

Objective 1

1. Are there further reforms governments should consider that will improve the quality and integrity of the sector?

If caps are to be imposed, it is imperative to establish a sustainable funding model for higher education. Any imposition of caps without such funding will undermine the ability of universities to fund day-to-day operations as well as such bigger ticket items as capital works and research.

2. What more can providers do to improve the integrity of the international education sector?

Reforms already underway will produce beneficial results. The [REDACTED] also supports the additional measures proposed in the strategic framework to establish stronger "fit and proper provider" tests, ban commissions for onshore student transfers, and set more stringent requirements on providers seeking to enter the market.

However, it is not clear what is intended by the reference to the proposed power to prevent providers from delivering courses which have 'limited value to Australia's skills needs.' Obviously, international education should include a wider range of offerings. Australia rightly delivers globally relevant skills to a global citizenry. While there will be international graduates who go on to fill skills gaps in Australia, most will return to their home countries and their education should not be tied to Australia's labour market needs.

Objective 2

1. What factors should inform government's approach to allocating international student enrolments across sectors, providers, and locations in Australia?

Compliance efforts, as well as restrictions on student numbers, should be targeted at known, low-quality providers, particularly in the VET sector where recent growth has been unusually high and associated with integrity breaches. By contrast, the higher education sector grew at a sustainable pace for the two decades prior to COVID and since then growth has returned to sustainable levels.

2. What considerations for government should inform the overall level of international students in Australia?

In determining an overall level, it is vital to keep in mind the importance of the international education sector to the Australian economy. International students are an important source of labour in many parts of the economy, often working in hard-to-fill, high-demand areas including the care sector and hospitality.

3. How will this approach to managing the system affect individual providers?

Without a sustainable funding model (as mentioned above), higher education providers face the prospect of ongoing deficits, having to shed staff, and abandoning investment in capital and research.

4. Should sectors other than higher education and vocational education and training, such as schools, ELICOS and non-award be included in approaches to manage the system for sustainable growth?

Higher education already has sustainable growth. It is in parts of the VET sector where the recent rate of growth has fuelled issues with quality, integrity and sustainability. Using the March 2024 YTD figures for international education, VET grew by 48 p

5. How should government determine which courses are best aligned to Australia's skills needs?

The [REDACTED] looks forward to working with Jobs and Skills Australia to address this task.

6. How should government implement a link between the number of international students and an increased supply of student housing?

Policy must take account of the many feasibility challenges and risks involved with the large capital investment required to build housing. For example, universities would be reluctant to invest in purpose-built student housing if there is no certainty the market will be sustained in the long term. There is a real risk of stranded assets, given student accommodation is not suitable for the general market. This becomes an even more difficult proposition when universities are in budget deficit.

Any new approach will also need to overcome the difficulties development proponents face—many housing proposals are now rejected by local councils. And even projects that proceed past planning to delivery take many years to complete. Accordingly, transition arrangements would need to be calibrated to long timeframes.

To be clear, these proposals have nothing to do with suggestions that there is a significant link between international student numbers and the current housing shortage. This is not supported by the evidence. The Property Council's Student Accommodation Council affirms that international students are not the cause of the housing crisis—making up only four per cent of Australia's rental market Australia-wide. Further, only two per cent of local government areas had a concentration of international students in the rental market above 10 per cent.

7. What transition arrangements would support the implementation of a new approach?

We appreciate the Government's preparedness to consult on approaches to delivering sustainable growth. This will allow for evidence-based modelling, for further consultation, and for internal planning. That will ensure the global standing and financial health of Australian higher education.

Objective 3

1. What are the barriers to growth in offshore and transnational delivery of Australian education and training?

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2. Where can government direct effort to support transnational education?

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