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Australia's International
Education and Skills
Strategic Framework
(Draft for Consultation)

ENQUIRIES

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A. INTRODUCTION AND EXECUTIVE SUMMARY

La Trobe University welcomes the opportunity to respond to this consultation draft of Australia's International Education and Skills Strategic Framework (the Framework).

For many years, international education has been an Australian success story, one which La Trobe University has been proud to be part of. Since its establishment in 1964, La Trobe University has welcomed thousands of international students to its multi-campus network across Victoria. Following the impact of the COVID-19 pandemic, it was pleasing to see the sector recover and international students back on our campuses with numbers slowly starting to approach the pre-COVID numbers. However, the introduction of Ministerial Direction 107 in December 2023, had a disproportionate impact on equity-driven universities like La Trobe, with a large South Asian international student profile. The sudden and unplanned drop in international student revenue hinders La Trobe's ability to deliver on its equity mission, including to the regional communities it serves. These are the communities in which, according to the Australian Universities Accord, participation in higher education must increase if the overall targets for higher education participation and success are to be met.

La Trobe has therefore welcomed the potential of this Framework to provide certainty, as well as the intent to forge closer links between international education enrolments and areas of skills shortages such as health and education. As a university with a strong regional footprint, La Trobe also welcomes the Framework's intent to increase the uptake of international education in regional Australia. This will however not happen organically as a result of the proposed enrolment limits. Increasing the number of international students studying in regional Australia requires clear and strong incentives for students and providers as well as for industry to invest in the infrastructure that will be needed to support such growth.

La Trobe strongly supports measures to strengthen the quality and integrity of the system. These measures should however be proportionate and targeted at the providers with a track record of undermining the system. As outlined in the submission, it is also important to recall that the overwhelming growth in the sector post-COVID has been predominantly in the non-government sector.

This submission is structured as follows:

- Section A: Introduction and Executive Summary
- Section B: Key Positions on the Draft Framework
- Section C: La Trobe's response to the Consultation Questions

B. KEY POSITIONS ON THE FRAMEWORK

Objective 1 – A Sector Built on Quality and Integrity

- La Trobe supports measures to improve the integrity and quality of the international education sector. However, the measures should be targeted, proportionate and aimed at those sectors and providers which have undermined the international education sector.

Objective 2 - A Managed System to Deliver Sustainable Growth Over Time

- La Trobe supports the principle of "managed growth" but institutions like La Trobe which have been disproportionately impacted by Ministerial Direction 107 need to be enabled to return to the minimum threshold of international student enrolments that supports the ability to deliver on the broader mission to support equity students and regional communities. This cannot be achieved through a one-size-fits all threshold or approach. Each university should have a tailored approach that considers the impact of the Ministerial Direction 107, the university's broader mission, and the communities it serves. This would be consistent with the role and purpose envisioned for the Australian Tertiary Education Commission (ATEC).
- La Trobe has strong concerns regarding the proposal in the draft amendments to the Education for Overseas Students (ESOS) Act that providers who exceed their enrolment limits would face suspension. There is a high risk of providers routinely under-enrolling to avoid triggering the automatic suspension.

- La Trobe also has serious concerns about potential unintended effects of setting hard course-level enrolments limits. If enrolment limits (at the provider and institutional level) are to be imposed, these should not be hard caps but a +/- scenario with a range of tolerance.
- In addition, we propose that:
 - Regional enrolments at Table A providers should be excluded from overall provider limits;
 - National workforce shortages should be an important consideration on setting provider-level quotas;
 - In order to allow for agility to meet workforce demand:
 - Universities should also be afforded the opportunity to increase their quotas in areas of key skills needs when opportunities arise rather than through just through the annual compact process;
 - The Framework should have the flexibility to support innovative university-industry proposals aimed at addressing workforce shortages particularly in regional Australia.
- La Trobe strongly supports the Framework's intent to "support the growth of the sector in regional areas of Australia." The right incentives need however to be in place to increase international education uptake away from the major cities. Limits on metro-university enrolments will not produce an automatic or commensurate increase in regional uptake.
- La Trobe acknowledges that students (both domestic and international) need access to affordable and suitable accommodation options. We consider it sensible that provision of new purpose-built student accommodation (PBSA) as well as existing and future university plans to build new PBSA should be one of a number of criteria for setting overall provider quotas, within the geographical context of each provider.

Objective 3 – Taking Australian Education and Training to the World

- La Trobe supports the Framework's intent to increase offshore provision but this should not be regarded as a substitute for on-shore international education.
- With limited income from onshore international student revenue, universities' ability to invest in offshore education will be even more constrained. Government investment in agencies (such as Austrade) which can facilitate the exploration of global TNE market opportunities will be required.
- It is important to recall that Australia's international education sector does not only serve Australia's education needs but also services a global and regional market demand for education. Its global purpose should also be preserved and supported.

C. LA TROBE'S RESPONSE TO THE CONSULTATION QUESTIONS

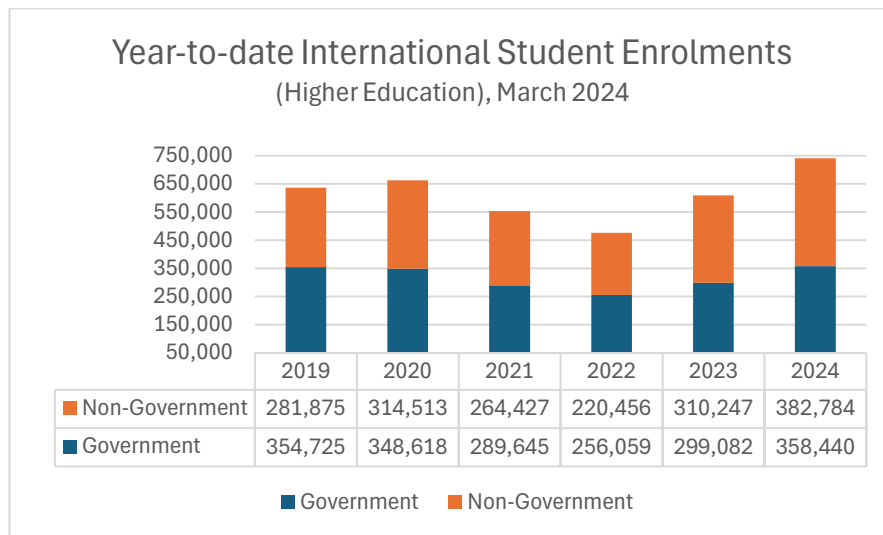
Objective 1 – A Sector Built on Quality and Integrity

(1) Are there further reforms that government should consider that will improve the quality and integrity of the sector?

- La Trobe supports measures aimed at strengthening the quality and integrity of the sector. The resilience and positive impacts of the higher education sector would be strengthened by the more even distribution of onshore international students across providers in Australia. Onshore international student growth in recent years has been largely concentrated in already very large metropolitan-based universities. The implementation of Ministerial Direction 107 (which had an inconsistent impact across the sector and reduced diversification) further entrenched this inequity. The new Framework should aim to allow all universities to operate on a level-playing field. Visa caseload processing should support the objectives of the Framework, such as regional enrolments and applications from different source countries.
- Further measures that could be taken include:

- Continuing to invest in the regulation and quality assurance of Providers;
 - Fast-tracking the Provider Registration and International Student Management System (PRISMS) modernisation project so that PRISMS can more effectively be used as a tool to support industry rights; and
 - Requiring CRICOS providers to have a comprehensive diversity plan with restrictions imposed on them if the plan is not delivered. There is evidence of providers which recruit from very narrow (often singular) markets. Diversity should be a factor in assessing the quality and integrity of the sector.
- The Framework notes that Australia’s education and migration systems “have been subverted by unscrupulous actors”. **The focus of quality and integrity issues should therefore be on those providers with a track record of undermining the system rather than a blanket approach which tarnishes the reputation and viability of the entire sector.** As outlined in Figure 1, It is also worth noting that the significant growth in higher education enrolments in the past few years has been via non-government providers.

Figure 1: Year-to-date (YTD) International Student Enrolments (Higher Education)



Source: <https://www.education.gov.au/international-education-data-and-research/international-student-monthly-summary-and-data-tables>

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

- Australian public universities (Table A providers) already operate in a highly-regulated environment and are regularly monitored and audited by the regulator, TEQSA. However, they would benefit from improved access to agent performance and integrity data where they present a quality and integrity risk. We welcome draft amendments to the ESOS Act to enable providers to have better access to education agent information so they can make informed decisions about the agents they want to engage with. The more data that is available to providers, the more they will be able to make informed decisions that would contribute to improving the integrity of the sector overall.

Objective 2 – A Managed System to Deliver Sustainable Growth Over Time

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

- La Trobe supports the principle of “managed growth” but institutions like La Trobe which have been disproportionately impacted by Ministerial Direction 107, need to be enabled to return to the minimum threshold of international student enrolments that supports their ability to deliver on their broader mission to their communities. This cannot be achieved through a one-size-fits all threshold or approach. Each university should have a tailored approach that considers the impact of the Ministerial Direction 107, the university’s broader mission, and the communities it serves. This would also be consistent with the aim and structure of the proposed ATEC.

Promoting regional Australia

- La Trobe strongly supports the intent of the Framework “to support the growth of the sector in regional areas of Australia”. As a university with a strong regional footprint and with four campuses in regional Victoria, we have witnessed first-hand the impact of international students studying in regional Australia and transitioning to the local workforce¹. However, our experience has also shown us the difficulty of attracting international students to choose to study outside the big cities namely Melbourne, Sydney and Brisbane. **The turning point for increasing international student enrolments in our regional campuses (particularly Bendigo) was the introduction of more optimal post-study working rights for international students studying in regional campuses and the introduction of the Destination Australia scholarships in 2019.**
- Based on this experience, we do not anticipate that placing limits on metro enrolments will automatically lead to an increase in international students opting to study in regional Australia. Moreover, it cannot be assumed that increasing international enrolments in regional Australia would help subsidise regional campuses and/or student activities. Medium-sized universities like La Trobe will need to maintain a significant level of enrolments in their city-based campuses, where they have the capacity to scale up both in terms of infrastructure and course provision, in part to cross subsidise delivery at their regional campuses. The ability to immediately scale up international education delivery in regional campuses is limited and will require support with variability across the different regional campuses (e.g. La Trobe’s Bendigo campus has already shown the capacity to accommodate an uptake in international students).
- **In summary, and this is our key recommendation to this consultation, if the Government wants to increase international education uptake in regional Australia, the right policy settings and incentives must be in place.** These include:
 - Enrolments in regional locations should be excluded from overall provider limits (where students enrol with a Table A provider).
 - The advantageous post-study working rights for studying in regional Australia must remain;
 - The points in the migration test which incentivise study in a regional location must remain though the category of locations which qualify ‘as regional’ should be adjusted².
 - The retention of programs which have been known to incentivise regional study such as the Destination Australia scholarship scheme. La Trobe recommends the re-instatement of the Destination Australia scholarship programme, which was axed in the 2024-25 Commonwealth Budget.
 - In terms of accommodation provision for students (both domestic and international) which is another issue raised in the Framework, it is crucial to note that industry is much less likely to invest in building accommodation in regional Australia, than it is metropolitan Australia. Therefore, the right incentives must be in place (including possibly tax incentives) to encourage private investors.

¹ For instance, our Work Integrated Learning Program has provided the regionally-based company Coliban Water with the opportunity to source highly-trained, job-ready students to work within the organisation, with Coliban Water attesting to the fact that they have had **great success with the international student cohort in the program**.

² Currently, the Government is conducting a consultation on the Review of the Points Test and the discussion paper flags the removal of additional points for regional study. For further information, please note La Trobe’s response to the Review of the Migration Points system.

Incentivising innovative provider-industry innovations

- In the context of 'managed growth', the Government should allow for, and incentivise, providers and industry collaborating on novel approaches to address areas of skills shortages particularly in regional Australia. For instance, to address health workforce shortages in regional Victoria, La Trobe is currently working with one of its industry partners to check the viability of introducing an employment-based pathway for a cohort of international students. This would entail a number of international students being sponsored by an employer to study nursing at one of La Trobe's regional campuses and then proceeding directly on completion of their course to a job with their employer-sponsor.

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

- The Government should consider:
 - the flow-on effects to the economy of international education and the need to support sustainable growth of one of the country's largest export markets which is not linked to natural resources;
 - the capacity and track record of providers to provide the study required including relating to student support, opportunities for WIL etc; and
 - the role of Australia globally and particularly in its region in skills development. Part of the strategy needs to look beyond Australia's workforce needs and consider the benefits associated with meeting a global demand for services. This is why La Trobe has supported the Framework's intent to prioritise health and education because the demand for these skills is global and perennial.

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

- Universities utilise operating margins from international student revenue to finance strategic initiatives and infrastructure that underpin their broader mission. For instance, La Trobe has made significant upfront investment in expanding its health programs precisely to be able to address the skills shortage in health that the Framework is seeking to address. With the abrupt and unplanned shortfall in international student revenue, our medium-to-long term plans are at risk of being delayed and downsized.
- The biggest challenge to providers like La Trobe, has been the abrupt and unforeseen change in visa processing since last December. Providers such as La Trobe University, had made budget forecasts on the basis of expected enrolments (and the sector's rebound from COVID) and suddenly, those forecasts had to be revised almost overnight. From a La Trobe perspective, an approach which provides certainty and which incentivises a more even distribution of international students across providers and across Australia would be an improvement on the current situation.
- La Trobe does not support enrolment limits at course level. **For 2025, if enrolment limits (at the provider and institutional level) are to be imposed, these should not be hard caps but a +/- scenario with a range of tolerance.** Institutions that have been disproportionately impacted by Ministerial Direction 107 need to be enabled to return to the minimum threshold of international student enrolments that supports their ability to deliver on their broader mission to their communities with their current CRICOS level used as a baseline.
- The Framework must also accommodate flexibility for the variety of Transnational Education (TNE) models and pathways which contribute to the diversity agenda which the Framework is also seeking to address. In La Trobe's case, our cohort-based TNE partnerships and articulation agreements out of Singapore, China, Malaysia, Vietnam, Philippines, Sri Lanka and Hong Kong will be disrupted should we have limited flexibility and transparency in managed growth that does not accommodate these long-term cohort arrangements. It is essential that:
 - Onshore enrolment caps do not impact Australia's TNE growth; and

- TNE students who want to transfer to onshore education in Australia are not included in the provider and institutional enrolment limits.

(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?

- This is a multifaceted challenge. On the one hand, students in the non-award categories tend to be short-term exchange and study abroad students and are usually from Europe, North America and Latin America – and therefore the diversity cohorts that the Framework is seeking to capture. Moreover, universities have established a strong network of both short-term and semester or year-long exchange programs with high quality universities in the Asia Pacific region to realise broader university internationalisation objectives. These partnerships provide both domestic and international students with the opportunity to learn from and with their peers from around the world. They foster greater cultural understanding, build relationships and collaborations, and support broader soft power objectives in the regions. Another benefit of exchange and study abroad places is that the inter-university relationship is often the seed from which deeper and more strategic partnerships emerge. Limiting supply of these places may have a negative impact on the existing university partnerships. The other portion of this cohort are students who will most likely be studying a qualifying program (e.g. Foundation) which is most often packaged with a degree.
- The data on enrolments show that there have been significant increases in the ELICOS and non-award figures. For example, in the ELICOS category, there was an 375% increase in enrolments from 2022 and 2023 (see Figure 2). While a number of factors (including COVID) will have contributed to these fluctuations, there is a considerable risk that the low-cost, low-quality segment of ELICOS providers will balloon.
- In terms of schools, international students enrolled in the school sector are usually there because their families are motivated to get them into an Australian university. ATARs are released so late in the year, that in a capped university environment, universities could either run out of places for this cohort or have to quarantine places for this cohort and risk not filling all places. There is therefore merit in this cohort remaining uncapped for Table A providers. The size of international student enrolments in Australian secondary schools can be a pipeline-controlled cohort into Australian universities.
- La Trobe would therefore recommend:
 - That ELICOS remains uncapped when packaged with a degree and when the provider has demonstrated a real commitment to diversity. In other circumstances, growth in ELICOS should be capped.
 - That foundation and other enabling courses are uncapped when packaged with a degree.
 - Exchange and study abroad place should be uncapped to support diversity.
 - Table A providers should be afforded some flexibility to offer places to students from the international student schools’ cohort beyond their enrolment limits.

Figure 2: Year-to-date (YTD) International Student Enrolments (%Change), March 2024

Sector	2020	2021	2022	2023	2024
Higher Education	1%	-12%	-12%	15%	22%
VET	19%	-1%	-13%	14%	26%
Schools	-8%	-33%	-34%	33%	40%
ELICOS	-5%	-65%	-36%	375%	9%
Non-Award	-7%	-63%	-20%	117%	18%

Source: <https://www.education.gov.au/international-education-data-and-research/international-student-monthly-summary-and-data-tables>

(5) How should government determine which courses are best designed for Australia's skills needs?

- The recently-established Jobs and Skills Australia (JSA) is in a position to provide regular and updated advice on Australia's skills needs. In fact, JSA is currently conducting an [International Students Pathways and Outcomes Study](#) - a cohort study which will aim to provide insights into how the education, migration and employment systems can best work together to enhance the contribution made by international to Australia's skilled workforce.
- As outlined earlier, there should also be a consideration of global and regional skills needs. Focusing on areas (such as health and education) where there will always be a need for workers, seems like an obvious place to start.

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

- La Trobe acknowledges that housing availability and cost-of-living challenges are genuine concerns for international and domestic students alike. This is why La Trobe has invested in accommodation on its Bundoora campus and has plans to expand [accommodation availability](#) in its [Uni City of the Future](#) Plans. We are also planning further student accommodation in Bendigo.
- To fairly capture the level of investment by a provider in new purpose-built student accommodation (PBSA), implementation of this measure will require a methodology that accurately accounts for recently constructed PBSA and plans for new PBSA. The geographical context for each provider will also be important to account for the challenges of new PBSA in regional settings.
- As stated above in the answer to Question 1, while private investors are likely to be interested in contributing to inner-city projects to build accommodation, it is likely that tax incentives for private industry will be required to encourage investment in regional and rural areas. On the plus side, providing these government incentives for regional and rural infrastructure would benefit both international and domestic students. It would also help to achieve the Government's intent to implement the key recommendations of the Australian Universities Accord to increase participation in higher education from under-represented groups.

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

- In the first instance, La Trobe recommends the removal of the Ministerial Direction 107 which has had a disproportionate impact on a portion of the sector.
- For the 2025 "cap" setting process, La Trobe recommends a focus on commencements only with negotiation on whole of university enrolment limits and managed growth requirements to be addressed via the mission based compact process in 2025 for 2026 and beyond.
- For 2025, if enrolment limits (at the provider and institutional level) are to be imposed, these should not be hard caps but a +/- scenario with a range of tolerance. Institutions which have been disproportionately impacted by Ministerial Direction 107, need to be enabled to return to the minimum threshold of international student enrolments that supports their ability to deliver on their broader mission to their communities with their current CRICOS level used as a baseline.

Objective 3 – Taking Australian Education and Training to the World

- La Trobe supports the Framework's intent to increase offshore provision but this should not be regarded as a substitute for on-shore international education.

- With limited income from international student revenue, universities' ability to invest in offshore education will be even more constrained. Government investment in agencies (such as Austrade) which can facilitate the exploration of global TNE market opportunities will be required.

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

- The primary barrier is financial. Growth in offshore and transnational delivery requires significant investment. There are financial outlays in capital expenditure for infrastructure and facilities that are required when establishing offshore operations. The limitations on international revenue onshore (in Australia) will restrict institutions' capacity to invest in any offshore operations. Institutions that wish to engage in TNE need to be able to recruit to the threshold of onshore international student cohorts to generate the revenue required for investment in offshore TNE operations. An additional approach would be to provide seed funding and/or business grants for universities (individual or groupings of universities) that are interested in offshore and TNE delivery.
- Local (offshore) regulations and legislation: In some cases, institutions operating overseas cannot repatriate funds back to Australia, can be restrictive around the types of models that can be implemented (and this impacts profitability) and have complex governance requirements. Implementing HESA-equivalent programs offshore is a significant challenge (need literature references).
- Australia's own legislative and regulatory framework is also complex especially when compared to other major competing English-speaking countries.

(2) Where can government direct effort to support transnational education?

- Government should invest in the overseas agencies that can facilitate the exploration of TNE initiatives in collaboration with institutions that wish to pursue this opportunity. Genuine TNE expertise that complements institutional capabilities is required and should largely be focused on market specific factors including market/opportunity analysis, macro operating environment, market specific business and financial models, regulatory environments, and risk, compliance and legal obligations.
- There should be more advocacy around regulations and free trade agreements that open up opportunities for offshore operations.
- More work is needed on the mutual recognition of qualifications.