Rules tightened for private colleges

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The peak body for private colleges will impose new membership rules in a bid to improve the quality and reputation of vocational education for international students.

The Australian Council for Private Education and Training will require all new members to undergo a risk assessment and is looking to subject existing members to a similar test in the future.

Education providers applying for ACPET membership will be assessed on measures such as financial ratios and the risk they pose to the education assurance fund, which pays out to support stranded students if a college goes broke.

"We're not regulators but we're doing what we can to make sure that ACPET membership is something held in high regard," the council's chief executive, Andrew Smith, says. The proposal is to make high-risk providers - whether new or existing - pay more for membership.

But the government needs to play its part too, Smith says. He says the policy vacuum created by the abolition of the old skilled migration occupation list was causing enormous uncertainty for education businesses.

That came on top of already reduced enrolments as a result of tensions over attacks on Indian students and the high Australian dollar.

Indian visa applications are down 45 per cent and some ACPET members are enduring falls in enrolments of between 20 and 40 per cent. For some, the situation is approaching make-or-break, Smith says. "Those sorts of drops would have an impact on any sort of business," he says.

Smith says students are holding off on making decisions about coming to Australia. More worrying, he says, is the fact that many students aren't completely holding off on their study plans - they are choosing alternative destinations.

"Other countries are taking up this demand," Smith says. "It's not that people in key source countries aren't looking to go overseas to study, the advice they're getting from agents is there are other, friendlier markets. That doesn't bode well for the recovery of the industry once we do come through all of the various activities going on in the immigration space."

The government's advisory body on workforce development, Skills Australia, is due to release a revamped skilled migration list later this month which will replace the one axed by Immigration Minister Chris Evans in February.

Hospitality and hairdressing skills, areas which have been at the centre of controversy about so-called "visa factories", are widely expected to be removed. A massive rise in Indian enrolments in such courses has linked the fact that permanent residency status is easier to gain if someone has studied in the country. While the same has been true of university degrees, they are far more expensive and take longer to complete.

Smith says small-to-medium businesses in hospitality and hairdressing continued to talk of skills shortages and, if Skills Australia found evidence of that, there was no reason to remove the occupations from the list.

"What we'd be urging the government to do is look at the data and make sure we use our immigration policy to help all businesses meet their skills needs, irrespective of whether they are in the hospitality or mining or whatever industry," he says.