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Mr Tony Cook PSM
Secretary
Department of Education
GPO Box 9880
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Dear Mr Cook

RE: Draft International Education and Skills Strategic Framework Response

As you are aware, the Independent Tertiary Education Council Australia (ITECA) serves as the peak representative body for independent skills training, higher education, and international education providers. In this capacity, ITECA shares the Australian Government's commitment to bolster the international education sector's reputation for excellence and integrity. The key to successful implementation of policy reforms in this area is the Australian Government engaging in a meaningful way with the independent tertiary education sector and, in this context, consultation associated with the *Draft International Education and Skills Strategic Framework* has been suboptimal.

There has been a considerable amount of commentary recently from those within the Australian Government and more broadly regarding the international education sector. It is important, however, to tackle some of the incorrect statements being made and also to demonstrate the severe inconsistencies that, most unfortunately, are not only contained in the draft *International Education and Skills Strategic Framework* document but also appear to have influenced several of the reforms outlined within it.

Independent Tertiary Education & International Education —

For the full year to the end of December 2023, there were 975,229 international student enrolments in Australia. This was indeed a full-year record, as the Australian Government and many commentators are fond of repeating. However, this number is only 2.4% higher than the level of enrolments prior to the pandemic in 2019. Often missed in the discussion on international education is the contribution that the independent sector makes to the sector; in 2023, of those enrolments highlighted above, 559,704 or 57.4% were supported by an independent provider.

The Australian Government has recently delivered a series of reforms as part of its new Migration Strategy which are only just beginning to be felt – harshly – across the international education sector. Despite some comments from within the Australian Government (“...we’ve seen the big jump, not in universities, but in VET...” Minister for Education - Sky News, 9 June 2024) the single biggest contributor to student visa numbers is from offshore higher education applicants. For example, in the period 1 July 2023 to 30 April 2024, there were 268,365 primary student visas granted in total.

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Of these, just 15,400 were granted to students from offshore seeking to study a skills training course. That's just 5.7% of the total number of student visa grants in this period. Outside the pandemic years, this is the lowest since 2014-15, while for higher education the number of students visas granted to offshore applicants has only ever been higher in 2022-23. So, for higher education these have been the two consecutive highest years on record, while for skills it has been the lowest in nearly a decade.

As businesses with a longstanding reputation for delivering high-quality international education services both in Australia and globally, ITECA Members welcome the opportunity to respond to the draft Strategic Framework. While we recognise the Government's intent to enhance the integrity and sustainability of Australia's international education sector, several critical issues need addressing to better align the draft Strategic Framework with the realities and imperatives of high-performing quality businesses.

Lack of Awareness and Understanding of High-Performing Quality Businesses —

The draft Strategic Framework seems to lack a nuanced understanding of the specific needs and operational dynamics of high-performing quality education providers. Our sector thrives on a delicate balance of innovation, rigorous standards, and responsiveness to international student needs. However, the current document appears to focus disproportionately on punitive measures and regulatory constraints, which could inadvertently stifle the operational flexibility and innovative capacity that are hallmarks of top-tier education providers.

High-quality providers already operate under stringent self-imposed standards to maintain their reputations and student outcomes. The framework's heavy emphasis on regulatory oversight and punitive actions, without parallel support mechanisms or incentives for quality improvement and innovation, risks undermining the very excellence it seeks to protect.

In seeking a basis for the reforms proposed in the draft Strategic Framework and subsequent legislative measures, the Australian Government and also representatives of relevant Australian Government departments will appropriately seek to refer to recent reviews and strategies that inform the Government's approach. This is appropriate, especially when stakeholders are brought on board with the development of those reviews and the ensuing outcomes, although less so when that has not been the case.

Perhaps the single most important review in the context of the work subsequently undertaken to ensure greater levels of integrity in the international education sector was the *Rapid Review into the Exploitation of Australia's Visa System* ('the Nixon Review'), led by Ms Christine Nixon AO APM. This is a review and an undertaking that was and remains fully supported by the ITECA membership. The Nixon Review has been referred to extensively, and sometimes exclusively, by the Australian Government and by Departmental officials when reasons are offered for legislative action directed at the international education sector.

Of the seven Findings in the Nixon Review, there is one that refers to education providers. Of the 34 Recommendations made in the Nixon Review, five make specific reference to action being taken within international education. Of these five actions, none are framed in the way the Strategic Framework suggests action might be taken:

- **Rec. 14:** Conduct a targeted compliance operation, focussed on assessing high risk private VET providers.
- **Rec. 15:** A targeted data matching activity to compare information holdings across Commonwealth agencies for private VET providers.

- **Rec. 16:** Education regulators to develop a broader set of systemic risk indicators for CRICOS-registered education providers.
- **Rec. 17:** Education providers' compliance with reporting non-attendance by international students through PRISMS should be closely monitored.
- **Rec. 18:** Should the implementation of recommendations 14 and 15 expose that exploitation of the visa system by non-genuine private VET providers is significant, Australia's student visa policy should be reviewed, with a view to removing CRICOS eligibility for high-risk providers and courses.

In addition to this, the Nixon Review made a separate recommendation to consider the possible extension of money-laundering reforms to education agents and private VET providers. It is particularly troubling that the Australian Government have used the excellent work done by an eminent Australian in Ms Nixon and left directly to a few elements of *some recommendations* with what appears to be limited consideration.

For example, Recommendation 14 as noted above now looks has been addressed only as "conduct a compliance operation targeting the whole sector". There is no development of risk profiles as had been recommended and there is no clear and transparent methodology for the assessment of those risks. As a consequence, there is an absence of 'targeted compliance' — a phrase which is to be found only once in the draft Strategic Framework — as recommended, and it appears that the Government has instead decided all registered providers should be the focus of enhanced compliance activity.

The Nixon Review noted at p16 that "...*detection and deterrence of non-genuine and high-risk providers has been identified as one of ASQA's regulatory 2022-23 risk priorities, ASQA's primary focus is on achieving quality education outcomes rather than deterring and disrupting visa exploitation.*" This is an excellent example of setting a regulator up to fail. It is unreasonable to expect the regulator for skills training, which is required to regulate skills training within a standards-based quality framework, to also be the regulator for visa integrity.

It is common to hear statements from the Australian Government that confuse the issue of visa integrity and quality educational delivery, and this is most common when it comes to the issue of the Evidence Level Framework which is overseen by the Department of Home Affairs. ITECA has noted on many occasions that the two are very different and it is critical that they not be confused with one another. For example, it is not uncommon to have Evidence Level 1 providers (i.e. those with the lowest immigration risk rating) delivering courses of lower educational quality, while it is common to have providers with an Evidence Level of 3 (higher immigration risk rating) delivering excellent educational programs.

As has been noted publicly (*'Frankenstein's bride': student visa architect takes aim at Labor's uni clampdown*, Angus Thompson, Sydney Morning Herald, 4 April 2024), the student visa risk rating mechanism is now being used for a purpose other than that for which it was designed. The result is that the student visa scheme is being retarded, to the detriment not of the Australian Government or the bureaucracy, but of the sector's participants: education providers and students. The scheme is no longer fit for purpose, yet rather than being reconsidered, redesigned and rebuilt, it is being used for a new and different and one that damages the sector.

More recently, ITECA Members have become increasingly concerned regarding what appears to be the disconnect in the Australian Government's understanding regarding the relationship between migration policy on one hand, and education policy on the other. Most troubling are repeated

attempts by some to contemplate – and even publicly articulate – a direct causal relationship between the two, where in fact none exists.

The continual confusion of these two factors is unhelpful to all sector participants.

The Government is always eager to engage with the sector and have it as a partner when promoting export earnings and engagement with foreign governments, but there is less enthusiasm to work with the sector as a partner when it comes to developing lasting sector-wide reform. This is disappointing.

Rather than going through the recommendations of the Nixon Review methodically with sector stakeholders in a collaborative and mature manner with a view to delivering better outcomes, the Government has instead gone directly to a focus on narrow and punitive elements of some recommendations only.

This is especially difficult in the context of the proposals in the Strategic Framework that appear to work in direct conflict with recent engagement between Australia and countries such as India at a Ministerial level. It will be very difficult for high-quality education providers in any sector to refuse to enrol a student seeking to come to Australia and study at any level because they have reached a seemingly arbitrary enrolment cap which is complete anathema to the student and may very well be inconsistent with agreements between Australia and nations such as India and our broader strategic partnership.

Interplay With Broader Policy Frameworks —

It will be difficult for Australia to continue as a strategic partner in the *Australia India Comprehensive Strategic Partnership* while simultaneously refusing to embrace our commitment to skill their students more broadly under those strategic relationships as well as outlined in statements made by Australian Government Ministers and Agreements signed with their counterparts in countries such as India as recently as within the past 12 months.

In particular, there is some concern that the implementation of the *Mechanism for the Mutual Recognition of Qualifications Between Australia and India* (the Mechanism), which has had a troubled birth, is likely to have an even more difficult childhood. While the Mechanism states that the Australian Department of Education will recognise skills training and higher education qualifications awarded by authorities specified in the Mechanism, this is not what happens in practice; these documents are actually assessed by immigration processing officers and there are cases where student visa applicants have had their visa refused on the – incorrect – basis that a qualification is not genuine. So the assessment is in those cases not being made by the Department of Education.

In the current policy environment, it is impossible to consider international education without regard to the nation's broader Migration Strategy. The complementarity between international education policy and migration policy should be self-evident, however, the significance can be found in the way that the two documents conflict.

The draft Strategic Framework contains several intellectual inconsistencies, particularly in its approach to international students and the alignment with Australia's skills needs:

Misalignment of Student Contributions and Skills Needs —

There is an emphasis throughout the draft Strategic Framework on seeking to manage international student numbers in an effort to align with Australia's skills needs. This is an odd approach, given that for the full year in 2023, just over 55% of the international student

enrolments were in skills training, schools, ELICOS, or non-award programs. Of these students, 71% (more than 379,600 enrolments) are studying in programs that would prevent them from working upon completion as they are not on Australia's yet-to-be-finalised skills needs list.

So, in reality, what the Australian Government is specifying is that the majority of potential students from Australia's partner countries are specifically excluded from applying for a student visa because the skill area that might be in severe shortage in their own country is not one in need here in Australia, despite the fact Australia does not let them work here anyway.

The notion, as outlined in the draft Strategic Framework, that Australia will enable its regulators the ability to cancel the delivery of courses to international students where those courses might not be of the highest need here domestically, is more than strange. When courses may support skills needs in the student's home country and student visa holders are overwhelmingly required to leave Australia on completion of their study.

This enormously undermines the attractiveness of Australia as a study destination as well as a strategic partner more broadly. High-quality providers understand the importance of aligning education with employability, yet the framework does not adequately address how to foster stronger linkages between educational offerings and real-world skills demand.

Contradictory Stance on Student Choice and Market Dynamics —

The draft Strategic Framework document simultaneously advocates for student-centred policies while at the same time advocates for measures that impose direct restrictions on students' ability to choose providers, locations and potentially courses. This restriction is unparalleled among Australia's international education competitor nations. For instance, policies that cap enrolments or dictate specific areas of study without robust industry collaboration and labour market analysis are likely to lead to a mismatch between graduate skills and market needs — noting that international student graduates are overwhelmingly required to leave Australia when they complete their study — and this is likely to massively diminish the value proposition of Australia's international education sector.

The effect of this is consistent with the limits placed on student choice and the ignorance of market dynamics in our partner countries, including the needs of firms operating in both Australia and based in those strategic partner countries.

Lack of Support for Transnational Education —

While the draft Strategic Framework mentions transnational education (TNE) as a strategic priority, it fails to provide a clear roadmap or support mechanisms to enhance TNE delivery. This is particularly concerning when it is noted that the single largest Commonwealth Government funding source for TNE was cut at the recent Federal Budget.

High-quality providers are pioneers in TNE, and it is these providers that understand TNE is not just about establishing a campus in another country and delivering Australian nationally-recognised qualifications. A more supportive and facilitative approach from the Government that embraces a broader understanding of TNE could significantly boost the sector's global impact.

As noted above, the draft Strategic Framework outlines a restrictive stance on student mobility and student choice. This is likely to create significant challenges beyond those that will be felt directly by business:

Erosion of Australia's Competitive Edge —

The ability for students to choose their educational pathways is crucial for maintaining Australia's competitive edge in the global education market. Policies that limit this choice are likely to encourage potential students to seek alternative destinations, diminishing Australia's market share and our international reputation.

Diplomatic Tensions —

Limiting the mobility and choices of international students is likely to strain relationships with key strategic partner nations. Students from these nations are informal ambassadors of goodwill, and their positive experiences in Australia foster long-term diplomatic and trade relationships. Policies that are perceived as restrictive, discriminatory, or punitive could easily have significant and far-reaching diplomatic repercussions.

Impact on International Collaborations —

High-quality providers across all sectors engage in extensive international collaborations that are mutually beneficial. Restrictions that are perceived as protectionist or overly restrictive could hinder these collaborations, affecting not just educational outcomes but also broader research, development and education partnerships that contribute to global innovation and economic development.

The draft *International Education and Skills Strategic Framework*, through the introduction of stringent regulations, is poised to precipitate job losses within the Australian international education sector. These reforms, driven by the Australia's Government's misconceptions and an overemphasis on punitive measures, are likely to deter international students, resulting in diminished enrolments. Reduced student numbers will directly impact educational institutions, particularly the independent providers who play a significant role in this sector, thereby triggering a potential cascade of job losses among educators and administrative staff. This decline not only threatens individual livelihoods but also risks the overall economic health of the Australian economy.

Furthermore, the regulatory shifts are set to tarnish Australia's respected position in the global education market. The lack of flexibility and the focus on restrictive measures within the framework will serve only to undermine Australia's reputation as a welcoming and progressive education destination. This perceived hostility could alienate potential international partnerships and diminish Australia's appeal to overseas students, consequently eroding the nation's competitive edge on the international stage. Such a shift could not only impact tertiary educational institutions but also have broader economic repercussions, affecting Australia's strategic international relationships and its global standing as a leader in quality education.

Recommendations —

To address these concerns, ITECA recommends the following adjustments to the Strategic Framework:

1. **Incorporate Support Mechanisms for Quality Providers:** Introduce incentives and support mechanisms that recognise and reward high-quality providers across all sectors, encouraging them to continue innovating and maintaining high standards without the fear of punitive restrictions in the absence of regulator transparency.

2. **Follow the Nixon Review Recommendations:** Work in collaboration with the sector stakeholders and develop a clear and transparent set of measures that are based on and aligned with each of the five recommendations from the Nixon Review outlined above.
3. **Foster Collaborative Alignment with Skills Needs:** Develop a more collaborative approach with industry stakeholders, and explicitly with Jobs and Skills Australia, to ensure that educational offerings are aligned with real-world skills demands in Australia and in the students home country, thereby enhancing graduate employability and aligning with national economic objectives.
4. **Enhance Flexibility and Choice for Students:** Ensure that policies designed to manage growth across all sectors of international education do not unduly restrict student choice or mobility. A balanced approach that safeguards quality while preserving flexibility will be essential to maintaining Australia's attractiveness as a study destination.
5. **Support and Expand Transnational Education:** Provide clearer guidelines and support for a range of transnational education initiatives, enabling high-quality providers to expand their global reach and contribute more significantly to international education standards.

By addressing these issues, the draft Strategic Framework can better support the dual goals of maintaining high standards and fostering a vibrant, sustainable international education sector that continues to attract the best and brightest from around the world. In the absence of measures such as this and a reliance on the existing draft Strategic Framework and proposed legislative measures, the 70 years that Australia has spent developing itself as a capacity builder for nations in our region, and our strategic partners more broadly will have been the longest policy waste Australia has seen.

ITECA strongly supports the role of the Department of Education with respect to policy and governance oversight of the international education sector. ITECA maintains the view, however, that the current sector architecture does not support the Department in this regard.

ITECA welcomes the ongoing engagement with you and the Department more broadly, as the Australian Government seeks to enhance the integrity of the sector.

We look forward to further engagement with the Department on this matter.

Yours faithfully



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Chief Executive