

Strategic review of the student visa program

IRU Submission

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Strategic review of the student visa program: IRU Submission

The Student Visa Review provides the opportunity to significantly improve Australia's student visa application process, sending a positive message to the international market.

A constructive outcome will see an improved system which supports a robust quality educational opportunity for international students, a sense of certainty and fairness for applicants and providers, and an improvement in Australia's standing as a destination of choice for international students.

To assist the Review achieve these outcomes the IRU comments address the following themes:

1. Education and immigration links, including the option for employment post graduation;
2. Visa related rules that focus on:
 - o Processing times and risk assessment,
 - o Financial requirements,
 - o Visa charges, and
 - o Paid employment and volunteer work;
3. Pathways and visa flexibility; and
4. Non compliant students.

1. Education and immigration links

IRU supports the Government's intention to ensure a clear distinction between international education and immigration. Studying in Australia should not automatically serve as a pathway to immigration, nor be seen as a primary means to that end, but we should acknowledge that international students have a contribution to make to Australia's immigration program. Australia has, and will retain, a need for a major skilled immigration program for future prosperity and international competitiveness.

International students in acquiring an Australian qualification not only receive a world class education, they also gain considerable understanding of living in Australia. This gives them a very strong basis for applying for an ongoing work visa and potentially residence because the students' fit with Australia has been well tested. Where this is the case the immigration arrangements should provide a straightforward process for students to demonstrate their fit against the immigration priorities.

We also need to move beyond assuming that all applicants for a visa are planning a life-long residence in Australia. There are increasing numbers of skilled professionals who move across countries in pursuit of career opportunities. They add considerably to the workforce of those countries who accept them. Australia needs to be welcoming to such people through our immigration arrangements as well as employment practices which should support employment on a fixed term contract basis for the duration of the graduate's work visa.

Employment post graduation

One part of an effective system that permits an international student to eventually become a skilled worker in Australia is for all international students who have completed a bachelor level degree or higher to be eligible to apply for a 3 to 4 year work visa post graduation. The opportunity to take

paid employment adds another dimension to students' educational experiences and plays to Australia's relative strengths in the international student market as a strong economy with good employment prospects.

Students' capacity to take on paid employment post graduation offers numerous benefits for the student and employer. It adds another dimension to the student's educational experience in this country by providing the opportunity for students to gain practical experience, cement their knowledge and transfer this experience to their home country upon return or to provide the basis for working as a skilled professional in Australia and other countries across the world.

While the expectation would be that the student will work in a skilled employment that builds on their qualification this cannot in practical terms be a condition. However, various factors would encourage this:

- the ability of employers, employer groups and professional bodies in areas where Australia needs skilled migrants to target international graduates;
- the need for relevant employment is important to any application for a skilled migration visa following the work experience period.

IRU Recommendations

Allow bachelor level and above graduates to apply for a 3-4 year working visa.

Create an employment environment through regulation change and education of employer groups which encourages employers to consider recent international graduates - employer education could be facilitated via on-campus recruitment activities. International Graduates can be merit selected for vacant positions on fixed term contracts that match their visa duration (without sponsorship requirements), independent of their nationality.

2. Visa related rules

IRU's major concern is that the down turn in international student applications has been exacerbated by factors within the government's sphere of influence such as: ***visa processing times, risk assessment, visa charges and on shore applications, financial requirements and paid employment rules***. The review team is in the position to significantly improve the current system and send a positive message to the market in a way which is more favourable when compared with our close competitors.

Visa processing times and risk assessment

Visa processing times for low assessment Level countries compare favourably with our competitors, with decisions generally made within 24-48 hours (discussion paper p. 13). Our concern is around processing times for higher level assessment countries which represent a large proportion of our international market, for example India and China. This is where we are particularly vulnerable to losing students to competitor nations whose processing times are much shorter. If we are to redress this balance, processing times must be significantly reduced for students from countries we wish to attract.

Visa processing times are currently the responsibility of DIAC. IRU sees three options to improve on current arrangements:

- Option 1. Change assessment levels for target countries with high level risks to concentrate on those students with significant risk profiles;
- Option 2. Option 1, plus DIAC officers with greater decision making powers; and
- Option 3. allowing universities and selected providers to undertake part of warranting process.

IRU is concerned that the risk measures do not accurately reflect the real level of risk.

Assessing student risk by country of origin is of limited value for it is difficult to generalise across a range of applicants using this measure, with history showing that there are varying degrees of risk across regions within some countries.

Of more relevance is the applicant's *course level, the sector and in many cases the choice of provider*. For example there is little risk associated with PhD applicants regardless of the country of origin once their educational capacity has been determined, while the potential return from such students is great. Similarly the risks associated with students undertaking undergraduate and postgraduate degrees at Australian universities are also low. Conversely, past experience has shown more risk for shorter term vocational courses when these were directly associated with a pathway to a skilled immigration visa. Breaking that link may reduce the risk driven by the course level.

The Review has raised the option of risk-assessing providers as an alternative approach that gives greater credence to institutions with a good history for selecting students. There is a precedent for this in the provider risk assessment DEEWR used in the 2010 CRICOS reaccreditation exercise in which universities were judged to be low risk. Applying this to DIAC's assessments should improve timeliness.

The Review has also asked whether institutions themselves could take on part of the warranting process. There is considerable wariness about this proposal despite its potential value for universities and TAFE Institutes which could expect to gain from such arrangements. There is little available data about adherence to visa conditions by students from different providers, although it is information which DIAC would have, leaving institutions to guess what, in fact, the record of their students is. The arrangement would require a positive, constructive interaction across institutions and DIAC offices, which unfortunately has not always been the experience.

Against these major doubts IRU considers there could be a gain from universities, and selected other institutions, taking responsibility to determine the educational commitment of the applicant and confidence in the applicant's understanding of, and ability to pay the course fee. DIAC must retain responsibility for all other checks which it requires prior to issuing a visa, concerning the applicant's personal and family characteristics where relevant, including any requirements to prove broad financial standing to cover living costs and the authentication of documents. This could provide the basis for a quicker process with each party focused on its area of expertise

Within this closely defined context the proposal then needs clarity in a number of areas:

- an indication of the threshold for satisfactory performance. This clearly needs to be less than 100%, balancing the need for a high level of adherence to visa requirements with acceptance that no assessment process can be correct in all cases;
- periodic confirmation of an institution's status based on assessment across a reasonable period of performance, no less than one year;

- confirmation that an institution taking on some part of the warranting process gains the advantage of a quicker decision on a visa application, with loss of that status (due to too high a proportion of students breaching visa requirements) returning an institution to the current position of DIAC undertaking the full visa assessment, a consequently longer assessment period. No additional penalty would be relevant;
- that there be no DIAC auditing or reporting of universities undertaking this function. This would add further administrative burden. The test of universities' successful undertaking of the warranting process in the areas identified would be adherence of students to visa conditions.

Financial requirements

There are two issues around financial requirements for prospective international students, the annual amount required for living expenses and the number of years required for proof of available funds.

The IRU agrees that it is important that potential students have a clear idea of the likely cost of living in Australia, against Australian benchmarks for living standards. The \$18,000 annual requirement combined with the to work for up to 20 hours per week should be sufficient for students to support themselves in line with welfare and compliance objectives.

Proof of funds for the duration of the student's program is an unreasonable expectation creating a significant barrier to students electing to study in Australia, especially when the majority of our competitor nations do not require such onerous upfront provision of funds. The requirement ignores that students' families can be earning and contributing to their family member's studies concurrently. Further, it encourages potential students to engage in arrangements to demonstrate funds.

A fairer system would require students to initially prove one year's funds for living with suitable evidence of capacity to pay in the following years of study. Suitable evidence could include, student part time earning capacity, spouse and other family member earning capacity, access to financial arrangements and other assets. The extension of a post graduation employment option in Australia would also offer students the opportunity to repay any student loans.

Visa charges

The relatively higher cost for Australian student visas is one factor contributing to the perceived level of welcome (or indeed "unwelcome" attitude) from Australia to international students. Hence, the combination of higher application fees, longer processing times and stringent financial evidentiary requirements, is a deterring factor that does not bode well for positioning Australia as a welcoming destination for international students. Visa charges should be set to be comparable with those of other competitor nations as set out in the discussion paper (p13) at about \$150.

Paid employment and volunteer work

Students need to have a better understanding of their working rights in Australia to avoid being taken advantage of by unscrupulous employers. Information on minimum wages, rights and dispute resolution procedures needs to be provided to students upon receipt of their visas.

The IRU would like some clarity of the status of volunteer work and its relationship to allowable work hours. Many courses have a volunteer work requirements built into the curriculum and there

appears to be confusion as to whether the hours spent as volunteers count towards the number of allowable work hours.

IRU Recommendation

IRU would like to see a significant overhaul of visa assessment arrangements from the Review:

- development of a fully fledged proposal for discussion with institutions that reorients the basis for assessment of risk from the country of origin of the visa applicant to the provider, level of study, and course duration with consideration given to aligning the risk assessment of the provider with that used by DEEWR in the 2010 CRICOS reaccreditation exercise;
- reduction in visa processing times. As part of such a proposal explore the potential for universities and other institutions to take responsibility for that part of the visa assessment that relates directly to applicants' educational commitment and ability to pay course fees, with all other elements remaining the responsibility of DIAC, with explicit confirmation:
 - of the threshold for satisfactory performance and information on recent outcomes;
 - of the basis and period for consideration of institutional performance to confirm or remove their capacity to warrant the proposed elements of an application;
 - that loss of such a capacity would return an institution to current arrangements, with no additional penalty; and
 - that there be no DIAC auditing or reporting of universities undertaking this function;
- reducing the requirement for proof of funds to the first year; and
- a lower visa fee of the order of \$150.

3. Pathways and visa flexibility

Experience at our member universities suggests many students come to university via a series of qualifications and pathways with transfers to a new provider not uncommon – this number ranges from between 10%-34% across our members.

	Commencing students	Enrolments via Foundation/Diploma programs or ELICOS	% enrolment via pathway
CDU	329	55	17%
Flinders	1142	162	14%
Griffith	3193	1087	34%
JCU	1704	127	7%
La Trobe	2538	546	22%
Murdoch	1908	198	10%
Newcastle	2829	854	30%

Source: IRU members

The current visa system makes these transitions difficult by requiring a renewed visa as a student moves from one sector to the next. IRU would like to see a more flexible system to take into account these scenarios. There are legitimate concerns not to encourage spurious pathway arrangements

simply to achieve a visa more quickly. This discussion thus follows on from the previous section's consideration of how to redefine the approach to risk assessment. Building on those changes an initial visa could set out the expected pathway, where known, with a simple process for updating the student's status as he or she progresses across qualifications. This would be built on an assumption of a continued visa unless the student's progress changes from the initial pathway proposed.

A related issue is that under current arrangements the HE visa permits only a short period of English language instruction prior to the main degree. This is sometimes insufficient for students. This would be addressed through the proposal above allowing for English language as a part of the student's whole program or could be resolved in the short term through extensions of the permitted period of English language instruction.

IRU Recommendation

Where a pathway is identified up front in the initial visa application, provide students with a single visa that defines the intended program of study (single sector or multiple), with continuation of the visa while the student's progress remains consistent with the agreed program provided the ultimate provider/qualification is classified as low risk.

4. Non-compliant students

IRU members would like to see a more efficient line of communication with DIAC for students who are not adhering to one or both of university and visa requirements.

There is a concern that non compliant students are receiving mixed messages. For example, there have been examples of universities advising students their Confirmation of Enrolment would be, and their visas could be, cancelled for not pursuing their studies and adhering to university requirements, with students then receiving different and less stringent messages from DIAC. Members would like to work more closely with DIAC in these instances to ensure an effective fit of education requirements and visa enforcement. Universities will also work with DIAC where there is evidence of students breaching other visa requirements.

IRU Recommendation

For effective monitoring of students there should be closer ties between DIAC and higher education providers to facilitate timely intervention with students leading to adherence to visa and university requirements or to cancellation of the visa and return to the student's home country.