International Education Association of Australia

CAN GOVERNMENTS DELIVER THEIR HIGHER EDUCATION POLICIES WITHOUT THE PRIVATE SECTOR?

Recent Australian experiences

Introduction

- Focus - Australian PPP to international students
- Objective
- Good time to deplane this aircraft

Background (1)

Four pillars of Australia's "international education policy":

- Marketing and recruitment of international students
- Alignment between education and migration
- National and state QA regime
- Education Services for Overseas Students or ESOS Act

Number of private providers

Australian Council of Private Education and Training (ACPET)

covers HE, VET and ELICOS

In 2009, 1,093 member institutions of whom 660 (60%) rely on international students for part of their enrolment intake.

Council of Private Education (COPHE)

23 member institutions

English Australia (EA)

100 member institutions (some of which are public sector)

Models of private provider delivery

Full delivery

- in single or multiple sites (in one city or in multiple sites across Australia) or transnationally

or in a *private-public partnership*

- Articulation
- Franchising
- Managed Campus

Again, in single or multiple sites (in one city or in multiple sites across Australia) or transnationally

Diversity

- Private sector is large, diverse and complex in its own right
- Small mum and dad businesses to large corporate entities
- Variable in quality
- Numerous examples of high quality private providers - NAVITAS (good practice exemplar)
- Public private partnerships can assist in development education in 3rd countries (ECU-NAVITAS in Kenya and Zambia)

Private sector enrolments

INTERNATIONAL STUDENT ENROLMENTS: AUSTRALIA (2009) BY SECTOR AND PROVIDER TYPE

Sector	Public		Private		Total	
	No.	%	No.	%	No.	%
HE	195,435	96.1	7,889	3.9	203,324	100
VET	33,206	14.3	199,269	85.7	232,475	100
ELICOS	33,205	24.6	101,936	75.4	135,141	100
Schools	12,591	45.8	14,915	54.2	27,506	100
Other*	26,165	78.1	7,324	21.9	33,489	100
Total	300,602	47.6	331,333	52.4	631,935	100

*Non award, enabling courses

Source: Australian Education International

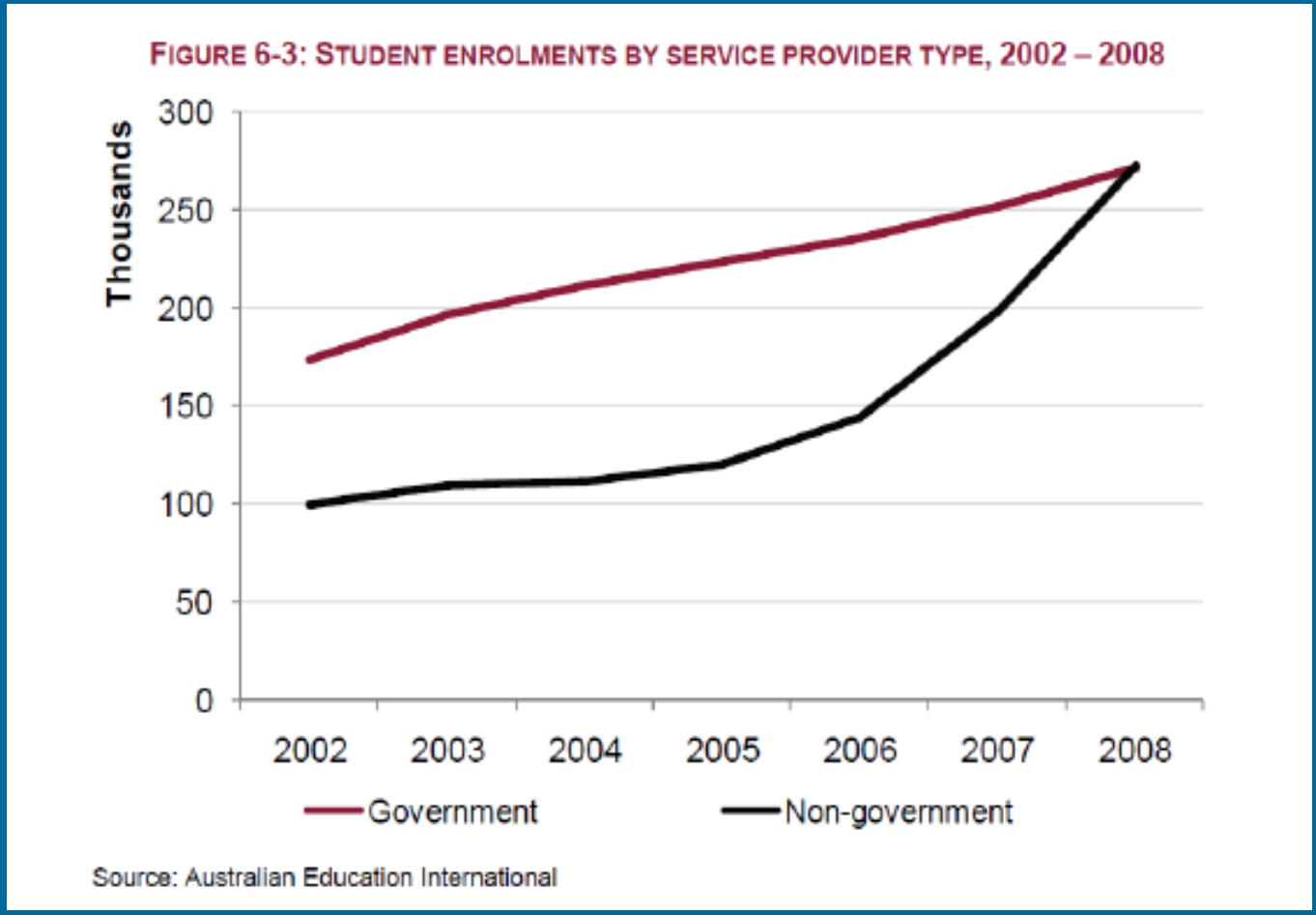
FIGURE 6-3: STUDENT ENROLMENTS BY SERVICE PROVIDER TYPE, 2002 – 2008
Thousands
300
250
200
150
100
50
0
2002
2003
2004
2005
2006
2007
2008
Government
Non-government
Source: Australian Education International

INTERNATIONAL STUDENT ENROLMENTS: AUSTRALIA (2002 – 2009)

Sector	2002	2003	2004	2005	2006	2007	2008	2009
HE	115,403	134,806	150,729	162,692	169,628	174,318	181,493	203,324
Private VET	38,982	42,586	44,163	50,028	64,475	96,484	146,671	199,269
TAFE	14,711	14,341	14,043	15,542	18,070	23,227	27,638	33,206
ELICOS	57,446	62,098	61,729	64,543	76,832	101,935	126,289	135,141
Schools	23,223	26,946	27,312	25,097	24,470	26,791	28,334	27,506
Other*	23,933	25,948	25,949	26,255	26,431	27,331	30,666	33,489
Total	273,698	306,725	323,925	344,157	379,906	450,086	541,091	631,935

*Non award, enabling courses

Source: Australian Education International

- HE enrolments have not quite doubled in the period
- Private VET enrolments have grown 500%
- Public VET enrolments have grown by 100%

INTERNATIONAL STUDENT ENROLMENTS %: AUSTRALIA (2002 – 2009)

Sector	2002	2003	2004	2005	2006	2007	2008	2009
HE	42%	44%	47%	47%	45%	39%	34%	32%
Private VET	14%	14%	14%	15%	17%	21%	27%	32%
TAFE	5%	5%	4%	5%	5%	5%	5%	5%
ELICOS	21%	20%	19%	19%	20%	23%	23%	21%
Schools	8%	9%	8%	7%	6%	6%	5%	4%
Other*	9%	8%	8%	8%	7%	6%	6%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%

*Non award, enabling courses

Source: Australian Education International

- Percentage of HE enrolments has dropped from the "natural" mid 40s range to low 30s
- Percentage of private VET enrolments has grown from a "natural" mid 10s range to low 30s, equalling that of HE
- Percentage of schools enrolments has halved
- All other sectors have been relatively stable over the period

REGULATORY FRAMEWORK

- Is the current regulatory framework for private providers adequate?
- When it comes to regulation it pays to be vigilant but also subtle
- Education Services for Overseas Students Act (ESOS) - world class consumer protection law operating for more than a decade

The problem

- From 2006 student visas were linked to migration in areas of designated skills shortage which included skills such as hairdressing, hospitality and cookery, beauty

- Perverse incentives led to perverse outcomes (the development of a rabid fringe)

- Proliferation of providers and growth of student numbers – non-traditional markets and students with new types of motivations

The problem cont.

- Failure to enforce ESOS led to system problems – poor quality provision, poor student experiences
- Problems crossed over into the social area – accommodation, transport, work place exploitation, safety and security
- Unbalanced media coverage in Australia brought on a media frenzy offshore, especially in India

The problem cont.

- Flight/collapse of a number of prominent private providers, some of whose owners transferred funds offshore
- We’re not out of it yet

In sum

- Ill considered migration policy combined with a failure to enforce existing international student consumer protection laws by some State authorities produced a melt down which enveloped all Australian education providers regardless of quality.

- The students were not the problem, the calibrations made by former Australian government were

Responses

- **Public sector**

  Lifted its skirts but was muddied and angry. Argued for differential treatment in any government response

- **Private sector response**

  Externally - Evidence based policy involving $ export; student experience surveys; a defence of the private sector

- Internally – potential to form break away groups

Australian Government response

- August 2009 – initiated review of the ESOS Act (bringing forward an already planned review) under Bruce Baird

- March 2010 – Report issued

  Review of the *Education Services for Overseas Students (ESOS) Act 2000: S*tronger, simpler, smarter ESOS: *supporting international students*

Baird report

- Enhancements to the ESOS legislative framework in the four key areas:
  - supporting the interests of students
  - delivering quality as the cornerstone of Australian education
  - effective regulation and
  - sustainability of the international education sector

Baird's major recommendations

- Heightened entry standards – "Building a stronger gateway"
- Improving regulatory practice – "Stronger, simpler, smarter regulation"
- Improved advice to students
- Improved student recruitment practices
- Supporting students in Australia
- Stronger tuition protection

Other findings

- Decouple education and migration for some courses especially
- Research into violence against international students
- Deliver better safety information to international students
- Equitable travel concessions for international students

Other findings

- Providers to be more active in securing accommodation for international students
- Enforcement of Australian industrial relations laws to ensure non-exploitation of international students in the workplace
- Wider range of health insurance policies available to international students.

An international student strategy (ISS)

- Student personal safety guide
- Provider student safety plans
- Requirements for providers to actively solely accommodation issues
- Strengthened health care arrangements
- Community engagement package
- Enhanced student representation and advocacy
- More responsive quality assurance

An international student strategy (ISS)

- Improved tuition and financial assurance
- Provider closure taskforce
- Better complaints and dispute resolution mechanisms
- Better information for students
- Better management of education agents
- Student related research program

Provider responses

- Good providers in the public and private sectors are unlikely to be too much concerned or affected by these proposals

- Weak or unethical providers are likely to go through a shake out, either voluntarily or by being pushed.

Take home lessons

- Achieving national policies without private provider participation is likely to be impossible
- Regulation is a necessary tool, but should be properly focused around education outcomes, quality provision, and business capability and probity and take risk assessment as its starting point to effectively tackle potential problems, regardless of whether in the private or public sectors
- Regulation is not the only way to go…armoury must include government's assuming other roles in partnership with institutions

Take home lessons

- In the Australian context there will be a shaking out of the private VET sector through the institution of a stronger but not overly heavy handed regulatory regime that will only enhance the quality and reputation of Australian education
- There are many examples of good practice by private providers
- Public-private partnerships in Australia have been central to Australia's success in international education and will remain so

Australian International Education Conference

Sydney, Australia

12-15 October 2010