

# Australian National University

## Objective 1

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

English language tests:

- Currently, there is a requirement in the Migration (English Language Tests and Evidence Exemptions for Subclass 500 (Student) Visa) Instrument (LIN 24/022) 2024 only for "overall band". Consideration could be given to including a minimum for each of the sub-bands (Reading, Writing, Speaking, Listening) to ensure students have the full suite of necessary language capabilities.

- There is merit in extending the consideration of conflicts of interest to include those between agents and the English language testing system. While many organisations offer both English language testing and agent related services, there must be assurance that the governance between these processes ensures no risk of interference with test results that the student could use as a basis of admission to study in Australia. As part of the amended legislation, these conflicts of interest should be captured, made transparent and mitigated.

Franchise Agreements: poor quality transnational education experiences will affect the overall reputation of the Australian Higher Education sector and impact onshore offerings if not appropriately regulated. Of the four proposed models outlined in the Draft Framework, the University considers the 'Franchise Arrangement' as the least desirable and highest risk from a quality assurance perspective. Under a Franchise Arrangement, risks are introduced regarding institutions and regulators ability to access data to assess quality assurance and, for identified issues to be rectified owing to a lack of management control. Consideration should be given to the structure and mandate of quality assurance arrangements for Franchise Agreements, and reviewed across all the proposed Transnational Education models, to manage any reduction in direct management control over the institution delivering the education.

Anti-poaching measures: the University seeks assurance that there will not be any further expansion of anti-poaching measures which prevent students from genuinely seeking a change in institution, particularly those seeking to move between AQF levels. High performing international students who seek advice and support from agents to extend their study in Australia, particularly those seeking to pursue honours, masters or postgraduate research degrees after the successful completion of undergraduate studies, should be enabled to do so, even where this means pursuing a degree at another institution. The unscrupulous behaviour of a few should not negatively impact the aspiration and attainment of those students who choose Australia as their preferred education destination.

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

Fraud mitigation: the sector could strengthen their genuine student checks and provisions to support fraud mitigation. ANU is currently rolling out an enhanced process to achieve this, but it is an area where constant quality assurance monitoring and adjustment of practice is necessary to ensure a high performing control system.

Agent commissions and performance: the University welcomes the increased transparency of agent commissions and performance data which we will use to continue to assess the health and integrity of our agent network. ANU has a very robust approach to the management of agents detailed in our Agent Management Policy and Procedure. Under this policy, ANU immediately suspends, discontinues or terminates an agent contract for a variety of breaches, failing to meet performance criteria, dishonest behaviour, reputational damage to the University or poor and unethical services to students. The

University will continue to strengthen this policy through continuous quality assurance and believes it is an area where we, and the sector, can continue to improve.

## **Objective 2**

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

Regional allocations: The University cautions that any proposal to reallocate student places to the regions should be accompanied by significant support and a deep understanding of the market forces. There is a genuine risk that students who are considering studying at city-based universities are also considering other international destinations, such as Canada, the United States and the United Kingdom. If we limit places in institutions that are their first preference, and they are instead offered a regional place, rather than accept it, they may choose an alternative international destination instead, therefore not achieving the intended policy outcome and reducing the overall value of the export asset. We encourage the government to consider undertaking market research to underpin its allocation strategy and the attributed volumes.

Sector allocations: in considering allocations by sector, the University advocates for a strong understanding of the role ELICOS, Foundation and Diploma programs play in the transition of students to higher education institutions and, to ensure that sufficient places are made available to them, thereby guaranteeing they remain a viable pathway into broader higher education places.

Exemptions: the University encourages the government to consider treating particular types of students as demand-driven and not subject to the allocation process. These include:

- Higher Degree Research students who contribute to the national research and innovation ecosystem
- Non-award students, particularly exchange students, where there is no impact on housing demand as, by the nature of exchange, incoming students are matched with an outgoing student
- Students sponsored by the Australian Government, such as Australia Award scholarship recipients, and students sponsored by other international governments/NGOs, particularly as these students are typically obliged, under the terms of their sponsorship, to return to their home country after completing their studies and so therefore are inherently 'temporary' from a migration perspective.
- Onshore international students who are already residing in Australia under visa types other than student or tourist visas at the time of application. These include diplomatic and humanitarian visas and students living in Australia with other family members with work rights.

The University notes that when Canada introduced similar caps on the number of study permits issued in January 2024, they specifically excluded a number of groups from this cap including primary and secondary school students, doctoral students and some masters students.

Diversity of source countries: The University also suggest the government consider its objective in relation to the diversity and resilience of the sector when allocating places. In 2023, students from China and India made up 21% and 16% respectively of all international students studying in Australia (2023 Prisms Data). Furthermore, 55% of all international students studying in Australia came from just five source countries, with 71% coming from only ten countries. While it may have challenges to implement, having a demand-driven approach to countries outside of this top ten would greatly assist the sector in achieving more diversity and resilience. In particular, the University would like to see a demand-driven approach to students from our closest neighbours including the Pacific Island nations, Papua New Guinea, and Timor-Leste so they are not inadvertently negatively impacted by the proposed changes. We would further suggest a demand-driven approach for Indonesia, a key source country to Australia and a close neighbour.

Maturity of differing institutions: The University understands that the objective of these reforms is to support the long-term sustainability of the international education sector. A university which meets sector sustainability and assurance criteria, such as available housing, and has demand that exceeds supply, should, in the short term, be allowed to grow to ensure the overall desirable size of the national sector is maintained. While other institutions who have an allocation that allows for growth, but supply outstrips demand, can have the time and support required to build new markets.

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

Timing: the University would encourage a measured approach to large variations in overall numbers until there has been sufficient opportunity to assess the impact the proposed changes will have on overall demand. It would be valuable to observe the impact of the changes in Canada and thereafter to apply any relevant learnings to the implementation in Australia. It is important not to shock the market and experience a correction greater than desired whereby the overall market size falls below the target limit.

Target: the government should set the 'real' limit higher than their actual target. The proposal as defined both incentivises under-performance against target (based on a one-year ban from enrolling new students should a cap be breached) and the desire to allocate places to localities and disciplines international students do not want to study. Unless these two factors are considered in setting overall levels, it could induce a much greater shock than intended.

Trading places: an alternative is to establish the ability to trade places under the cap. There was precedent for this in the CGS market under the Job-ready Graduates policy, although without wide uptake. Such a market would allow a university with capacity under their cap to sell their places to another university, on the provision that university met other parameters, such as accommodation capacity. This would provide a mechanism for flexible correction within the market and possibly achieve some of the desire for international fee re-distribution that was proposed under the Universities Accord.

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

Timing: higher education providers generally operate on five-year rolling financial and non-financial forecasts. New degree programs take, on average, three years to develop and take to market prior to an intake. While student recruitment cycles occur over two-years between decision to accept a place and commencement.

The proposed 1 January 2025 implementation timeline is very short. ANU already has academic offers out to students for 2025 intakes, as would many other providers. For the sake of the student experience, and the risk of reputational damage to providers and to the broader sector should providers have to withdraw offers to remain under yet-to-be-determined caps, the University would strongly encourage a gradual transition commencing no earlier than 1 January 2026.

Defining 'regional': currently, the Department of Education, for student equity processes, and the Department of Home Affairs, for migration processes, define 'regional' very differently. Clarity on how universities will be classified is essential. For instance, Home Affairs classifies a wider range of Designated Regional Areas, including Canberra, Adelaide, Perth, the Gold Coast, and the Sunshine Coast. Furthermore, studying at campuses in these locations gives students eligibility for an additional year in Australia on a post-study work visa. Finally, the Home Affairs Review of the Points Test Discussion Paper, released in April 2024, recommends removing regional migration points, which seems counterproductive to the aims of this draft Framework.

## **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?**

ELICOS is a critical pathway for those seeking to study higher education. Capping ELICOS places at a number substantially lower than higher education places would risk the ability to fill those places.

Where ELICOS study is packaged with a primary provider

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

Course choice may not align with skills gaps: Regardless of how the Government decides to align courses to skills needs, there remains a risk that international students will not want to pursue these particular courses, especially those students who are less interested in post-study work rights. The vast majority of international students currently return to their home country on completion of their studies. Thus, it is the perceived skills shortages in their home country, and their personal preferences and perceptions that will drive course choice behaviour, not the job market or skills shortages in Australia.

Link between course studied and jobs: A far greater risk in linking places to skills shortages is limiting the available pool of potential skilled migrants from the very outset. The government's Graduate Outcome Survey showed many students, both domestic and international, come to their chosen careers from a variety of diverse educational backgrounds and, the jobs they land are not always aligned with the course they studied. An analysis of ANU Graduates based on the GOS survey results between 2016 - 2023 found:

- Despite offering no degrees in construction or real estate, there are 87 and 55 ANU graduates working in these industries respectively
- Despite offering no education degrees, ANU has 2,157 graduates working in the education and training Industry
- While only 23% of ANU graduates have graduated with a specific Science, Maths, Engineering or Computing degree 27% of all graduates work in Professional, Scientific or Technical Services industries

The Department of Home Affairs Review of the Points Test discussion paper, released in April 2024 raises some important points which overlap with this proposed framework. For instance, it specifically notes:

"A reformed points test should prioritise the characteristics that best predict migrants' capacity to find skilled work in Australia. This will mean that migrants who receive a points tested visa are more likely to succeed in Australia, and are able to find fulfilling jobs where their skills and qualifications are used. A focus on successful labour market outcomes will also mean a more dynamic and innovative economy. Migrants will be more likely to use their unique experiences and skills to contribute to new ways of doing things. They will also make the Australian labour market more dynamic by being well-positioned to switch jobs as the economy evolves."

Linking places only to specific applied skills and not broad degrees, which develop a wide range of transferable skills, risks limiting the flexibility in the system.

The same report notes:

"Migrants hoping to apply for a points test visa need to have experience and qualifications in an occupation on an occupation list. The aim is to ensure that migrants are bringing skills in identified areas of need, complementing the existing skilled workforce. However, these occupation lists have historically been slow to change and respond to shifts in the labour market. They add to the complexity and uncertainty of the points test."

The simultaneous rigidity and risk in this system does not provide assurance to either students seeking migration or, the business sector seeking skilled migrants. In deciding how to align courses to skills needs, the risk of either too much change or too little to be flexible must be considered. A frequently changing list introduces uncertainty for students and makes them less likely to commit to studying in Australia. A student must have assurances that a place in a course linked to an area of skills development and, particularly post-study visa rights, will follow them for their whole degree, whether it be a single year masters, a five-year bachelors or a three-year PhD.

Transferable skills: the report also offers some sound advice on the challenge of identifying future skills needs. It suggests favouring transferable skills where future migrants can change jobs in response to the evolving needs of the workforce:

"Targeting the skills we need in the future is challenging – Australia's labour market is constantly evolving and future trends cannot always be predicted with certainty. The challenge is to target transferable skills, where migrants are able to change jobs in response to evolving needs, as well as to target skills where demand will continue to grow, such as in health care to meet the needs of an ageing population or digital technology where ongoing innovation will require specialist skills."

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

ANU has long understood the positive relationship between providing accommodation for its international students, their success and our relationship with our broader community. For a number of years ANU has provided accommodation guarantees to both domestic and international students and it is our intention to continue to do so, irrespective of this framework. Very few universities have invested in sufficient housing stock to be able to make such a guarantee.

The ANU approach has been underpinned by a significant investment in Purpose Built Student Accommodation (PBSA). ANU has more than 6,500 beds on its Acton Campus, a ratio of 1 bed to every 1.6 international students enrolled at ANU. In recent years the University has continually invested in growing the PBSA portfolio, in line with international student growth, opening the 500 bed Wamburun Hall in 2017, the 428 bed Wright Hall in 2019 and, most recently, the 731 bed Yukeembruk Village in 2023.

The University has relied on productive commercial partnerships to grow our residential footprint. To provide these partners surety to support their investment these agreements include provisions such as minimum occupancy rates and demand tests that must be met before accommodation footprints can be expanded.

Within these commercial partnerships the University has negotiated affordability commitments to our students that see our tariffs benchmarked against the private rental sector. There is an annual external review of the market position to ensure that our tariffs remain affordable for students and below the equivalent market rate.

The University does not rely solely on its own student accommodation. Within the greater Canberra area there are a number of private PBSA providers who house students from the ANU, and other universities which operate in the ACT, most notably Y Suites, which opened a 733 bed facility in 2023. The ANU and the University of Canberra (UC) have also successfully collaborated on student accommodation with ANU students regularly living in UC accommodation when they have vacancies.

When considering the role of housing in the allocation of international student enrolments, based on the University's extensive experience in providing student accommodation, we recommend the government consider:

- That given new builds of PBSA require considerable lead time in terms of financing, commercial arrangements, planning approvals and build time, that existing housing stock per student is taken into consideration for the period between 2025 and 2030.
- That individual institutions will need to be guaranteed growth in numbers at least five years in advance to ensure they can provide a financial horizon sufficient to support the requirements of private sector investment, particularly if the government is seeking further growth in housing stock.
- In setting allocations, the availability of dedicated PBSA in the immediate jurisdiction, or within a certain physical distance from the campus, not just that owned and operated by a University or on its immediate campus is taken into consideration.

- That there remains flexibility for institutions in the same jurisdiction to make vacant PBSA available to other institutions to allow those institutions to grow and to ensure the overall international student market remains economically viable.
- That universities who already have invested in a very high ratio of available beds to international students are not penalised in the allocation of places because they had the foresight and understood their role in upholding the social licence from their communities for taking responsibility for housing their students in line with historical growth.
- Universities with private sector partnership arrangements will not be in a position to invest in additional housing stock until they can prove they have sufficient student demand to meet the thresholds tests in their contracts. If the government genuinely wants to see an expansion of PBSA and a sustainable international education sector they must be able to provide universities with sufficient forward placement and growth capacity to meet these demand tests.

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

Timing: international student application processes are already open for both semester 1 and semester 2 intakes in 2025 with offers being made and accepted. This means universities currently have a pipeline of at least 12-18 months. For the welfare of students in these pipelines, transition arrangements must allow them to continue to pursue their chosen course of study.

Income guarantee: as with the introduction of the Minimum Basic Grant Amount, providing an income guarantee as places are slowly transitioned would prevent shocks to individual institutions and, importantly, to Australia's Research and Innovation Sector. It is important to allow sufficient time for that review to take place and its findings be implemented.

Residential funding: if the government would like universities to take on the risk of significantly increasing PBSA in an environment where it cannot give sufficient income guarantees to support private sector investment, then a national residential infrastructure or building fund that could provide zero or low-cost financing to support this growth would be welcomed.

Many of the areas identified as having skills shortages rely on student placements. The government could co-invest with the states and territories through COAG to increase the number of placements available to international students in courses such as nursing, medicine, and teaching. Many institutions have had to limit access to these courses for international students because they are unable to negotiate more placements. However, one reason state and territory governments are reluctant to make places available to international students is that the majority return home after completing their studies and therefore investing in training international students does not result in filling labour shortages in Australia, but within their home jurisdictions.

The change to Post Study Work Rights effective 1 July 2024 is causing distress amongst our graduating students. Most Australian universities graduation ceremonies fall after the 1 July, therefore, the system to manage the 'gap' between the policy change coming into effect, and students graduating a few weeks later must be considered as a matter of urgency. We understand that it has been suggested that impacted students seek letters as evidence that, although they have not graduated, their studies were completed before 1 July which would be stressful and unnecessarily administratively burdensome for both universities and government departments involved. We would prefer an alternative approach which would allow a transition period for currently enrolled students some additional time to complete their studies and to graduate.

## **Objective 3**

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

There are a number of barriers to transnational education that the University has encountered. In particular:

- the risk to academic freedom under foreign legislation
- the inability to move profits from offshore campuses onshore
- upfront commitments in terms of infrastructure investment before an operating licence can be maintained
- requirements to hire local academic staff without a sufficiently large PhD qualified labour market to draw from, and,
- risks to students privacy and control of data.

ANU has developed extremely successful twinning programs with some of the highest calibre institutions, particularly in Asia. These programs achieve dual goals of exporting Australian Education while giving international students an experience of Australia and a lifelong affiliation with our country and Canberra. It is a great example of all that is valuable in transnational education. However, if these twinning arrangements were to be included in international caps, it would significantly reduce their viability in comparison to other programs, and de-incentivise universities to take on such transnational delivery. We would like to see consideration given for a separate cap or, preferably, a demand driven system for these arrangements.

The ANU has achieved success through our ANU China Centre in developing an employability program for ANU students to achieve internships and graduate jobs in their home country. While the desire for increased work-integrated-learning (WIL) is noted in the framework, this type of transnational WIL is not covered. Given that 80% of international students return home following study, developing transnational employability programs also potentially introduces opportunities for Australian companies seeking to enter international markets, and, having available graduates who understand both Australia and their home country to support these business ventures.

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

ANU would like to see the concept of transnational education redefined to not only include programs taught overseas but to also include in-country services that are provided to current students and recent graduates on return to their home countries.

The ANU China Apprenticeship Scheme launched in March 2022 and co-ordinated by the ANU China Centre in Beijing and the ANU Shanghai Desk in Shanghai provides an illustrative and successful example. The program aims to connect international Chinese students studying at ANU, or graduates recently returned to China, with opportunities for internships with both Chinese and Australian companies based in China. Students have been placed with companies such as KPMG, Johnson & Johnson, IBM, and Tencent. Internships usually take place during university break periods when students return home to China to visit family.

The ANU China Centre provides one-on-one support along with access to the ANU tailor made workshop and advisory services to help students secure jobs in their home countries on completion of their ANU degrees in Australia.