivery and support, with particular reference to:*

*(i) student safety,*

*(ii) adequate and affordable accommodation,*

*(iii) social inclusion,*

*(iv) student visa requirements,*

*(v) adequate international student supports and advocacy,*

*(vi) employment rights and protections from exploitation, and*

*(vii) appropriate pathways to permanency;*

### **TDA COMMENTS:**

The National Board of TAFE Directors Australia released an ***International Student Communiqué*** (see **Attachment A**), dealing with relevant issues of student safety, student affordable accommodation, and issues of market “RTO” quality.

The Bradley Review of Higher Education recommended a ‘One Tertiary’ sector for higher and vocational education in Australia, especially given the international reputation issues at stake in Australian education.

The Bradley Review also recommended Commonwealth, State and Territory governments seek to negotiate greater synergies between jurisdictions, in particular to seek better student outcomes and course accreditation.

Federal Budget 2009 committed to implementing substantial components of the Bradley Review, with funding allocations.

The OECD Benchmark Review of VET in Australia (Nov, 2008) described poor transparency of providers across VET in Australia, and called for greater clarity for students/consumers.

### **RECOMMENDATIONS**

- 1. TDA recommends implementation of a National Register of Australian Higher Education, and VET providers**
- 2. TDA advocates that these remain urgent issues under existing federal inquiries, in the context of progressing a transparent, quality ‘One Tertiary’ sector, and under a single national regulatory body.**

3. That the revised ESOS Act “re-registration” requirements of providers be based on a ‘risk management’ approach, to focus on high risk colleges.
4. TDA recommends application of the principles of the existing *Higher Education Protocols*, into VET’s 4,500 RTO community, to gain greater student and agent transparency of providers, quality, institute/college course scope and capability, services, accommodation and related issues. This would create a greater capacity to specify quality standards, and transparency for parents and students seeking courses.
5. TDA recommends that a further student safety initiative could include the Education Investment Fund be further supported (proposed for Federal Budget 2010), to fast-track more student on-campus housing.

*(b) the identification of quality benchmarks and controls for service, advice and support for international students studying at an Australian education institution;*

#### **TDA RECOMMENDATION**

6. Pending acceptance of the HEP protocols for VET (see above), the revised ESOS Act amendments require a protocol for agents of Australian RTOs, which includes declaration in advertising of this (proposed) ranking or classification of RTOs being promoted.

*(c) any other related matters.*

The ESOS Fund is reportedly in deficit, because of the extensive claims following the spate of collapses of many private colleges in Australia.

The financial impact of this ESOS Fund crisis has extended to potential costs affecting public providers. TAFE Institutes are required to be covered by Tuition Assurance for FEE HELP loans to students offered by registered providers. TDA administers one of two Tuition Assurance Schemes operating under DEEWR regulation, however Australian insurers have signaled that continued insurance, or at least costs, will be impacted because of this private college / student claims crisis. Insurance to non-TAFE colleges is also currently under review.

#### **TDA RECOMMENDATION**

7. TDA recommends the current administration contracts for management of the ESOS Fund should be reviewed, and put up for new tender.
8. Further, TDA or approved consortia of Australian TAFE Institutes with international experience, be contracted to oversee an industry-led fund to ensure better student services and assurance in the case of private college collapses, to apply for students across TAFE and non-TAFE institutions. This measure may substantially reduce the cost to taxpayers, which otherwise may be required for ‘top up’ funds to support the depleted ESOS Fund.



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## **Media Release**

**Thursday 2<sup>nd</sup> July 2009**

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### **Communiqué**

#### **Strengthening an Australian culture of support for International Students** *Accommodation Infrastructure Special Focus*

Australia's major public vocational provider, the 58 TAFE Institutes, today welcomed COAG's *International Student Strategy*, and outlined recommendations that Federal, State and Territory agencies respond with a series of measures to strengthen the quality of student experience whilst they are studying in Australia.

The six-point plan includes:

- 1) **NATIONAL REGISTER TO COMMUNICATE QUALITY PROVIDERS** – Governments establish a National Register - designed to distinguish Australian Providers with their range of student services, quality course offerings, and campus experience.
- 2) **VISA PROCESSING** – Overhaul of the current Immigration Visa processes, to support overseas Australian Missions to be resourced to better identify quality providers for international students.
- 3) **STUDENT HOUSING FOCUS WITHIN EDUCATION INVESTMENT FUND & INFRASTRUCTURE AUSTRALIA** – Extend the \$11B Education Investment Fund, *and* Infrastructure Australia, to drive a radical lift in new student housing, to better guarantee safety for international students
- 4) **TRAVEL CONCESSIONS** -- Extend travel concessions from domestic to international students across all States and Territories, to improve travel safety for students
- 5) **PROFESSIONAL DEVELOPMENT** – More productive partnerships with professional development for law enforcement and immigration and education delivery providers, focused on the environment and impact of violence and exposure of domestic living in Australia for students

- 6) **AGENCY & TASKFORCE COMPOSITION** – Numerous taskforces and agencies have been established on international students, yet in some cases education delivery providers have little or no part to their membership.

TAFE Directors Australia will seek to be part of COAG consultation, on the operations roll-out of the *COAG International Student Strategy*.

TAFE Directors Australia is the peak body representing Australia's 58 TAFE Institutes, and dual sector universities of technology.

*For further information – contact CEO, Martin Riordan*