

Charles Darwin University

Objective 1

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

Charles Darwin University (CDU) welcomes the opportunity to provide feedback on Australia's International Education and Skills Strategic Framework (the Framework) as it is expected to set out a future direction for the international education and training sector.

CDU is a dual sector university, incorporating vocational education and training, degree education and research. This allows us to meet the education needs of students in campuses in Darwin, Alice Springs, Palmerston and Katherine and in study centres in Nhulunbuy and Tennant Creek.

CDU is advancing our Strategic Plan to become Australia's most connected university by being courageous and making a difference in the Northern Territory (NT), Australia and beyond.

CDU has a small cohort of international students, studying predominantly in Darwin, NT, with a much smaller cohort in Sydney and a further smaller cohort in Alice Springs, NT.

International students bring a vibrancy to Darwin; are warmly welcomed into the community; and help fill skills gaps while studying and upon graduation. In the context of dire skills shortages, and lower than national average rental vacancies, the social license for international education in the NT is distinct from that in major metropolitan cities.

For these reasons, CDU continues to strongly advocate for its ambition to reach growth projections for international education and training. As the only University headquartered in the NT, CDU continues to receive the strong support of the NT Government to realise the benefits of a strong and diverse international education environment.

CDU expects that the Framework will flow through to migration settings and directions. CDU recommends an assessment of the role of Evidence Levels as quality measurement mechanism. In 2024, CDU has assessed all applications judiciously, in the same manner it did in 2023, but has experienced a rapid increase in visa refusals, leading to a decrease in our evidence level. Reasons for visa refusals are oblique, and we are not provided with the information required to make changes. The old arbitrary system of evidence levels does not seem fit for purpose.

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

CDU supports the quality and integrity measures outlined in the Framework, namely, to ensure providers are prohibited from 'poaching' students once onshore, and to ensure providers have proven delivery capability to domestic students before courses are offered to international students. Universities are unlikely to be detrimentally impacted by these changes, which reflect the good practices of these established and accountable public institutions.

CDU is confident existing regulatory frameworks through the Tertiary Education Quality and Standards Agency (TESQA), Australian Skills Quality Authority (ASQA) and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) are sufficient to support university delivery of high-quality education and training to international students.

Objective 2

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

CDU argues that the unique environment of the NT should be acknowledged and treated favourably for any 'allocations' of international student enrolments.

While the NT Government continues to incentivise Australian workers to move to the NT, there is broad consensus that the population base must also increase through international migration. There is recognition of Northern Australia's fundamentally different workforce trajectory than other places described as 'regional'. This is already reflected in migration settings, including regional considerations for post-study work rights.

CDU is pleased to see in the Framework that the role of international education in regional universities is valued.

In the Universities Accord consultation process, CDU focused on recommendations to Government to incentivise international students to the regions, but especially the NT (CDU submissions available at <https://www.cdu.edu.au/government-engagement>). In doing so, CDU supported allowing international students to access pathways to permanent migration as a key lever available to governments. Another option supported by CDU was to allow international students to access additional points towards skilled visa applications where a student has studied in regional or remote areas.

One of the key attractions for international students to the NT is the availability of in-field work at the completion of their studies. International student graduates in the NT go on to work in major companies, consultancies and the NT Government. CDU's graduate overall employment outcomes place us second nationally.

With respect to soft-power, CDU supports a stronger focus on diplomatic ties with our near North, especially Indonesia and Timor Leste, and sees one of our key purposes as building and sustaining these relationships through effective diplomacy.

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

In the Universities Accord consultation process, CDU did not take a position on whether it is desirable to have caps on international students at the macro or provider level. Instead, CDU focused on the benefits of international education to the NT and emphasised the different considerations at play in a thin student market.

CDU has the lowest number of international students of any university in Australia. We believe the Government should consider the current unbalanced allocation of students, and be sure that any moderation of overall levels does not impact universities with already very low numbers.

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

The growth of international education across Australia in 2023 precipitated an intervention from December 2023 of a series of migration policy levers which have drastically impacted the flow of international students commencing at CDU. This of course has a compounding impact on the future pipeline of students and has negatively raised the risks of financial viability.

In alignment with CDU's positive international student recruitment trajectory, financial investment upwards of \$250 million has been made by the University and Australian Governments into the Danala | Education Community Precinct (ECP), a new campus in the heart of Darwin City. This includes a \$100 million grant from the Commonwealth Infrastructure portfolio, and a \$125 million NAIF loan. The modelling for the

NAIF loan was underpinned by CDU's ability to attract and retain international students numbers at levels much higher than our average pre-COVID.

As a matter of fact the changes to visa processing from December 2023 have already impacted individual providers and so the approach to managing the system in the Framework is now a corrective process.

Should the Framework be implemented, CDU advocates for a planned and well communicated system so that providers can operate most effectively in this newly managed market.

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?

N/A.

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

Universities respond to skills needs and industry requirements. At CDU, of our 20 most popular degree education courses, 15 are currently listed in the NT high priority or priority skills areas.

While offering courses to meet skills needs is critical, CDU would caution against policy levers seeking to fill or influence student choice. Job Ready Graduates reforms showed that it is difficult to influence student choice within the domestic market using price signaling. It instead revealed unintended consequences that the Universities Accord has recommended are unraveled. Student choice within international markets may be similarly stubborn and adding onerous requirements to student choice may have unintended consequences.

Australia also should not be seen to take advantage of the desire and goodwill that accompanies students as they study in Australia. Students' economic contribution, and then their genuine connection to Australia is well recognised as a great Australian 'export' success story.

In 2022, Deloitte had determined the education and training sector was worth \$165 million in estimated export revenue to the NT, accounting for 35% of the NT's international trade in services. The report estimated each international student's annual value-add per enrolment to be \$26,400 (on top of tuition).

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

CDU appreciates there is a volume of analysis on housing supply, much of which indicates student housing is not a major factor in shortages. Nonetheless, CDU observes that the provision of housing is becoming an important part of the social compact between universities and their communities.

Should the government establish a link between the number of international students and increased housing supply, they should do so very cautiously as many external factors, especially planning regimes, determine the ability to build purpose-built student accommodation. As addressed above, student choice is also paramount. Many students simply prefer to live in private rental accommodation, homestay, or with relatives and friends.

In addition, modes of study may influence accommodation needs. For example, many of CDU's cohorts in both vocational and degree education come to Darwin for study blocks, or intensives. Some of the existing onsite accommodation at CDU can be used for these remote students. While one 'bed' may be used by four students across a year as they need, all four students are fully accommodated by this one 'bed'.

Applying simple ratios cannot address these complexities.

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

Universities are reliant on international student revenue and this, along with many other funding challenges, was addressed in the Australian Universities Accord Final Report. In essence, international student funding has become part of universities' core funding models.

The rapid change in visas processing from December 2023 has essentially effected a change in the funding model for universities and has created a turbulent operating environment.

Apart from funding from international students, the Government has committed to implementing a managed growth and need-based funding system from 2026. Universities like CDU, with higher proportions of equity students, are likely to benefit from a needs-based system and we look forward to working with the Government towards its implementation.

CDU would have preferred these funding arrangements be considered in conjunction to allow a smoother transition.

Objective 3

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

N/A

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

The Government could support offshore and transnational education by promoting the value of Australian credentials and the robustness of our university system in key international markets. This would then enable university brands to tie individual promotions to a larger campaign.