



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**PROOF**

**EDUCATION SERVICES FOR OVERSEAS  
STUDENTS AMENDMENT (RE-  
REGISTRATION OF PROVIDERS  
AND OTHER MEASURES) BILL 2009**

**Second Reading**

**SPEECH**

**Wednesday, 3 February 2010**

BY AUTHORITY OF THE SENATE

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## SPEECH

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**Questioner**  
**Speaker** Boyce, Sen Sue

**Source** Senate  
**Proof** Yes  
**Responder**  
**Question No.**

**Senator BOYCE** (Queensland) (11.53 am)—As Senator Wortley just pointed out, the provision of education to overseas students in Australia is our third largest export industry. It brought in \$15.4 billion in 2008 and one would have thought that on that basis the Rudd Labor government, which we are told is keen to protect this industry, could have acted in a somewhat less leisurely fashion than the six months it has taken them to bring this bill, the Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009, to the stage of being passed.

The overseas students industry is of major importance to Australia and we need to preserve it, but it is right now at risk, and has been for almost 12 months, of some dubious and unscrupulous practices by a minority in this sector—and I emphasise by a minority in this sector. The majority of private and government and tertiary providers of education to overseas students in Australia are reputable and interested in education. There are others who are more interested in profit. We have seen in the past 12 months a series of high-profile failures in that private college system. GEOS Oceania, which operated English language colleges in Melbourne, Sydney, Adelaide, Perth and, in Queensland, Brisbane, the Gold Coast and Cairns, collapsed last week. The administrators, Ernst and Young, have announced that because of the financial position the colleges will not reopen. Total debts owed to students and other creditors are estimated by the administrators to be about \$10 million. More than 2,300 students and 390 staff throughout Australia have been left in limbo, or worse.

The consumer provision protections that already existed in this legislation, passed under the Howard government, meant that the students in these colleges should be given places in other institutions. The administrators are now working with the federal Department of Education, Employment and Workplace Relations and relevant state and territory departments to make these alternative arrangements. But to say that the education of these students has been interrupted is an understatement. It is not just their education and their lives that have been affected but also their families' gross concerns have been developed by this failure.

Other international schools such as Sterling College and Melbourne International College went under in July. Four schools—Meridian International School, Meridian International Hotel School, International Design School and the International College of Creative Arts, which had 13 campuses—collapsed last November, yet there has been legislation waiting to be passed since August. The Meridian collapse left 3,400 students stranded. Meridian was a Chinese owned company and its owners simply decided to pull out of the Australian market.

A financial audit of the GEOS operation by the Victorian Registration and Qualifications Authority in December last year raised concerns about their financial viability. But nothing happened in time to save those 2,000-plus students and the 400 or so staff. The Victorian Registration and Qualifications Authority is reported to have been in talks with the company back then to have them establish a trust fund to protect students, as well as to reach an agreement to shore up funds for the local operation. Those talks have come to nothing and a collapse has ensued. There was no legislative backup for the work that the Victorian authority was trying to do. The *Australian* newspaper has reported:

According to industry sources, GEOS' local woes may relate more to the global operations of the Japanese parent company which was beset by rumours last year that it had been late in paying staff. That has prompted suggestions that the Australian operations may have been used as a cash cow.

Clearly, as the coalition amendments—which Senator Cormann will move for us soon—indicate, there needs to be a risk management approach to providers to ensure that Australian private colleges cannot operate simply as profit centres for overseas organisations. Clearly, there needs to be a scheme whereby sufficient operating funds are retained by the colleges so that students' dreams are not simply exported, along with their funds, by the overseas owners of some of these colleges.

In fact, the rotten apples in this industry have led to the need for a radical review of the whole business of recruiting foreign students to Australia. The system has been open to rorting. There have been unscrupulous recruitment agents preying on vulnerable potential students and their families who are desperate for a better life for their children and see that as potentially

available in Australia at colleges which offer, in the end, little more than the very barest of education—and I do not use that word lightly—no matter what their accreditation currently says and no matter what recruitment agents tell these families and students.

To be honest, there are students, and their families, who openly admit that they are exploiting the current system to achieve their dream of living permanently in Australia. Speaking at the Senate inquiry into the welfare of international students in September last year, a senior industrial officer from the ACTU, Ms Michelle Bissett, succinctly spelt out the existing situation. She said there had been:

... unscrupulous practices by migration agents, by some registered training providers and by some employers. These practices have resulted in exploitation of international students tarnishing our education reputation. Even though they might be migration issues that have come into play, it is having a negative effect, we believe, on our education reputation. The migration pathway that has been opened up for international students has led to a growth in training organisations delivering training, not for the purpose of skill development but for the purposes of migration ...

Recently I was introduced to a young Indian woman student in Brisbane by a senior elder of the local Sikh temple. The young woman's story is typical of many. She comes from a small rural village in the Punjab. Her parents, who are poor farmers, borrowed heavily so that they could raise the \$10,000-plus required for her to pass the International English Language Standard Test and to pay for the first six months tuition fee at a private college in Brisbane, and to buy her ticket to Australia. It was a massive amount of money for this family to raise, but attached to it were their dreams of a better life for their daughter and, hopefully, for themselves. This woman was sent by her parents to a 'cramming school', as she described it, run by a recruitment agency in the Punjab, so that she could learn sufficient English to pass the International English Language Standard Test. Yet during our chat she acknowledged that her English was poor and she frequently had to defer to the temple elder for a translation of my comments and questions. She was quite open about the reason she had come to Australia. She freely admitted that it was to get 'PR'. In Australia this means public relations. In the world that this woman moves in, PR means permanent residency. No-one even bothers to spell it out because everyone knows that the pot of gold at the end of the rainbow is PR—I had to query her on that! In fact she even admitted that she did not particularly want to study hospitality, which is the course she was doing, but had been told by the college agent that it was the best course to guarantee her PR. She is unable to get a job in the hospitality industry, primarily because of her poor English language speaking skills. She is under a lot of

pressure from her parents to find work, as she has three more semesters of college, at \$6,700 per semester, to pay for as well as her current rented accommodation and the basics.

This young woman and the temple elder both advised me that there were very limited opportunities for work for Indian students in Brisbane, a fact that certainly was not spelt out before this young woman came to Australia. I was told by this respected elder and by the young woman that even the owners of some Indian restaurants exploited hospitality students from their home country, paying them as little as \$2 an hour to wash dishes and the like, knowing that they had to meet the work hours criteria set down by their courses. This young woman is in a desperate situation. She is locked into a course that she believes is not educative and is ultimately useless, but she and her family cannot afford even this without further severe financial hardship. She cannot find a job and, because she has no money, she spends all her time with other Indian students speaking Punjabi, which gives her very limited ability to improve her English.

Students such as this young woman are the innocent victims of their parents' dreams of a better life, and a system that has degenerated so much that it allows those dreams to be exploited. This young woman and her family are now in a desperate position, having committed themselves to a huge debt. Because she cannot get a job, it is unlikely that this young woman will be able to complete her course, which will destroy any chance of permanent residency and, therefore, citizenship.

It is clear from her story that the system now in place, which allowed her to arrive here full of false hopes, is deficient. In fact, the current system is openly and cruelly rorted by some unscrupulous agents in India and some private colleges with whom they work here. What is the future for her and many other students like her? How many of these students trapped in those circumstances are being forced into jobs that exploit them? They are working for \$2 an hour, if they are lucky. In some cases, they are even being driven into prostitution. Both the young woman student and the Sikh elder that I met said this was happening now in Brisbane and throughout Australia, from their contacts within the community.

The government therefore has an urgent responsibility—not a leisurely one—to ensure that the existing system is cleaned up. For a start, the English proficiency test must be administered credibly, not by those who profit from passing as many students as possible with little oversight of the skills of those people when they finally arrive in Australia. The system needs to acknowledge that no-one can learn or be educated when they are alone, frightened and

impoverished. There must be a safety net and support system to ensure that students like this young woman, from small rural villages in India, do not arrive in Australia bewildered and afraid in a radically different culture with poor language skills, meagre funds and no friends. There is more to education than providing the course, and we need to ensure that the providers of those courses meet sufficient standards to provide real education, not just an adult standing in a room.

Our national reputation in India, as other speakers have noted, is already under a cloud because of attacks on Indian students, which are certainly, in my view, partly racially motivated. The coalition are committed to stamping out fraudulent practices in this industry by raising accountability. One of our key proposals, apart from the amendment I mentioned earlier regarding risk management, would be to improve the service by education agents by requiring them to take a training course—a real training course. Agents must provide accurate and reliable information to prospective students so that their expectations are not unrealistic. When I asked the young woman what she knew about Australia before she got here—what she had been told about Australia—I heard that the reality for someone from a rural village with very low English skills was vastly different from the picture that she had been sold about what she would get when she came to Australia.

We in the coalition are also concerned by the current operation of the default fund for reimbursing overseas students if their provider ceases operation. This fund reimburses students when the fund manager is unable to secure a suitable alternative training place. Our concern is that, given the spate of provider closures, the ESOS Assurance Fund must be close to being exhausted. But, of course, how would we know? There is no open accountability here. We seek to improve the accountability and transparency of the fund by requiring the fund manager to provide the Minister for Education with a written report in each instance of provider default where a claim is made on the fund. We believe that the minister should be required to table that report in parliament.

There is a very strong, robust and well-credentialled private education industry in Australia, but there are some rogues. It is a shame that these rogues have so polluted the development of private education that we need to proceed down this path—but we certainly must and we must do so urgently. It is important that we re-establish the faith and trust in our system of students such as the young woman who came to my office. We are talking about moves that will assist in the future but I think we also need to look carefully at what assistance we can offer some of the people who have, basically, been stranded in Australia by the lack

of accountability and the lack of honesty—straight-out honesty—of some providers and some recruitment agents in the past. There are people now in Australia who need our assistance. This needs to be looked at by the government, who, as we pointed out earlier, could have put this legislation through six months ago but did not. There are more people being trapped every day that this legislation is not in place and is not implemented. I urge the government to proceed with a little more haste in the implementation of this legislation than they have with the passage of it.