



12 June 2024

Dear Sir/Madam

**RE: SUBMISSION ON EDUCATION SERVICES FOR OVERSEAS STUDENTS
AMENDMENT (QUALITY AND INTEGRITY) BILL 2024**

My name is Simon Craft and I'm the owner, principal and director of Inforum Education Australia, an ELICOS-only college located in Southport. My wife and I started Inforum with five students in 2007 and at the college's height in 2019, we had around 360 international students studying with us.

I have been in this industry for over 30 years and have been operating my college for 17 years this July. I started out as a teacher, travelling to the UK in 1990, where I started teaching English as a Foreign Language in Bournemouth, and then continued my career in Portugal, Turkey, Japan and of course, Australia.

I have always been very passionate about the ELICOS industry both here and overseas because I honestly believe that what we do at Inforum transforms our students' lives for the better.

We nursed Inforum through almost two years of Covid lockdowns and as we are not a VET college, we couldn't rely on onshore enrolments during this time as students all preferred private VET colleges for their cheap courses over the more expensive ELICOS programs.

However, despite near-zero revenues, we remained open while paying out over \$800,000 in refunds to students who were stuck in their home countries.



Furthermore, Inforum Education Australia:

- Is an evidence Level 1 college;
- Has never had a complaint lodged against us with the Ombudsman;
- Is an active member of English Australia; and,
- Was awarded the prestigious ST Star Award for English Language College – Southern Hemisphere last year in London. (We'd been shortlisted on three previous occasions.)

I am also on Experience Gold Coast's Education Advisory Committee, representing ELICOS colleges here on the coast.

Regarding the Bill's addition of the requirement for ESOS agencies, in assessing whether the provider is fit and proper to be registered, to consider whether:

- *a provider has any ownership or control of an education agent, their activities, and an education agent, or an associate of the education agent, has any ownership or control of a provider?*

I'm not aware of there being a problem with someone or some entity owning both an agency and a college.

Regarding the Bill's addition of the requirement for providers to give information to the Department of Education on payments made to an education agent:

While the paying of commissions (or any other kind of incentive) by providers to agents is a legally commercial agreement between the two partners, I would agree that in some cases, these payments have got out of hand. When I first started in the industry, commissions were between 20 to 25% of tuition fees with nothing more to pay. Now, agents are requesting 30% as a minimum in most markets but in many, some providers are paying over 40%, which is frankly, ridiculous and unsustainable.

When a college is paying too much in commissions and incentives to agents, quality of delivery to students inevitably suffers.



In summary, I feel that this could be a good initiative but if it is to work, the government, in consultation with the industry, should come up with a figure, say, for example, 28% of tuition fees can be paid to an agent but this must cover every category of incentive including commissions, marketing incentives, payments to attend fairs, membership fees and anything else. I believe this would help bring some balance back to the market and ensure that a greater percentage of students' fees are utilised for their teaching, rather than going into the pocket of their agent.

Such a regulation should be backed by some punitive measures that would be applied to colleges if they do the wrong thing and pay over the designated amount.

Regarding the Bill's addition of the expanded ability of the government, or an ESOS agency, to give information to registered providers about education agents' performance:

In this case, I'll take the meaning of "performance" to be how reputable an agency is in terms of the number of visa refusals they have had say, over the previous 12 to 24-month period. If this is the case, I think this would be a good idea to have this information available to colleges and to express the number as either:

1. A percentage of applications that are refused; or
2. As for colleges (and countries), expressed as an evidence level index (Level 1, 2, or 3) and updated monthly for the previous 12-month period.



Regarding the Bill giving the Minister for Education (Minister) powers to determine how initial applications for the registration of providers, and registration of courses by registered providers, are to be managed by ESOS agencies.

I would say that particularly for the private VET sector, there has been, over several years, a proliferation of what we in the industry refer to as “visa factory” colleges and courses i.e. programs, typically Cert III, IV and Diplomas in Business and Leadership, which don’t have much, if any, educational value – international students take these programs primarily to stay in the country and work.

At present, there are few barriers to entry for new VET colleges to get started as they need minimal space and resources for their operations. On the other hand, ELICOS colleges require a lot more leased space to fit our 18-student class maximum and mandatory 20-hour per week face to face delivery. Given the significantly higher costs facing a new ELICOS college entrant, over the last 10 years, the number of new ELICOS-only colleges starting up in Australia could be counted, probably literally, on one hand. While over the same period, there has been, quite literally, hundreds of private VET colleges having commenced operations.

Therefore, I think it would be advisable for these kinds of courses be denied registration and for the current BSB courses to have their CRICOS removed/denied. By doing so, it probably wouldn’t be necessary for the Minister to regulate new colleges wanting to enter the market – denying CRICOS to these courses should be adequate deterrent.

Regarding the Bill enabling the automatic cancellation of a registered provider’s registration where courses have not been delivered to overseas students for 12 consecutive months.

This seems like a fair enough proposal.



Regarding the Bill's addition of the power for ESOS agencies to consider whether a provider is under investigation for a specified offence as part of the fit and proper provider test and this leading to the provider's registration being automatically suspended.

I agree with this proposal.

Regarding the Bill giving the Minister power to set limits on the maximum number of overseas students that may be enrolled with a provider or a class of providers for a year or in relation to the total number of students enrolled in individual courses, or classes of courses, or in certain locations?

With regard to ELICOS-only colleges, I would strongly disagree with this proposal for two reasons:

1. Our maximum student number (capacity) is already determined as part of our CRICOS accreditation. Our capacity is decided by many factors including: available staff and their qualifications, courses delivered and classroom/leased space available, amongst others. Therefore, why would the Minister wish to impose another limit when one already exists?
2. Another very important reason for my decision to disagree on this point is because of the financial commitment we owners have to make when signing up to a new lease. Leases are typically 3 – 5 years in length and come with a hefty bank guarantee to secure them, usually secured over the personal assets of the owner/director. Therefore, we have to plan our numbers very carefully when deciding on how much space we need to lease. If the government can decide, even with say a year's notice, that they intend to limit or stop the number of students studying at an ELICOS college or in a course, this could very well result in bankruptcy for the business and possibly the loss of the owner's assets, including their home.

I was very close to losing my business and home during Covid and I don't want anyone to have to face that as a result of poor government policy.



Regarding the Bill enabling the automatic suspension and cancellation of courses that are identified by the Minister as having systemic issues in relation to the standard of delivery of the course, courses that government decides provide limited value to Australia's skills and training needs and priorities, or courses that government decides it is in the public interest to cancel.

For ELICOS, I'm not aware of any courses that have systemic issues regarding the standard of delivery. However, for VET courses, I know there are some programs that have little educational value for international students and these kinds of programs definitely have quality issues and should be targeted. However, I would urge the government to consult widely with the industry before coming to any decision – owners deserve to be given the time to adjust their business plans and plan and prepare for alternative programs the Minister deems appropriate.

Thank you for the opportunity to respond and should the reader require any further information, I would be happy to assist.

Yours faithfully

Simon Craft

Managing Director

Inforum Education Australia