



Australian Government

Strategic Review
of the
Student Visa Program

2011

Discussion Paper

The Minister for Immigration and Citizenship and the Minister for Tertiary Education, Skills, Jobs and Workplace Relations have jointly appointed me to conduct an independent strategic Review of Australia's student visa program.

This is the first independent Review of the student visa program.

My terms of reference ask that I look at how the student visa program can best support Australia's international education sector while at the same time preserving the integrity of Australia's migration program.

In late January 2011 I began an extensive range of consultations with key stakeholders including Governments, education peak bodies, industry groups, unions, students and education providers. In the next few months I will continue to meet with a variety of stakeholders, both in Australia and in some of our main education partner countries.

Unfortunately it will not be possible to meet with everyone who would like to do so. While many of the stakeholders I have already met would like some changes; they have also stressed that they want things to be resolved quickly. In order to complete the Review expeditiously (by mid 2011) I will have to rely on a mixture of 'face to face' discussions and written submissions. Therefore I want to encourage all interested parties to make written submissions to make sure that your views are taken into account.

This discussion paper is a brief overview of some of the issues which have emerged from my first round of consultations. It is not meant to be a detailed discussion of all of the issues in this very complex area. Nor is it intended to foreshadow the recommendations of my final report. It is simply an outline of some of the issues already drawn to my attention which the Review needs to consider. And it poses them as a series of questions.

Submissions which address the issues raised in this discussion paper will be particularly helpful. However, the issues canvassed here are not the only ones to be considered. The only limits on submissions are that they must fall within the terms of reference.

This discussion paper is deliberately brief. It is meant to stimulate discussion not pre-empt it. Please feel free to contribute your thoughts on any issue you feel is important which falls within my terms of reference.

Michael Knight



Submissions Invited for Student Visa Review

On the 3 February 2011, the Hon Michael Knight AO issued a call for submissions to the Review of the student visa program.

Submissions addressing the terms of reference can be made up to and including **15 April 2011**, when the period for accepting submissions will close. Submissions that do not address the terms of reference are unable to be considered as part of the Review.

Information on how to make a submission can be found on the departmental website.
www.immi.gov.au/students/student-submissions/

Terms of Reference: Strategic Review of the Student Visa Program

With a view to enhancing the quality, integrity and competitiveness of the international education sector, as well strengthening the integrity of the Student visa program, the Review will examine and make recommendations on:

1. An effective partnership framework that considers the respective roles and responsibilities of key stakeholders, including education providers, the Department of Immigration and Citizenship (DIAC), the Department of Education, Employment and Workplace Relations, and state and territory education departments.
2. The appropriateness of existing threshold requirements for Student visa applicants including English language proficiency, financial capacity and educational qualifications.
3. Approaches to more effectively gauge and manage immigration risk in the Student visa caseload, including considering the suitability of the Assessment Level model.
4. Approaches, including compliance measures, to prevent misuse of the program and deter breaches of visa conditions.
5. The suitability of separate visas for Schools, Vocational Education and Training (VET), Higher Education, Postgraduate Research, AusAid or Defence, Non-award and Student Guardians.

Key considerations

The Review will take into account:

- student visa programs in comparable countries
- relevant reviews and inquiries
- global trends in the international education market
- the objectives of Australia's demand-driven Skilled Migration program
- best practice data management, exchange and analysis, with regard to privacy principles.

1. Context of the Review

International students are important to Australia's future. These students make a significant contribution to the Australian economy. They pay fees to Australian education institutions and spend money on accommodation and other living costs. They also add to our tourism sector when they travel within Australia, as do their families. All of these activities generate more jobs for Australians. While there are differences of opinion over the exact size of the economic benefit, no-one disputes that it is substantial. Many argue that after coal and iron ore, international education is Australia's third biggest export industry.

International students also create valuable people to people links with their home countries – links that endure for lifetimes. This leads to a better understanding of Australia internationally. Over time it can also facilitate long friendships, trade and investment opportunities.

The Growth in International Student Numbers

Australia has been providing education services to international students in a significant way for over 60 years. The Colombo Plan enabled thousands of students from Asia to study at tertiary institutions in Australia. Since that time international students have pursued study in Australia on scholarship programs run by Australian and foreign Governments. They have also been supported by the private sector and philanthropic organisations. In recent years many international students and their own families have funded their studies in Australia.

In the past ten years there has been significant growth in the number of students coming to Australia. See Charts 1 and 2 below. The challenge faced by the student visa program is how to manage this demand for student places successfully both for Australia and the students concerned. A full statistical package on the student visa program is available on the departmental website.

See: www.immi.gov.au/media/statistics/study/_pdf/student-visa-report-to-31-12-2010.pdf

The larger challenge for providers and the community involves effectively responding to the pressures placed on infrastructure, such as available accommodation, by these increased numbers.

Chart 1: International students in Australia, 2002 to 2010*

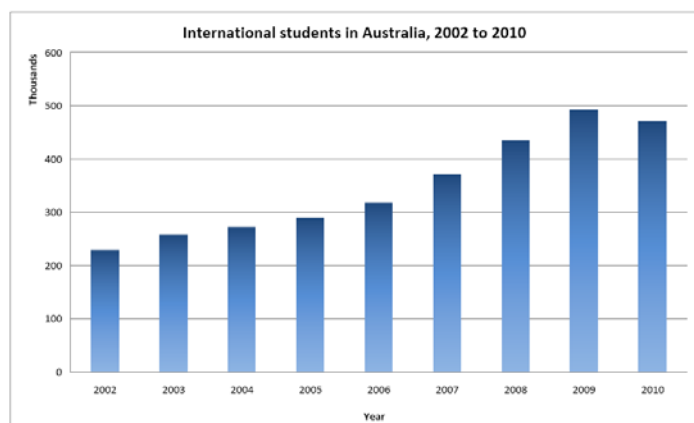
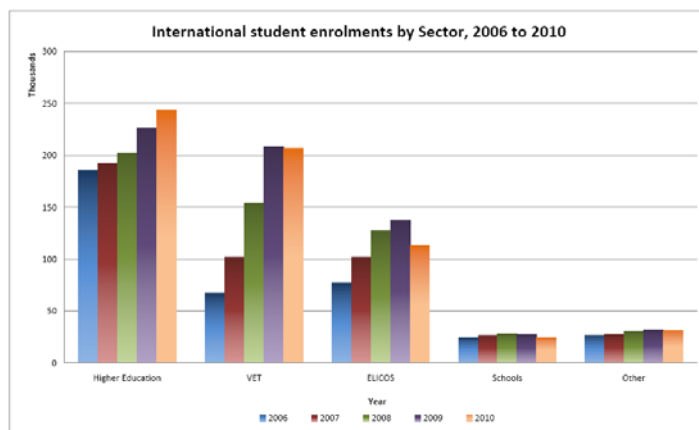


Chart 2: International student enrolments by Sector, 2006 to 2010*



*Source: AEI International Student Data at: www.aei.gov.au/AEI/Statistics/Default.htm

Genuine Students

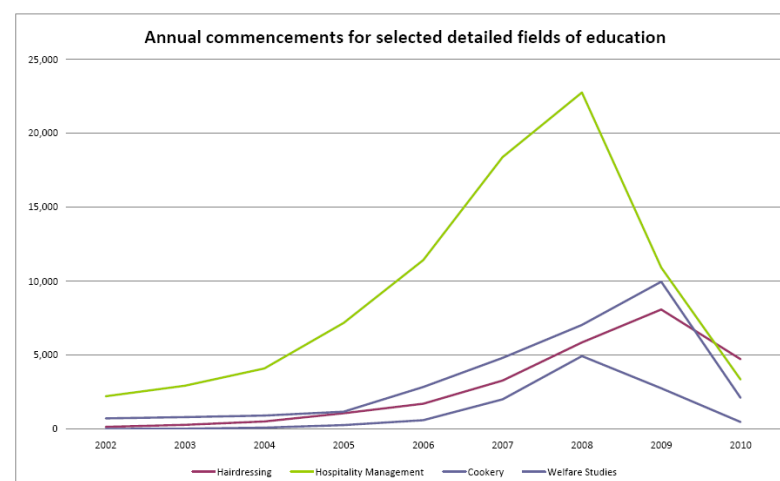
Genuine students help build Australia's future.

For Australian student visa purposes a genuine student is someone who intends to travel to Australia on a temporary basis for the purpose of studying full-time to complete a registered course at an Australian education provider.

In the past the majority of international students seeking permanent residence have applied under the skilled migration program. This program exists to benefit Australia by meeting Australia's labour market needs. Where students meet the requirements for skilled migration, they are eligible to apply for skilled migration. The proportion of the skilled migration program consisting of former students has been relatively constant over recent years. For example, over the past five years former students have made up between six and nine per cent of the family stream and between 14 and 22 per cent of the skill stream.

Unfortunately some of the recent growth in international student numbers included people on student visas who were not genuine students. Some students came to Australia to undertake an education in order to gain permanent residence without any intention of undertaking employment related to their course of study. The students' motivations are understandable – they wanted to migrate to Australia. But this distorted both the international education sector and Australia's migration program.

Chart 3: Annual commencements for selected detailed fields of education*



Regrettably this expansion of non-genuine student numbers was facilitated by some agents and institutions whose business practices were highly dubious, sometimes illegal. In 2010 the Government made changes to skilled migration requirements, which effectively severed the nexus between studying certain courses and an almost guaranteed path to permanent residence. This led to a dramatic reduction in the numbers of non-genuine students commencing studies in certain courses (see Chart 3 above). However some stakeholders argue that other changes the Government made in 2010 also had the effect of inhibiting genuine students.

*Source: AEI International Student Data at: www.aei.gov.au/AEI/Statistics/Default.htm

Migration Risk

In assessing student visa applications, DIAC officers have regard to migration risk. Measures such as English language ability and financial capacity are often used to evaluate the student's intention to return to their home country after undertaking a course of study.

Migration risk is measured for all visa applicants and involves health and character checks and a judgement about the applicant's motivation to abide by visa conditions including departing Australia on or before the expiry of their visa. For students, this latter criterion is the perceived willingness to study and return to their home country upon completion of study.

The ability of the student to undertake the course of study and be able to support themselves, including the payment of fees, for the duration of their course are all indicators of genuineness. DIAC officers have regard to a range of measures for assessing financial risk. These increase in complexity with the risk of non-genuineness (as measured by the Assessment Level relevant to the applicant). English proficiency requirements can also act to mitigate risk.

It could be argued that these conditions should more properly be measured by the organisations enrolling the students rather than by DIAC officers. However, in the absence of other methods, DIAC officers' assessment of student intentions is currently regarded as a useful measure of genuineness.

Regulation of Providers

The rapid rise in international student numbers presented great challenges to DIAC officers, educational providers and regulators. A number of systems were strained. Ideally things could have been better. But it is usually the case that systemic changes tend to lag behind unprecedented growth in most human activities.

Unsurprisingly discussions with regulators, providers and other stakeholders including students, suggest that not all education providers are the same. They vary in their financial viability, the quality of the education they provide, the support they offer students and their compliance with regulations under the *Education Services for Overseas Students Act 2000* (ESOS Act) and the *Migration Act 1958*.

There now appears to be widespread agreement among a variety of stakeholders that some providers, and their agents, did manipulate the system primarily for migration outcomes rather than educational outcomes. The regulators initially struggled to keep pace with this unanticipated development.

Last year the Australian Government required that all providers of international education services to overseas students submit to re-registration in an effort to ensure that only bona fide providers remained in the sector. All education providers, registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS), were required to re-register by 31 December 2010. The re-registration process included two new criteria - that providers have the principal purpose of providing education, and that they also clearly demonstrate the capacity to provide education of a satisfactory standard.

This had a mixed reaction from providers. At one level many high quality providers were supportive of efforts to remove those who were damaging the brand of international education. But at another level many of those high quality providers resented the time and cost of applying for their own re-registration.

The greater the level of confidence stakeholders can have in the education regulatory system the easier it will be to conclude that students being admitted to courses are genuine students for visa purposes.

Australian and State governments have taken several steps to improve regulation over the past 18 months. 2011 will see the establishment of the Tertiary Education Quality and Standards Agency (TEQSA) and the National VET Regulator which will have jurisdiction over registered higher education and VET providers in relation to international students.

2010 saw the Hon Bruce Baird's Review of the Education Services for Overseas Students (ESOS) regulatory framework. The Baird Review highlighted, among other things, the need for strengthened standards governing registration of providers and better methods of assessing the risks associated with applicants for entry.

The Australian Government's response to the Baird Review is being progressively implemented through changes to the ESOS Act, the ESOS Regulations and the National Code. The first round of legislative changes was introduced to Parliament on 27 October 2010 and includes:

- strengthening the registration requirements for providers
- introducing a consistent approach to risk management
- limiting the period of registration
- placing conditions on registration
- introducing financial penalties for non-compliant behaviour
- publishing targets and regular reporting on regulatory activities
- expanding the role of the Commonwealth Ombudsman for external complaints relating to private providers.

The Minister for Tertiary Education, Skills, Jobs and Workplace Relations subsequently invited submissions on the consultation paper *Reforming ESOS: Consultations to build a stronger, simpler, smarter framework for international education in Australia*. Submissions have now closed and the Government is preparing the second phase of its response to the Baird Review.

The 'Perfect Storm'

There is no doubt that many international education sector stakeholders are experiencing serious problems. Many describe their situation as facing the perfect storm. They speak of the strength of the Australian dollar, the rapidity and magnitude of changes to migration and student visa policy settings, the damage to Australia's reputation flowing from some physical attacks on international students, bad publicity from provider closures, the effects of the Global Financial Crisis, and increased competition from international education providers in other countries.

The Australian dollar appreciated strongly during 2009 and 2010. Some examples of how dramatically the Australian dollar increased its value against other currencies in the two years from 1 January 2009 until 31 December 2010 are:

- up 47% in relation to the US Dollar
- up 41% in relation to the Chinese Yuan
- up 34% in relation to the Indian Rupee.

During the same period the Australian Government made substantial changes to migration and student visa arrangements. These changes include:

- stronger student visa integrity checks from August 2009
- increasing the annual living expense amounts prospective students must prove access to from \$12,000 to \$18,000 from 1 January 2010
- revoking the Migration Occupations in Demand List (MODL) from 8 February 2010
- introducing a new Skills Occupations List (SOL) from 1 July 2010
- announcing a new General Skilled Migration (GSM) Points test to apply from 1 July 2011.

In the last two years a significant number of providers, primarily in the VET sector, closed with little or no warning. 16 providers closed in 2009 displacing 5,795 international students. A further 5,891 students were displaced in 2010 when another 33 providers closed. In some cases the same students were displaced more than once

While Australia's tuition assurance protection arrangements assisted those students into places with other education providers, the closures resulted in negative publicity internationally. This did not enhance Australia's reputation as a secure and stable educational environment.

Similarly, the widely publicised violent attacks on some students, particularly Indian students, undermined Australia's well-deserved reputation as a safe place for international students to study.

And all this has happened at a time when Australia's traditional competitor countries are becoming more active. While the evidence is essentially anecdotal, it is apparent that the USA, Canada and New Zealand are focused on attracting international students. At the same time countries such as Malaysia and Singapore, which traditionally have sent international students to Australia, are themselves seeking to become regional international education hubs. Singapore for example has a target of recruiting 150,000 international students by 2015.

The problems the international education sector face are genuine and serious. And while there are several matters that the Australian Government can do little to resolve – like the economic situation in source countries – these factors do have a cumulative impact. They cannot be viewed in isolation.

So too, any projected changes in the student visa system cannot be treated in isolation. They potentially affect areas as diverse as educational quality, economic activity, border protection, Australia's international reputation and community perceptions.

Interdependence and co-operation

At the Government level the situation is complex. Within the Australian Government there are multiple stakeholders with an interest in the nature of any changes. Then there are the State and Territory Governments which also have legitimate interests and an important role to play. Co-operation between all of these entities, and between them and the education providers, must be at the core of any revamped system if it is to be effective.

In October 2010 Commonwealth, State and Territory Governments, through the Council of Australian Governments (COAG), released the *International Students Strategy for Australia 2010-2014*. The strategy's purpose is to support a high-quality experience for international students, in order to ensure a sustainable future for quality international education in Australia. Governments and the international education sector have agreed on 12 initiatives to help meet this objective, covering student wellbeing, quality of education, consumer protection and better information.

The more effectively each component of the system works with the others the greater the likelihood that a regulatory system might be devised that simplifies procedures. Significantly, the two Australian Government ministers with the 'biggest stakes' – Education and Immigration – decided to jointly commission this Review which embodies their commitment to a co-operative approach. This reflects a determination by the Australia Government to support an international education sector providing quality and competitive education underpinned by a secure visa system.

Even within Immigration, the system is inherently complex. It is tempting for other stakeholders to see it as simply a series of discrete components – especially any bits that they don't like - but the parts are interdependent. A change in one component will inevitably have flow on impacts in other components of the wider visa and migration system. This is not to say that changes cannot be made, or even that they don't need to be made. But they cannot be made in isolation and the flow on effects and unintended consequences need to be carefully considered.

The latest changes prior to the Review

At the same time as announcing the establishment of this Review of the Student Visa Program on 16 December 2010, Ministers Bowen and Evans also announced a number of visa related initiatives including:

- Reducing the Student visa assessment levels from April 2011 as indicated in the recent assessment level review conducted by DIAC. As part of this decision, the higher education visa assessment levels for applicants from China and India will be reduced from Assessment Level 4 to Assessment Level 3.
- Refining policy to further enable pre-paid boarding fees to be counted toward students' cost of living requirements in their visa application.
- Improved information exchange between the Government and the international education sector, including provision of a quarterly statistical publication on the Student visa program to allow the sector to track emerging student visa trends.
See: www.immi.gov.au/media/statistics/study/_pdf/student-visa-report-to-31-12-2010.pdf
- Enabling assessment level 4 VET students to undertake a package of certificate level courses to meet visa requirements.

2. Some issues on which discussion would be welcomed

The issues outlined in this section are not meant to be exhaustive. They are matters raised with the Review during initial consultations. The Review would welcome stakeholder comments on them and any other issues that fall within the Review's terms of reference. Almost any change gives rise to benefits and costs and the Review would therefore particularly welcome discussion of the costs and benefits of any changes proposed. Furthermore the Review would value an indication of the relative priority accorded to individual changes by those making submissions, that is, what matters most?

Can migration risk be measured and managed more effectively?

How can providers be differentiated for migration risk?

What are fair and objective measures to calculate provider risk?

Will differentiating providers enhance the integrity of the student visa program and the competitiveness of the international education sector?

The current student visa system consists of eight visa subclasses based on education sector plus a student guardian visa. The system manages risk by measuring immigration compliance performance of student visa holders by nationality against individual education sectors.

Such a system assumes that the risk of every student of the same nationality is similar. Anecdotal evidence suggests that high risk caseloads can develop in geographically compact areas of a country while other parts of the same country might be a lower risk.

Such a system also assumes that every provider within an education sector has similar risk attributes. Once again anecdotal evidence suggests that some institutions invest much greater effort in determining the academic suitability of the students to which they issue Confirmations of Enrolment or Letters of Offer.

One possible option would be to move to a system where the education providers are distinguished by migration risk. This would inevitably place more responsibility on both the provider and the regulator. It also might lead to increased costs for providers.

However, it has the potential to lead to faster and more certain visa outcomes for students attending approved courses at education providers ranked as low risk. Of course if a provider ranked as low risk subsequently had a series of poor outcomes then it would shift to a higher risk category.

If it were possible to treat differently the providers who more effectively assess their potential students this might enable DIAC to target more resources to assess applications for providers whose student load represents a higher level of risk.

Does the existing Assessment Level system effectively manage migration risk?

Are there too many risk levels?

Are there too many visa subclasses?

What would effective consultation and sufficient notification look like?

Reviews of Assessment Levels generally take place annually with changes notified some months in advance of implementation.

There are currently five different migration risk levels although in practice only four are used. Are all five levels useful or would a more compact system - say three levels -adequately represent the risk levels for international students? If risk levels were to be simplified within the current framework some nationalities may end up with a less restrictive regime. However others might not.

The use of visa subclasses for each education sector suggests that each sector has a discrete risk level. Is that so or would there be benefit in having fewer subclasses?

Assessment Levels

Assessment Levels range from Assessment Level 1 (low risk) to Assessment Level 5 (extreme risk) and dictate the amount of evidence needed to support an applicant's claim that they genuinely intend to study in Australia.

Student Visa Subclasses

Subclass 570 - ELICOS
Subclass 571 - Schools
Subclass 572 - VET
Subclass 573 – Higher Education
Subclass 574 – Postgraduate Research
Subclass 575 - Non award
Subclass 576 - Schools
Subclass 580 - Student Guardian

Should DIAC officers have more discretion when assessing student visa applications?

Student visa applicants must meet objective legal requirements to be granted a student visa. These include demonstrating or declaring a specified amount of money. Even if a student has otherwise demonstrated a genuine intention to study in Australia and appears to have a very low migration risk, if they do not meet these objective requirements there is no discretion for a DIAC officer to grant them a student visa.

For those student visa applicants who meet the objective requirements, but have otherwise demonstrated that they are not a genuine student, the DIAC officer has the discretion to refuse.

Objective visa requirements allow students to self-assess whether they would be granted a student visa. Such requirements should provide consistency in decision-making and transparency in the process as a whole. However, a number of genuine students are unable to meet the student visa criteria without a lot of time and effort, for example in re-arranging their finances, or sometimes even by resorting to fraud.

The introduction of greater discretion into the visa system would allow these genuine students an increased opportunity of being granted a student visa. However, the introduction of greater discretion through more subjective visa requirements could result in inconsistency in visa outcomes, a loss of transparency and greater use of review mechanisms.

Many stakeholders have favourably compared the time taken to obtain a student visa for the United States with that for Australia. Two factors which work in favour of the US system is the greater discretion given to migration officers and the comparatively more difficult process for an unsuccessful applicant to have the decision reviewed.

Greater discretion for DIAC officers would almost certainly speed up decision making. It should lead to some genuine students being admitted who might otherwise be excluded by a rigid set of rules. But it would most likely lead to a higher rejection rate. What is the right balance?

Are Australia's processing times for student visas too long?

Australia publishes service standards for visa processing times depending on the type of lodgement, locations and Assessment Levels.

Many of the education providers, or their peak body representatives, who have spoken to the Review so far have argued that it takes too long to get a student visa approved for Australia. They often state that the approval times are considerably quicker for our major competitors.

This issue cannot be considered in isolation from the questions involving the appropriate level of discretion and how to assess risk. It is relatively straightforward to accept that

many providers are concerned about the length of time it takes to issue some student visas and that this is a problem for them. What is less straightforward is how to create the best mechanisms for improving visa processing times while still preserving the integrity, transparency and natural justice of the current system. Any submissions which address those issues would be especially welcome.

Australia has published service standards for visa processing times depending on the type of lodgement, locations and Assessment Levels. The processing time for high risk cases is generally longer than that of the USA and the UK. For lower risk cases, the time is comparable, indeed for Assessment Level 1 applicants who lodge electronically a decision is generally made within 24 to 48 hours.

For example, an applicant for an Australian higher education visa applying from India has a visa processing service standard of 12 weeks. An applicant for a US visa in New Delhi may have a 3 day wait for an interview and then a 2 day wait for the outcome of their application. Please refer to information on the U.S. Department of State website.

See: http://travel.state.gov/visa/temp/wait/wait_4788.html?post=New+Delhi&x=77&y=17

In December 2010 the UK office in New Delhi processed 82 per cent of student visas in 15 days and 90 per cent in 30 days. Please refer to information on the UK Border Agency website.

See: www.ukvisas.gov.uk/en/howtoapply/processingtimes

Is the visa application charge too high?

A number of providers and other stakeholders have also questioned the size of the application charge for a student visa. The Australian figure does seem relatively high compared to some of our competitors.

Comparative visa charges (in Australian dollars)	
Australia	\$550 (including any accompanying dependants)
New Zealand	\$60 online via education provider, \$160 lodged in NZ \$125 lodged in Pacific/Australia, \$165 lodged in rest of world
Canada	\$125 primary applicant and for each dependant
UK	Onshore (in person) \$1043 primary applicant, \$240 per dependant Onshore (by post) \$573 primary applicant, \$160 per dependant Offshore \$353 primary applicant, \$353 per dependant
USA	\$140 primary applicant and for each dependant

If the Australian Government decided to reduce the student visa application charge then it would almost certainly reduce the relative cost (unless of course the competitor countries reduce their charges proportionately). A reduction in the application charge would naturally also reduce revenue and whether this is viable in terms of the broader income and expenditure priorities will, in the end, be a matter for the Government to determine.

What is less clear however is whether or not a reduction in the visa application charge would have an impact on potential students' decisions over whether to choose Australia. Some people who have spoken to the Review argue that the relatively higher fee is 'just another

disincentive' and any reduction would have an impact. A contrary argument is that when a student has to make a decision that involves tens of thousands of dollars an adjustment of a few hundred dollars, however welcome, will not impact the decision about which country to study in.

Again, the Review welcomes submissions on what impact any change in the student visa application charge might have and what would be the appropriate magnitude of any change.

What is the right number of hours that students should be allowed to work?

Do the work restrictions make sense for higher degree by research students?

The right to work in Australia while on a student visa provides many benefits for international students. Like their domestic counterparts, they are able to earn money to help support themselves. In many cases they gain a better understanding of Australia through working with people other than their classmates and thus develop broader community networks.

Work Rights					
	Australia	Canada	New Zealand	UK	USA
Student	No work permit required. 20 hours during term time, unlimited in holidays.	Must apply for work rights. If granted can work 20 hours during term time, unlimited in holidays.	Must apply for work rights. If granted can work 20 hours during term time, unlimited in end of year break.	20 hours during term time for degree course students (10 hours for below degree courses). Unlimited in holidays.	20 hours per week, unlimited in vacations only after successfully completing one academic year.
Dependants	20 hours at all times. Except masters or doctoral degree student dependants who can work full time.	As above, for spouses only.	Dependants must apply for a visitor visa, which does not allow them to work.	Not available for dependants of students in below degree courses.	Not permitted.

Australia could be considered generous compared with competitor countries, particularly in terms of the number of hours students' dependants are allowed to work. Students are permitted to undertake a maximum of 20 hours per week during 'term time' and unlimited hours of work during official vacation periods. In practice higher education students can work for approximately three months full time over the long break at the end of each study year.

However not all work experiences are positive. Some international students have deliberately exceeded the prescribed number of hours and used their student visa as a 'backdoor' mechanism to gain full time work in Australia. Others have been taken

advantage of by unscrupulous employers, with under-award wages and poor occupational health and safety standards. Some international students have had the worst of both worlds. On the one hand they have been underpaid (in cash) to work for much more than 20 hours but for relatively small total incomes. Yet at the same time their employers secure compliance by threatening to report them for exceeding the 20 hour limit. Such practices both exploit the international students and potentially undermine the job opportunities and conditions of Australian residents.

What is the appropriate number of hours for a student to work? If they are working full time then they are not a genuine student. And if they are working too many hours (however that might be defined) then they are compromising their studies. Is the current 20 hour figure the right amount? Or should it be higher? Or lower? And what about family members accompanying the student? What work rights should they have?

It could be argued that the inclusion of accompanying dependants in the Australian visa charge encourages a greater number of dependants to accompany the student which may lead to greater work pressures.

The part-time work requirement is designed around students who undertake a predictable weekly course load. For example, in the case of university undergraduate students their study is usually organised into semesters separated by a long break. Higher degree by research - PhD and some Masters - students do not have this same sort of program. Even though they are generally older than most undergraduate university and VET students these higher degree students effectively have less work rights. Because they don't have the long break at the end of the year the total number of hours they can work each year is less than many undergraduate and VET students. Sometimes these higher degree students are offered blocks of work – for example a temporary tutorship when the usual tutor is ill. But if this exceeds 20 hours in any one week then they are in breach of the rules.

Should there be a different arrangement for higher degree by research students? Should they have an annual rather than a weekly figure? Or are they such a senior and valued group that they should have no formal restrictions? Or should they continue to have the same work hour rules as other students?

How should Assessment Levels be managed for students who enter to undertake a preliminary course prior to commencing their principal course?

Students may need to undertake preparatory courses in order to gain entry to a higher level course to which they may have been provisionally accepted. Prior to March 2010 students were required to meet the evidentiary requirements of their principal course regardless of what other courses were included in the package of study they were undertaking. Thus in many cases students who had a higher education course in a package including a vocational course were able to enter Australia under the Assessment Level applicable to higher education which was often lower than that applicable to vocational education.

When looking at the student caseload it is easy to find examples of people who have taken advantage of this arrangement. They applied for a visa for a higher education course packaged with a vocational course without any intention of commencing the higher education course and where they may not have been able to meet the evidentiary requirements applicable to the vocational course had it not been packaged.

The March 2010 reforms require that students meet the evidentiary requirements of the highest Assessment Level applicable to the package of courses they have selected but in the subclass of their principal course. Yet it is clearly the case that genuine students may wish to traverse other courses, including VET courses, before entering higher education. While the changes have reduced the opportunity for some to exploit the system, they have also made it harder for genuine students to obtain a visa for a package of courses. How can the integrity of the system be maintained to enable genuine students ease of passage while restricting the ability of non-genuine students seeking to gain an unfair advantage?

Do overseas students have sufficient opportunities to work in Australia after graduation?

What is the right length for a post-study work entitlement?

Many international students want to work in Australia for a period after completing their courses. Indeed in some cases it may be critical to work for a set period in order to gain professional accreditation. Work related to the area of study gives students a valuable start in the employment stakes, whether their intention is to continue to work in Australia, work in their home country, work internationally, or a combination of all three. A period of employment in Australia also increases the chances of an international student finding an employer to eventually sponsor them to obtain permanent residence status in Australia. Post education employment in Australia, with its higher wages than the home countries of most international students, assists the students to recoup some of the costs of their education. It is an opportunity to repay loans, help other family members who wish to study, or simply to get a return on their substantial investment of studying in Australia.

The ability to work in Australia after completing a course is very attractive for a prospective international student. Clearly it would be good for them and could be a good marketing tool

for their education providers. The longer the period of work allowed after completing a course then the more attractive it would be to students and education providers. But there are also labour market implications for such a system. Would extended work rights for graduating international students have a positive or negative effect on the Australian economy? Would it adversely affect the employment opportunities of Australian residents?

At the moment post study work opportunity is enabled through the Skilled - Graduate (subclass 485) visa. This allows international students who do not meet the criteria for a permanent skilled visa, to live and work in Australia for up to 18 months after graduation. This allows them to undertake a Professional Year, gain skilled work experience and improve their English language abilities. Some of these former students, with occupations on the Skilled Occupation List (SOL) subsequently qualify for a permanent skilled visa. Or they find an Australian employer to sponsor them on a Business (Long Stay) (subclass 457) visa.

A number of stakeholders have put the view that this period should be increased. A figure of three years is the most common suggestion. Is 18 months the right period? Should it be longer – say two or three years? If it is longer should that be a blanket rule or should it be different for different courses, for example two years for a two year course; three years for a three year course? Should it be restricted to employment in the field of study and, if so, how could that be enforced? To ensure the quality of applicants for a longer subclass 485 visa, should the criteria be more demanding than for the 18 month visa? For example should the extended visa be confined to higher education graduates and/or applicants with a high level of English language ability only? Or should it be available to all students?

As well as the labour market implications of any possible extension to post course employment there is another crucial issue to consider. What are the possible unintended consequences of increasing the period of employment allowed after graduation? Could it lead to an upsurge in courses marketed primarily for the work component rather than the educational component? Would such a system unintentionally increase the migration opportunities of international students? What ramifications would such a change have for Australia's migration program? The Review welcomes any submissions on the appropriate length of post education employment but is particularly interested in submissions which place this in a broader labour market and migration policy context.

Overseas students are currently required to demonstrate or declare that they have access to \$18,000 in funds to contribute towards living costs for every year of intended study in Australia. Does this put Australia at a competitive disadvantage?

International students need to find funds to cover tuition, travel and living costs. The level of funds that a student needs to demonstrate to meet the living cost requirement was increased by 50 per cent, from \$12,000 to \$18,000, on 1 January 2010. The \$12,000 level was set in 2001 and Australia had been criticised for maintaining the requirement at a level that no longer reflected the true cost of living for overseas students. The Senate Standing Committee on Education, Employment and Workplace Relations inquiry into the Welfare of International Students (November 2009) received a number of submissions suggesting that the \$12,000 level was out of date. DIAC decision makers must be satisfied that the applicant will have genuine access to the funds, rather than merely having them in their bank account for short term 'demonstration purposes'. (The level of proof required varies according to Assessment Level.)

Competitor nations require a significantly lower amount of cost of living funds.

Cost of living funds – amount and period required				
Australia	Canada	New Zealand	UK	USA
\$18,000 for each year of study for all students. Onus of proof varies according to assessment level eg Assessment Level 2 applicants need to prove they have funds for 12 months, Assessment Level 4 for 36 months.	\$10,210 for each year of study. Applicants must prove that they have funds for the duration of their stay in Canada.	\$7,700 per year. Must show proof of funds for total period of study (for courses longer than nine months).	\$11,767 per year (London). Must show proof of funds to cover 9 months only.	No absolute amount or period required but applicants may be asked to provide evidence of 'sufficient funds'.

The high Australian requirement has both welfare and compliance objectives. In terms of student welfare, the requirement seeks to ensure that students are able to enjoy a reasonable quality and standard of living in Australia. It is also linked to their part time work rights of 20 hours per week. Work rights are intended as a way to earn supplementary funds; international students should not be depending upon earning funds in Australia to support themselves.

Is the current living costs figure set at the correct level to meet this range of objectives? Does this hurt Australia's international competitiveness? Is the annual figure the right one but should it only be demonstrated or declared for a shorter period, say one year?

An alternative approach would be to remove the Government altogether from the assessment of a student's funds: to shift this responsibility and associated risk to the education provider or to the students themselves. In moving in this direction consideration needs to be given as to whether this would provide an incentive to students to work in poorly paid jobs, live in insecure environments, and damage the credibility of Australian providers.

Should the education providers be responsible for judging the capacity of prospective students to both pay their fees and support themselves while studying? Or should international students be given greater flexibility to judge their own cost of living requirements?

Are there any institutional barriers to increasing the inflow of high grade research students from overseas into Australia?

International higher degree by research students are enormously important to Australia. Despite a range of Government and industry measures to encourage home grown higher degree by research students, Australia itself simply does not produce sufficient candidates. Without international students our research sector would be much less vibrant and much less successful. It is very much in Australia's interests to encourage such students who are in great demand in all of our competitor countries. Australia needs to value, and be seen to value, international research students.

Recent changes in immigration regulations have sought to encourage the flow of these high grade students into Australia. For example, in March 2010 the Assessment Levels for all Postgraduate Research (subclass 574) visas were reduced to Assessment Level 1 and Assessment Level 2. This change reduced the level of evidence required in support of applications and made it easier for prospective students and their dependants to apply for visas.

Are the recent changes sufficient? What else can Australia do in terms of the student visa program to help facilitate the arrival of higher degree by research international students?

Should there be a minimum standard for English language proficiency by students coming to Australia for English language training either independently or prior to commencing an award course?

Should there be a maximum period of English language study?

Currently students coming to Australia face a variety of requirements on the level of English language proficiency they must demonstrate. For example students undertaking stand alone English language training must satisfy the provider of their skills unless they are at Assessment Level 4. In the absence of other evidence Assessment Level 4 applicants need to show International English Language Testing System (IELTS) 5.0 proficiency. Some in the industry argue that this is a contradiction in terms - why is such a level of English proficiency required in order to learn English?

Students undertaking a higher education qualification must, in the absence of other evidence, meet IELTS 5.5 if the applicable Assessment Level is 3 or 4. Students undertaking VET qualifications need IELTS 5.0 at Assessment Level 4 if they are otherwise unable to demonstrate proficiency. Those students can undertake a maximum of 20 weeks English Language training. At Assessment Level 3 an IELTS 4.5 is required and a maximum course period of 30 weeks applies.

A number of education provider representatives, both in the ELICOS sector and other providers who are packaging courses with an ELICOS component, questioned the maximum period. Should students who are taking a package course which includes an ELICOS component be limited in how long they can spend in a course designed to improve their English language skills? What are the migration risks of students spending a long time in

just an English language course? Should the length that a student can spend in an ELICOS course be different if it is a package course rather than a stand-alone course?

Should there be a minimum age for international students seeking to undertake school education in Australia?

Does the current visa program effectively support changing patterns of demand by international students school based education?

Australia has a small but vibrant school-based program for international students. The students involved are immersed in Australian culture, the Australian educational context and an English-speaking environment at a relatively early age compared to higher education and VET students. As well as the obvious benefits to international students there are also significant benefits which accrue to local communities, domestic students and education providers through having international students in school classrooms.

Historically, students undertaking their secondary education in Australia have represented a minimal migration risk. Conventionally the pattern has been to study for the last two or three years of secondary school and then progress - after a separate visa application - to a higher education or VET course.

During initial consultations several people spoke about changing patterns of demand in the school sector. In particular, they spoke of a rising demand for a six or twelve month experience in an Australian school.

Are the current arrangements for school student visas the most appropriate ones? Do they need to be adjusted to take into account changing patterns?

Some people raised concerns about the young age at which some international students begin an education in Australia. While the traditional pattern has been for students to come in late secondary school, there are instances of much younger children coming to study in Australia. In terms of the duty of care and the best interests of the students themselves, should there be a minimum age limit of, say 15 or 16?

Do we need a better means of consultation and communication between key stakeholders?

Provision of international education is a multi-faceted enterprise with a wide range of stakeholders. Issues within the field tend to be long term, complex and interconnected. Timely, consistent and clear channels of communication and consultation between key players are therefore essential.

There are a range of meetings at various levels of Government, from COAG downwards, which deal wholly or in part with international education issues. At the bureaucratic level, the Government Industry Stakeholder Consultation (GISC) has until recently provided a mechanism for the Immigration and Education departments to liaise with education provider peak bodies.

There is, however, no regular forum which brings together all stakeholder representatives.

Would such a forum be useful to stakeholders, and if so, what key parameters (eg frequency, membership, terms of reference etc) would most enhance its effectiveness?

Alternatively, can existing consultation mechanisms be reformed to ensure that they meet the changing needs of all stakeholders?