ENGLISH AUSTRALIA

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STUDENT VISA PROGRAM ASSESSMENT LEVEL REVIEW

Submission by **ENGLISH AUSTRALIA**

English Australia – leading, supporting and representing the international English language industry in Australia

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English Australia Pty Ltd acting for and on behalf of ELICOS Association Ltd.

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Background

In December 2010, the Hon Chris Bowen, Minister for Immigration and Citizenship and the Hon Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations appointed the Hon Michael Knight AO to conduct the first independent review of the Student Visa Program. Mr Knight reported to the government on 30 June 2011, making 41 recommendations to enhance the quality, integrity and competitiveness of Australia's international education sector and improve the integrity of the Student Visa Program.

In September 2011, the government announced its response to the Knight review, and a key part of this response was to accept the recommendation that DIAC undertake a review of the Student visa Assessment Level (AL) framework. Assessment levels are a risk management approach applied to all Student visas, determining the amount of evidence visa applicants need to supply and the level of scrutiny with which their claims are assessed.

> ***Recommendation 32***
>
> *That DIAC undertake a review of the AL framework, with a mind to either abolishing the system entirely or modifying the framework to make it relevant to current and future challenges facing the student visa program. This review should be managed by DIAC but should include reference to an external panel or reference group.*

Just before Mr Knight reported to government, in May 2011, the Australian National Audit Office (ANAO) completed and released its Performance Audit No 46 Management of Student Visas. The audit assessed DIAC's management of the Student Visa Program, and made a key recommendation relating to ALs.

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Recommendation 1

To improve DIAC's management of risk in the student visa program, and to better align student visa requirements and immigration risk, the ANAO recommend that DIAC undertake a review of its process for determining country and education sector assessment levels for student visa applications.

The ANAO's recommendation has been subsumed in this review of the AL framework, which is tasked with recommending reforms to the current Student visa risk management framework that will not only enhance integrity in the Student Visa Program, but will also facilitate the competitiveness of Australia's international education sector. Consideration of a provider-based risk management approach is a focus of the review.

DIAC will report the review's findings to government in mid-2012. On completion of the review, and prior to full implementation of agreed recommendations from the review by 2013, the government may consider options for the early implementation of its findings to apply to a small number of high quality training and education providers.

A discussion paper was released on 31 January 2012 to seek views on the issues raised in the review's Terms of Reference, with submissions due by Responses should be provided by Friday 16 March 2012.

Executive Summary

English Australia welcomes this opportunity to provide input to the Student Visa Program Assessment Level Review.

The Knight Review did an excellent job of identifying some of the key weaknesses of the current assessment level framework. English Australia agrees that the current assessment level framework does not manage risk appropriately, however recognises that with the size of the student visa caseload, some kind of risk management framework is essential.

English Australia believes that an effective risk management framework would have two key features:

- achieve the appropriate balance between allowing genuine students access to Australia's education sector and maintaining the integrity of the student visa program;
- establish a partnership approach between DIAC and the industry which would incentivise behavioural change amongst providers, students and agents.

The framework for applying risk is currently a very blunt instrument. English Australia believes that risk assessment should not be applied solely at a country and/or sector based level. Realistically, risk is situated within each individual student, however it is evident that a defined framework is needed to facilitate making this risk assessment.

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Critical to managing risk are the actions undertaken by the education provider to recruit students who meet the appropriate criteria for entry to their programs and to meet their obligations under the ESOS legislation to monitor and report on students' course attendance and course progress. Also critical is the integrity of the data that underpins the risk assessment process.

English Australia believes that an effective risk management framework would reward education providers and their partner agents who take a responsible approach to ensuring the quality of their student visa applications.

The size of the caseload means that DIAC needs providers and their agents to share the responsibility of managing risk, but this will only happen if there are incentives to do so.

Streamlined visa processing (SVP) is a key incentive that has the potential to enhance the reputation of providers and their agents and therefore deliver good business outcomes to those that align their goals with those of DIAC.

A workable framework might look as follows:

- single Student Visa (no differentiated sub-class by sector);
- countries allocated a risk factor (low, medium, high) based on political and economic considerations, with the flexibility to be able to amend this quickly to respond to changing circumstances;
- education providers allocated a risk factor (low, medium, high) based on a combination of a provider's ESOS compliance related track record and objective data for each provider related to the profile of their student visa applications and the subsequent behaviour of their students;
- 'small provider' category for providers with low numbers of international students (low risk);
- all providers with the autonomy to set appropriate English language and educational qualifications as minimum eligibility criteria;
- no minimum levels of English language nor maximum course length for preparatory English;
- visa applications for providers deemed low risk are eligible for streamlined visa processing – online with fast turnaround times;
- visa applications for providers deemed high risk are subject to greater scrutiny and may take longer to process;
- all providers receive regular reports regarding the profile of their visa applications (level of fraud etc.) as well as the performance of their student cohort (drop-out rate, visa breaches etc.);
- all providers have the opportunity to respond to areas of concern that are identified through this reporting process;
- mechanisms are available that can be used as additional safeguards where risk is identified eg. no further stay condition may be imposed in cases where a higher degree of risk is identified.

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English Australia makes the following recommendations (with key recommendations highlighted):

Recommendation 1: English Australia recommends that DIAC explore a risk management approach that is based on a combination of country risk and provider risk as follows:

- **country assessment levels to be reduced to three (low, medium and high), be consistent for the country regardless of the sector of study; and the criteria for assigning country assessment levels to be established in consultation with the industry.**
- **provider assessment levels to be set at three (low, medium and high); and the criteria for assigning provider assessment levels to be established in consultation with the industry.**

Recommendation 2: English Australia recommends that DIISRTE review the current waiver of attendance monitoring requirements for some VET providers under Standard 11 of the National Code.

Recommendation 3: English Australia recommends that an International Education Data Working Group be established.

Recommendation 4: English Australia recommends that a (low risk) small provider category be introduced.

Recommendation 5: English Australia recommends that all providers be given regular reports of the performance of their student visa cohort, by country and agent wherever possible.

Recommendation 6: English Australia recommends that English language proficiency be removed as a threshold criterion for the student visa program.

Recommendation 7: English Australia recommends that DIISRTE review the evidentiary requirements for providers to demonstrate compliance with Standard 2 of the National Code as it relates to English language readiness for further study.

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Recommendation 8: **English Australia recommends that DIAC investigate further the suggested framework that emerged as the key outcome from the DIAC June 2010 financials workshop however with adaptations made to reflect whatever risk based model is ultimately adopted as a result of this review.**

Recommendation 9: **English Australia recommends that the amount of funds required to cover living expenses should be set on an annual basis related to cost of living data available from the ABS and should be adjusted to the length of stay of the application (if less than one year).**

Recommendation 10: **English Australia recommends that providers have the autonomy to establish the educational qualifications that are a pre-requisite for particular courses.**

Recommendation 11: **English Australia recommends that the Education Visa Consultative Committee be used as a forum for analysing reasons for delays in visa processing and developing solutions.**

Recommendation 12: **English Australia recommends that eVisa access be opened up to all applications for study with low risk providers.**

Recommendation 13: **English Australia recommends that benchmarks should be set for processing times and that these should be reported against on a regular basis.**

Recommendation 14: **English Australia recommends that the student visa program be implemented in a fully transparent way, with mechanisms in place for stakeholders to appeal inappropriate and inconsistent judgments.**

Recommendation 15: **English Australia recommends that the Education Visa Consultative Committee be a forum for developing a strategic approach to addressing anomalous patterns of concern.**

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Recommendation 16: **English Australia recommends that DIAC work with the industry to develop appropriate training for DIAC staff related to the various education sectors and the courses they offer.**

Recommendation 17: **English Australia recommends that DIAC engage with the industry in developing guidelines for decision making related to the appropriacy of English language courses for particular profiles of applicants.**

Recommendation 18: **English Australia recommends that DIAC organise a facilitated workshop as an interactive approach to address the issues raised in the discussion paper and develop the most effective solutions.**

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Preliminary Comments

English Australia welcomes this opportunity to provide input to the Student Visa Program Assessment Level Review and makes the following preliminary comments regarding the context and focus for the review.

It is important to note that the focus of this review is to ensure that whatever framework for managing risk is put in place it be "**relevant to current and future challenges facing the student visa program**" and that the review aims "to reform the current student visa risk management framework **to enhance the integrity of the student visa program** while **facilitating the competitiveness of Australia's international education sector**".

It is also important that this review takes into account developments in relation to a number of initiatives that are being progressed in parallel, namely:

- implementation of Genuine Temporary Entrant Criteria (GTEC);
- implementation of the Fraud Public Interest Criteria (PIC);
- implementation of Streamlined Visa Processing (SVP) for universities;
- implementation of SkillSelect to manage skilled migration;
- amendments to the Education Services for Overseas Students (ESOS) legislation;
- commencement of the Australian Skills Quality Authority (ASQA) and the Tertiary Education Quality and Standards Agency (TEQSA).

Key aspects of ensuring the competitiveness of Australia's international education sector are the **turnaround time** for visa decision making and the **transparency of the process** so that applicants are very clear about what is expected of them.

Key aspects of effective risk management are to **focus resources on areas of high risk** and to **minimise the barriers where there is low risk**.

The review of the assessment levels framework needs to acknowledge the reforms that have been made over the last two years to the general skilled migration program, the ESOS legislative framework and the student visa program itself. These reforms have had a significant impact on some of the variables relating to integrity which this review is seeking to address.

As outlined in the following submission, the ELICOS sector in particular is experiencing a significant decline in enrolments that threatens the future of the sector altogether. The downturn has continued now for two years and unless it is turned around soon the sector will be increasingly hard to rebuild.

As a result, the sector is looking to this review to clearly identify key recommendations that can be implemented in the immediate short-term as well as those that may require a longer timeframe. Whilst recognising the importance of the need for due consultation and consideration of any unforeseen consequences, English Australia urges DIAC to consider the sector's need for urgent action that will address the declining numbers of enrolments that currently threaten the sector's long-term future.

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Profile of the ELICOS Sector

Over 1,423,000 people travelled to an English speaking country to learn English in 2010 – globally the industry is worth over US$10.5 billion. The top two destinations for international students wishing to learn English are the UK and the USA, followed by Canada. In just over 20 years Australia has taken considerable market share as a destination for international students wanting to improve their English language skills to consolidate its position as the fourth most popular destination. Australia's global market share peaked in 2009 and although falling in 2010 was still estimated at 10% of English language students and 14% of the number of weeks spent studying English.[1]

In 2010, 140,102 international students undertook ELICOS courses in Australia, a considerable decline from the peak of 162,114 students in 2008, a decline which accelerated in 2011 and has not yet bottomed-out. 60% of ELICOS students in 2010 held student visas, 23% visitor visas and 17% working holiday and other visas.[2] AEI data shows that the majority of international students undertake study in more than one educational sector, with the ELICOS sector being the first step in an Australian study pathway for approximately half of the international students who study in Australia's tertiary sector.[3] Approximately 70% of ELICOS student visa holders completing ELICOS in 2009 continued through to further study in other sectors.

Whilst English language preparation for further study is a key goal for many students, it is important to note that 30% of ELICOS students holding student visas undertake ELICOS as an end goal in itself. English language and cross-cultural communication skills are increasingly valued as essential to success in a globally competitive career.

The ELICOS sector plays an important role in a number of areas related to international education and other service export areas. International students cannot undertake studies within other education sectors without the necessary English language skills. The ELICOS sector provides an essential "pathway" role in assisting many international students to develop the English language skills they require to be successful in further studies. This is a fundamental component of the typical international student course plan, not only developing their English language skills, but also providing them with the study skills they need to be successful in the Australian environment. International students who undertake English language study in Australia are more likely to undertake their further study programs in Australia. If English language students are diverted to other sources of English language training eg. New Zealand, they are more likely to continue their study there.

The ELICOS sector plays a vital role in opening up new markets for international education. An important element of Australia's international education strategy is that of diversification and there are a number of emerging markets which the industry is currently developing in order to further this strategy. In these countries the profile of Australia's education services is relatively low and there is an identified trend that

[1] *Study Travel Magazine*, December 2011
[2] *English Australia Survey of Major Regional ELICOS Markets in 2010*, May 2011 (support funding from DEEWR)
[3] *Study pathways of international students in Australia*, AEI 2011

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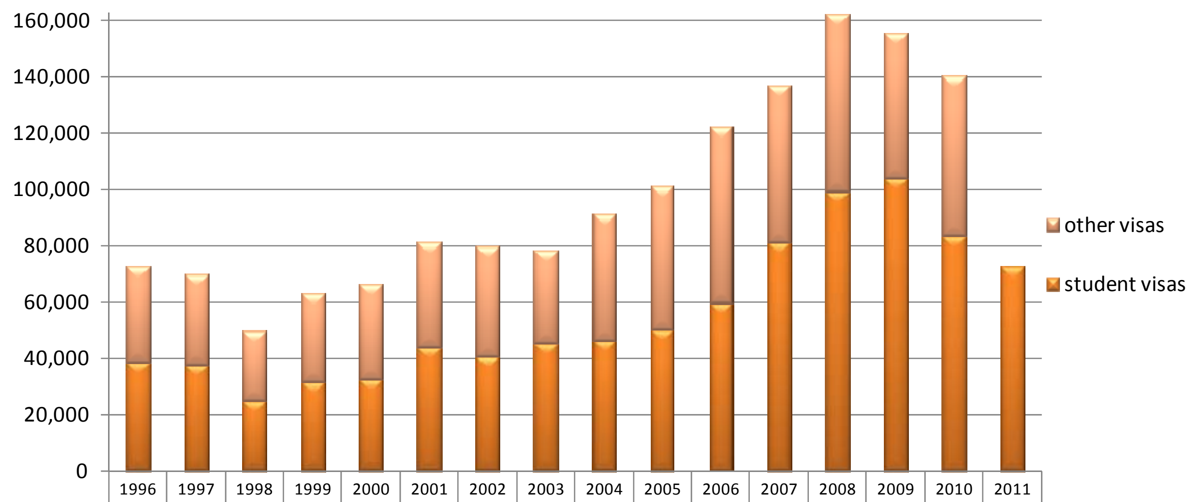
international students from emerging markets tend to undertake short preliminary ELICOS courses in order to increase their knowledge of Australian further study institutions and confirm their plans for further study. The ELICOS sector has always been entrepreneurial in moving into new markets, with the initial starting point being short English language courses which require low financial investment and low risk on the part of students. These short courses have traditionally provided a starting point for raising the profile of Australia as a destination for international students.

The ELICOS sector adds a further dimension to Australia's appeal as a tourism destination. Approximately 40% of ELICOS students undertake English language courses whilst they are visiting Australia on Working Holiday or Visitor visas. Australia's ability to provide English language training within an English speaking environment adds a further dimension to its appeal as a tourism destination. ELICOS colleges provide a large number of study-tour programs for groups of young people in their school/university holidays. These study-tour programs provide potential long-term students with the opportunity to experience the quality of education that Australia has to offer. ELICOS colleges also provide a wide range of "English Plus" programs for individual students which combine English language training with specific activities, such as English + Scuba Diving.

The ELICOS sector has many features which make it different to other education sectors and extremely vulnerable to changes in the external environment. This vulnerability is clearly demonstrated by the extreme fluctuations in the pattern of enrolments as seen over the last 13 years, ranging from a -29% decline experienced in 1998 as a result of the Asian financial crises to +27% in 1999 as the market recovered. The five years from 2004 to 2008, however, broke this pattern with an unprecedented level of consistent, strong growth year on year. In 2009 this growth pattern finally came to a halt (see *Current Context* section below).

Number of ELICOS enrolments by visa status



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
other visas	34,096	31,918	24,721	31,403	33,806	37,284	38,915	33,062	44,954	51,149	62,114	56,193	62,770	51,898	56,519	
student visas	38,449	37,469	24,721	31,403	32,481	43,769	40,503	45,275	46,176	49,938	59,745	80,826	99,344	103,71	83,583	72,446

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The ELICOS sector delivers programs to a student body which is 100% international students. Whilst other sectors provide education and training to both domestic and international students, the student body of ELICOS providers is 100% international students. The sector therefore does not have an economic "buffer" should there be downturns in international student numbers. Even short-term downturns have the potential to impact severely on institutions' cashflow and operational viability. ELICOS providers attached to universities and other publicly funded institutions are no exception to this exposure.

Revenue for ELICOS providers is based on length of course rather than numbers of students. Whilst other education sectors tend to recruit students for semester or longer programs of study, ELICOS providers offer programs based on a unit of one week, with fees per week. The number of weeks studied is therefore the most important indicator of growth/decline for the sector, rather than the number of visas issued or the number of students. Any change in the external environment which may affect the length of courses undertaken by students has the potential to impact severely on providers' economic viability. Providers need to recruit more students to make up for the loss in student weeks.

The ELICOS sector offers short courses with a resulting high turnover in student numbers. The English Australia ELICOS Industry Report for 2010 indicated that the average length of course for students in the ELICOS sector was 11.9 weeks (15.6 weeks for student visa holders). The resulting high turnover of students and low revenue per student ratio means that ELICOS providers do not get the same return on their marketing/ administrative dollar as that of providers offering longer courses. Intakes of new students tend to be weekly rather than twice a year as is the norm for the university sector. Intakes of new students are therefore immediately affected by any change in the external environment.

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Current Context

The current decline being experienced by the international education sector has been well documented, with a range of factors identified as contributing to the decline.

Three data sources are critical to understanding trends within the sector:

- AEI data for commencing students with student visas (see **Appendix A** for English Australia analysis of AEI data for 2011);
- DIAC data for student visa applications and grants (see **Appendix B** for English Australia analysis of DIAC data for Program YTD December 2011/2012);
- English Australia data for non-student visa holders undertaking ELICOS (2011 data not yet available, see **Appendix C** for 2010 data).

AEI data is important as it shows actual numbers of students commencing programs.

In 2011 all sectors except Higher Education showed declining commencements, with a resulting overall decline across all sectors of -8.6%.

The ELICOS sector is commonly known as the “canary in the coalmine” due to the role it plays as an early warning of forthcoming trends. As referenced previously in this submission, the ELICOS sector plays a significant role in preparing students with the language skills required for study in other sectors. AEI data shows that 45% of higher education students and 54% of VET students had studied ELICOS at some time prior.[4]

2011 AEI figures for ELICOS show a decline of -13.5% compared with 2010 and –32% compared with 2009, with a lower level of commencements than any year since 2006. This decline represents **11,303 fewer commencing ELICOS students than 2010 and 33,803 fewer ELICOS students than the peak in 2009**. This decline comes off the back of five years of good growth in student visa holders for the ELICOS sector.

All of the top ten source countries for ELICOS show a cumulative decline over the two year period, with five more countries in the top 20 also showing declining numbers.

DIAC data is important for predicting numbers as it shows the pipeline of students applying for and being granted visas in advance of them arriving in Australia for study. Onshore visa grants include students already in the country who are extending their study period within the same program of study or sector, applying for a visa to study in a different sector, or transitioning from another visa type such as a Visitor visa. As such, this category would include very few “new” students but rather captures those that are already undertaking study.

The analysis of Offshore visa grants provides a much more valuable picture of the “new” students that will be arriving in Australia to commence new courses. DIAC data for YTD December 2011/2012 shows an **overall decline in offshore student visa grants of -45%** across all visa sub-classes compared with the same period in 2008/2009, with **47,066 fewer visa grants** than 2008/2009.

[4] *Study pathways of international students in Australia*, AEI 2011

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English Australia Comments on the Discussion Paper

The Knight Review did an excellent job of identifying some of the key weaknesses of the current assessment level framework.

English Australia agrees that the current assessment level framework does not manage risk appropriately.

English Australia believes that an effective risk management framework would have two goals:

- achieve the appropriate balance between allowing genuine students access to Australia's education sector and maintaining the integrity of the student visa program;
- establish a partnership approach between DIAC and the industry which would incentivise behavioural change amongst providers, students and agents.

The framework for applying risk is currently a very blunt instrument. English Australia believes that risk assessment should not be applied solely at a country or sector based level. Risk is situated within each individual student, however it is evident that a defined framework is needed to facilitate making this risk assessment.

For Australian student visa purposes a 'genuine' student is someone who intends to travel to Australia on a **temporary** basis for the purpose of **studying full-time** to complete a **registered course** at an Australian education provider. This would imply that the risks are as follows:

- the 'student' intends to stay on a permanent basis rather than a temporary basis
- the 'student' won't study full-time
- the 'student' won't complete a registered course

Managing these risks relies on two components:

- identifying the potential for risk **before** granting a visa
- identifying and acting on breaches of visa conditions **after** the visa has been granted

Critical to managing these risks, therefore, are the actions undertaken by the education provider to recruit students who meet the appropriate criteria for entry to their programs and to meet their obligations under the ESOS legislation to monitor and report on students' course attendance and course progress. Also critical is the integrity of the data that underpins the risk assessment process.

English Australia believes that an effective risk management framework would reward education providers and their partner agents who take a responsible approach to ensuring the quality of their student visa applications.

The size of the caseload means that DIAC needs providers and their agents to share the responsibility of managing risk, but this will only happen if there are incentives to do so.

Streamlined visa processing is a key incentive that has the potential to enhance the reputation of providers and their agents and that will therefore deliver good business outcomes.

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The current student visa program does one thing very well. It links each student (visa) with a registered provider via their Confirmation of Enrolment (CoE). This provides an additional basis for managing risk via the provider rather than solely by country or sector.

English Australia believes that risk would be best managed by applying appropriate resources from DIISRTE/ASQA/TEQSA and DIAC to monitoring the behaviour of providers and combining provider "risk" with country "risk" to determine how student visa applications are managed.

English Australia understands the need for DIAC to be able to respond promptly to specific issues of concern that may arise in particular regions or profiles of applications (currently managed through "enhanced integrity checking"), however believes that this should be done in consultation with the industry to ensure a shared understanding of the issues and a transparent strategy for addressing them.

Country risk

As with the current model, countries could be assigned an Assessment Level based on factors related to GDP and political instability. This should be simplified, however to three levels (low, medium, high) and the criteria by which the levels are assigned should be reviewed in consultation with the industry.

All students from the same country should experience consistency in this area regardless of the sector they wish to study in or the provider they have chosen.

Provider risk

Provider risk, on the other hand, should determine how an application is processed.

Reflecting the close collaboration required between both DIISRTE and DIAC to support and manage the international education industry, English Australia believes that both departments should collaborate on implementing a provider risk management framework.

This kind of approach has previously been used by DIAC, however in a limited way. As one of a package of measures flowing from the recommendations of a previous review of the student visa program the concept of the Pre-Qualified Institution (PQI) was introduced in January 1999 with 45 education providers, representing all education sectors, selected by the Department to participate in a pilot during 1999. The PQI was a cooperative arrangement between the department and selected education providers to recruit genuine students from the emerging student markets of PRC, India, Pakistan and Vietnam.

The focus under the current review is much broader than just an approach to a few high risk markets and has the potential to drive stronger collaboration between government and industry, both in developing a common understanding the issues and behaviours that underpin migration risk as well as developing a partnership approach to addressing these issues.

English Australia believes that there would be value in establishing three categories of provider risk, low, medium and high, based on a range of factors.

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The factors should be **transparent**. English Australia is aware that a risk matrix has already been developed by CRICOS registering bodies as part of the provider re-registration process that took place last year, however this was not a transparent process and information has not been made available to the industry.

The data used for this purpose should be shared with DIAC and the industry as the first step in developing an effective risk matrix. A **provider's compliance related track record** could then be built on by adding **objective data for each provider related to the behaviour of their students** in relation to their student visa obligations eg. the level of fraud in applications, rates of breach of visa conditions, overstay rates and applications for protection visas. One key obligation for a student visa holder is that they must maintain satisfactory attendance in their course as required by their education provider and they must make satisfactory course progress for each study period. One current area for potential abuse lies in the current access to a waiver of attendance monitoring requirements for VET providers under Standard 11 of the National Code. English Australia believes that high risk providers should not have access to this waiver.

Benchmarks for defining the three levels of risk should be agreed between government and the industry in a genuinely consultative process.

Providers should receive **regular feedback** regarding their performance against these benchmarks, a process that would have the aim of facilitating improved understanding by the provider of where issues lie (with particular countries, programs or agents for example) so that they can take steps to address the issues that have been identified. Systems could be automated to allow for this to occur in an efficient manner.

DIAC resources could therefore be applied to applications for study with high risk providers whilst streamlining processing times for applications for low risk providers.

This proposal relies heavily on DIAC and DIISRTE/ASQA/TEQSA making data regarding their performance available to providers on a regular basis in a form that they can analyse and act upon. A "provider management" type of model would have the aim of effecting continuous improvement in a provider's ability to assess the risks associated with the students they recruit as well as their agent partners.

If this approach is taken then DIAC would have greater flexibility to respond to patterns of concern as they emerge rather than having a complete overhaul of risk levels by country and sector on an annual basis as happens currently. A consultation process via the Education Visa Consultative Committee (EVCC) could develop a series of "red flags" that would serve as triggers for EVCC consideration of appropriate remedial strategies.

Any risk based approach to managing the student visa program will be underpinned by data. It is critical therefore that this data be both accurate and "fit-for-purpose". Data is also critical to supporting both government and industry in identifying trends and developments and being able to respond promptly to developments of concern.

The industry has previously proposed that a collaborative government and industry *International Education Data Working Group* be formed with the following key areas of focus:

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- identifying what data is available for analysis
- identifying what gaps exist and establishing mechanisms to source the data required
- analysing the data available to develop key benchmarks of performance and forecasts of education export activity
- analysing the data available to model expenditure and employment and estimating the economic impact and contribution of education at the national and regional level
- designing data "templates" for regular input of emerging data and reporting trends to stakeholder groups across the whole of the industry

This initial draft template for a Data Working Group could be expanded to include a brief to analyse the data requirements specific to managing the student visa program effectively.

Recommendation 1: English Australia recommends that DIAC explore a risk management approach that is based on a combination of country risk and provider risk as follows:

- **country assessment levels to be reduced to three (low, medium and high), be consistent for the country regardless of the sector of study; and the criteria for assigning country assessment levels to be established in consultation with the industry.**
- **provider assessment levels to be set at three (low, medium and high); and the criteria for assigning provider assessment levels to be established in consultation with the industry.**

Recommendation 2: English Australia recommends that DIISRTE review the current waiver of attendance monitoring requirements for some VET providers under Standard 11 of the National Code.

Recommendation 3: English Australia recommends that an International Education Data Working Group be established.

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English Australia provides responses below to the specific questions posed in the discussion paper.

The merits of applying an education provider-based risk management approach particularly an approach that recognises and rewards high quality, low risk education providers.

The efficiency of the current system of distinguishing risk by country and education sector for example rather than by differences within countries and between individual education providers.

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

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?

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?

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

DIAC is currently in the process of introducing exactly such an "education provider-based risk management approach that recognises and rewards high quality, low risk education providers" with the SVP for universities. If this can be done for universities, why could it not be done for other providers?

A key element of such an approach is provider access to data. If education providers had access to data regarding the quality of their student visa applications this would allow providers to be proactive in managing their own risk profile. This data is currently being provided to universities – why could it not also be made available to other providers?

The discussion paper states that with 1,200 registered providers, a provider based model would be 'administratively complex' and 'resource-intensive'. It would be helpful to have data from AEI as to the profile of all registered providers in terms of numbers of annual enrolments.

A large number of these providers have a small number of international students. A 'small provider' category could be introduced (much as the current system allows for a 'small country' rule) where the risk is automatically designated as low because the numbers of students are so small. This would leave a much more manageable group of providers to apply a more tailored case management approach.

As suggested above, a combination of data based on DIISRTE focused ESOS compliance risk and DIAC focused student data risk could be used to assess particular risk profile 'types'.

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Recommendation 4: **English Australia recommends that a (low risk) small provider category be introduced.**

Recommendation 5: **English Australia recommends that all providers be given regular reports of the performance of their student visa cohort, by country and agent wherever possible.**

Simplifying the number of risk categories, for example collapsing the existing five assessment levels in the three risk categories of 'low', 'medium' and 'high'.

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

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

English Australia recommends that a risk matrix be developed that combines country risk with provider risk (see above for more detail).

Whether eligibility requirements for a risk management framework should include current assessment level eligibility thresholds of English language, financial capacity and educational qualifications.

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?

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?

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

English Australia welcomes the recent removal of the English language eligibility requirement for applicants for an Independent ELICOS visa.

English Australia continues to have issues with the principle that DIAC sets a minimum English language level as an indicator of whether a student is 'genuine' or not.

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Establishing minimum levels and maximum course lengths for English language study in preparation for further study places significant constraints on ELICOS providers, both in terms of market access (students cannot be recruited if their language skills are below a defined level, therefore Australia 'loses' these students to another competitor country) and sustainable business models (shorter course lengths drive increased churn of students and lower return on investment).

The fundamental question therefore to be addressed in dealing with this issue is whether setting minimum standards for English language proficiency and/or maximum periods of English language study contribute to preserving the integrity of Australia's migration program, and if they do, is there sufficient value in this contribution to outweigh the negative impacts on the sector more broadly.

❖ **What is DIAC's aim in including English language proficiency as one of the threshold criteria?**

DIAC sets an English language proficiency benchmark as one of a range of measures that they believe assist with identifying and managing migration risk. This measure continues to be applied to applicants from AL3 and AL4 countries (all subclasses except Independent ELICOS). Applicants from all other countries must only satisfy the provider that they have the appropriate English language proficiency.

Minimum standard: (identifying risk)	Based on the DIAC belief that applicants with low English language skills are not "genuine" students?
Maximum period: (managing risk)	Based on the DIAC belief that students that prolong their enrolment in an English language course are not "genuine" students?

❖ **Does the inclusion of English language proficiency as a benchmark achieve this aim?**

No. Although there may be some correlation between the level of English and migration risk on an individual basis (although no evidence of this has been provided by DIAC), the use of the measure on a nationality basis does not have any foundation in research. In fact the research that is available points to a range of other factors as having much greater relevance for the purpose of identifying migration risk (primarily economic and political factors).

- ✷ For example: Japan, a country with one of the poorest average scores in TOEFL[5] tests, poses a minimal risk under the current ALs, while Bangladesh, despite having a high average score in TOEFL tests, represents a high risk under the current ALs.

Setting a maximum period 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.

- ✷ For example: *Determinant of Toefl Scores: a comparison of economic and linguistic factors* was written by Korean academics based at the University of Washington and was based on analysis of TOEFL scores. It examined known variables in the ability of different nationalities to learn English, including mother tongue and the level of development of the country, language difference (the closeness in the relationship between the mother tongue

[5] Test of English as a Foreign Language (a globally accepted English-language assessment test)

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and English), colonial links with English-speaking countries, GDP and general educational levels. Language difference was found to be the most crucial factor in predicting exam scores. Speakers of European languages did best – South American students, for example, outperformed those from East Asia without exception. This is also supported by research by Cambridge University for Cambridge ESOL, which suggests that it takes a Chinese or Japanese learner at least twice as long to reach a particular level of English than their European counterpart.

❖ **Are there any unintended or undesired consequences?**

Yes, with associated benefits flowing from the removal of English language proficiency as a threshold criterion for the student visa program.

	Current negative impact	**Potential benefit if removed**
1)	Australia is not competitive (minimum standard) Australian providers are restricted from recruiting students with lower than intermediate English levels from certain countries.	Increased competitiveness Access for Australian providers to recruit students from the same pool as other competitor countries.
2)	Australia is not competitive (minimum standard) Students from certain countries have to invest additional $$ and time in taking a specified test to meet DIAC requirements (not only the cost of the test, but also the travel required to go to a city where the test is provided – the test is provided in limited locations).	Increased competitiveness Students do not have to incur costs specific to applying to study in Australia that are not incurred if they wish to study in other competitor countries.
3)	Contributing factor to unstable business models (minimum standard & maximum period) The average course length for student visa holders in ELICOS is 15.6 weeks leading to a high churn of students. ELICOS tuition fees are charged by the week, so length of course is a key factor in determining college revenue & therefore financial stability. ELICOS pathway providers in particular have to manage cycles of alternating very high and low enrolments in the lead up to the main Higher Education intakes; this places strain on efficient use of facilities, and retention of quality staff.	Increased financial stability for providers Removing minimum standards and maximum periods of study will allow providers to recruit students for longer periods of study, providing a greater return on their marketing investment and greater “yield” per student. Providers will be less vulnerable to sudden downturns in student numbers. Providers will be able to manage their resources more effectively, providing a better quality of course and service delivery.

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	Current negative impact	Potential benefit if removed
4)	Visa complications (maximum period) The current model that sets a minimum standard and then a maximum period of time to reach a further defined standard is necessarily flawed as it is based on an assumption that everyone makes progress in language learning at the same rate. When a student does not reach the defined level within the period of time allowed under their visa, they are automatically in breach of their visa conditions. This can result in students being sent home without being able to enter the further study course they have enrolled for or there is pressure placed on the provider to allow them to enter further study without the English language skills necessary to be successful.	Better quality educational outcomes for students & fewer issues for DIAC related to visa breaches If the maximum period is removed, different rates of learning within the student population can be catered for, resulting in pathway programs that are tailored to each student and that will deliver students that are appropriately prepared for further study. DIAC resources will not be required to deal with visa breaches related to students needing longer time to develop their language skills and can focus these resources on other areas of need.
5)	Lower quality student experience and learning outcomes (minimum level) Restricting certain nationalities to entering an ELICOS provider at a certain level tends to concentrate students from that country in classes at that level (eg. there are no Chinese students in elementary or lower intermediate classes). This has an impact on nationality mix in classrooms, something that is extremely valuable in the language learning context.	Higher quality student experience and learning outcomes Removing the minimum level would allow all nationalities to enrol in English courses at a range of levels, leading to a more diverse nationality mix, fewer opportunities for students to use their first language and therefore improved language learning outcomes.
6)	Inadequate English language skills (minimum standard & maximum period) There has been a great deal of debate over the last couple of years regarding the English language skills of students in higher education. Allowing international students to develop their language skills in an appropriately designed course in Australia will prepare students better for further study in the Australian context. Setting a defined language level for visa purposes places pressure on students to deliver a test outcome rather than improved language skills. Students are known to cram for tests, take tests repeatedly, buy test "answers" etc. rather than focus on improving their actual skills. EA would argue that the	Improved educational outcomes Students will no longer view English language as a "barrier" to be negotiated in whatever way they can and then forgotten about. Rather students can focus on the English and study skills they need to gain a successful educational outcome.

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Current negative impact	Potential benefit if removed
opportunity for international students to develop their skills onshore in an appropriately structured ELICOS course would equip them better to be successful in their further study than achieving a high IELTS benchmark offshore and undertaking a short preliminary ELICOS course onshore.	

❖ **Are there alternative options that will achieve the same aim?**

English Australia believes that there are more useful measures available to both identify and manage migration risk and that the following elements would provide safeguards that would justify the removal of English language proficiency as one of the threshold criteria.

Identifying risk

- Implement an amended risk management approach (see suggestions above).

Managing risk

- Maintain the current DIAC requirement for applicants for a student visa to be accepted for full-time study in a course that is registered on CRICOS.
- Ensure that ESOS legislation is enforced to the extent that providers are held accountable for their responsibilities related to:

  Standard 2 – Student Engagement Before Enrolment

  "Registered providers ensure students' qualifications, experience and English language proficiency are appropriate for the course for which enrolment is sought."

  Standard 10 – Monitoring Course Progress

  "Registered providers systematically monitor students' course progress.... Registered providers report students, under section 19 of the ESOS Act, who have breached the course progress requirements."

  Standard 11 – Monitoring Attendance

  "Registered providers systematically monitor students' compliance with student visa conditions relating to attendance.... Registered providers report students under Section 19 of the ESOS Act who have breached the attendance requirements."

- Ensure that DIAC take appropriate action in cases where students breach their student visa obligations.
- Collect, analyse and apply data relating to patterns of student visa breaches (by student country/region and by provider) to an analysis of risk (see above).

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❖ **What does English Australia recommend?**

All the available evidence points to the fact that English language proficiency, in and of itself, is not an indicator of risk.

Providers currently have the autonomy to make decisions regarding academic entry standards without DIAC setting benchmarks in this area. This autonomy should be extended to the ability to establish appropriate English language proficiency entry standards. The enforcement of Standard 2 of the National Code should be reviewed to ensure that appropriate focus is placed on the procedures that providers have in place for ensuring that students have the English language competence required.

Removing the English language proficiency threshold requirement will support increased competitiveness and stability for the industry whilst not compromising the integrity of the student visa program.

Recommendation 6: English Australia recommends that English language proficiency be removed as a threshold criterion for the student visa program.

Recommendation 7: English Australia recommends that DIISRTE review the evidentiary requirements for providers to demonstrate compliance with Standard 2 of the National Code as it relates to English language readiness for further study.

The migration regulations require that a student visa holder has the financial capacity to fund their course costs and living expenses in Australia without breaching their visa conditions. DIAC claims from experience that a student visa applicant having sufficient funds is one of the key indicators of a genuine intention to study in Australia.

Ideally, **evidence of those funds being held** should be provided in a simple, easily verifiable form and a decision maker should be satisfied that the student will have **genuine access to these funds** during their stay.

The current financial capacity threshold requirement has been identified by DIAC as a key factor contributing to high fraud rates and long processing times.

If the review can address this issue effectively there will be enormous benefits in terms of lower fraud levels, more effective application of DIAC resources and improved processing times.

For high risk countries students must currently demonstrate that they have enough money to pay for travel, tuition and living expenses not only for themselves, but also for their partner and their dependent children for the first 24 months of their stay in Australia.

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English Australia does not have an issue with the level that has been set for the funds required to cover living expenses on an annual basis, however had genuine concerns regarding the way that the increase in the annual amount required was implemented. In the future this should be done on an annual basis related to cost of living data available from the ABS and should be adjusted to the length of stay of the application (if less than one year).

English Australia believes that the current requirements for how much must be demonstrated upfront and how this is assessed continue to be both unreasonable and unrealistic, despite recent changes.

English Australia participated (along with other industry stakeholders) in a DIAC organised workshop in June 2010 to discuss the issues associated with the current financial capacity threshold requirement. The aim of the workshop was to explore alternative options to address the need to better match visa requirements to more streamlined application and processing outcomes as well as the need for greater assurance and satisfaction that funds are genuine, available and accessible to students when they arrive in to study in Australia.

English Australia believes there is merit in investigating further the suggested framework that emerged as the key outcome from the DIAC June 2010 workshop however with adaptations made to reflect whatever risk based model is ultimately adopted as a result of this review.

Recommendation 8: English Australia recommends that DIAC investigate further the suggested framework that emerged as the key outcome from the DIAC June 2010 financials workshop however with adaptations made to reflect whatever risk based model is ultimately adopted as a result of this review.

Recommendation 9: English Australia recommends that the amount of funds required to cover living expenses should be set on an annual basis related to cost of living data available from the ABS and should be adjusted to the length of stay of the application (if less than one year).

With regards to educational qualifications, English Australia believes that this should be a decision made by the education provider.

Recommendation 10: English Australia recommends that providers have the autonomy to establish the educational qualifications that are a pre-requisite for particular courses.

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The data and methodology used to determine immigration risk, including consideration of the relative significance placed on each risk factor.

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?

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

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

As described in more detail above, country based risk should be allocated based on economic and political criteria.

An ongoing review mechanism that is appropriately responsive to current and future immigration risks.

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

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

It would be appropriate for country risk levels to be reviewed in consultation with other government departments as well as the industry through the EVCC.

It would be appropriate for the provider risk framework to be established and reviewed with the industry through the EVCC and for provider risk 'status' to be confidential between DIAC and the provider.

Other

Processing times

The sector would welcome an approach by DIAC that would take a collaborative and analytical approach to identifying and addressing the issues associated with delays to visa processing. Anecdotally, English Australia is aware that some of these issues relate to resourcing around peak processing times, incomplete applications, identification of fraudulent documents, financial evidence checking etc. Solutions to these issues could be more readily identified and implemented if the industry was utilised as a partner in developing and implementing appropriate solutions. For example, if providers were aware of specific patterns related to incomplete applications they could address this via their own procedures and through their agent partners.

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An appropriate framework for allocating risk should also result in a streamlining of visa processing times (see above).

Currently access to online visa processing is only available to students from AL1 countries. Opening up access to more applicants would also contribute to minimising resource requirements and speeding up processing times. As the discussion paper states, for Assessment Level 1 applicants who lodge electronically a decision is generally made within 24 to 48 hours.

Satisfaction levels relate to expectations. It is important that students, agents and providers are given an accurate basis for their expectations. Benchmarks should be set for processing times and these should be reported against on a regular basis.

Recommendation 11: English Australia recommends that the Education Visa Consultative Committee be used as a forum for analysing reasons for delays in visa processing and developing solutions.

Recommendation 12: English Australia recommends that eVisa access be opened up to all applications for study with low risk providers.

Recommendation 13: English Australia recommends that benchmarks should be set for processing times and that these should be reported against on a regular basis.

Transparency & Consistency

Transparency is a significant issue within the current regime, particularly since so-called "stronger student visa integrity checks" were introduced from August 2009. The current Assessment Level framework is in fact meaningless as DIAC officers demonstrate an inconsistent approach to applying it across different countries and over different periods of time. Unless Australia restores this transparency we will continue to lose credibility in the eyes of students, their families and their agents who advise them in this complex area.

Students and their agents have lost faith in the system. Agents' professional credibility has been undermined by the random approach that DIAC staff have taken to interpreting DIAC's own rules. An Assessment Level 1 country such as the Czech Republic suddenly finds itself being treated as a high risk country with students required to undertake face-to-face interviews, being asked inappropriate personal questions and being told that a particular course is irrelevant to them. Rejection rates have ballooned out for some countries with no communication or explanation as to why this is happening.

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The whole point of the Assessment Level framework was to remove the uncertainties and grey areas of the old gazetted and non-gazetted regime. However, these grey areas have returned with additional requirements being asked of Czech applicants which are never asked of other AL1 countries such as Switzerland (for example). It has to be asked whether there is any value in being assessed as an AL1 country when 80% of the applicants are being treated as AL2 or even AL3.

English Australia has received reports that visa applications are being rejected because the DIAC officer does not believe they are a genuine student "because they want to study English when they are already competent in English". This reveals that DIAC officers appear to have no understanding of the varying motivations for studying English nor the various course offerings that are available and their appropriacy for different learners.

Providers and agents have no recourse within the current program to address these issues.

The challenge remains, however, of how DIAC can manage an appropriate response to anomalous patterns from particular regions or sources without damaging whole countries or sectors.

The sector would welcome an approach by DIAC that would take a collaborative and analytical approach to addressing any patterns of concern that may arise. Solutions to these issues could be more readily identified and implemented if the industry was utilised as a partner in developing and implementing appropriate solutions.

Recommendation 14: English Australia recommends that the student visa program be implemented in a fully transparent way, with mechanisms in place for stakeholders to appeal inappropriate and inconsistent judgments.

Recommendation 15: English Australia recommends that the Education Visa Consultative Committee be a forum for developing a strategic approach to addressing anomalous patterns of concern.

English Australia appreciates the ongoing tensions between objectivity and flexibility in the application of the student visa regulations. There are particular issues in relation to areas where the criteria are more subjective eg. the assessment of the appropriateness of a course for employment or career development. English Australia believes that this is too complex an issue to codify, however that the inconsistent application of this criterion could be reduced by further education of DIAC staff in this area and clearer directions and guidelines provided to posts, specifically from the English Australia perspective in relation to English language courses.

Recommendation 16: English Australia recommends that DIAC work with the industry to develop appropriate training for DIAC staff related to the various education sectors and the courses they offer.

Recommendation 17: English Australia recommends that DIAC engage with the industry in developing guidelines for decision making related to the appropriacy of English language courses for particular profiles of applicants.

A consultation process that relies on written submissions by peak bodies and other stakeholders in isolation from each other is not the ideal way to tease out the issues and identify possible solutions.

Once the submission process has been completed, English Australia believes an inclusive workshop approach to testing some of the possible solutions would have the best chance of delivering outcomes that will be effective.

Recommendation 18: English Australia recommends that DIAC organise a facilitated workshop as an interactive approach to address the issues raised in the discussion paper and develop the most effective solutions.

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Conclusion

English Australia believes an effective student visa program should be:

- underpinned by an effective risk management approach
- accessible & equitable
- implemented in a transparent manner
- reasonable & competitive cost to the applicant

English Australia seeks assurances from the government that any proposed changes to the student visa risk management framework will be examined for their impact on the viability and success of ELICOS colleges and that extended consultation with the sector will be undertaken to ensure that the likelihood of any unintended consequences

The English Australia submission would like to emphasise the importance of:

- adequate consultation with all stakeholders throughout the review and the implementation of its recommendations;
- transparent research and analysis related to the potential consequences of any proposed changes;
- any proposed changes being evidence based
- clear communication of the proposed changes to all stakeholders;
- adequate lead times to allow for market adjustment;
- grandfathering of applications prior to implementation of any changes.

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About English Australia & the ELICOS Sector

- English Australia, formerly known as the ELICOS Association, is the national peak body and industry association for the English Language Intensive Courses for Overseas Students (ELICOS) sector. English Australia was established in the early 1980's and incorporated in 1990.
- English Australia represents over 100 member colleges, with over 130 registered centres across Australia. Over 80% of international students learning English in Australia choose to study with an English Australia member college.
- English Australia has both public sector (eg. attached to a university or TAFE) and independent language centres amongst its membership.
- Currently international education is Australia's third largest source of export income, with the ELICOS sector accounting for about ten per cent, over $1.5 billion per annum out of a total of more than $16 billion for international education as a whole.
- The ELICOS sector peaked in 2008 with 162,114 students across all visa types, falling to 140,102 in 2010.
- In 2010, 83,583 overseas students holding student visas in Australia undertook English language courses (83,583 students). In addition a further 56,519 overseas students undertook English language courses using other visas, primarily Visitor or Working Holiday visas.
- 2011 figures for ELICOS student visa holders show a decline of -14% compared with 2010 and –32% compared with 2009, with a lower level of commencements than any year since 2006. Numbers of ELICOS students holding other visas in 2011 are not yet available.
- 44% of international students in higher education and 54% of those in VET study in an ELICOS program first.
- The ELICOS sector has a 100% international focus as it provides courses only to students from overseas and has no domestic education focus. As such, it is uniquely positioned to provide comment.
- The ELICOS sector plays a critical role in preparing international students with the language skills they need for further study in Australia and is the first step in the educational "pathway" for large numbers of international students.
- The ELICOS sector is highly vulnerable to changes in the external environment, with short courses (average course length was 11.9 weeks in 2010) and short lead-times for enrolments.

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[submission authorised by the Council of English Australia]

ELICOS

Commencing enrolments Full Year 2011

English Australia report on AEI Statistics

AEI student enrolment data is derived from the PRISMS database and counts enrolments and commencements by students holding a student visa. English Australia (EA) has undertaken an analysis of the data provided by AEI from the perspective of the ELICOS sector. The data referred to in this report relates to commencing enrolments with student visas.

This data does not include figures for commencements of students with other visas.

It is important to remember that 2010 data showed that student visa holders only make up approximately 60% of all ELICOS students. The data provided in this report therefore only refers to this proportion of the ELICOS sector. English Australia's annual survey (supported by AEI) provides additional data regarding other visa holders.

[The data produced by AEI is extremely thorough and detailed. If colleges would like to analyse the data in more detail than is provided in this report, we recommend that they visit the Austrade website and subscribe to the Market Information Package (MIP). In addition to the statistics, the MIP is a valuable source of current information on established and emerging markets around the world. The MIP comprises a range of products, from specific marketing opportunities and updates on the latest developments, to market overviews and online statistics, publications and reports on a variety of education and training research and information topics.]

Key Points

- All sectors, including Higher Ed, show a decline in the number of commencements for 2011, with a resulting overall **decline across all sectors of -8.6%**.

- **2010** saw a strong decline of -21% following five years of good growth in student visa holders for the **ELICOS** sector: 2005 (+9%), 2006 (+20%), 2007 (+37%), 2008 (+24%), 2009 (+5%). Numbers of ELICOS commencements in 2010 fell well below those experienced in 2008 and almost reached 2007 levels.

- **2011** shows a continuation of the decline for **ELICOS**. ELICOS student visa commencements have declined by **-13.5%** in 2011 to produce a total of **72,446 commencements**. This decline represents **11,303 fewer commencing students** than 2010. When compared with 2009, the decline is -32%, representing 33,803 fewer commencing students.

- October showed the first good news for some time, with positive growth in commencements for the first month in the two year period since November 2009. November 2011, however, showed a return to the declining trend, with October a seeming anomaly. **November showed a decline of -25% in ELICOS commencements, the second strongest decline for a month after March. Although December showed small growth, commencements in December are usually very low and are not significant.**

- In 2010 all of the top ten countries experienced declining numbers. 2011 figures continue to show declines from all of the top ten countries. Three of the top ten countries showed declines of more than 20%. The strongest decline is being experienced by Vietnam, followed by Saudi Arabia and Korea, and then China and Thailand, Taiwan, Colombia, Brazil, Japan and Indonesia.

- Italy showed the strongest growth of any country (numbers of students) with an additional 258 students.

- China showed the strongest decline of any country (numbers of students) with 4,809 fewer students and was followed by South Korea (-1,458), Vietnam (-1,263) and Thailand (-1,025).

- The strongest % decline was experienced by Tasmania, however the greatest decline in numbers of students was experienced by NSW (-3,748), Queensland (-2,878) and Victoria (-2,848).

- December 2011 shows a "head count" of students sitting in ELICOS classes at a similar level to December 2006, recording 29,050 students, 4,044 fewer when compared with 2010, and 13,309 fewer than the peak year of 2009.

Summary – All Sectors - Commencements

The following table shows the performance of each sector for 2011 compared with the previous seven years.

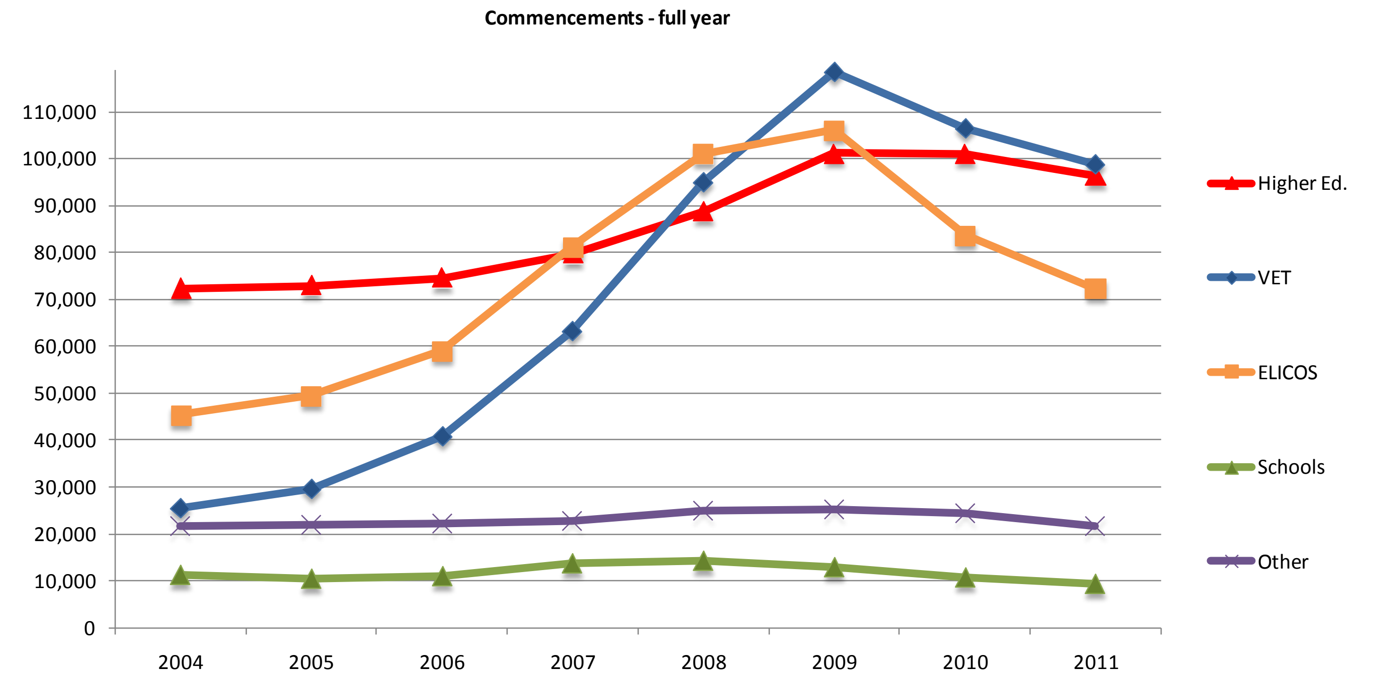
full year															
Sector	**2004**	**2005**		**2006**		**2007**		**2008**		**2009**		**2010**		**2011**	
Higher Ed.	72,433	72,994	1%	74,542	2%	79,678	7%	88,873	12%	101,294	14%	101,167	0%	**96,526**	-4.6%
VET	25,381	29,551	16%	40,875	38%	63,402	55%	95,152	50%	118,615	25%	106,667	-10%	**98,917**	-7.3%
ELICOS	45,368	49,448	9%	59,122	20%	81,230	37%	101,122	24%	106,249	5%	83,749	-21%	**72,446**	-13.5%
Schools	11,322	10,402	-8%	11,109	7%	13,604	22%	14,299	5%	12,962	-9%	10,810	-17%	**9,200**	-14.9%
Other	21,526	21,964	2%	22,085	1%	22,731	3%	24,853	9%	25,295	2%	24,513	-3%	**21,753**	-11.3%
Total	**176,030**	**184,359**	**5%**	**207,733**	**13%**	**260,645**	**25%**	**324,299**	**24%**	**364,415**	**12%**	**326,906**	**-10%**	**298,842**	**-8.6%**

Figures for 2011 show an overall decline in commencements of **-8.6% across all sectors when compared with 2010** and a decline of **-18.0% when compared with 2009**. This compares with an average annual growth rate for commencements since 2002 of +9.4% per year.

Following declining numbers of student visa holders in 2004, the ELICOS sector showed strengthening growth in each of the following three years, with 9% growth in 2005, 20% growth in 2006 and 37% growth in 2007. 2008 still showed strong growth of 24% however numbers of commencements slowed significantly in 2009 to record growth of only 5%. The decline in ELICOS commencements that commenced in the latter third of 2009 continued and strengthened throughout 2010, with full year figures showing a decline of -21% for ELICOS.

2011 figures for **ELICOS** show a decline of **-13.5% compared with 2010** and **–32% compared with 2009**, with a lower level of commencements than 2007.

All sectors, including Higher Ed, are showing declining commencements.



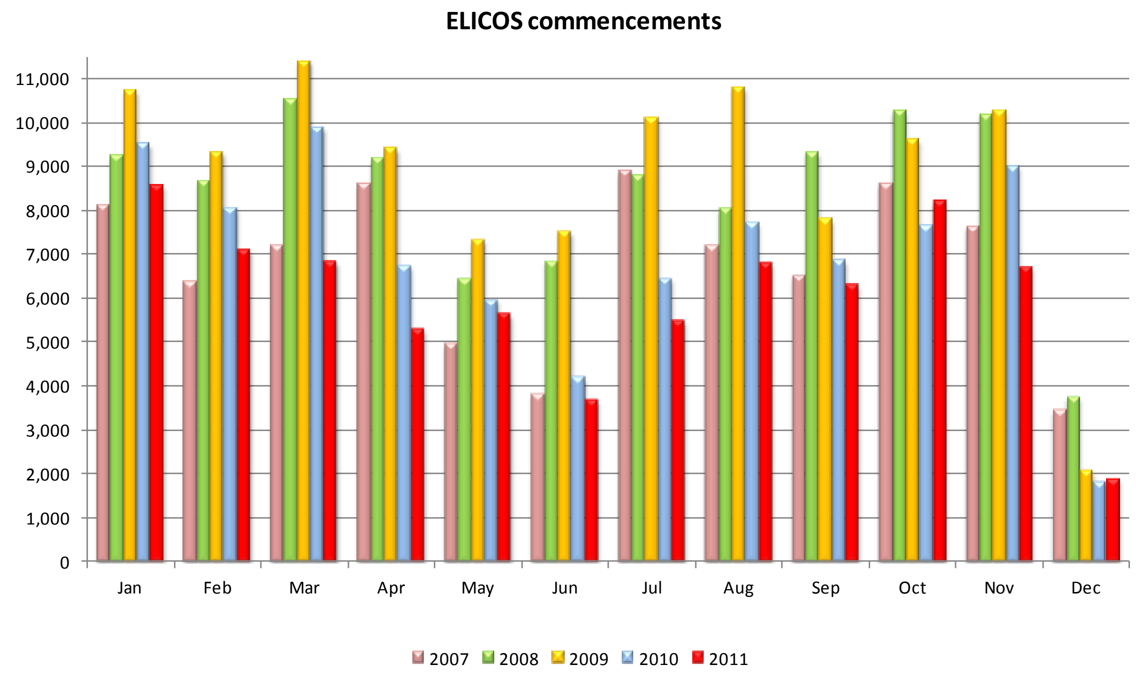
National – ELICOS - Commencements

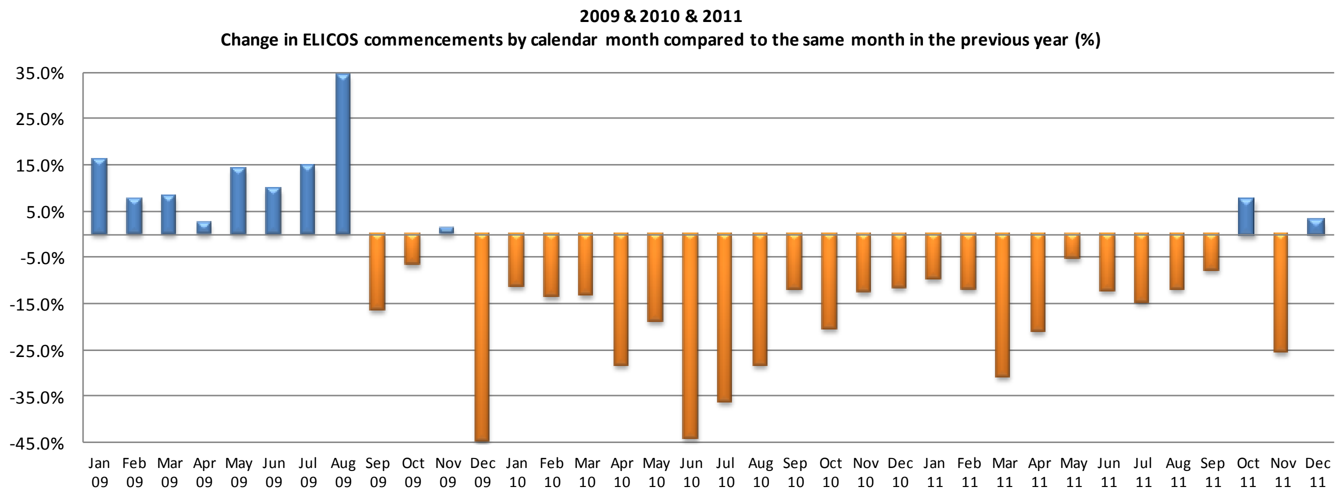
There were more student visa commencements in ELICOS in March 2009 than any single month over the previous seven years, breaking the 11,000 mark for the first time. **Numbers of ELICOS commencements however started declining from September 2009 onwards**.

This decline continued and strengthened throughout 2010. It should be noted that the declines of the last 4 months of 2010 and all of 2011 represented further declines on those experienced in 2009 and 2010.

October showed the first good news for some time, with positive growth in commencements for the first month in the two year period since November 2009. November 2011, however, showed a return to the declining trend, with October a seeming anomaly. **November showed a decline of -25% in ELICOS commencements, the second strongest decline for a month after March. Although December showed small growth, commencements in December are usually very low and are not significant.**

March has been the peak month for ELICOS commencements for each of the last three years, however March 2011 did not reflect this prior pattern, recording a decline of -31% over March 2010. March 2011 commencements showed lower numbers than any time since 2006 and the worst % decline since July 2010. January remains the peak month in 2011.

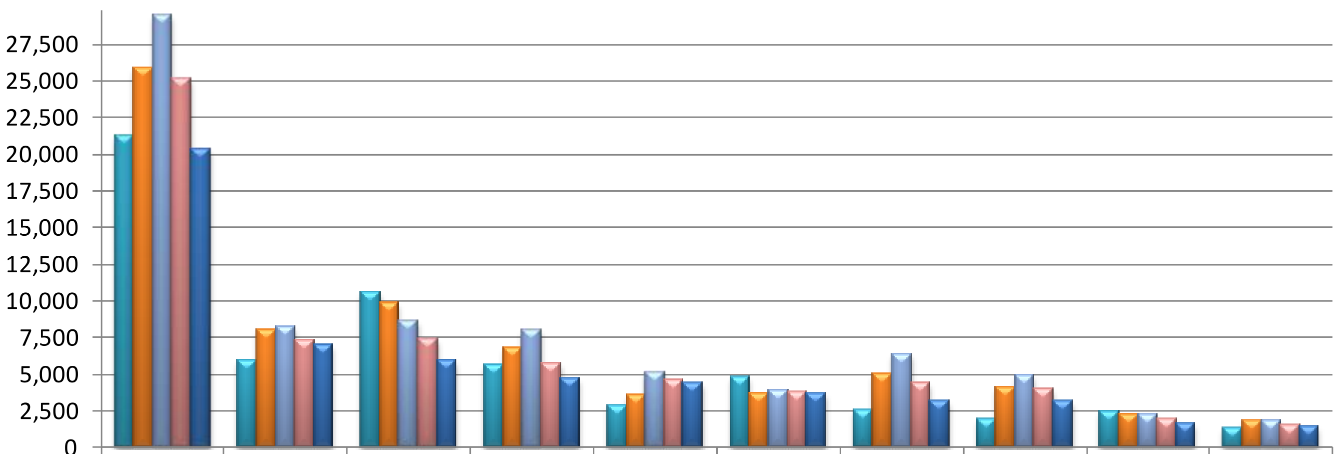




The following table and charts show the top ten nationalities for student visa commencements in the ELICOS sector for 2011 compared with the last four years.

ELICOS Commencements - full year										
	Nationality	2007	2008		2009		2010		2011	
1	China	21,297	25,852	21%	29,498	14%	25,126	-15%	**20,317**	-19%
2	Brazil	5,920	7,944	34%	8,200	3%	7,319	-11%	**6,926**	-5.4%
3	South Korea	10,548	9,810	-7%	8,590	-12%	7,416	-14%	**5,958**	-20%
4	Thailand	5,655	6,805	20%	7,955	17%	5,679	-29%	**4,654**	-18%
5	Colombia	2,804	3,593	28%	5,060	41%	4,595	-9%	**4,345**	-5.4%
6	Japan	4,756	3,717	-22%	3,877	4%	3,732	-4%	**3,642**	-2.4%
7	Viet Nam	2,504	5,030	101%	6,336	26%	4,432	-30%	**3,169**	-28%
8	Saudi Arabia	1,886	4,085	117%	4,918	20%	3,981	-19%	**3,132**	-21%
9	Taiwan	2,480	2,283	-8%	2,235	-2%	1,927	-14%	**1,658**	-14%
10	Indonesia	1,325	1,853	40%	1,799	-3%	1,481	-18%	**1,457**	-1.6%
	0ther	22,055	30,150	37%	27,781	-8%	18,061	-35%	**17,188**	-4.8%

ELICOS Commencements - full year - Top Ten

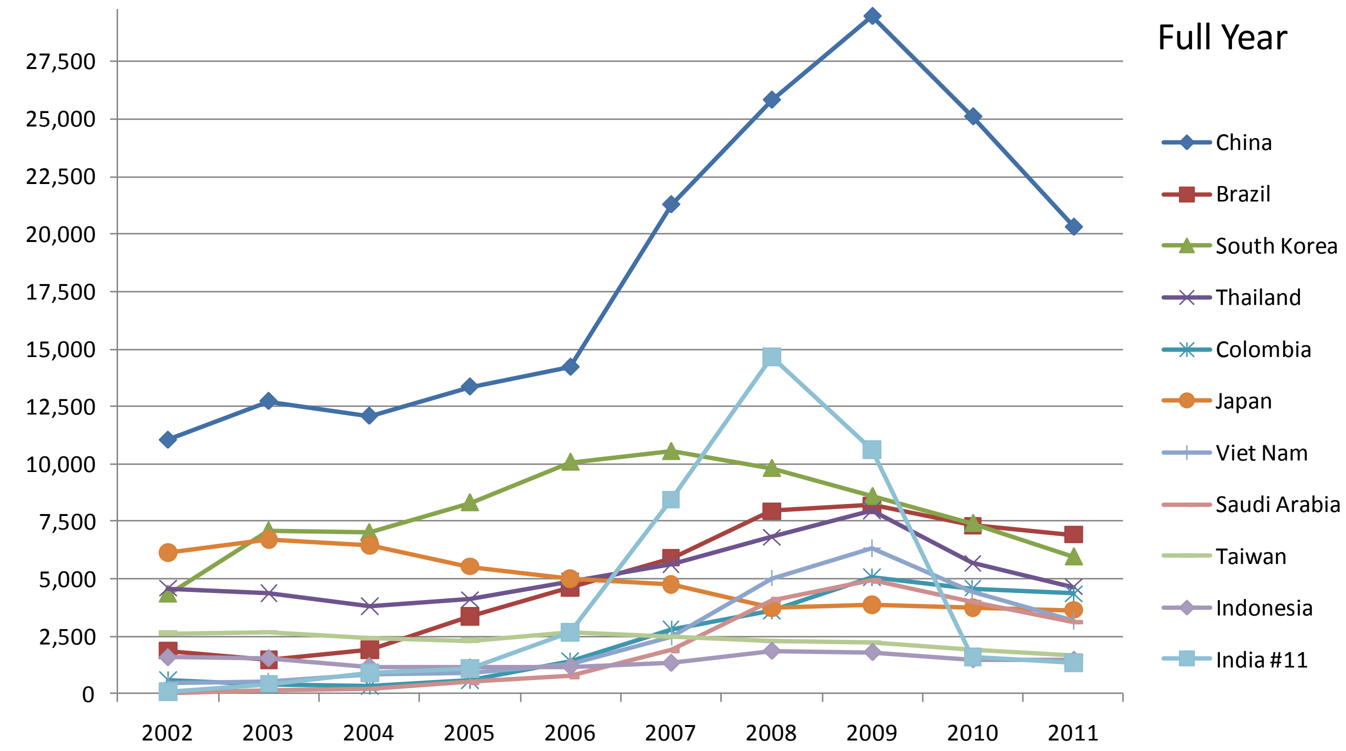


	China	Brazil	South Korea	Thailand	Colombia	Japan	Viet Nam	Saudi Arabia	Taiwan	Indonesia
2007	21,297	5,920	10,548	5,655	2,804	4,756	2,504	1,886	2,480	1,325
2008	25,852	7,944	9,810	6,805	3,593	3,717	5,030	4,085	2,283	1,853
2009	29,498	8,200	8,590	7,955	5,060	3,877	6,336	4,918	2,235	1,799
2010	25,126	7,319	7,416	5,679	4,595	3,732	4,432	3,981	1,927	1,481
2011	20,317	6,926	5,958	4,654	4,345	3,642	3,169	3,132	1,658	1,457

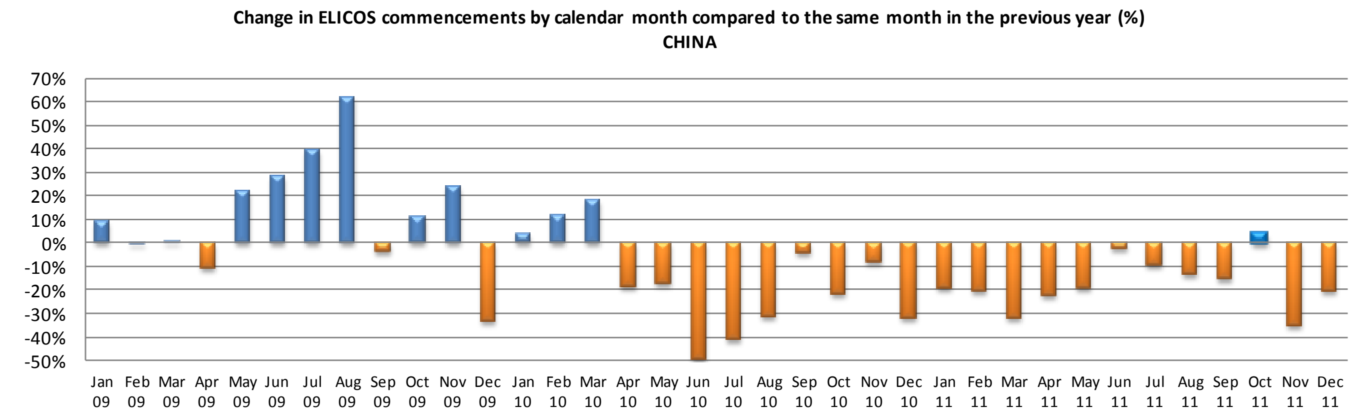
The **top three** nationalities represented **46%** of all commencing ELICOS enrolments on student visas in 2011.
The **top ten** nationalities represented **76%** of all commencing ELICOS enrolments on student visas in 2011.

In 2010 all of the top ten countries experienced declining numbers. 2011 figures continue to show declines from all of the top ten countries.

Three of the top ten countries showed declines of **more than 20%**. The strongest decline is being experienced by Vietnam, followed by Saudi Arabia and Korea, and then China and Thailand, Taiwan, Colombia, Brazil, Japan and Indonesia.



China dominates student visa ELICOS numbers with 28% of commencing ELICOS student visa holders for 2011. The previous levels of strong growth from China in 2007, 2008 and 2009 turned into a decline of -15% in 2010 (full year). The decline from China really started in April 2010, with the last significant growth seen in mid 2009. Numbers of commencements for 2011 dropped below 2007 levels, with a decline of **-19% over 2010** and **-31% over 2009**. With virtually all Chinese students planning to study in other sectors following their ELICOS program, this decline should be of real concern to those sectors. October showed the first growth (+4%) since March 2010, however **November** contradicted this with the strongest decline of any month in 2011, **a decline of -36%**.



2010 figures showed **Brazil** as the #3 source country – up from 4th place in 2009. In 2011, Brazil overtook Korea to be the second most important source country for student visa ELICOS. Numbers from Brazil have grown strongly for a number of years, however after a year of strong growth of +34% in 2008, this growth slowed in 2009 to only +3%, with the last four months of the year showing declining numbers. 2010 showed this trend of decline continuing for Brazil, with -11% (full year). Despite a promising start to the year, a decline in commencements over subsequent months returned the 2011 figures to a decline of **-5.4% over 2010** and of **-16% over 2009**.

South Korea started to show declining numbers over the latter half of 2007 and this continued into 2008 which showed a decline of -7%, and 2009 with the decline strengthening to -12%. 2010 showed a continuation of this level of decline from South Korea with -14%. The number of students commencing in 2011 from Korea declined by **-20% over 2010** and by **31% over 2009** and is lower than at any time since 2002. *(It should be noted that in 2010* *only 37% of all Korean ELICOS students held student visas, with 63% holding Visitor or Working Holiday visas and therefore not captured in this data.)*

Thailand experienced good growth in 2007 (+16%), 2008 (+20%) and 2009 (+17%), however 2010 showed a decline of -29%, with numbers of commencements from Thailand dropping below 2007 levels. The number of students commencing in 2011 from Thailand declined by **-18% over 2010** and by **41% over 2009** and is lower than at any time since 2005.

Commencements from **Colombia** grew by 28% in 2008 and this growth accelerated to +41% in 2009. The previous growth trend turned into decline for 2010, however, with -9%. 2011 showed decline of **-5.4% over 2010** and of **-14% over 2009**.

In 2002 **Japan** was the #2 source country for ELICOS student visa holders and between 2003 and 2006 maintained its position as #3. In 2007 Japan dropped to #6 and with declining numbers of -22% in 2008, Japan's position fell further to 8th, overtaken by India, Brazil, Thailand, Vietnam and Saudi Arabia. 2009 ELICOS figures showed a small increase of +4% for Japan, however 2010 figures showed a return to a declining trend with -4%. Despite a promising start to the year, a decline in commencements in 7 out of 12 months has returned the 2011 figures to a decline of **-2.4%**. With a level of decline lower than other countries however, Japan has returned to #6 position. *(It should be noted that in 2010 only 20% of all Japanese ELICOS students held student visas, with 80% holding Visitor or Working Holiday visas and therefore not captured in this data.)*

Vietnam experienced strong growth in 2007 (+90%), 2008 (+101%) and 2009 (+26%), however 2010 showed a decline of **-**30%, with numbers back below 2008 levels. The number of students commencing in 2011 from Vietnam declined by **-28% over 2010** and by **50% over 2009** and is lower than at any time since 2007.

Saudi Arabia also experienced strong growth in 2007 (+149%), 2008 (+117%) and 2009 (+20%), however 2010 showed a decline of -19%, with numbers back below 2008 levels. The number of students commencing in 2011 from Saudi Arabia declined by **-21% over 2010** and by **36% over 2009**.

Taiwan saw declining numbers in 2007 (-7%), 2008 (-8%) and 2009 (-2%), and 2010 showed a continuation of this long-term declining trend with -14%. The number of students commencing in 2011 from Taiwan declined by **-14% over 2010** and by **26% over 2009** and is the lowest it has ever been. *(It should be noted that in 2010 only 36% of all Taiwanese ELICOS students held student visas, with 64% holding Visitor or Working Holiday visas and therefore not captured in this data.)*

Commencements from **Indonesia** grew by 40% in 2008, however declined by -3% in 2009 and by a further -18% in 2010. 2011 showed a decline of **-1.6% over 2010** and by **-19% over 2009**.

The following table shows the nationalities ranked 11 – 20 for student visa commencements in the ELICOS sector for 2011 compared with the last four years. Five more countries in this group are showing a decline.

ELICOS Commencements - full year										
	Nationality	**2007**	**2008**		**2009**		**2010**		**2011**	
11	India	8,448	14,662	74%	10,612	-28%	**1,605**	-85%	**1,335**	-17%
12	Spain	393	457	16%	638	40%	**859**	**35%**	**1,084**	**26%**
13	Czech Republic	1,219	953	-22%	1,313	38%	**1,428**	**9%**	**1,073**	-25%
14	Nepal	1,044	1,664	59%	1,417	-15%	**633**	-55%	**848**	**34%**
15	Italy	235	308	31%	497	61%	**566**	**14%**	**824**	**46%**
16	Chile	329	463	41%	733	58%	**680**	-7%	**809**	**19%**
17	Poland	549	576	5%	790	37%	**782**	-1%	**793**	**1%**
18	Switzerland	808	723	-11%	817	13%	**734**	-10%	**727**	-1%
19	Turkey	644	779	21%	1,102	41%	**1,031**	-6%	**683**	-34%
20	France	757	746	-1%	901	21%	**752**	-17%	**641**	-15%

The following two tables show the countries with the highest **percentage** decreases (with more than 300 students) and the countries with the highest decreases in **actual student numbers**. China is contributing the most students to declining numbers, followed by Korea, Vietnam and Thailand – all previously very strong markets. Nine of the top ten largest declines are compound declines following on from declines experienced in 2010.

Nationality	2007	2008		2009		2010		2011		2011-2010
China	21,297	25,852	21%	29,498	14%	25,126	-15%	**20,317**	-19%	-4,809
South Korea	10,548	9,810	-7%	8,590	-12%	7,416	-14%	**5,958**	-20%	-1,458
Viet Nam	2,504	5,030	101%	6,336	26%	4,432	-30%	**3,169**	-28%	-1,263
Thailand	5,655	6,805	20%	7,955	17%	5,679	-29%	**4,654**	-18%	-1,025
Saudi Arabia	1,886	4,085	117%	4,918	20%	3,981	-19%	**3,132**	-21%	-849
Brazil	5,920	7,944	34%	8,200	3%	7,319	-11%	**6,926**	-5%	-393
Czech Republic	1,219	953	-22%	1,313	38%	1,428	9%	**1,073**	-25%	-355
Turkey	644	779	21%	1,102	41%	1,031	-6%	**683**	-34%	-348
India	8,448	14,662	74%	10,612	-28%	1,605	-85%	**1,335**	-17%	-270
Taiwan	2,480	2,283	-8%	2,235	-2%	1,927	-14%	**1,658**	-14%	-269

Nationality	2007	2008		2009		2010		2011	
Libyan Arab Jamahiriya	43	112	160%	168	50%	617	267%	**398**	-35%
Turkey	644	779	21%	1,102	41%	1,031	-6%	**683**	-34%
Viet Nam	2,504	5,030	101%	6,336	26%	4,432	-30%	**3,169**	-28%
Czech Republic	1,219	953	-22%	1,313	38%	1,428	9%	**1,073**	-25%
Peru	425	724	70%	867	20%	778	-10%	**586**	-25%
Saudi Arabia	1,886	4,085	117%	4,918	20%	3,981	-19%	**3,132**	-21%
South Korea	10,548	9,810	-7%	8,590	-12%	7,416	-14%	**5,958**	-20%
China	21,297	25,852	21%	29,498	14%	25,126	-15%	**20,317**	-19%
Thailand	5,655	6,805	20%	7,955	17%	5,679	-29%	**4,654**	-18%
India	8,448	14,662	74%	10,612	-28%	1,605	-85%	**1,335**	-17%

The following two tables show the countries with the highest **percentage** increases (with more than 300 students) and the countries with the highest increases in **actual student numbers**. Italy and Nepal have contributed the largest numbers of additional ELICOS students in 2011.

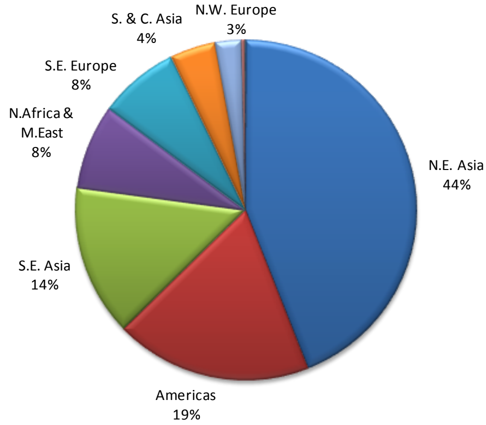
Nationality	2007	2008		2009		2010		2011		2011-2010
Italy	235	308	31%	497	61%	566	14%	**824**	46%	258
Spain	393	457	16%	638	40%	859	35%	**1,084**	26%	225
Nepal	1,044	1,664	59%	1,417	-15%	633	-55%	**848**	34%	215
Chile	329	463	41%	733	58%	680	-7%	**809**	19%	129
Malaysia	304	512	68%	510	0%	503	-1%	**594**	18%	91
Greece	6	3	-50%	9	200%	23	156%	**110**	378%	87
Russian Federation	124	237	91%	248	5%	233	-6%	**298**	28%	65
Egypt	622	481	-23%	217	-55%	178	-18%	**227**	28%	49
Pakistan	400	370	-8%	451	22%	428	-5%	**472**	10%	44
Philippines	112	207	85%	235	14%	247	5%	**287**	16%	40

Nationality	2007	2008		2009		2010		2011	
Italy	235	308	31%	497	61%	566	14%	**824**	46%
Nepal	1,044	1,664	59%	1,417	-15%	633	-55%	**848**	34%
Spain	393	457	16%	638	40%	859	35%	**1,084**	26%
Chile	329	463	41%	733	58%	680	-7%	**809**	19%
Malaysia	304	512	68%	510	0%	503	-1%	**594**	18%
Pakistan	400	370	-8%	451	22%	428	-5%	**472**	10%

140 nationalities were represented among commencing ELICOS students in 2011 (147 in 2010).

The following table and chart show the breakdown of ELICOS commencements by region. All regions showed declining numbers in 2011 except S.E. Europe.

	2008	2009		2010		2011		
N.E. Asia	42,292	44,642	6%	**38,539**	**-14%**	**31,888**	**-17%**	**-6,651**
Americas	13,360	15,636	17%	**14,366**	**-8%**	**13,544**	**-6%**	**-822**
S.E. Asia	14,665	17,140	17%	**12,663**	**-26%**	**10,424**	**-18%**	**-2,239**
N.Africa & M.East	6,859	7,854	15%	**7,329**	**-7%**	**5,829**	**-20%**	**-1,500**
S.E. Europe	3,843	5,043	31%	**5,403**	7%	**5,526**	2%	**123**
S. & C. Asia	17,769	13,342	**-25%**	**3,198**	**-76%**	**3,154**	**-1%**	**-44**
N.W. Europe	1,909	2,237	17%	**1,951**	**-13%**	**1,814**	**-7%**	**-137**
Sub-Saharan Africa	393	310	**-21%**	**230**	**-26%**	**215**	**-7%**	**-15**
Oceania & Antarctica	18	20	11%	**41**	105%	**29**	**-29%**	**-12**
Unknow n	14	25	79%	**29**	16%	**23**	**-21%**	**-6**
	101,122	**106,249**	**5%**	**83,749**	**-21%**	**72,446**	**-13%**	**-11,303**



North East Asia is by far the most important source region for the ELICOS sector, representing 44% of ELICOS commencements (down from the peak of 66% in 2003), however this region is showing a decline of -17%. All countries of significance in this region are showing declines.

The **Americas** region is showing an overall decline of -6%, with Chile showing growth, but Brazil, Colombia, Peru and Mexico all declining.

Declines from Thailand, Vietnam and Indonesia are contributing to the strong decline of -18% from **South East Asia**.

The **North Africa & the Middle East** region shows declining numbers (-20%), with growth from Egypt and Kuwait balanced by declines from the previously strong Saudi Arabia, Turkey and Libya.

Southern & Eastern Europe is showing a small level of growth (+2%), with Italy and Spain showing growth, but Czech Republic, Hungary and Slovakia declining.

In 2009 **Southern & Central Asia** contributed 13% of ELICOS student visa commencements. In YTD 2011, this has dropped to only 4%. Nepal is showing growth, however India continues to decline.

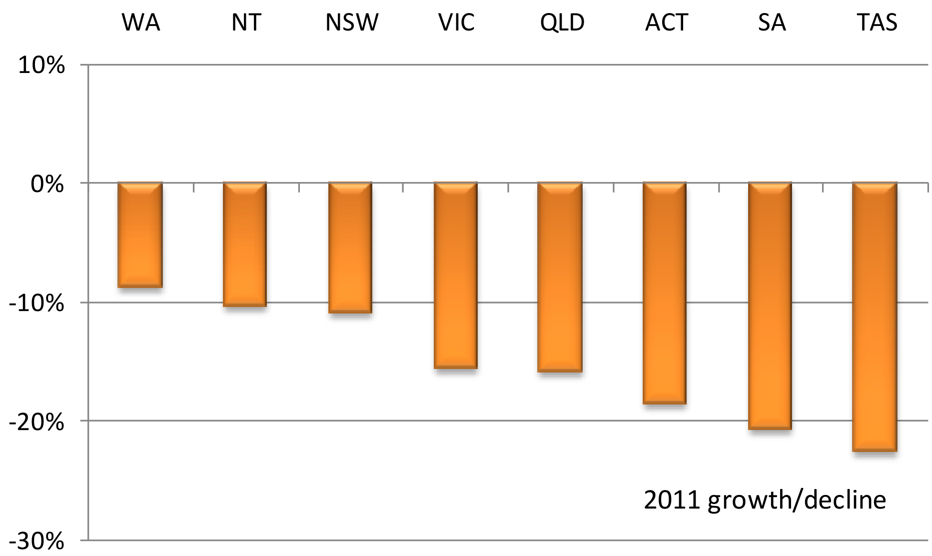
Numbers from **North-West Europe** have also turned to decline, with the top three source countries (Switzerland, France and Germany) all showing declining numbers.

State by State Performance – Commencements

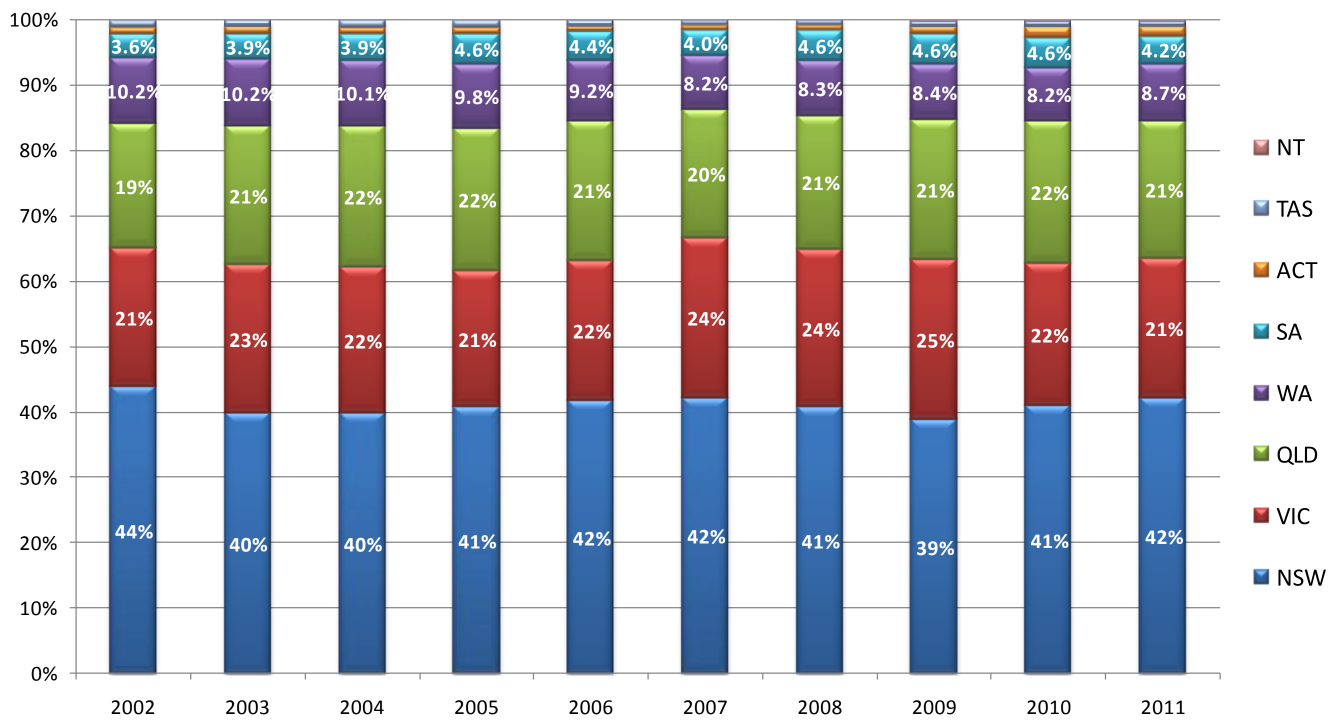
All states/territories showed declining numbers in this order:

> WA (-9%), NT (-10%), NSW (-11%), Victoria (-16%), Queensland (-16%), ACT (-19%), SA (-21%), Tasmania (-23%)

The strongest % decline was experienced by Tasmania, however the greatest decline in numbers of students was experienced by NSW (-3,748), Queensland (-2,878) and Victoria (-2,848).



Comparing 2011 ELICOS figures with 2010 figures shows that market share for NSW and WA grew at the expense of Victoria, Queensland and South Australia.

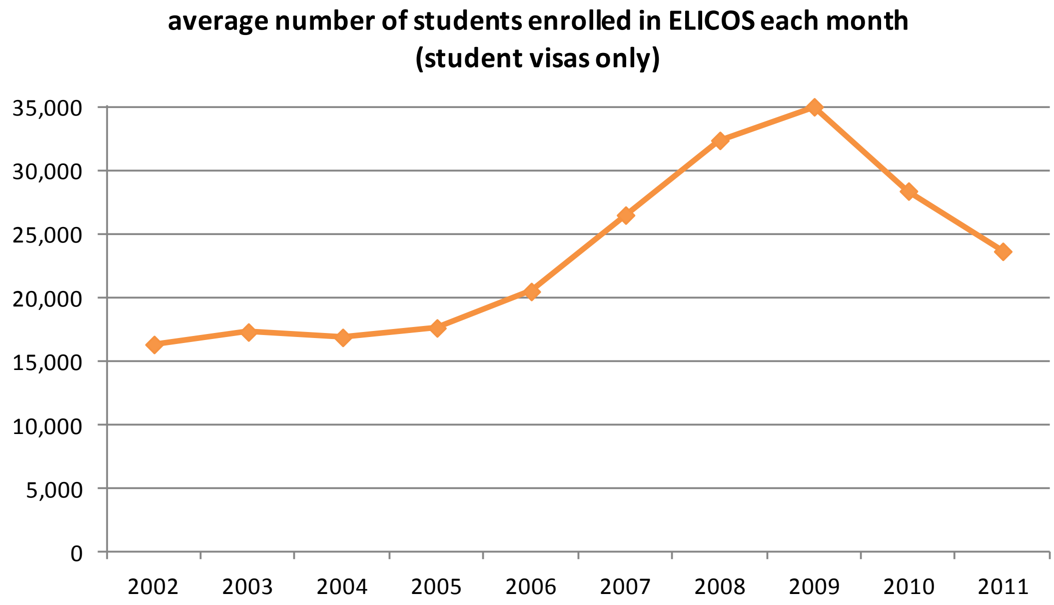


National – ELICOS – Number of students enrolled (snapshot at 1st of month)

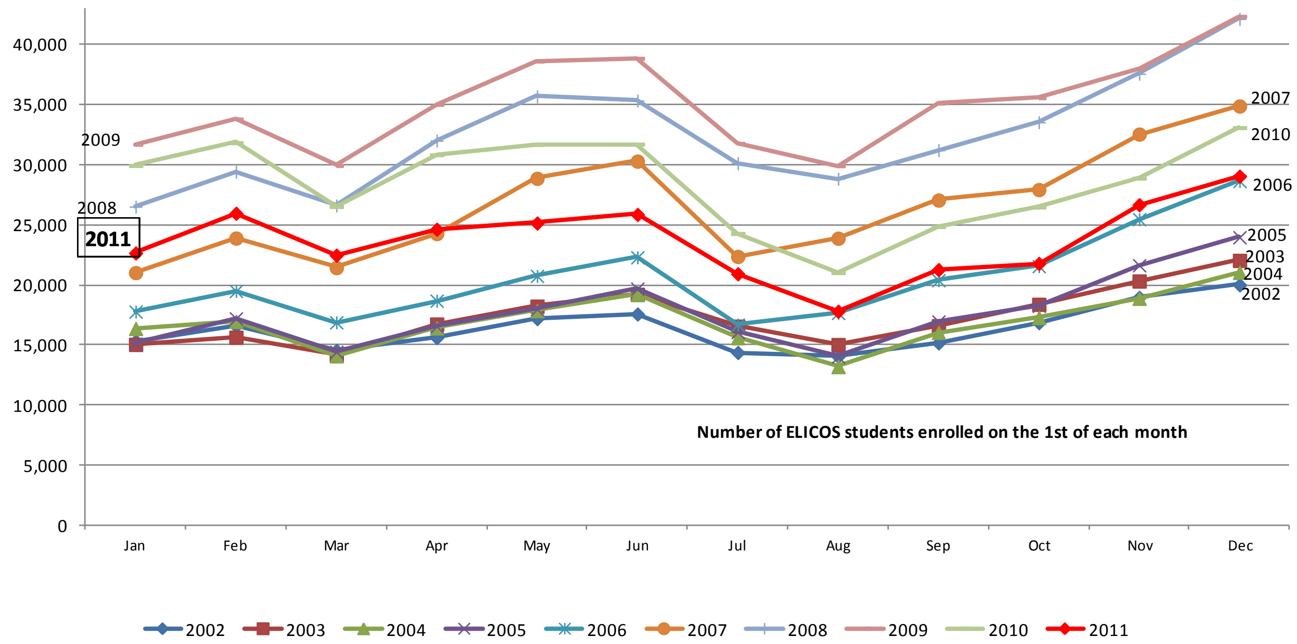
The average length of course for an ELICOS student visa holder in 2010 was 15.6 weeks. Every week, students leave courses and are replaced by new 'commencing' students (the data reported in the previous section of this report).

Although over 100,000 student visa holders commenced ELICOS courses in 2009, there were on average 35,064 actually enrolled at any one time throughout the year (snapshot 'head count'). The average number of students enrolled at any one time in 2010 was down to 28,432, with 2011 dropping even further, down to 23,689.

The following chart shows this average 'head count' for each year since 2002.



The 'average' ELICOS year starts with relatively low numbers in January and dips slightly before March commencements hit and build to a first peak in June. Numbers usually drop in July/August and then build again to a second and higher peak in December. December 2011 shows a "head count" of students sitting in ELICOS classes at a similar level to December 2006, recording 29,050 students, 4,044 fewer when compared with 2010, and 13,309 fewer than the peak year of 2009.



ELICOS

Program Year 1 July 2011 to 31 December 2011

English Australia report on DIAC Student Visa Grants

DIAC reports on Student Visa grants over a Program Year period from July to June each year.

DIAC data captures student visas by their sub-class which is based in the principal or final course of study in a package. ELICOS students will be included in all categories as "package" students. Eg. a student who undertakes an English course followed by a degree course will only be counted once and will be classified as a Higher Education visa (573).

570	Independent ELICOS	Applies to stand-alone English language courses that lead to a certificate I, II, III or IV, or that result in no formal Australian award.
571	Schools	Applies to primary, junior secondary or senior secondary school courses, and approved secondary school exchange programs.
572	Vocational Education and Training	Applies to Certificates I, II, III or IV (except ELICOS), diploma, advanced diploma, vocational graduate certificate or vocational graduate diploma courses.
573	Higher Education	Applies to a Bachelor degree, associate degree, graduate certificate, graduate diploma, or Masters by coursework.
574	Post Graduate Research	Applies to Masters by research or a doctoral degree.
575	Non Award	Applies to non-award foundation studies, or other full-time courses or components of courses not leading to an Australian award.
576	AusAID and Defence	Applies to students sponsored by AusAID or the Australian Department of Defence undertaking full-time courses of any type.

English Australia (EA) has undertaken an analysis of the data provided by DIAC from the perspective of the ELICOS sector. The data from DIAC is useful for:

a) understanding trends in the pipeline of students across all types of pathways;
b) understanding the pipeline of students by type of program eg. stand-alone English, English for High School, English for further study etc.; and
c) understanding trends in onshore vs offshore student visa applications and grants.

This data does not include figures for students with other visas.

It is important to remember that 2010 data showed that student visa holders only make up approximately 60% of all ELICOS students. The data provided in this report therefore only refers to this proportion of the ELICOS sector. English Australia's annual survey (supported by DEEWR) provides additional data regarding other visa holders.

The full DIAC report is available from the DIAC website at: http://www.immi.gov.au/media/statistics/study/

Focus for this analysis

Data is provided by DIAC from program year 2006/2007 to program year 2011/2012 for both student visa **applications lodged** and student visas **granted**.

The total data on visa applications and grants includes data for student visas that are granted both **onshore** and **offshore**. It is extremely valuable to analyse these two groups of data separately as they provide a different perspective on forward enrolments.

Onshore visa grants include students already in the country who are extending their study period within the same program of study or sector, applying for a visa to study in a different sector, or transitioning from another visa type such as a Visitor visa. As such, this category would include very few "new" students but rather captures "churn" of existing students.

The analysis of **offshore** visa grants provides a much more valuable picture of the "new" students that will be arriving in Australia to commence new courses.

Key Points

- The July-September 2011 quarter was the first quarter to see growth in both offshore visa applications and offshore visa grants since the decline in offshore visa applications and grants commenced in July 2009. **The October-December 2011 quarter, however, showed a return to decline in both offshore visa applications and offshore visa grants.**

- **Offshore lodgements** for the 6 months YTD 2011/2012 were 69,667 - an **increase of +2%** compared to the same period in 2010/2011.

- **Offshore grants** for the 6 months YTD 2011/2012 were 57,395 - a **decline of -6%** compared to the same period in 2010/2011.

- The **growth** in **onshore** visa grants is being driven by **India** with 6,984 more visas granted.

- The **decline** in **offshore** visa grants is being driven by **China** with 3,225 fewer visas granted.

- A small level of growth in offshore visa grants is being driven by Ausaid/Defence (+25%, +498 students), Post-Graduate Research (+15%, +339) and VET (+0.3%, +23) visas. Offshore visa grants for Higher Ed (-10%, -2,801), Independent ELICOS (-9%, -913), Schools (-12%, -552) and Non-Award (-3%, -180) all show declining numbers. Onshore visa grants for Independent ELICOS are also down by -5%.

- Offshore lodgements from Indian nationals continue to increase. The Department received 5,342 applications, which represented a 105% increase compared the same period in 2010. This growth was mostly driven by an increase in Higher Education sector applications.

- Growth for the VET sector is being driven only by onshore visas, with growth of +34% (+8,141 students).

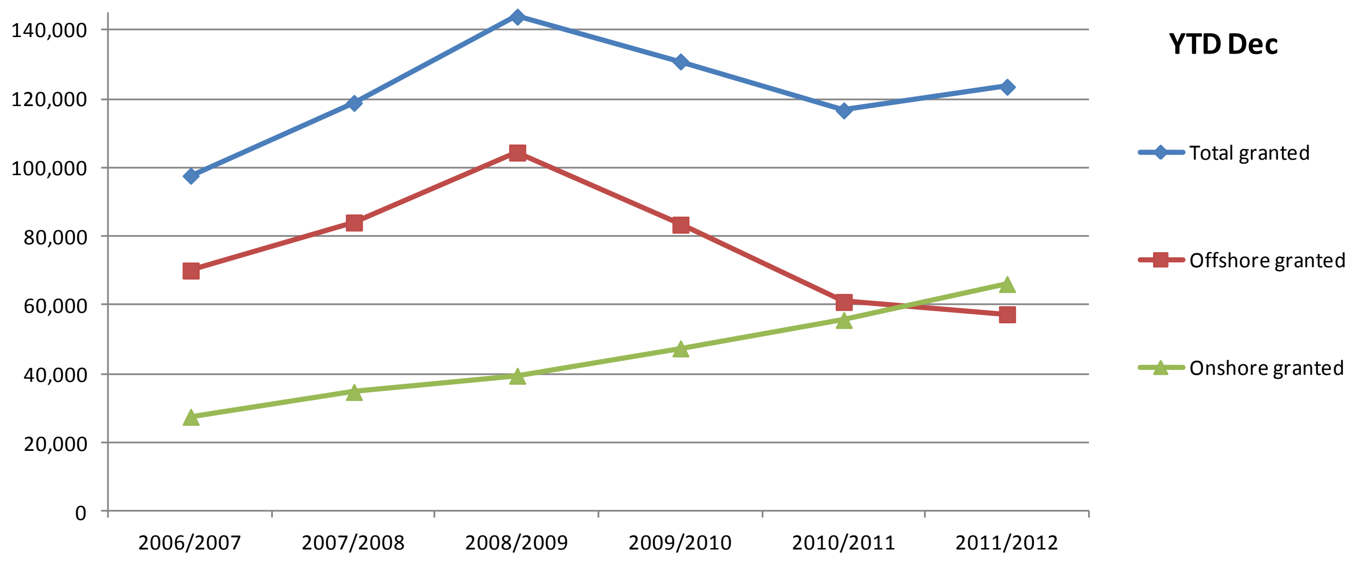
- The grant rate of 90.2% for student visa applications for the December 2011 quarter remained relatively stable compared to the previous four quarters. Offshore and onshore grant rates were 86.6% and 94.4% respectively. Consistent with previous trends, the offshore VET sector continued to have the lowest grant rate at 71.2%.

- As at 31 December 2011 there were 254,686 international student visa holders in Australia compared with 291,204 on 31 December 2010 and the peak for the same time of year of 324,560 in December 2009.

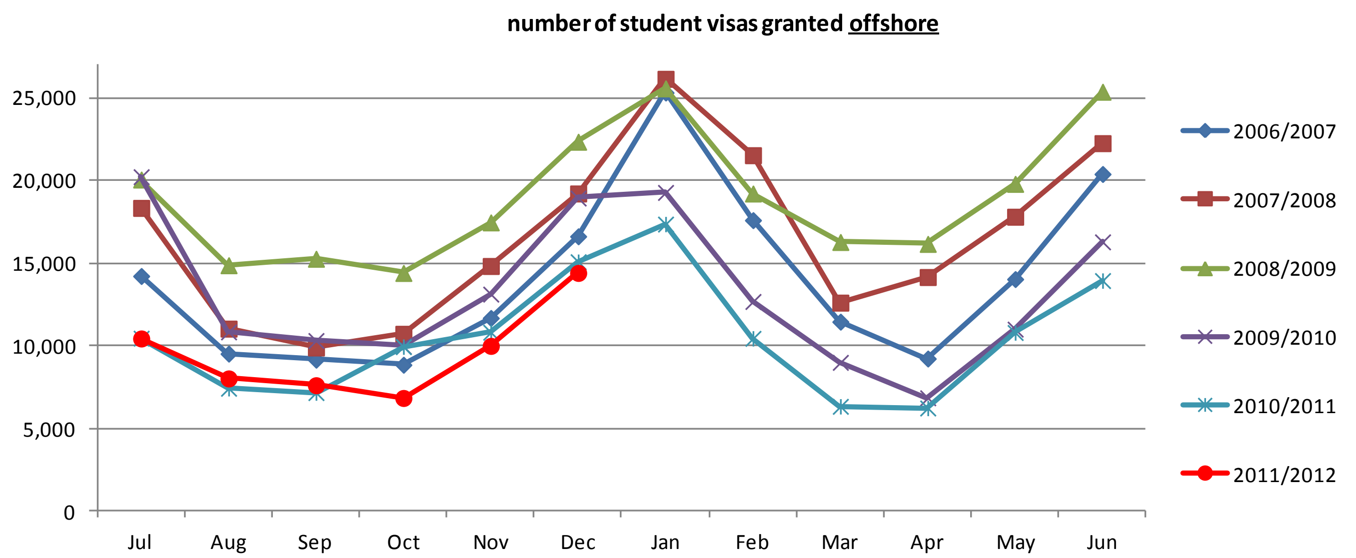
Key trends

	2nd quarter October – December 2011	YTD program year 2011/2012
Applications lodged		
Total	down **-1%** on 2010/2011, down **-14%** on 2009/2010 down **-317** on 2010/2011, down **-10,256** on 2009/2010	up +4% on 2010/2011, down **-11%** on 2009/2010 up +5,315 on 2010/2011, down **-16,642** on 2009/2010
Offshore	down **-1%** on 2010/2011, down **-24%** on 2009/2010 down **-209** on 2010/2011, down **-12,963** on 2009/2010	up +2% on 2010/2011, down **-30%** on 2009/2010 up +1,361 on 2010/2011, down **-29,882** on 2009/2010
Onshore	down **-0.5%** on 2010/2011, up +14% on 2009/2010 down **-108** on 2010/2011, up +2,707 on 2009/2010	up +6% on 2010/2011, up +25% on 2009/2010 up +3,954 on 2010/2011, up +13,240 on 2009/2010
Grants		
Total	down **-4%** on 2010/2011, down **-5%** on 2009/2010 down **-2,647** on 2010/2011, down **-2,999** on 2009/2010	up +6% on 2010/2011, down **-6%** on 2009/2010 up +6,878 on 2010/2011, down **-7,360** on 2009/2010
Offshore	down **-13%** on 2010/2011, down **-26%** on 2009/2010 down **-4,606** on 2010/2011, down **-10,784** on 2009/2010	down **-6%** on 2010/2011, down **-31%** on 2009/2010 down **-3,586** on 2010/2011, down **-26,085** on 2009/2010
Onshore	up +7% on 2010/2011, up +36% on 2009/2010 up +1,959 on 2010/2011, up +7,785 on 2009/2010	up +19% on 2010/2011, up +39% on 2009/2010 up +10,464 on 2010/2011, up +18,725 on 2009/2010

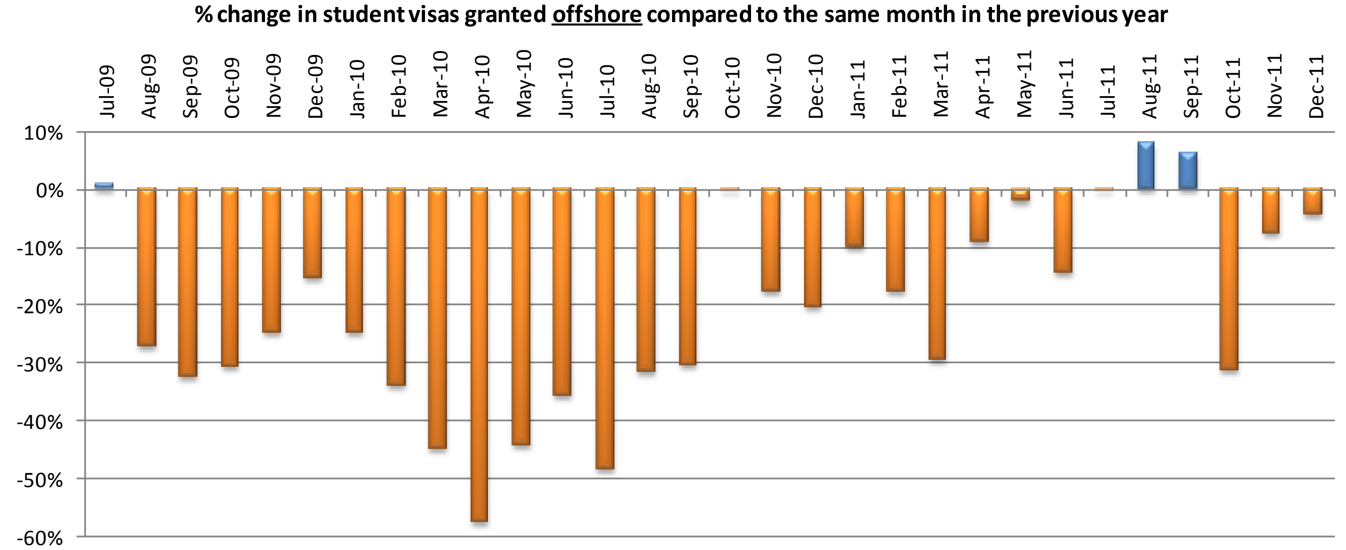
The YTD figures for the first half of 2011/2012 show an acceleration of the growth in onshore visa grants (overtaking offshore grants). This "growth" is merely churning existing students and has to date masked the decline in offshore visa grants ie. new students. The decline in offshore visa grants seems to have now bottomed out but is certainly not yet back to the levels even of 2006/2007. The small level of growth in overall visa grants is driven by the onshore churn.



The **number of visas granted offshore** in virtually every month of program year 2010/2011 stayed below all previous years of data provided by DIAC. The first three months of 2011/2012 showed a small recovery, however levels were still well below previous years. The second three months of 2011/2012 unfortunately do not continue this upward trend, but show a return to decline with lower figures than 2010/2011.



The following chart shows the **% change in visas granted offshore on a monthly basis** – the % decline was at its strongest between March and July 2010, however it must be remembered that the 2011 declines are on top of those experienced in 2010. August and September 2011 showed the first signs of a return to growth, however the following three months returned to the declining trend, with October figures showing a particularly strong decline.



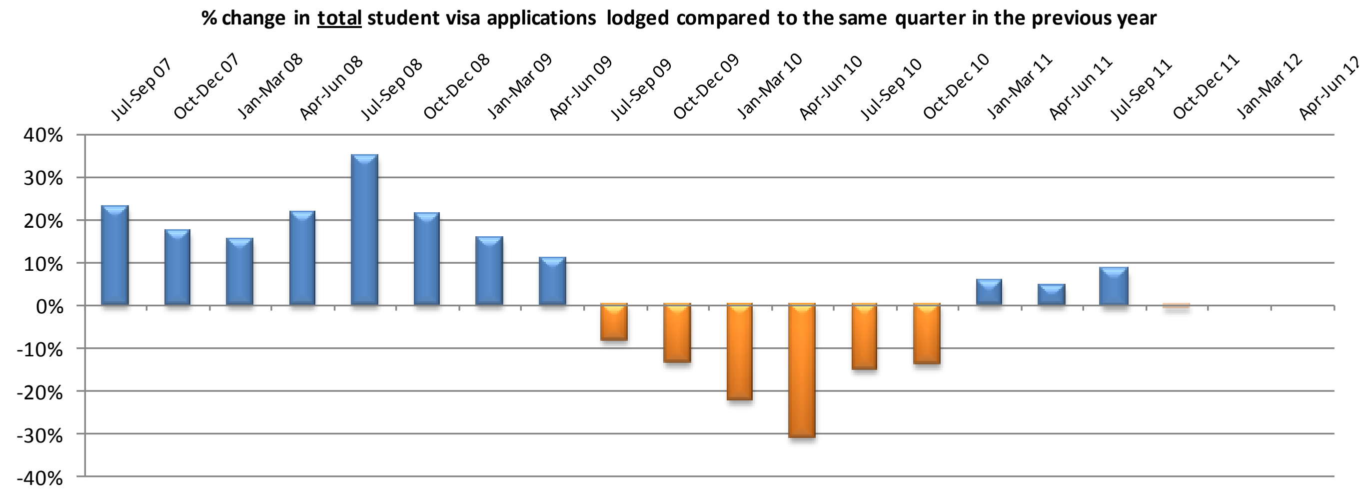
Summary – Applications Lodged

The number of student visa applications lodged reflects demand for Australian education and can be influenced by a range of factors.

Total student visa applications peaked in program year 2008/2009 at 366,007.

135,793 applications were lodged in the 6 months YTD 2011/2012, an increase of **+4%** over 2010/2011 but still a decline of **–11%** over 2009/2010.

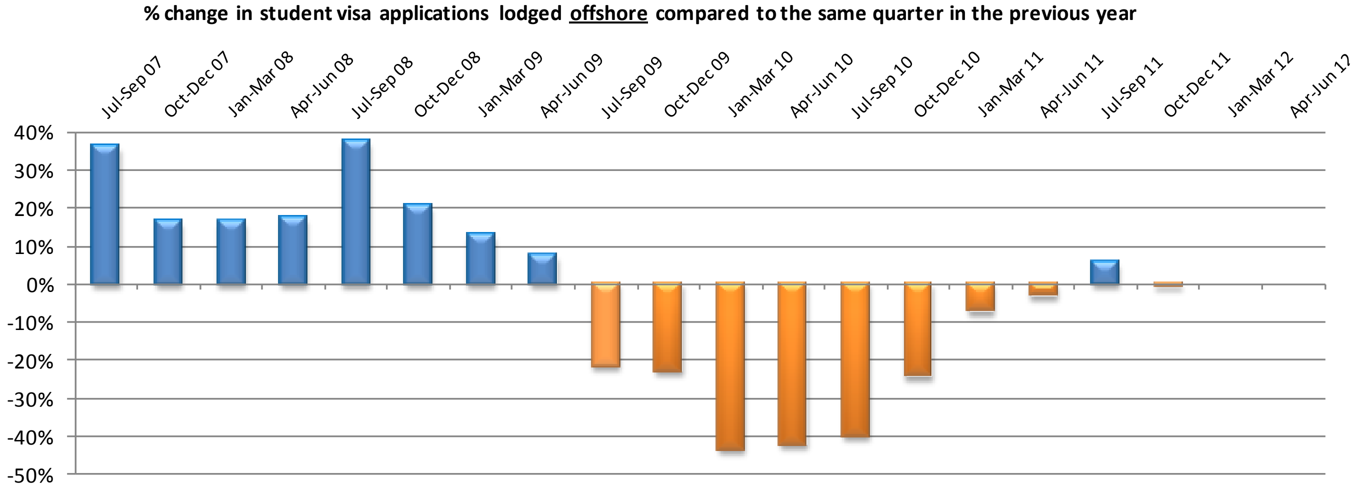
The number of **total** applications lodged per quarter has been in decline since July 2009. January 2011 was the first month to show an increase and this trend continued for every month of the year except for April and December. The decline in December dragged down the results for the whole quarter, the final quarter of the calendar year 2011 thus showing the first decline of the year.



Offshore student visa applications peaked in program year 2008/2009 at 262,712.

69,667 applications were lodged in the 6 months YTD 2011/2012, an increase of **+2%** over 2010/2011 but still a decline of **–30%** over 2009/2010.

The number of **offshore** applications lodged per month has been in decline since July 2009. This first quarter of 2011/2012 was the first quarter to show growth in offshore visa applications, however the second quarter of the program year shows a return to the previous declining trend.

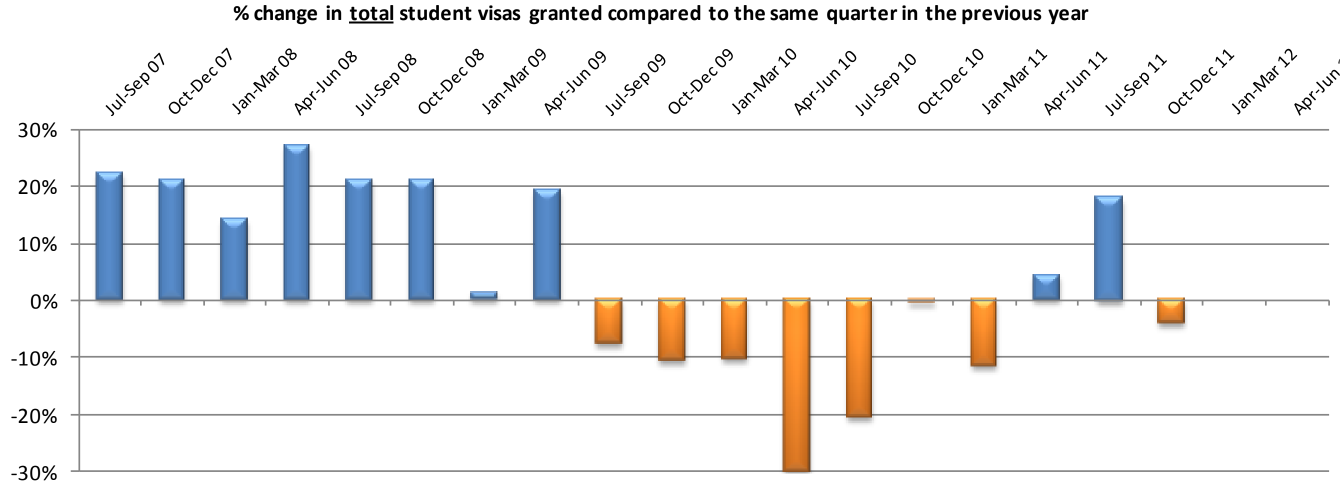


Summary – Visas Granted

Total student visa grants peaked in program year 2008/2009 at 319,632.

123,598 visas were granted in the 6 months YTD 2011/2012, an increase of **+6%** over 2010/2011 but still a decline of **–6%** over 2009/2010.

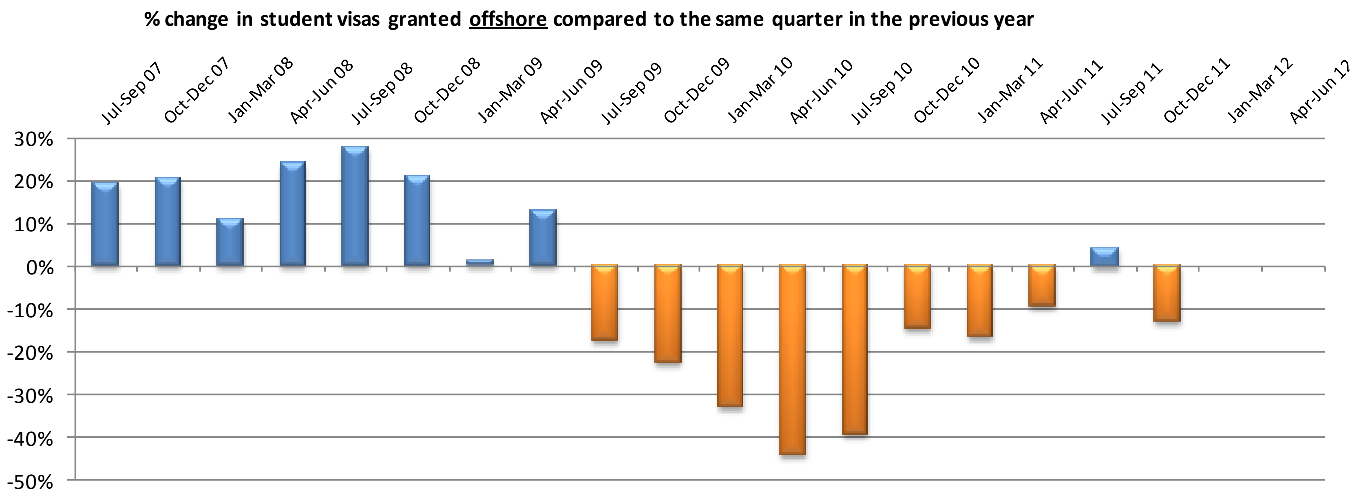
The number of **total** grants has been in decline since August 2009. October & November 2010 and April & May 2011 were the only months in the last program year to show an increase and this was driven by onshore visa grants as students' existing visas expired. The last quarter of 2010/2011 and the first quarter of 2011/2012 showed a return to growth in total visa grants, however this second quarter of 2011/2012 shows a return to decline.



Offshore student visa grants peaked in program year 2008/2009 at 226,898.

57,395 visas were granted in the 6 months YTD 2011/2012, a decline of **-6%** over 2009/2010 and a decline of **–31%** over 2009/2010.

The number of **offshore** grants per month has been in decline since August 2009. August and September 2011 have been the only months since then to show growth. This growth in the first quarter of program year 2011/2012 has returned to decline in the second quarter.



Summary – Visas Granted by Sub-class

The following charts show the number of visa grants by sub-class for the 6 months YTD 2011/2012 compared with the last four years in **Total**, for **Offshore** and for **Onshore**.

The decline in **offshore** visa grants is primarily driven by Higher Education (-10%), Independent ELICOS (-9%), Schools (-12%) and Non Award (-3%) visas. Offshore visa grants for Ausaid/Defence (+25%), PGR (+15%) and VET (+0.3%) show small levels of growth. Onshore visa grants for Independent ELICOS are also down by -5%.

The overall growth for the VET sector is being driven only by onshore visas, with growth of +34%.

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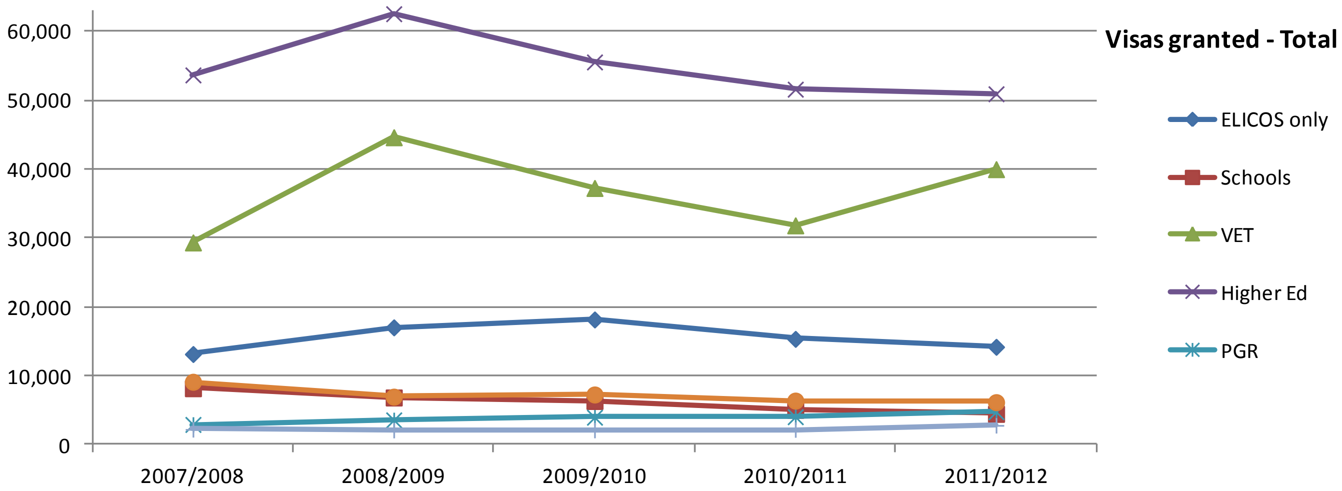

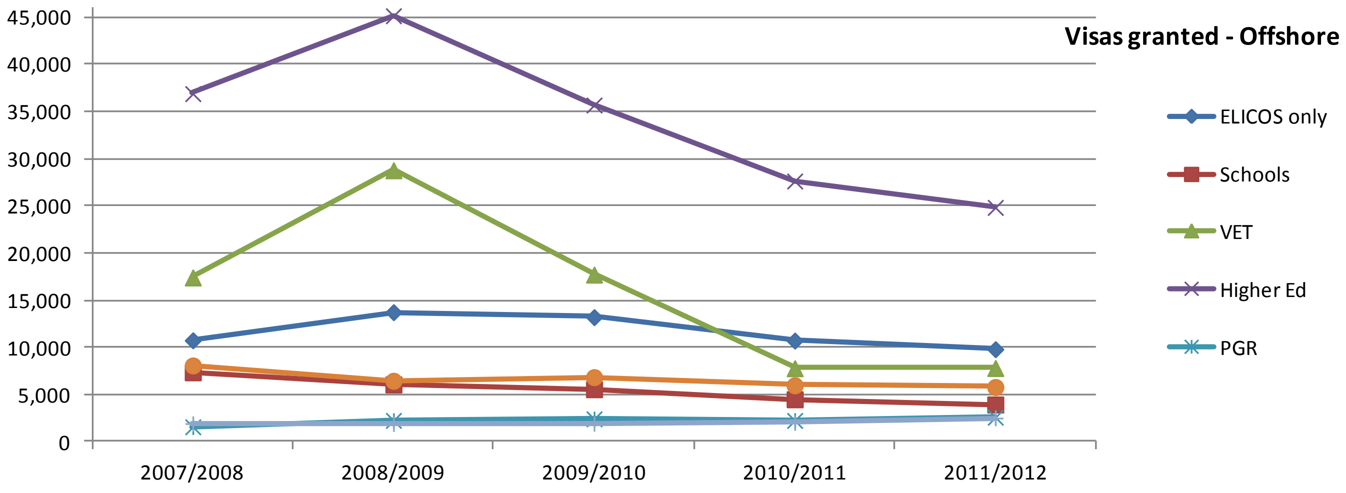

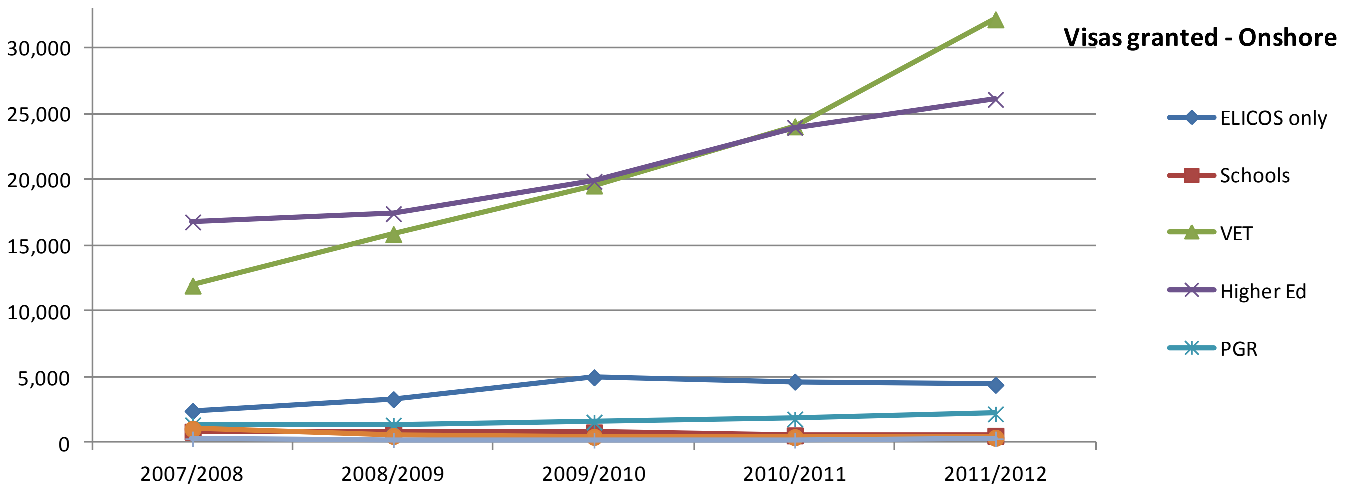

ELICOS – important source countries for student visa holders

Information across all visa sub-classes is useful for analysing trends for specific important **source countries for ELICOS students holding student visas** regardless of how their course is packaged with other sectors.

- countries showing an **increase** in offshore applications are:
  Brazil, Colombia, Indonesia, India, Japan
- countries showing a **decrease** in offshore applications are:
  China, Korea, Thailand, Vietnam, Saudi Arabia
- countries showing an **increase** in offshore grants are:
  Brazil, Colombia, Saudi Arabia, Indonesia, India
- countries showing a **decrease** in offshore grants are:
  China, Korea, Thailand, Japan, Vietnam

India has the most distorted profile in terms of offshore vs onshore visa grants, with 89% of visas being granted onshore for YTD 2011/2012.

The **growth** in **onshore** visa grants is being driven by India with 6,984 more visas granted.

The **decline** in **offshore** visa grants is being driven by China with 3,225 fewer visas granted.

Visa Grants - YTD

	2010/2011			2011/2012			+/-	+/- %	+/-	+/- %	+/-	+/- %
	offshore	onshore	total	offshore	onshore	total	offshore		onshore		total	
China	15,629	9,411	25,040	12,404	10,406	22,810	-3,225	-21%	995	11%	-2,230	-9%
Brazil	2,271	2,591	4,862	2,382	2,448	4,830	111	5%	-143	-6%	-32	-1%
South Korea	3,007	2,989	5,996	2,761	2,943	5,704	-246	-8%	-46	-2%	-292	-5%
Thailand	1,977	2,727	4,704	1,676	2,518	4,194	-301	-15%	-209	-8%	-510	-11%
Colombia	1,077	1,515	2,592	1,284	1,336	2,620	207	19%	-179	-12%	28	1%
Japan	1,372	1,276	2,648	1,331	1,409	2,740	-41	-3%	133	10%	92	3%
Saudi Arabia	1,469	2,210	3,679	1,507	2,531	4,038	38	3%	321	15%	359	10%
Viet Nam	2,357	864	3,221	2,048	1,403	3,451	-309	-13%	539	62%	230	7%
Indonesia	2,300	1,336	3,636	2,749	1,373	4,122	449	20%	37	3%	486	13%
India	1,247	11,549	12,796	2,222	18,533	20,755	975	78%	6,984	60%	7,959	62%
	32,706	**36,468**	**69,174**	**30,364**	**44,900**	**75,264**	**-2,342**	**-7%**	**8,432**	**23%**	**6,090**	**9%**
Other	28,275	19,271	47,546	27,031	21,303	48,334	-1,244	-4%	2,032	11%	788	2%
Total	**60,981**	**55,739**	**116,720**	**57,395**	**66,203**	**123,598**	**-3,586**	**-6%**	**10,464**	**19%**	**6,878**	**6%**

	2010/2011		2011/2012	
	offshore	onshore	offshore	onshore
China	62%	38%	54%	46%
Brazil	47%	53%	49%	51%
South Korea	50%	50%	48%	52%
Thailand	42%	58%	40%	60%
Colombia	42%	58%	49%	51%
Japan	52%	48%	49%	51%
Saudi Arabia	40%	**60%**	37%	**63%**
Viet Nam	73%	27%	59%	41%
Indonesia	63%	37%	67%	33%
India	10%	**90%**	11%	**89%**
	47%	**53%**	**40%**	**60%**
Other	59%	41%	56%	44%
Total	**52%**	**48%**	**46%**	**54%**

[countries are listed in order of importance as source markets for ELICOS commencements according to AEI data for YTD November 2011, however Taiwan is omitted as DIAC data for Taiwan is not available.]

APPENDIX C

ENGLISH AUSTRALIA SURVEY OF MAJOR ELICOS REGIONAL MARKETS IN 2010

EXECUTIVE SUMMARY

Published July 2011

ENGLISH AUSTRALIA

APPENDIX C

Survey of major ELICOS regional markets in 2010

Executive Summary

of a report prepared for **English Australia** by **Environmetrics**

June 2011

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Australian Government
Australian Education International

AEI – The Australian Government International Education Network has provided financial support for the preparation of this survey.

Introduction

This is the fifteenth survey of the ELICOS sector commissioned by English Australia. A benchmark study was commissioned in 1996, which covered enrolment statistics for the previous calendar year. A follow-up study was conducted in 1997. Austrade undertook these two studies. This current study is the thirteenth undertaken by Environmetrics and covers enrolments for the 2010 calendar year.

The purpose of the study is to gain a clear picture of the number of overseas students and visitors who undertook English language studies in Australia in 2010. Particular attention was taken to obtain statistics on:

- student numbers by nationality;
- student numbers by visa type;
- numbers of individual and group enrolments;
- length of enrolments; and
- enrolments in each state or territory.

This report presents the main findings of the study. Data is analysed to provide an overall profile of the ELICOS sector, as well as a profile for Asia, Europe, Central and South America and the Middle East.

Executive Summary

- Following declining numbers in 2002 and 2003, the ELICOS sector experienced five consecutive years of strong growth, reaching a peak of 162,114 students in 2008, more than doubling in size when compared with the 78,338 students enrolled in 2003. This growth turned into decline in 2009 with -4%, a decline that has accelerated to -10% in 2010. Total ELICOS enrolment numbers for 2010 were 140,102, a decrease of 15,511 students compared with 2009 (155,613) and a decrease of 22,012 students when compared with the peak of 162,114 students in 2008.

- The strong growth experienced in recent years was primarily driven by increasing numbers of student visa holders. In 2010, however, numbers of student visa holders declined by -19.4% (-20,132), with numbers of students with Other visas also declining by -24% (-1,677). Whilst visitor visa numbers increased by 19.7% (5,385) and working holiday visa numbers increased by 5.2% (912), this growth could not compensate for the strong decline in student visa numbers.

- One of the key developments in 2010 is the reversal of the significant shift in visa type that started in 2007. In 2006 student visas made up only 49% of overall ELICOS numbers, with visitor visas, working holiday and other visas of equal importance. In 2007 this % shifted to 59% student visas, in 2008 to 61% student visas and in 2009 to 67% student visas. In 2010 the decline in student visas has been balanced by an increase in other visas, bringing proportions back to 2007/2008 levels. In 2010 student visas were used by 60% of ELICOS students, a decrease on the 67% used in 2009. 23% held visitor visas in 2010, up from 2009 levels (18%). 13% held working holiday visas, up from 11% in 2009 and Other visas declined to 4% (from 5% in 2009).

- With the decline coming from longer stay student visa holders and the growth coming from shorter stay visitor visas, the average number of weeks studied per student decreased from 12.6 in 2009 to 11.9 weeks in 2010. The average course length ranged from 3.9 weeks for Asian students on visitor visas, to 21.9 weeks for Middle Eastern students on student visas.
- With the overall decrease in total enrolments and the accompanying shift from student visas to visitor visas, there was a stronger decrease in the number of weeks spent studying. 2010 saw a -15% decrease from 1,958,311 weeks to 1,668,328 weeks.
- The decrease in the number of students and weeks studied resulted in a decrease in total spending. The total economic impact of all enrolments decreased from $1.828 billion in 2009 to $1.557 billion (a decrease of -15%).
- Numbers of students from Asia declined by -14% (-14,767) and numbers from Central & South America declined by –9% (-1,773). Europe showed growth of 7% (1,472) and the Middle East also increased though only by 1% (84).
- The diversity of the sector continues to strengthen. Asia remained the largest source of enrolments, accounting for 65% of the total (however declining from 68% in 2009 and from 78% in 2005). Europe increased its share from 14% to 16% (compared with 13% in 2005), Central & South America remained stable with 12% (compared with 6% in 2005), and the Middle East increased its share from 6% to 7% (compared with 2% in 2005).
- Queensland with growth of 9% (+3,286) was the only state to increase enrolments in 2010. Victoria declined by -28% (-9,638) showing the strongest decline in percentage and actual enrolments. SA declined by -16% (-1,027), NSW by -11% (-7,213) and WA by -7% (-918).
- NSW accounted for 40% of all enrolments in 2010, followed by Queensland (29%), Victoria (18%), Western Australia (9%) and South Australia (4%). These figures show Queensland increasing its market share at the expense of Victoria.
- Asia was the most important source region for all states. China was the most important source country for all states except Queensland where Japan has been strongest for the last two years, followed by South Korea.
- The top ten source countries for 2010 were (in order): China, South Korea, Japan, Brazil, Thailand, Taiwan, Switzerland, Colombia, Saudi Arabia and France. France and Taiwan replaced Vietnam and India in the top 10.
- China was the major source country in 2010, consolidating its position as the number one source country for the third consecutive year since overtaking South Korea in 2008 and contributing 20% of all ELICOS enrolments. China showed declining numbers (-10%) for the first time since 2004.
- South Korea (14%) and Japan (13%) were the next most important source countries. Japan increased enrolments in 2010, strengthening its third ranking position and approaching South Korea in second position.
- 48% of all ELICOS enrolments in 2010 came from the top three source countries (an increase compared with 44% in 2009). Two of these top three source countries showed declining numbers in 2010 (China and South Korea). 75% came from the top ten source countries (a decline compared with 77% in 2009).

- Four of the top ten source countries for ELICOS showed increasing numbers: Japan (15%), Taiwan (23%), Switzerland (8%) and France (18%). All other top 10 countries declined in enrolments in 2010.
- The strongest growth in terms of student numbers came from Japan, Taiwan and France. The strongest decline in student numbers came from India, dropping 83% or 8,727 students. China, Thailand, Vietnam and Brazil all suffered strong decreases in enrolments.
- Group enrolments accounted for 9% of the total number of students, however only accounted for 2.5% of student weeks, with an average course length of only 3.4 weeks. Numbers of group enrolments grew by 6%, however the number of weeks delivered decreased by -24%.
- Asian nationalities again dominated group enrolments with 91% of the total (increasing from 89% in 2009). Japanese students made up 53% of these (up from 44% in 2009).
- English Australia institutions accounted for 82% of total enrolments.

Asia-Pacific region total enrolments (individuals and groups)

- Total numbers of enrolments from the Asia Pacific region decreased from 105,792 in 2009 to 91,025 in 2010. This represents a decrease of -14% (-14,767).
- The largest increase in the number of enrolments for an individual nationality was shown by Japan (2,497), followed by Taiwan (1,012) and then Hong Kong (346).
- The largest decrease in the number of enrolments for an individual nationality was shown by India (-8,727), followed by China (-2,999) and then Thailand (-2,839).
- For the third consecutive year China was the most important source country in the Asia Pacific region, contributing 31% of the region's total enrolments. South Korea was in second place with 22%. Japan, in third place with 21%, has strengthened its position, increasing enrolments in 2010 and halting the decline of the last few years.
- India has experienced a significant decline with enrolments dropping 83% to 1,771 from 10,498 in 2009 and 14,833 at its peak in 2008.
- The state profile has changed with NSW still dominant, accounting for 38% of all Asian enrolments in 2010, with Queensland at 28% strengthening its share, followed by Victoria, which declined to 20% (from 27%), Western Australia (8%) and South Australia (5%).
- The proportion of student visas declined to 60%, with visitor visas increasing to 22% and working holiday visas increasing to 15%.
- Total student weeks decreased from 1,272,539 to 1,025,006 in 2010 (a -19% decrease). The average number of weeks spent studying decreased by nearly a week (from 12.0 in 2009 to 11.3 in 2010).
- China (35%) and South Korea (22%) accounted for the largest number of student weeks in 2010.
- Total estimated spending of enrolees from the Asia Pacific region was $981 million compared with $1,191 million in 2009. This is an overall decrease of -18% from 2009.
- The number of Asian students in groups increased from 10,310 to 11,200. The average number of weeks for groups decreased from 4.7 to 3.2 weeks.

European region (individuals and groups)

- Total numbers of enrolments from Europe increased from 21,070 in 2009 to 22,542 in 2010. This represents an increase of 7% (+1,472).
- The largest increase in the number of enrolments for an individual nationality was France (719), followed by Switzerland (376) and then Spain (234). Germany (-685) provided the largest decline in enrolments followed by Hungary (-156).
- As in previous years Swiss enrolments made up a large proportion of the European market, accounting for 22% (identical to 2009) of all European enrolees, followed by French enrolments, with 21%.
- The state market share has changed slightly for Europe in 2010, with NSW dropping 1% to 49% of all European enrolments whilst Queensland's share gained 1% accounting for 33%, Western Australia dropped from 13% to 11%, Victoria from 6% to 5% and South Australia from 2% to 1%.
- The visa status of European enrolments changed in 2010. Visitor visas are still the most popular choice for European enrolees, increasing to 44% after a decline of 3% in 2009. Student visa have remained stable on 33%. The proportion of working holiday visas has declined in 2010 to 19% from 21% and other visas also declined to 4% (from 5% in 2009).
- The total number of weeks enrolled has increased from 184,996 in 2009 to 200,489 in 2010 (an increase of 8% in line with student enrolments). The average number of weeks remained stable at 8.9 (8.8 in 2009).
- Total estimated spending of European enrolees was $174.9 million compared with $155.1 million in 2009. This is an overall increase of 11% from 2009.

Central and South American region (individuals and groups)

- Total numbers of enrolments from the Central & South American region decreased from 18,702 in 2009 to 16,929 in 2010. This represents a decrease of -9% (-1,773).
- Brazil again yielded the largest number of enrolments, representing 53% (identical to 2009) of all enrolments from this region (a total of 9,022 enrolments for 2010 though declining -9% on 2009). The second most important source country, Colombia, declined -12% on enrolments in 2009. Decreases were seen for all Central and South American nationalities except Venezuela, which increased by 54% though on a small base.
- NSW accounted for 40% of all Central and South American enrolments in 2010 (41% in 2009), whilst Queensland's share has increased from 33% in 2009 to 34% in 2010, Western Australia dropped from 11% to 10%, whilst Victoria grew from 13% to 14% and South Australia remained stable at 2%.
- 85% of all Central and South American enrolees held student visas (up from 82% in 2009), with 10% arriving on visitor visas (equal to 2009), other visas accounting for 5% (down from 6%) and working holiday visas accounting for less than 1% in 2010 (2% in 2009).

- There has been a -7% decline in the total number of student weeks (from 282,616 to 261,589), with the average number of student weeks remaining stable at around 15.0 weeks (15.1 in 2009).
- Total estimated spending of Central and South American enrolees was $214.2 million compared with $242.6 million in 2009. This is an overall decrease of -12% from 2009.

Middle Eastern Region (individuals and groups)

- The Middle Eastern region continues to grow in importance as a source country for ELICOS enrolments, though at a reduced rate in 2010. Total enrolments for the Middle Eastern region in 2010 were 9,257, representing 1% growth (+84) over the 2009 figures of 9,173.
- Saudi Arabia contributes 51% (down from 59% in 2009) of all enrolments from the Middle East. In 2010 numbers declined -12% (from 5,383 to 4,754) from Saudi Arabia.
- The largest Middle Eastern contributors were Saudi Arabia and Turkey (decrease of -12%). There were some strong increases from students from Lebanon (39%), Iran (24%) and Pakistan (23%) though on smaller bases.
- In 2010 there was little state change from 2009. NSW share declined 1% to 38% and Western Australia's increased 1% to 8% of all Middle Eastern enrolments whilst all other states, Victoria (26%), Queensland (23%) and South Australia (5%), remained stable.
- 84% of all Middle Eastern enrolments held student visas, down from 86% in 2009. The proportion of visitor visas increased to 10% (up from 6%), other visas remained stable on 6% and working holiday visas were minimal (less than 1%).
- The total number of student weeks for Middle Eastern enrolments was 186,259 (a decrease of -10%), and the average number of student weeks was 20.1 (down from 22.6 in 2009).
- The total estimated spending of Middle Eastern enrolees was $184.5million (down from $228.6 million in 2009). This is an overall decrease of -19% on 2009.
- Turkey (increase of 18%) and Emirates (increase of 16%).
- NSW share remained stable with 39% of all Middle Eastern enrolments in 2009 (39% in 2008), whilst Queensland's share grew from 18% in 2008 to 23% in 2009 and South Australia grew from 4% to 5%. Victoria's share dropped from 28% to 26% and Western Australia's share dropped from 12% to 7%.
- 86% of all Middle Eastern enrolments held student visas, up from 80% in 2008. The proportion of visitor visas declined to 6% (down from 8%) and working holiday and other visas declined to 8% (down from 12%).
- The total number of student weeks for Middle Eastern enrolments was 207,666 (an increase of 4%), and the average number of student weeks was 22.6 (down from 23.7 in 2008).
- The total estimated spending of Middle Eastern enrolees was $228.6 million (up from $199.3 million in 2008). This is an overall increase of 15% on 2008.

ENGLISH

AUSTRALIA