

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2007-2008 BUDGET ESTIMATES HEARING

#### Outcome

#### DEST Question No. E130\_08

Senator Carr provided in writing.

#### Question:

1. This shows some interesting trends. In particular, it shows the rapid growth in VET enrolments and commencements by international students, especially those from India, but also from South Korea and China.

Can you confirm that this growth has the following characteristics:

- It includes increases in Indian student commencements of 182% in 2005 (over the previous year); and 155% in 2006;
  - The growth is most rapid in the area of Certificates I-IV?
  - It is concentrated in the private sector, with 78% of all enrolments with private providers;
  - The top fields of study in 2006 were "services, hospitality and transport", where growth over 2005 was 72%; and
  - Growth was fastest in Victoria, at 45% over the previous year?
2. Have you looked into the reasons behind these trends?
  3. Have you held discussions with DIAC over the issue of international students who essentially are coming to Australia to study with the sole intention of gaining permanent residency, under the skills shortages provisions of the Migration Act?
  4. Have you, possibly jointly with DIAC or on your own account, looked into the situation in India (and other countries) regarding the setting up by education agents and migration agents who are charging hefty fees to put together packages for those wishing to migrate to Australia, using the 'skill shortages' route and VET qualifications?
  5. What have you found?
  6. Have you made a link between this phenomenon, on the one hand, and on the other the findings of Dr Bob Birrell – that a large number of international students seeking permanent residency at the conclusion of their studies have sub-standard English skills?

#### Answer:

##### *Attracting International Students*

1. The data and trends shown in AEI's Research Snapshot No. 22 were correct at the time of the Snapshot's release. As the data are extracted from a live database which is continually updated, historical data presented in the Snapshot differ slightly from the most recently available data.

The growth in VET commencements is essentially as shown in the Snapshot and as noted by Senator Carr, with two minor amendments:

- Indian student VET sector commencements on student visas grew by 181% in 2005 (down marginally from the 182% shown in the Snapshot) and;

- The largest increase in commencements in percentage terms in 2006 was in Victoria, at 44% over 2005 figures (down marginally from the 45% shown in the Snapshot).
2. DEST has an ongoing programme of monitoring and analysing trends in commencements and enrolments. Reasons can be complex, and different factors can be at work in different countries. For example, Australian VET is highly regarded in South Korea, and over the past several years South Korea has focused on strengthening its hospitality and tourism services industry, for which Australia is well known.
  3. DEST and DIAC have been working together on the reforms to the General Skilled Migration (GSM) program. These reforms will allow, from September 2007, graduates of Australian tertiary institutions to apply for a new 18 month temporary entry visa as an additional pathway to permanent residence in Australia.
  4. In India, AEI established an Education Agents' Association in 1996 and has worked closely with it ever since to improve the professionalism of Indian agents and their services to students. The Association has some 120 members, a Code of Conduct that mirrors the requirements of the National Code contained in the ESOS Act, has an active disciplinary committee and has established a maximum student fee (around AUD 300) that can be charged by agents for their services.
  5. See above.
  6. The recommendations of the Evaluation of the General Skilled Migration (GSM) Categories, co-authored by Dr Bob Birrell, were considered by the Government in developing changes to Australia's skilled migration policy. The policy changes that were announced by Ministers Andrews and Bishop on 6 April 2007 will come into effect in September this year.

The changes will lead to better labour market outcomes for all successful skilled migration applicants, particularly in the important employability area of English language proficiency, and will help to deliver the skills Australian employers need. The reforms include:

- raising the threshold English language requirement for all GSM visa categories from the 'vocational' level to the 'competent' level, except for tradespersons, whose current English language threshold of 'vocational' will be maintained;
- awarding bonus GSM points for higher level English skills; and
- the introduction of a temporary visa to allow graduates of Australian tertiary institutions to stay on in Australia in order to improve their English language skills, undertake a professional year or obtain 12 months work experience in an occupation related to their field of study, prior to applying for permanent residence in Australia under GSM provisions.