

05/01/2015

Productivity Commission

Level 2, 15 Moore St

Canberra City ACT 2600

Dear Commissioner,

**RE: Submission on Review of International Education Services in Australia**

**Introduction**

ACIC welcomes the opportunity to make a submission on the Review of International Education Services in Australia.

ACIC is a world-class education consulting firm that specialises in Australian education. Established since 1988, ACIC has successfully helped more than 60,000 international students from over 40 countries to study in Australia.

ACIC appreciates the importance of the International Education Service as our core business. ACIC also supports the view that Australia should also appreciate the importance of the International Education Service sector as one of the most important pillars to the economy and the country.

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Serving as the link between international students and Australian education sector, ACIC has been in the frontline to witness the ups and downs of the International Education Service sector. Though some declines were caused by external factors like source country's economy and increased competitions from other destination countries, our policies do play a very important role to affect the sector. Therefore, it is important to optimize our policy to pass the right message, the welcome message, to international students, especially in current competitive global environment. ACIC suggests the Productivity Commission takes into consideration of the following recommendations:

### **Less policy changes and lenient transitional period**

It is understandable that the policies will be revised and updated to capture the new conditions. However, the frequency should be kept minimal and onshore international students who are affected by the policy changes should be given lenient transitional policy and period to adapt to new policies. Otherwise, onshore international students may feel unfair treatment or being cheated. One example is the introduction of post-study-work police on 5/11/2011. The policy, which is considered positive, only applies to international students, who applied and obtained the first student visas, on or after 5/11/2011. Such a condition caused unfairness to all international students, who had already been studying in Australia. An Australian graduated international high school student was disadvantaged without the post study work option, compared to a peer high school graduate in China, who both intend to commence Bachelor program in Australia in March 2012.

**Recommendation:** Future policy changes should give consideration to all onshore students. If the policy changes will effect onshore students, lenient transitional policy or period should apply to those students.

### **Attitude to international students**

ACIC believes that it is important to provide exceptional services to international students because they are our clients and our business grows on ‘word of mouth’ from happy clients. ACIC holds the same view that international students should be treated by Australia as our clients, who will serve as an ambassador for Australia after they have a wonderful experience in Australia.

One example of unreasonable policy is to restrict international students to change the education providers freely until completion of 6 months study of the principle course. It is understood that the rationale of policy is to prevent ‘not genuine students’ to switch to ‘cheap course’ once they arrive in Australia after initial visa grant. However, the specific requirement of completion of **6 calendar months** study of the **principle course** make it unreasonable to many genuine students.

Scenario 1: If a student enrolls a 3 years Bachelor degree at the University 1, commencing in February Semester 1 2015, but wants to change to the University 2, the student is almost impossible to change provider after 6 months. Because, for most universities, Semester 1 starts from February to June and semester 2 from July to December. If a student starts on 23 February semester 1 2015, he may change provider freely after 23/08/2015. It is impossible for him to do so because he will miss the census date to withdraw the course from current provider without incurring academic or financial penalty and he will also miss the deadline for semester 2 offer acceptance from the new provider. Therefore, though, theoretically, students could change provider freely after 6 months, in reality, students have to stay with provider for 1 year.

Scenario 2: If a student packages 10 weeks English course, plus a Certificate IV in Business, plus a Diploma in Business and an Advanced Diploma in Business, the principle course is the Advanced Diploma in Business. If the student wants to change to university after he completes the English course and the Cert IV and Diploma in Business (after 2 years), he still needs to get the approval from the current provider (a letter of release) because he has not completed 6 months study of the principle course.

It often happens that the current provider is reluctant to release the students due to nature of the loss of enrollment and future income. Thus, the policy is unreasonable and unfair to international students' right of free choice.

**Recommendation:** The providers should reserve the right of setting refund policies if the students change their mind. But international students should be allowed to change the providers freely after completion of ELICOS and **one term of academic study**, instead of completion of '6 calendar months' study of the 'principle course'.

### **Some unfavorable policy effects across different education sectors**

The enrollments of postgraduate coursework programs are affected by the following policies that have unintended consequences.

1. Migration policy changes that Australian Master degree will not have qualification bonus points for migration purpose;
2. PSW policy opens a door for Bachelor graduates to stay in Australia, without the necessity to continue to study Master degree in Australia;
3. Subsequent temporary visa fee applies to many Australian Bachelor graduates who may need to extend student visa in Australia for the 2<sup>nd</sup> time or more to study Master degree.

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**Recommendation:** If a student completes both Bachelor and Master Degrees (total duration not less than 3 years) in Australia, special recognition should be given by awarding additional qualification points for migration purpose.

### **Subsequent Temporary Application Charge**

ACIC does not think the current student visa charge as a barrier to offshore students. However, the introduction of Subsequent Temporary Application Charge does cause unfair treatment to many onshore students. For example, a student came to Australia on a High School visa 571 or a VET visa 572. If the student continues to study a Bachelor program and extends student visa in Australia, he will be on his 2<sup>nd</sup> student visa in Australia. If, unfortunately, he fails one subject in the last semester, he needs to pay additional AUD 700 on top of the VAC to only extend 6 months visa. If he completes the Bachelor degree and wants to commence a Masters degree, he needs to pay the AUD 700 again on top of the VAC to extend the student visa in Australia.

**Recommendation:** A cheaper VAC will work as one of the incentives to international students in the current competitive international education service market around the world. A cheaper VAC and no STAC should apply to students to extend visa for one semester or 6 months to continue and finish the remaining of the enrolled program. No STAC should apply to students to commence or continue a Degree program in Australia.

### **Summary**

In order to maintain the International Education Service sector as the pillar of our economy, it is important to have the consistent and united message of welcome to international students from the media, the education providers, the DIBP, the employers and the Australian people.

ACIC welcomes the review by the Productivity Commission, which sends a positive message to the relevant parties in the International Education Service sector and, most importantly, international students, that the government considers it important to have the right policies to navigate the International Education Service sector to the right direction. ACIC hopes that this submission assists the Productivity Commission with its effort in this direction.

Please do not hesitate to contact ACIC if you require any further information.