

Navitas submission to the Review of the Student Visa Assessment Level Framework

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 Australia.

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, 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.

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

Executive Summary

Navitas welcomes the opportunity to contribute to the review of the Student Visa Assessment Level Framework and congratulates the Minister for Immigration and Citizenship and the Department of Immigration and Citizenship (DIAC) for their willingness to consult widely on this important matter.

The Knight Review identified some of the key weaknesses of the current assessment level framework as did the Australian National Audit Office in its Performance Audit No 46 Management of Student Visas. The Government is to be commended for accepting the recommendations of these reviews and initiating the Student Visa Program Assessment Level Review.

Navitas understands and supports the Government's concerns that only genuine students have access to Australia's education sector and that the integrity of the student visa program is maintained. However Navitas believes that the current framework for the effective management of visa risk is, in the words of industry bodies 'a blunt instrument', which offers no recognition of genuine students and quality providers and agents, or

incentives for quality providers. Navitas supports the changes coming into force for universities from 1 July 2012, which will allow participating universities streamlined visa processing procedures due to their 'low risk' status and would seek for all providers deemed 'low risk' to have access to similar procedures.

Navitas believes that risk assessment should not be applied solely at a country or a sector level as the actions of students, agents and providers all contribute to the effective management of risk.

Since 2009¹ Navitas has publicly advocated support for a move to a provider-based risk management approach to immigration compliance and welcomes a system which takes into account the history, governance and academic performance of a provider, and the behaviours of their students (based on objective data/empirical evidence).

In particular the principle of reflecting risk is critical as it allows established providers with lower risk profiles to be acknowledged for their prudence and distinguished from higher risk providers – both enhancing the effectiveness of regulatory resources and providing opportunity for the latter to have initially higher levels of oversight and guidance, which may reduce should their risk factors diminish.

Providers deemed low risk should also be eligible for streamlined visa processing; a benefit that will incentivise these providers to actively manage performance, agents and students to ensure their low risk status is maintained. Such a system will also act as an incentive to medium and high risk providers to improve their performance.

A provider risk system will bring benefits both to the industry and to Government. Improved turnaround times for visa decision making and transparency of the visa process will increase the industry's competitiveness while a provider risk system will allow Government to focus resources on areas of high risk.

Navitas supports a risk management system that manages both country and provider risk. With respect to the assessment of country risk Navitas would support:

- Reducing the number of country Assessment Levels from five to a low, medium or high risk system;
- Moving to one country assessment level for all education sectors, i.e. there be no differentiation with respect to sector of study;
- Tailoring visa risk assessment systems for small countries or for specific regions in large countries;
- Reducing the time taken to conduct reviews and introduce subsequent change to assessment levels. Ideally benchmarks should be set around response times with an objective of enhancing productivity and transparency;
- Amending current legislation to allow Assessment Levels changes to be made by policy by the Minister for Immigration and Citizenship based on DIAC data, recommendations and industry consultation, through a mechanism such as the Education Visa Consultative Committee, without having to amend legislative instruments; and

¹ 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.

- Reviewing all recent changes to the visa assessment system with one year of implementation including substantial sector and community consultation.

As well as implementing a provider based risk assessment system there are a number of other approaches which can be used to improve the existing risk assessment system.

As stated in our submission to the Knight Review, Navitas believes that the existing threshold requirements for student visa applicants are too severe and are restricting Australia's ability to remain competitive as an education destination of choice. As such Navitas recommends that English language proficiency be removed as a threshold criterion for the student visa program and that the financial requirements model developed at the 2010 DIAC-initiated Financial Workshop be progressed.

Improving communication between DIAC and providers, specifically around agent quality and the changing risk status of countries or regions would also allow providers to identify and address concerns before they become issues.

Navitas believes that given the importance of international education to Australia's services industry portfolio the visa assessment framework should be reviewed and reported upon annually by DIAC. Criteria to be considered would be efficacy in underpinning Australia's competitiveness benchmarked against global competitors and flows of finance and students. This would inject a transparent measure of accountability on all stakeholders to support the sector.

Navitas would be available to further participate in consultation regarding these matters and looks forward to working with the Government in the implementation of an improved and efficient student visa assessment framework.

Navitas response to questions

5.1 Given the challenges and benefits associated with individually rating all international education providers, how could such an approach be introduced?

Navitas is strongly supportive of a move to a provider-based risk management approach to immigration compliance 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).

In particular 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.

Benchmarks for defining levels of risk should be agreed between Government and the industry through a genuine consultative and transparent process.

Navitas suggests some of the criteria below could be used to help define a high quality low risk provider:

- Financial capacity – namely track record of profitability, ability to raise capital, group funding arrangements, access to debt facilities, financial transparency, e.g. ASX listed;

- Academic outcomes and student assessment – admissions processes, academic governance, assessment, learner/graduate outcomes, external rankings and benchmarking studies;
- Student behaviour – objective, timely and transparent data related to the behaviour of students, e.g. level of fraud in applications, rates of breach of visa conditions, overstay rates, applications for protection visas, attendance rates and satisfactory course progress;
- Student protection and support – fair handling of refunds and complaints, transfers and withdrawals, student support services, availability of counselling;
- Regulatory adherence – outcomes of TEQSA or ASQA reviews; and
- Management and corporate governance – management of organisation, corporate governance measures, subject to requirements such as the ASX continuous disclosure regime, vision, mission, values, HR practices.

The rating of providers using the above criteria could be informed with review and regulatory findings from TEQSA and ASQA which appear to already be moving to a provider based risk assessment system.

In addition, organisations with several providers or CRICOS codes, where the financial and governance control remains with the parent company, should be treated as one entity for accreditation purposes.

5.2 If it is not feasible to implement such an approach in its entirety, what would be the features of an alternative and administratively feasible approach that allowed 'granularity' in identifying and managing risk? For example, could groups of providers be rated together in smaller groupings than at present, and on what criteria? Or could providers with certain characteristics be 'deemed' to be of a particular risk rating?

If an individual provider based risk management approach is not possible it may be feasible to group providers according to risk as determined by TEQSA and ASQA. Using the broad criteria listed above in section 5.1 providers could be grouped in low, medium or high risk categories and their discretion and control over matters such as recruitment of international students mandated by their risk category.

However, it is essential that benchmarks for defining the three levels of risk should be agreed between Government and the industry through a genuine consultative and transparent process.

Low risk - Universities have already been deemed low risk by DIAC, subject to ongoing satisfactory performance, and will be allowed to recruit students via the Streamlined Visa Processing system from 1 July 2012. DIAC should add to this category other providers such as public sector education and private providers which meet equivalent criteria have similarly robust performance, governance, academic, financial and student outcomes. Low risk providers could be downgraded if they fail to meet clearly stated requirements.

Medium risk – public sector education providers (secondary, TAFE, universities that have been downgraded), private schools, private VET colleges and private higher education institutions. During TEQSA, ASQA and state government audits, these providers may be deemed upgraded to the low risk category by their regulatory body for a period of no more than 5 years or downgraded to high risk as determined against set criteria similar to those mentioned in point 5.1.

High risk – public and private institutions where there are high levels of student or staff complaints or concerns (received by any of the regulatory bodies), or which receive

marginal or less than satisfactory quality and financial audits. Where there are significant issues, a provider could be deemed high risk immediately until its next full audit.

5.3 Alternatively, if an applicant's country and education sector continues to be used to determine risk, what should be put in place to manage the current limitations of this approach?

There are a number of approaches which can be used to improve the existing country/ education sector risk management approach including:

- Reduce the number of country Assessment Levels from five to three;
- Reduce the time taken to conduct reviews and introduce subsequent change to assessment levels; and
- Amend current legislation to allow Assessment Levels changes to be made by policy by the Minister for Immigration and Citizenship based on DIAC data, recommendations and industry consultation, through a mechanism such as the Education Visa Consultative Committee, without having to amend legislative instruments.

5.4 What measures could be introduced to manage the limitations of considering risk within countries?

Navitas believes that improving communication between DIAC and providers will allow providers to identify and address concerns before they become issues, specifically:

- Providing regular feedback to providers on Agents that consistently provide poor quality documentation or students. Providers may not always be aware of agent poor performance but with DIAC feedback can better make informed decisions;
- Providing regular feedback to providers on countries or regions that are proving to be higher risk to DIAC. With better information on emerging or declining regional risks providers can adapt their recruitment and admissions processes accordingly to reduce the likelihood of immigration risk; and
- For high risk countries an external agency or organisation could be accredited to check and verify visa application information thereby reducing the level of risk that providers bear by using their own processes.

5.5 Should the 5 AL levels be collapsed – perhaps into 'Low', 'Medium' and 'High' risk categories?

Navitas supports the suggestion that Assessment Level levels be collapsed to simpler low, medium or high risk categories. This system would be better understood by applicants and reduce administrative burden.

Navitas further supports moving to one country assessment level for all education sectors, i.e. there be no differentiation with respect to sector of study, and tailoring visa risk assessment systems for small countries and for specific regions in large countries.

In addition DIAC should consider the naming convention of the Student Visa Assessment Level system which, when compared to the new 'University' Assessment Level system, can cause some confusion. Terminology which helps users to differentiate the two systems would be welcome.

5.6 Should the current AL categories be maintained, or maintained with the exception of AL5 which should be removed?

Navitas supports the collapsing of the existing framework to simpler low, medium or high risk categories.

5.7 What are the merits and limitations of an approach whereby education providers certify that prospective students have appropriately robust levels of English language, rather than DIAC assessing this as part of the visa application process? If so, how should these levels be set?

Navitas recommends that English language proficiency should not be a threshold requirement for student visa applications as all available evidence points to the fact that English language proficiency is not an indicator of migration risk.

Additionally setting a maximum period a student can study English does not allow for the variation in language learning rates by individuals, as well as nationality, and is therefore meaningless as a mechanism for managing risk.

Genuine students may have high or low levels of English and should be given more opportunity to develop their language skills in an appropriate environment which is similar to their eventual study destination. Navitas believes that, providing students meet financial requirements, they should be able to undertake ELICOS study for longer periods than currently allowed. Existing timeframes do not take into account the wide variety of factors which can influence an individual's ability to learn a language.

Ultimately English language requirements should be an academic matter. Australia is a world leader in English language education and ELICOS providers are skilled in developing and delivering English language programs to equip students with the language required to meet the entry requirements for primary, secondary and tertiary education courses. These institutions should determine the appropriate English entry level required to undertake their courses.

5.8 Are the recent changes to the financial requirements and the introduction of the Fraud PIC for Student visas sufficient to address concerns about fraud in financial evidence and documentation? Should they be allowed to operate for a certain period of time before this issue is re-examined? If changes to the financial requirements should be made as a result of this review of the Student visa AL framework, what changes should be made?

The financial changes to the Student visa process are welcome but should be re-assessed after one year of operation. No matter what system is used, it will be open to fraudulent activity which providers are not always able to control.

In terms of further changes the requirements to show large amounts of money upfront has been the driver for many fraudulent claims by applicants and their parents. A better way of assessing financial capability would be to show sufficient funds for the first year and a genuine demonstration that there is also a sufficient source of ongoing funds. Financial requirements test should remain under the purview of Government.

In addition, and as indicated in its submission to the Knight Review, Navitas supports the mechanism developed at the DIAC-initiated Financial Workshop held in June 2010² for ensuring genuine students meet their course and costs of living over the term of their studies. This model strikes a balance between ensuring that students have sufficient funds for the length of study as determined by Assessment Levels whilst making sure that students will have genuine access to these funds during their stay.

5.9 What are the merits and limitations in DIAC continuing to request evidence of educational qualifications?

Navitas supports the continued use of evidence of educational qualifications as an indicator of a genuine student. Ultimately measures that discourage non-genuine students from applying are welcome as they reduce provider and DIAC administrative burden.

However this requirement should be reviewed regularly, especially with the implementation of the Fraud PIC, to ensure it remains an efficient and cost effective way to identify genuine students.

5.10 Should the risk management methodology be different for countries depending upon whether they are large or small source countries or whether they are traditionally high or low risk?

Navitas recommends that applicants from larger countries such as India and China should be able to be assessed by region as there can be significant differences in fraud and visa adherence from region to region.

In addition small source countries should continue to be assessed differently from large countries because breaches of visa conditions can unnecessarily influence the assessment of smaller countries i.e. if the only international student from country X overstays Country X will then have a 100% overstay rate which may affect their country risk rating.

5.11 What risk factors should be considered in the future framework, and what should the ratings be?

Navitas suggests that risk factors that should be considered in any future framework for country assessment should include:

- Rate of applications refused for fraudulent documentation;
- In large source countries, a regional based assessment approach;
- Rate of visa cancellations – though, as DIAC is aware, lower quality providers are less likely to report poor attendance and academic performance; and
- Rate of visa refusals.

The continued use of visa holder overstay or future applications for residence as a risk factor criteria is complex as, beyond the actual student recruitment and study process, providers can have limited influence on overstay or future applications for residence or protection.

² The Workshop was attended by DIAC, English Australia, TAFE Directors Australia, Universities Australia, Independent Schools Council of Australia, ACPET, ISANA, AUIDF, COPHE, and observed by ANAO.

However, providers do have control over the agents they partner with, processes for assessing genuine students, and those processes they put in place to monitor attendance and student progress. The benefit of streamlined visa processing for low risk providers will incentivise these providers to actively manage performance, agents and students to ensure their low risk status is maintained.

5.12 Should the risk index thresholds at which cohorts are assessed as AL1, 2, 3, etc be changed?

No comment.

5.13 Should the review mechanism include input from consultative fora from the international education sector, such as the EVCC?

Navitas recommends that a review mechanism of the student visa assessment level framework be included in any subsequent changes and that it should involve continuation of the Education Visa Consultative Committee as well as regular consultation with a number of stakeholders including peak bodies, governance agencies and public and private providers.

The review mechanism should include benchmarking Australia's international education sector involvement against the market to give a clear picture of how successful the arrangements are in underpinning competitiveness of this major services industry.

Navitas would also support the establishment of a collaborative government and industry International Education Data Working Group that oversees data trends and ensures data is accurate, timely and 'fit for purpose'.

5.14 What are the factors that should determine how frequently DIAC reviews risk in the Student Visa Program?

Navitas suggest that the current timeframes used by DIAC to review risks in the Student Visa Program are too long and not responsive enough to the ever changing international education environment.

One suggestion is that DIAC explore new ways to analyse the data or use shorter data sets to improve the current two year lag in reflecting review risks. In addition benchmarks should be set around response times with an objective of enhancing productivity and transparency. The International Education Data Working Group would have a key role in this process.

If this cannot be achieved Navitas suggests that current legislation be amended to allow Assessment Levels changes to be made by policy by the Minister for Immigration and Citizenship based on DIAC data, recommendations and industry consultation, through a mechanism such as the Education Visa Consultative Committee without having to amend legislative instruments. This would allow the Minister to better incorporate feedback from the sector and developments in source countries such as civil unrest etc.

- Ends -

Submitted by Navitas Limited and authorised by Navitas CEO, Rod Jones.
Level 2, Kirin Centre
15 Ogilvie Road, Mt Pleasant
WA 6153 Australia
Tel: 08 9314 9617