

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

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National Convenor

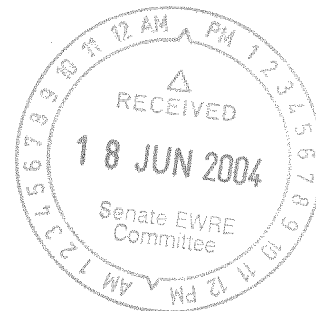
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Inquiry into student income support



**National Liaison Committee
For
International Students in Australia Inc.**

**Submitter: Adrian Wong
National Convenor 2003/2004**

**Organisation: National Liaison Committee for International
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EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE—TERMS OF REFERENCE

The living costs of students enrolled in full-time and part-time courses and, in particular:

(a) current measures for student income support, including Youth Allowance, Austudy and Abstudy, with reference to:

- (i) the adequacy of these payments,
- (ii) the age of independence,
- (iii) the parental income test threshold, and
- (iv) the ineligibility of Austudy recipients for rent assistance;

(b) the effect of these income support measures on students and their families, with reference to:

- (i) the increasing costs of higher education,
- (ii) students being forced to work longer hours to support themselves, and
- (iii) the closure of the Student Financial Supplement Scheme;

(c) the importance of adequate income support measures in achieving equitable access to education, with reference to:

- (i) students from disadvantaged backgrounds, and
 - (ii) improving access to education; and
- (d) alternative student income support measures.

Summary

A. The effect of support measures for income and student support for international students in Australia

1. The increasing costs of higher education
 - 1.1 Fees
 - 1.2 Living expenses
 - 1.2.1 Transport/travel concession
 - 1.2.2 Visa fees increases
 - 1.2.3 OSHC regulations
2. Students being forced to work longer hours to support themselves
 - 2.1 Exploitation of international students in the workplace
 - 2.2 Superannuation entitlements
3. Student support in the universities
 - 3.1 The effect of increasing numbers of international students on services
4. Student housing
 - 4.1 Growth in the sector and exploitation of students

B. Achieving equitable access to education

1. Assessment levels and income needed to support themselves

Introduction

NLC welcomes the opportunity to submit this paper to introduce to the inquiry the level of support international students are currently receiving in return for the fees they are paying our universities and within our society in Australia.

While NLC understands that this is an inquiry about the adequacy of income support payments for domestic students in Australia, it should be recognised that international students living conditions and financial situations are a responsibility of the Australian government whilst they are in this country and therefore need to be included as part of this inquiry into students in Australia.

Students income support does not always comprise of benefits received from Centrelink, other factors are relevant such as housing conditions in rental accommodation and exploitation in the workplace.

NLC will be addressing issues pertinent to the living conditions and financial situation of international students throughout this paper, making reference to university fees and charges, government charges and cost of living expenses incurred by international students. Through making this submission, it is hoped that the inquiry will become aware of the issues surrounding international students and further inquiries into these issues may be initiated.

A. The Effect Of Support Measures For International Students In Australia

1. The Increasing Cost Of Higher Education

1.1 Fees

As is a well known fact, international students in Australia are full fee paying students at all educational institutions. The education they receive is not subsidised or partially funded at all by any government including the Australian governments, unless individual students are in receipt of a scholarship. In the past 8 years, international student fees have increasingly become extremely important revenue for universities as public funding has been cut and universities have had to source funding from other areas to maintain the standards of education .

International students fees increase each year at most universities by between 2 and 20 percent in some programs. The following table shows a sample of fee increases at various universities since 2001.

University		\$ Fees 2001	\$ Fees 2002	\$ Fees 2003	\$ Fees 2004	\$ Fees 2005	Average increase per year
ANU (ACT)	B. Arts	11520	11880	12240	14400		7.9%
	B. Comm		12480	13760	16800		16.1%
	B. IT	13920	14320	14780	16800		6.6%
Curtin University (WA)	B. Arts			12700	13200	13600	3.2%
	B. Comm			12500	13200	14400	7.35%
	B. Comp Sc			13500	13750	14400	3.25%
UWA (WA)	B. Arts				13620	16000	17.5%
	B. Bus				15500	18000	16.1%
	B. IT				16320	19200	17.6%
Adelaide University (SA)	B. Arts				13100	13900	6.1%
	B. Comm				15500	16000	3.2%
	B. Bus/IT				16500	17500	6.1%
Monash University (VIC)	B. Arts				14000	16000	14.28%
	B. Comm				19200	20400	6.25%
	B. IT/ComSc				17000	19000	11.76%
Macquarie University (NSW)	B. Arts				15120	16800	11%
	B. IT				17640	18480	4.8%
UWS (NSW)	B. Bus				13000	14000	7.7%
	B. IT				14000	15000	7.14%
University of Sydney (NSW)						From 2005 fees will increase by approx 5% each year for new and enrolled students	
UQ (QLD)	B. Arts/Law			825p/u	900p/u		9.1%
	B. IT			1100p/u	1250p/u		13.6%
USQ (QLD)	B. Arts				12480	13400	7.4%
	B. IT				11640	12520	7.6%
QUT (QLD)	B. Bus/Law			8000	8500		6.25%
	B. IT/Eng				9000	10000	11%

(Sources: All fee information in the above table was obtained directly from fees and tuition information on each of the respective university websites, June 2004)

The fee increases are a main concern for the NLC because despite these fee increases, the education the student receives in return for the fees is not improving. In all fairness, some institutions do not increase fees for commenced students for the normal length of their program. Many others however, regularly increase fees and the amount they are increased by is not

disclosed in advance to the student either before they enrol in the university course or while they are enrolled.

NLC fears that the fees increases will be higher as a result of the 25% HECS fee increases in many of the universities in 2005, this is a justified fear judging by the fee table above.

RECOMMENDATION 1.

The NLC would like to see the regulation of fee increases to ensure that fees are not subject to increases beyond the previous year's inflation rates.

In addition, the Federal Government should introduce regulations requiring institutions to justify substantial fee increases through the additional provision of service and/or welfare support services, as well as resources for learning support and enhancing the quality in delivery of courses for international students on campus.

1.2 Living Expenses

1.2.1 Transport Concession

In most states and territories of Australia, all full time students are entitled to transport concession. This usually involves the student buying a concession card or just using a student card which entitles the student to half price travel on all metropolitan or state/territory wide public transport in that state.

Unfortunately the decision to award international students with this entitlement is left up to the state or territory government. It is not regulated or subsidised by Federal government and therefore international students coming to study in Australia are not aware until they arrive that they are either entitled or not entitled to concession rates for public transport.

The two states with the largest intake of international students, Victoria and NSW do not grant concession rates to international students, whether they are secondary school or higher education students, regardless of the fact that they are still full time students.

NLC believes this is discriminatory on the grounds of visa/citizenship status. International students are still students, are often funded by their families at home or live on savings earned prior to arriving in Australia to study¹ and whether studying in Queensland, Victoria, or overseas, are students with similar financial limitations and should therefore be recognised in that light by all governments in Australia.

International student travel concession was removed in Victoria in 1989 when the Federal government introduced full fee paying places for international students and subsidised places for international students were being phased out. This subsidising also included travel concession and it was then up to the states to decide whether it granted travel concession to international students.

RECOMMENDATION 2

NLC believes that the Federal government should subsidise travel concession for all full time students in Australia including international students in every state and territory in Australia.

1.2.2 Visa Fee Increases

International students applying for student visas in Australia pay the highest amount of money for a student visa application amongst our competitors for international education, more than double in all examples. See comparative table below.

¹ AEI – International Education Network, Why choose Australia, insights from a survey of international students who commenced study in 2000, Australian Government, May 2003, page 29

Country	Visa Application Fee AUDdollars
Australia	\$455 including work rights < 20 hours pweek
United Kingdom	\$99 (including work rights <20hour pweek)
New Zealand	\$137 - \$196
USA	\$146
Canada	\$131 (including work rights on campus only <20 hours pweek)

(Source: Figures taken from each country's immigration websites.)

The Australian student visa charge is currently \$400, an extra \$55 is charged to enable the student to work in Australia for up to 20 hours per week during semester and unlimited hours in semester breaks. In 2001, the student visa charge was \$290 and the AVCC called for the charge to be halved to bring it into line with major competitors and for the work rights fee to be abolished.² This was ignored by the government. Instead the fee has only been increased further.

This visa charge increased by 27% in July 2003 from \$315 to \$400. Prior to this last increase, in 1998 international students saw the introduction of the \$50 application fee for work rights. This was previously included in the student visa fee and all students were able to work, now the student must apply separately for this permission and pay an extra \$55 (GST incl.)

In total the student visa fee has increased by \$170 or 59.6% since 1998 which is a figure well above inflation rates and so far unexplained by the government to international students or the NLC. The only reason we can speculate is

² AVCC Discussion Paper on International Education, September 2001, page 8

that it is a wonderful revenue raiser, due to the international student intake in higher education rising 123% from 1997 to 2002.³

<i>Increases in Student Visa Charges since 1998</i>					
	<i>Fee</i>	<i>Work Rights</i>	<i>Overseas Student Information Services Charge (\$30)</i>	<i>Cost of Student Visa with 1998 Student Visa conditions</i>	<i>Variance</i>
1998	\$285	<i>Inclusive</i>	✓	\$285	
1999	\$285	\$50	✓	\$335	<i>18% variance for 1998 visa conditions</i>
2000	\$290	\$50	<i>Existence omitted from Visa application forms. However, fees have not been reduced to reflect the omission</i>	\$340	<i>2% fee increase</i>
2002	\$315	\$55		\$370	<i>9% fee increase 10% increase in application for work rights</i>
2003/04	\$400	\$55	<i>\$111 charge paid to DEST - AEI</i>	\$455	<i>27% fee increase</i>
<i>With the July 2003 Student Visa Charge, the cost of a Student Visa with similar conditions in 1998 has increased by 59.6%</i>					

Of the \$400 student visa charge, international students are informed on the application form 990i that this charge includes \$111 which contributes to the Australian Governments initiatives to support international education through the activities of the Department of Education Science and Training⁴. NLC would like to know how much of these funds are put back into the university system to help support international student in Australia compared with the amount spent on promoting the Australian education overseas or simply put straight into government revenue. International student support is crucial in

³ Strategic Analysis and Evaluation Group, International Higher Education Students, How do they differ from other higher education students?, Research Note No. 2, May 2004, DEST, page 2.

⁴ Form 990I, Charges March 2004, Department of Immigration, Multicultural and Indigenous Affairs. Design date 03/04, page 1.

the universities to allow the students to achieve the highest results in study and to experience the best Australia has to offer in education.

RECOMMENDATION 3

NLC would like to see the student visa charge reduced by about half to bring it into line with the competing countries fees.

NLC would like to see the services available to students in universities and the community increased to reflect the high cost of the student visa application fee.

1.2.4 Overseas Student Health Cover

Health cover is compulsory for all International students while they are in Australia. The basis for this ruling is that international students are not covered by Medicare and therefore are at risk of incurring high medical costs should anything happen to them in Australia. To prevent large debts accumulating or students not seeking medical attention for financial reasons, health cover is compulsory. NLC agrees with this visa condition as it is in the students' best interest to have this cover.

Currently the regulations state that students must pay health cover for at least 12 months or the length of their visa, if it is less than 12 months. This cost to students is approximately \$300 on top of all of the other costs students have to pay when they first come to study in Australia. NLC agrees that this is a reasonable cost. However, the implementation of compulsory upfront Visa length cover, is an unreasonable financial burden to students. This would in most cases for undergraduate students increase their original outlay of funds to study in Australia by another \$600.

It is an unnecessary burden to ask of international students for the sake of clumsy administration of renewal procedures by health care providers and universities.

RECOMMENDATION 4

NLC would like the Federal government to review the renewal procedure by overseas student health care providers to ensure that students are offered similar renewal procedures as residents of Australia are with health insurance, for example direct debit for annual or monthly payments.

2. Student Being Forced To Work Longer Hours To Support Themselves

2.1 Exploitation Of International Students In The Workplace

According to Visa regulations, international students are not allowed to work more than 20 hours a week during semester. Therefore there is very little data on international students who work longer hours than this because they are either caught and deported by the Department of Immigration or they are not willing to come to us so we may collect data on how often this would occur.

Instead, the issues that do surround international students with regard to work that NLC has concerns about are the exploitation of international student in the workplace.

NLC is concerned that many international students are not always aware of the rules and regulations that employers should follow with regard to paying staff. These regulations include tax obligations, minimum wage requirements or Workcover/health issues in the workplace.

NLC has conducted a survey recently and one of the questions on this survey asked students who did work if they knew there were minimum wages and if they were being paid the minimum wage in their place of employment. Of those who were employed, many students, 54.6 % did not know that minimum wages existed and 7.2% said they were paid below the minimum wage, 14.3% were not sure if they were and 48.2% did not answer the question, leaving us to assume they were unsure of the answer.

Students are renowned for working cash in hand jobs for very low wages. There are misconceptions within the international student community and employers that international students should pay the highest rate of tax when in fact if they are in Australia for longer than 6 months studying they are regarded as residents for taxation purposes. If international students were made aware of this, they would be less likely to work cash in hand jobs for very low wages, because even with tax deducted the award wages would allow them to receive more money each week than some cash in hand employment.

2.2 Superannuation Entitlements

International students are also often unaware that they are entitled to be paid superannuation if they earn more than \$450 in a month from an employer and that they are able to access these funds when they leave Australia permanently. This, again is information that should be made available to employers and distributed widely to universities and students to ensure that international students are aware of their entitlements.

RECOMMENDATION 5

NLC would like students to be given more information regarding work entitlements when students are granted permission to work, including information on minimum wage requirements, tax obligations and superannuation entitlements. This would allow students to make more informed decisions on their choice of employer.

3. Student Support In The Universities And The Wider Community

3.1 *The effect of increasing numbers of international students on services*

As mentioned earlier, the numbers of international student in Australia doubled from 1997 to 2002. With this fast growing increase in numbers at all universities, NLC is concerned that the support services provided by universities has not kept up with the growth and that previously well resourced areas of support for international students are now managing on shoestring budgets and skeleton staffing. International students are paying high fees, and increasing fees for an education and support that is not delivering what they expect.

“a number of factors demonstrate the rising workloads of university staff. Since 1993, student staff ratios have increased by 44% on average across the sector....Between 2001 and 2002 alone, the number of students per staff has increased by 7%, indicating the intensity of rising workloads.”⁵

In the recent NLC survey, international students were asked if they thought that their university provides adequate support services for international students, 54.5% said yes and 45.5 said no. This reflects a growing dissatisfaction in the services provided to students by universities. The next question highlighted the problem further when it asked if they thought the amount they pay in fees adequately reflects the student support services available to international students. 59.5% of respondents said no while only 21.5% said yes. A further 19% gave no answer. NLC can only speculate from these results that only half of the international student population is receiving support when they need it and more than half do not think they are getting what they have paid for in terms of important student support.

These results correlate with the NTEU figures on student staff ratios showing that many students are missing out because of rising student numbers and overworked staff.

RECOMMENDATION 6

International students need to be assured that they are entering a safe and supportive environment. Services to students including English language assistance, housing assistance, assistance with student visa and immigration issues and health cover renewal services are extremely important in ensuring that international students receive the highest quality of educational experience in Australia. Government funding needs to be specified in ensuring this, without laying blame on institutions and the students themselves.

⁵ Higher Education at Risk, NTEU Policy Analysis Brief on the 2003 changes to higher education, October 2003.

4. Student housing

4.1 Growth In The Sector And Exploitation Of International Students.

An industry that has benefited greatly from the large rise in international student intake is the housing industry. Student housing market and growth has been a main focal point in many news articles across Australia over the last 2 years.

Property investors are increasingly seeing the student housing market as a low risk investment and at many locations near universities high rise, or multi level apartment complexes are being constructed to house the increasing number of students seeking housing near campuses. In particular, investors or managers of the apartment complexes target incoming international students to either rent or purchase the apartments. These apartment complexes are increasingly becoming known as student ghettos.

NLC is concerned about this for two main reasons. The first is that because of the high demand for student accommodation, the international students are being charged high rent and are being exploited. One example of this is an apartment building in Sydney called the Meriton Tower where a balcony area, described by a journalist as a fishbowl was rented to an international student for \$180 per week. The photo in the news article showed a mattress on the floor of a balcony area with no blinds or curtains on the glass. The student lived there until he upgraded to the bedroom in the apartment.⁶ Students are accessing this sort of accommodation to be closer to the city where the educational institution is located. One of the reasons international students need to access accommodation close to inner city and therefore extremely expensive is that they have no access to transport concession.

The expensive rental prices international students are paying is offset by the overcrowding of such apartments with all rooms including the living room rented out as bedrooms, leaving poor study environments and living arrangements.

⁶ Lisa Pryor, for Rent, Those With Naked Ambition Need Not Apply. Sydney Morning Herald, 31/1/04, page 9

The second concern NLC has is that these apartment complexes target mostly international students and therefore house mostly international students. This is problematic because it does not expose international students to local domestic students, or the Australian culture, limiting their experiences and understanding of life in Australia.

B. Achieving Equitable Access to Education

1. Assessment levels and proof of financial support

Currently, persons applying for a student visa are categorised under the Assessment levels 1 to 5 depending on the passport they hold and the type of course they are applying for. The assessment level categories are based on DIMIA statistics that show the level of risk that a person from a particular country may pose in non-compliance of the visa conditions such as overstaying their student visa. The statistics are based on previous records of students and their country of origin.⁷ The assessment level categories then determine certain criteria the applicant must meet to be eligible for a student visa. The criterion becomes much stricter as the level of assessment gets higher. This criterion includes English language proficiency and financial ability. The assessment levels are blatantly unreasonable in the way they are determined and do not appear to take equity in access to education into consideration at all. The financial ability is the main criteria of concern for NLC. The lower assessment levels 1 & 2 are required to only declare that they have financial ability to meet tuition costs and living expenses for all or the majority of the duration of the course of study. In contrast, the higher levels of assessment, 3 and 4 must show financial ability with documented evidence of earnings of persons supporting the applicant, savings and/or other documentary evidence of finances for all or most of the duration of their course.⁸

⁷ Emmaline Bexley, CAPA Background paper on Equity of Condition for International Postgraduate Students, March 2004 page 4.

⁸ DIMIA website, Student Visas: Financial Requirements, 2004 pp2-4.

The assessment levels are determined by visa breaching statistics and yet this would not seem to be a valid reason for imposing such stringent financial restrictions on applicants. This may make more sense by use of an example, the DIMIA statistics for visitors overstaying visas for the top 5 countries in 2002 are⁹

1. UK 10.5%
2. USA 8.6%
3. China 6.5%
4. Philippines 6.3%
5. Indonesia 5.9%

For higher education students Assessment level 1 countries include the USA and the UK while China is Assessment level 4 and the Philippines are Assessment level 3. Indonesia is Assessment level 2. There seems to be no consistency in the placing of countries at these levels.

The language assessment of applicants from countries is also determined by Assessment levels. This is not a reasonable way of determining language assessment, rather it should be a blanket assessment based on the national language of the country of origin.

RECOMMENDATION 7

NLC would like the assessment levels to be reassessed or even abolished and a new system put in place that reflects the genuineness of the student and the educational ability of the student. There are no grounds for determining the financial ability of a visa applicant based on their country of origin.

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⁹ Bexley, page 4.

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