

## **Objective 1**

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

Australia's global reputation for high-quality education is underpinned by integrity. However, the actions of a few unscrupulous providers and regulation that fails to consider the whole international student lifecycle threaten to tarnish this reputation and exploit students. Strengthening integrity in the sector is crucial, not just for students' well-being but also for the sustainability of our high quality education providers. By maintaining integrity, we attract genuine students and produce skilled graduates, thus benefiting Australia's economy. To achieve this, reforms must be targeted to mitigate risks and ensure that only providers meeting Australia's rigorous quality standards can operate. The composition and focus of the international education sector needs careful management and consideration of competitor destination market policy, directing attention to high-quality providers that are enabled to align their offering with Australia's skills needs. This approach fosters a social license ensuring the sector's sustainability. Integrity measures must span the entire student lifecycle, from recruitment to graduation. New prospective providers must undergo more thorough assessments to guarantee their genuine intentions and capacity to deliver without exploitation. Integrity is demonstrated through the delivery of a high-quality educational experience and student employment outcomes, enhancing trust and reinforcing Australia's reputation as a top education destination. We expect the government to provide the same respect, appreciation and promotion applied to Australian tourism and mining industries to the international education industry. Actively promote the positive impact of international education export industry to employers, media and the public beyond the export revenue. We do not see intervention in mining that seeks to cap mineral and coal exports to resolve the climate crisis or caps on visitors to high demand cities and events like Sydney and Melbourne. These would be unimaginable. International education and students should be seen with national pride and not used as a political device to neutralise a hot Federal election issue for 2025.

Recommendations:

1. Identify a new approach for the sector to more effectively engage with government. The International Education Advisory Council was formed in response to the 2008-2012 international student crisis that saw a rapid growth in international student enrolments, immigration issues, negative public sentiment and attacks on international students. Now 14 years later, the current international student crisis has the same problems, thankfully minus the violent attacks on international students.
2. Create two separate visa streams (subclasses): one for Australian skills shortage areas with clear capped migration places for graduates; and second for Asia Pacific skills shortage areas, including business and management, for graduates seeking to return overseas and build a career or create new business opportunities in Australia - we need new entrepreneurs and business skills to drive new services and product development in Australia.
3. Australia is failing to capitalise on the potential international students bring and to best match their skills and qualifications to the most productive and in-demand skills areas. Government to address perception barriers with Australian employers to reduce discrimination against these highly-skilled graduates during the recruitment process and address rigid occupational licensing rules to make accessing this highly skilled workforce more attractive.
4. We advocate for education providers to receive access to improved tools to proactively monitor agent performance and risk. These should include non-contracted agent data to provide better decision-making when appointing new agents.
5. We recommend limiting the use of agent aggregators by CRICOS providers and preventing direct access to their application system, to avoid terminated or high-risk agents accessing quality providers through sub (and sometimes sub sub) agent networks.

6. We support a more robust and effective process by ASQA and TEQSA for approving any new RTOs or private providers that intend to offer education to international students. CRICOS approvals are still being granted allowing rogue providers to continue to deliver courses and maintain operations. We would support a freeze on new providers during the transition period raised under Objective 2 recommendations. Further removal of rogue operators will remove the financing of rogue agents and reduce unethical behaviour within the sector.

7. We recommend a move towards real-time warnings and action/warnings by TEQSA and ASQA when reviewing live PRISMS data (approvals, refusals, protection, cancellations, withdrawals). This may require modernisation of PRISMS and investment in business analytics reporting by DET and DHA.

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

Recommendations:

1. Review use of agent aggregators and the lack of transparency in their sub agent networks.

Make it mandatory to request at least quarterly sub agent list updates and maintain a sub agent "black list" and "watch list" based on legal proceedings involving directors in the major destination markets, and MARA agent cancellations.

2. Reinvest in the international student experience at a fixed proportion of international student revenue, rather than over subsidising other areas of operation, research funding shortfalls and construction projects.

3. Develop further public-private partnerships to deliver student accommodation at sustainable and affordable price points. However, the supply of affordable accommodation should not become the role of education providers. This is a role for governments and the private sector.

4. Invest significantly in qualified employer engagement and partnership and not just CV writing programs. Seek to employ former recruitment consultants to senior positions within the university leadership team and set key performance indicators to improve international student employment outcomes.

5. Invest a whole of sector community awareness and education program to promote the benefits of international education. In the face of climate change we are seeing significant funding of green washing advertising from the mining sector and very little government reforms to cap production or environmental damage.

## **Objective 2**

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

Recommendations:

1. The highest level of post-pandemic enrolment growth came from private VET providers (up 20% on 2019 enrolments, TAFE declined -32%). We would advocate for a strong targeted response focused on specific private VET providers misusing the migration system to enrol non-genuine students and increase their profits. A focus is on student enrolments and 'dodgy' behaviour is not needed across the whole sector.

2. We would advocate against a cap based on domestic to international student ratios. This may be tempting but it would be unworkable. With only 28.4% of Australian 15-24 year olds engaged in full-time

study in 2023 (compared to 34.3% in 2019), demand for undergraduate study is down across the sector. Domestic postgraduate programs have become the focus for growth. However, with the cost of living crisis and time pressures impacting the ability to fund further study this may be a limited opportunity for many providers. Regulators will need to monitor for any price or entry requirement reductions to expand postgraduate enrolments at Group of Eight universities, and any resulting reduction in numbers at their local competitors.

3. A planned long term and strategic approach with sufficient transition time and change management for the international education industry, students, employers, communities and source markets to ensure success. There current approach of tactic changes without time to prepare is akin to "death by a thousand cuts" for all providers and not just those exploiting the system.
4. Effective industry collaboration by government to forecast skills shortages and provide a timely response from education providers. The time required to develop a new course and secure CRICOS registration is not close to being nimble enough to respond to market needs. Government and providers may need to explore new shorter delivery models than the traditional 2-year VET diplomas, 3-year Bachelors and 2-year Masters programs.
5. It is critical that Ministers and public servants in the Department of Education and Home Affairs particularly fully understand the international student lifecycle from recruitment to graduation. Setting caps by January 2025 by provider does not recognise the 6-18 month lead time from marketing campaigns to enrolment. Currently providers are left unsure if investment and offers into existing courses will be worthwhile for 2025 intakes.
6. Priority should be given to protecting the reputation of the Australian education sector, particularly universities and public TAFE. This requires greater commercial skills and representation at university Council level - still mostly white and male, as well as government investing in international education promotion and providing public support at the same level as our other Top 4 exports. Tourism is still seen as a darling sector, yet 69.4% of tourism in Australia is international student and associated visitor traffic related. This should be celebrated and not condoned.
7. A realistic understanding of the supply and demand factors governing location, provider and course attractiveness. Government can't use caps to force students into courses or locations they don't wish to invest in, they will vote with their finances and find a more suitable destination for their investment. Modelling of not just price elasticity of demand but other factors effects on demand should also be conducted at government level to ensure settings don't kill a Top 4 golden goose.
8. Allocating international student enrolments by location is akin to preventing mining in WA and QLD or stopping tourism visitors from seeing the F1 or visiting the Opera House. If a desire for regional growth in enrolments is real, then investment and effective incentives are required. Mechanisms like reduced tuition fees and fast tracked permanent residency for nursing and early childhood students in the regions with visa obligations to remain in the region for a minimum duration may be required, alongside improved opportunities with employers at the skills level of the graduate.

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

Considerations:

1. Numerically, what does "sustainable growth" mean? Minister Clare needs to define what he means by "sustainable growth" of international students in Australia especially in the lead up to a Federal election where immigration is a key battle ground.
2. Are sustainable growth caps also being set for tourism numbers to reduce the housing crisis in Airbnb rental hot spots; and on coal exports to address climate change?

3. Geostrategic benefits should be considered when reviewing international education as a whole. We need to meet Australia's skills shortages, but why not promote our role in meeting the education supply shortages of our regional allies and providing education to returning graduates as a positive message. Working with overseas government to identify skills shortages and providers (metro and regional) best suited to meeting these needs. Embassies in market are best placed to create these connections and joint economic strategies like that with India and SE Asia need to "walk the walk" when welcoming international students in speeches, but rejecting or delaying visa on application.
4. Geopolitical benefits of capacity building and expanding alumni in source countries aligned with Australia's interests has been a key benefit of international education and development since the Colombia Plan. Education has a key role in this and many source markets require students trained in areas like business and management that may not be on the Australian skill shortages list. Skills shortages mean the issue is already too late, effective forecasting of new careers and demand areas in required with collaboration between regional governments and education providers. This is increasing important in a world of conflict, geopolitical and technological instability.
5. With declining domestic higher education participation and birth rates, what is the vision for the future of Australia? This requires long term vision and commitment, and does not fit well with the 3-4 year political cycle as evidenced by the 2008-2012 crisis repeating itself in 2023-2024.
6. Celebrate and protecting Australia's international education reputation and our fourth largest export industry. There are 250,000 related jobs, \$48 billion in export revenue, a direct impact on 69.4% of Australian tourism revenue, soft power and trade linkages at stake. In 2023, international students contributed 0.8% of the 1.5% growth in GDP. It is critical that the linkages and far reaching benefits of international education are genuinely understood and appreciated by all in society. The Australian Government has long held a pro-mining stance supporting 310,000 jobs despite the negative impacts on the environment, sustainability issues, inequitable distribution of wealth and systemic tax avoidance. Education and research investment will deliver far higher returns for individuals, states and our government than most other investments.
7. International students did not cause the current housing crisis. The Reserve Bank of Australia has made it clear that the contribution of the pandemic supply chain disruption was the leading cause of the housing supply shortage. This occurred from 2020 when the borders were closed to international students.
8. Focus on securing the best global talent for Australia, not just in current skills shortage areas that address past supply failures, but also attract current and future entrepreneurs to develop new industries and services for Australia to export. There is a global war for talent and Australia has many natural assets to attract the best, but policy settings can easily damage reputation and attractiveness that can take years to recover from.
9. Cultivate and legislate capacity and willingness of Australian employers to recruit international students into roles that match their qualifications and remove real/perceived barriers to attaining work rights for the best talent.

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

Recommendations:

1. Positively if implemented well and with bipartisan support. The sector needs a long term view and strategy and is core to Australia's future. Over reliance on "digging things out of the ground" is not sustainable or sensible. The knowledge industry should drive our future success and be fuelled by the best available talent.

#### **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?**

Recommendations:

1. Strong support a phased approach, with an initial pilot for caps and regulation focused on the private VET sector as evidenced by exploitation and disproportionate growth in migration courses and "work before study enablement."

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

Recommendations:

1. Government should use the existing skills assessment bodies and significantly improve collaborate with industry to promote/incentivise the benefits of employing international students. These graduates are often the best available candidate but not considered due to perceive and actual concerns about securing work rights.

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

Recommendations:

1. We strongly believe that international students are not responsible for the housing crisis and the main cause occurred during the pandemic. The Reserve Bank of Australia has clearly stated that the current housing supply crisis is due to impact of COVID supply chain disruption.
2. Education providers should be primarily responsible for providing quality education, rather than engaging in property development. Addressing accommodation supply should be the focus of a well supported and regulated property development industry with caps on developments that do not meet the housing needs of the nation. Tax incentives for private property investors to lease homes to long term renters. Effective taxation of short-term lease platforms like Airbnb to reduce tax avoidance in Australia and correctly price the short-term rental market.
3. Housing and rental affordability problems have been significantly influenced by tax and investment incentives, rising interest rates, land and council taxes that have lead investors to increase rents and target high value developments over lower cost and more accessible development. It is crucial to avoid scapegoating international students who cannot vote and avoiding addressing these factors in the leads up to the 2025 Federal Election.

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

Recommendations:

1. Scaled pilot focused on the private VET sector initially, with international student caps revised (we have registration caps already) by CRICOS approved education provider to be introduced aligned with the recruitment cycle. This would mean effective caps would start from Semester 1 2026 if agreed by providers by Semester 1 2025.
2. Further PRISMS data and analysis tools; increased Austrade funding to support skilled shortage and regional areas; and significantly improved student visa processing times in place before caps are introduced.

3. A commitment to improved communication - between government departments namely DET, DHA and the regulators; between the sector and government to avoid an international student crisis again in 2038-2040; between government and employers to provide incentives and remove barriers to filling skilled shortages with international graduates employers in their field of study; between government, the sector and the wider community on the value of international students to Australia's future.
4. Recognition and action that budgets for education gap funding to cover reduced international student revenue for providers with reduced caps to support important research, innovation, facilities and services.
5. Consider a CRICOS requirement that requires education providers to reinvest a minimum share of revenue into the international student experience and employment outcomes. Not just "one-size fits all" student services and CV writing workshops.
6. Invest in making the regions more attractive through the development of improved local support services and employment opportunities aligned with graduate skills. Identify key population growth centres and the associated education providers for improved government and industry partnership funding. Tax mining companies properly to fund these developments.

### **Objective 3**

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

Barriers:

1. High market entry costs and often complex tax/legal environments that require support to navigate, ensure profitability and long term profitability of transnational education projects. There are many examples at Sunway University Malaysia with Victoria and Monash University that are over 30 years old. The margins are constantly decreasing though and student transfers to Australia are also reducing making these types of successful partnerships less viable. India's drive to secure tax on all international export revenue from agent commission to marketing costs is driving up the cost and risk of delivery.
2. In some cases there is a complete lack of overseas government regulation to enable transnational delivery in potential markets, including until very recently India. This increases risk significantly and exposes offshore operations.
3. Often lack or limited profitability of offshore operations and in many cases inability to repatriate profits from these operations back to Australia. TNE for brand awareness is not a financially viable option for most providers, with some rare exceptions like RMIT Vietnam (often after many years of subsidisation) and asset rich Group of Eight universities who can play a long game.
4. Local skills shortages and requirements often conflict with the Australian Qualifications Framework requirements driving up costs and course duration compared to local competitors with significant price and network advantages.
5. CRICOS requirement to offer the overseas course in Australia, where it may not be viable based on local demand.
6. Limited Australian qualification recognition by overseas governments and employers affecting graduate employment outcomes and course attractiveness.
7. Limited effectiveness of Austrade TNE market entry services beyond partner identification. Investment is a specialist division staffed by former proven VET and HE TNE specialists could be considered.

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

Recommendations:

1. Rapidly map and introduce qualification recognition for the key TNE and recruitment source markets - China, India, Vietnam, Indonesia, Malaysia, Singapore, Sri Lanka and the Philippines
2. Prioritise favourable financial transfer and tax arrangements for key TNE markets - China, India, Vietnam, Indonesia, Malaysia, Singapore, Sri Lanka and the Philippines
3. Innovate flexibility in award level requirements to allow program tailoring for local price, content and delivery requirements. Remove any requirement to deliver an AQF equivalent program in Australia.
4. Guarantee enrolment cap places for reputable CRICOS approved TNE, pathway and offshore articulation program transfer students and provide priority visa processing with a maximum 4 week turnaround time.
5. Recognise the vital role of international education agents in the identification, development and support of transnational education delivery.
6. Works with the sector to remove the legislative and resourcing barriers above.