

NSW Taskforce International Education and Research

About Navitas

Navitas is a global education provider that offers an extensive range of educational services for students and professionals including university programs, English language training and settlement services, creative media education, workforce and professional education, and student recruitment. Navitas is an Australian publicly listed corporation which is included in the ASX 200 index.

More than 80,000 students and clients learn with Navitas across a network of over 100 colleges and campuses in 23 countries. The majority of these students are international students studying in Australia¹, with Navitas NSW operations delivering to over 25,000 international students per annum, across the English language, vocational and higher education sectors.

Navitas is the industry leader in pre-university and university pathway programs. It offers university programs from colleges in Australia, UK, US, Canada, Singapore, Sri Lanka and Africa.

English Language training includes the provision of English as second language courses for international students and English language, settlement and work preparation programs for migrants and refugees.

Navitas Workforce provides quality higher education and vocational training from certificate to Masters Degree qualifications, with aligned employment and placement services in areas of key demand. Focusing on meeting business and industry needs for skilled human resources, it provides the capabilities that find, train and place "work ready" skilled employees.

Via SAE and Qantm Navitas is a leader in creative media education offering audio, film and new media qualifications around the world.

Navitas also offers student recruitment services in India and China for universities and other educational institutions in Australia, Canada, US and UK.

Navitas has a significant presence in NSW with two university pathway colleges (in partnership with Macquarie, and Newcastle Universities) and three managed campuses (on behalf of Curtin, La Trobe and Macquarie Universities). Excluding certificate and foundation courses in 2010 there were 15,944 students undertaking Diploma, Undergraduate and Master's degrees at a Navitas university pathway college or managed campus. Three Navitas ELICOS colleges in Sydney provide English language tuition and teacher training to more than 8,000 international students each year. Navitas also delivers the majority of the Commonwealth Government's Adult Migrant English Program in NSW through nine campuses catering for around 13,000 clients annually. Navitas delivers professional, creative media and applied psychology education to over 7,500 domestic students and is active in online education, delivering distance and online education to approximately 6,000 students.

Further details about Navitas are available at www.navitas.com.

¹ In 2010 one in eight international higher education enrolments in Australia were Navitas students. Source: AEI

Navitas response

Navitas Limited has been an active contributor to debate and policy development on education, particularly international education. We have made submissions with respect to:

- NSW Government's 2010 Tertiary Education Plan and Knowledge Statement;
- NSW Government's Smart and Skilled 2011 discussion paper seeking input on how we can improve the capacity of the NSW vocational education and training system to meet the state's needs for increased productivity, workforce participation and business demand for high-level skills;
- NSW Government's 2011 Inquiry into International Student Accommodation
- Australian Senate Inquiry into the Welfare of International Students
- Commonwealth's 2009 Review of the ESOS Act (Baird Review)
- Commonwealth's 2011 Strategic Review of the Student Visa Program (Knight Review)
- Commonwealth's 2011 Reforming ESOS: Consultations to build a stronger, simpler, smarter framework for international education in Australia
- House Standing Committee on Education and Employment on the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011.

Navitas believes that there are enormous opportunities for Australian education providers to meet the huge and increasing demand for education globally and to export our capacities to provide skilled technical, vocational, knowledge and professional workers for other developed and developing countries². Education is a critical generator of productivity and innovation. A strong and vibrant international education industry will allow NSW and Australia to build and share our intellectual and knowledge capital globally.

Navitas has addressed a number of the questions posed in the Issues Paper.

Q1. What would improve innovation and productivity in the international education and research sector over the next decade?

Navitas recommends that a number of measures could improve the innovation and productivity of international education in Australia including greater recognition of the tangible and intangible value of international education to Australia and a nation-wide long term strategy supported by an aligned NSW State strategy. This will be particularly important in the wider community where perceptions of international education vary wildly from reality³, especially around academic standards, migration and cross subsidy of domestic places.

International education is one of Australia's largest export industries. However the past 3 years have seen a serious and sustained downturn in the industry resulting in losses of over \$3 billion to the Australian economy, including significant losses to NSW. In NSW in 2010 the international education export industry was worth \$6.499m⁴. When taking the

² Rod Jones, *International Education and the Power of Knowledge and Skills*, Commonwealth Business Forum, Perth, October 2011

³ Dr Anna Cicarelli, *Perceptions of International Students*, Universities Australia Higher Education Conference, March 2012

⁴ Sourced from ABS International Trade in Services, Calendar Year 2010, Catalogue no. 5368.0.55.004

2010/11 financial year the value of export income to NSW had fallen to \$5.822m (37% of the national figure), and has continued to fall since then.

As NSW's second largest export industry and with significant flow on effects to tourism, hospitality and other sectors international education is a vital industry for the State, particularly in regional areas of NSW. However at a more intrinsic level the value of international education extends far more widely with significant diplomatic and relationship outcomes as students return to their home countries with a greater understanding and appreciation of Australia. International education "... enriches our Australian cities and towns in an age of globalisation and is forging person-to-person ties that will underpin Australia's reputation as an open and generous society for decades to come."⁵

It is arguable that at least some of the issues experienced by the industry in recent times could have been avoided or mitigated if 1) greater inter-governmental planning and coordination had occurred, and 2) greater industry consultation, between all sectors, and between industry and government, had occurred. The formation of an effective partnership framework, consisting of representatives of all major stakeholder groups would be a significant step forward in improving consultation, planning and coordination across the industry.

Navitas sees merit in the industry being given similar recognition to that of other major services sectors such as Tourism. Education has the potential to be a long standing contributor to Australia's growth and prosperity and this needs to be reflected in legislative and regulatory approaches, whole of government approaches with leadership and advocacy provided by the heads of government and senior ministers, and improved consultation with the industry.

Navitas also supports the creation of a coordinated long term strategy for the whole industry which would provide clarity and consistency to all stakeholders. A comprehensive international education strategy for Australia could be developed along the lines of the Jackson Report, *Informing the National Long-Term Tourism Strategy*.

Any nation-wide strategy should be supported by a more localised, but still aligned, NSW State strategy for international education. The strategy should be developed in conjunction with industry and should use KPI's to measure progress and success. The State strategy should aim to involve all relevant NSW agencies and involve long term targets and goals. To that end Navitas supports the NSW Government's initiative in developing a 10-year development strategy for international education and research.

Q2. What steps can the NSW Government and industry take to ensure a high quality and well regulated sector?

There are a number of measures the NSW Government can take to ensure a high quality and well regulated sector including:

- Supporting the move to nationalised regulation via TEQSA and ASQA;
- Supporting the development of a national provider-based risk management system;
- Ensuring robust measurement and evaluation of Taskforce Action plans;
- Ongoing close consultation with industry;

⁵ Senator Chris Evans in the forward to Davis, D and Mackintosh, B., *Making a Difference – Australian International Education*, UNSW Press, 2011

- Ensuring close liaison between the NSW Government, the Australian Skills Quality Authority (ASQA), the Tertiary Education Quality and Standards Agency (TESQA), federal Government and between Industry Taskforces, industry skills bodies, etc; and
- Ensuring policy, strategies and programs are informed by empirical data and research.

In particular Navitas is strongly supportive of a national move to a provider-based risk management approach to regulation and welcomes a system which takes into account the historical financial and compliance performance, and academic and governance standards of a provider, as well as the behaviours of their students (based on objective data and empirical evidence).

The principle of reflecting risk is critical as it allows established providers with lower risk profiles to be recognised for their performance and differentiated from higher risk providers who would benefit from greater initial levels of regulation and guidance that reduce as their risk factors diminish.

Q3. What actions could the NSW Government and industry take to improve the competitiveness of the sector?

Navitas recommends that there are a number of areas of possible improvement including establishing a permanent International Education and Research advisory body, improving access to accommodation, and greater government integrated planning and cooperation.

Navitas commends the Government's initiative in identifying International Education and Research as vital to the State's economic development⁶ as part of *NSW 2021* and in establishing an International Education and Research Industry Taskforce to develop an Industry Action Plan that will provide a 10-year development strategy for the NSW industry.

Navitas would like to see as part of the vision and strategy a commitment to, and operation of, a 'whole of government'/State-based approach to policy, strategy, planning and implementation, ideally underpinned by a Premier's Statement on International Education.

Navitas also calls for the establishment of a representative advisory body, along the lines of the federal International Education Advisory Council, to be permanently positioned under the Parliamentary Secretary for Tertiary Education and Skills. It would include a balance of public and private providers, leading industry providers, expert persons and business community representatives.

Another opportunity for improvement lies in student accommodation. The overall standard of student accommodation in NSW is excellent but despite this housing availability and affordability is a significant issue for many students, especially international students.

⁶ *NSW Strategy for business migration and attracting international students: supporting the State's economic development*, NSW Trade & Investment, March 2012

Market conditions affecting the delivery of this important infrastructure are complex. They include:

- The growth in student numbers, particularly international students;
- The shortage of low income housing in key student housing markets; and
- The economic conditions that support the financing and investment for this niche infrastructure sector. The GFC and subsequent economic conditions have limited the role of the private sector in new student accommodation developments with many projects stalled or deferred due to the limitations on financing.

The complexity of this problem means that there is no immediate panacea. The successful provision of affordable, high quality student accommodation will require a multifaceted approach by education providers and state and local governments.

A good starting point would be the implementation of a number of the recommendations of the NSW Government Inquiry into Student Accommodation released in November 2011, importantly:

- That the NSW Planning System Review specifically considers student housing, addressing questions such as whether student housing is adequately defined in the NSW planning framework and whether there are sufficient opportunities and incentives within the planning system to encourage the sustainable development of appropriate and affordable student housing;
- That the NSW Government consider introducing legislation to implement 'occupancy agreements', based on 'occupancy principles,' to cover all international and other student residents in accommodation not subject to the *Residential Tenancies Act 2010*;
- That the NSW Government consider introducing legislation to give landlords or 'grantors' and student residents outside the current scope of the *Residential Tenancies Act 2010* access to the Consumer, Trader and Tenancy Tribunal to assist in the resolution of disputes;

In addition the NSW should ensure that State policies are supportive of and do not differentiate against the interest of international students including:

- Learning, for example, from Education Adelaide in the use of social media, community and learner engagement. It is also important not to waste resources through duplicating existing good practice and programs. For example, NSW should align with and leverage Austrade's *Future Unlimited* brand messaging and promotional campaigns;
- Implementing recommendations of the ESOS review, the Senate Inquiry into Student Welfare, and actively pursuing the Council of Australian Governments (COAG)'s International Students Strategy for Australia;
- Collaborating to establish a 'one-stop' information and complaints handling body for all international students that covers accommodation and work rights matters. The Overseas Student Ombudsman is the logical body.

Finally, the issue of transport concessions cannot continue to be ignored. International education is NSW's second largest export industry; NSW and Victoria are now the only states not to offer public transport concessions to international students. Navitas urges the NSW Government to seriously undertake an independent review of the issue that includes a cost/benefit analysis of providing transport concessions to international students, as well as proposing a number of scenarios that would allow the achievement of this objective.

Q4. What will the sector look like in the next decade? Will changing technologies transform the international education sector?

Technologies are already transforming education and this trend will accelerate in the coming decade, largely driven by student consumers. Education providers are investing and developing capability in technology-enhanced delivery, marketing, support and administrative functions. There is no distinction between capability and market requirements for domestic and international students. Governments need to support and assist industry through good policy and R&D incentives.

Q6. What challenges or barriers face the education industry?

Aside from some of the issues already mentioned in this submission there remains a number of problems for international students studying or completing education in Australia, including finding relevant part-time work, gaining practical work and career experience, and finding networking or professional opportunities.

These issues can contribute to a perception among international students that Australian businesses and Governments do not put enough value in their international education experience or their ability to meet Australian workplace requirements.

One possible solution could be a NSW initiative to encourage businesses and peak bodies to increase engagement with international students during their study, which could result in improved professional networks and employment opportunities for international students.

Since the vast majority of international students return home after their education and some work experience, finding ways to improve the quality of their work experience could be a significant value add as they will return with valuable Australian industry experience whilst also meeting some of the demands of Australia's current skills shortage.

Navitas commends the NSW Government on including international education in the Interstate Reform Partnership with Victoria 'aimed at accelerating economy-based reforms between Australia's two largest states' and endorses Priority Action 7 of the NSW Strategy for Business Migration & Attracting International Students, i.e.

*"The NSW and Victorian Governments will work together with the Commonwealth to extend streamlined visa processing and post-study work rights to international students at a broader range of high-quality, low-risk education providers, including VET providers."*⁷

⁷ NSW Strategy for business migration and attracting international students: supporting the State's economic development, NSW Trade & Investment, March 2012

Q9. What other issues are there for the international education and research industry?

There are a number of other issues which can have an effect on the international education sector including:

- Consistent messaging and activities that signal NSW welcomes international students;
- Investment in Australian student mobility, Asian engagement (languages and culture), use of alumni and migrant businesses with key trading partners;
- Greater partnerships with employers to encourage skill pathways. There is an opportunity to build a 3-way relationship between the employer, the training organisation and the student; internships; engagement with Business Chambers of Commerce, particularly in regional areas; and
- Re-establishing a migration link for graduates. It is widely recognised that higher levels of education have a positive effect at a personal level and for society. With its declining birth rate, ageing population and skills shortages Navitas believes the Australian Government will need to reconsider its break between education and migration at some point in the future.

- Ends -

Submitted by Navitas Limited and authorised by Navitas Executive General Manager
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