



## Swinburne University of Technology

# Submission in response to the Draft International Education and Skills Strategic Framework

### Introduction

Swinburne University of Technology appreciates this opportunity to make a submission in relation to the Commonwealth Government's Draft International Education and Skills Strategic Framework.

Our sector needs to be stronger, future-focused, resilient and responsive to the needs of the nation and global ructions. The Government's initial response to the Universities Accord in the 2024-25 budget is a positive first step in what is a once in a generation opportunity to improve the sector.

The Universities Accord Final Report underscores the imperative for universities to innovate and evolve in terms of type, diversity, size and number over the coming decades. This is required now more than ever as we move to a sustainable international education framework in Australia.

Unfortunately, this success story and economic lifeline of international education has recently been used as a blunt political tool to drastically reduce overseas migration in a short timeframe. The Government's commitment to halving net overseas migration to 260,000 by July 2025 will significantly impact the operations of universities across Australia. This will result in the re-evaluation of investment in research and learning, putting at risk the Accord's ambitious target of 80 per cent of working-aged people by 2050 having a tertiary qualification. In addition, these changes will have long-term negative impacts on Australia's reputation with our international friends and neighbours as a destination for their citizens to receive a high-quality education.

To meet these migration targets, Swinburne agrees with the Government's approach to target low quality providers, education agents, and legislative loopholes. If undertaken swiftly, these measures alone will result in a significant reduction in the net overseas migration. The Government can simultaneously continue consultation with the sector, deferring the full implementation of limits on providers' international enrolments to 2026. This managed approach will ensure the Government has time to properly consult with the sector to get these significant changes to Australia's international education sector right.

### Swinburne makes the following recommendations:

1. Deferring the full implementation of limits on universities international enrolments to 2026. This managed approach will ensure the Government has time to properly consult with the sector and resource the Australian Tertiary Education Commission.
2. Enrolment limits applied to universities should be at a whole-of-university level (not course level) and aim to enable sustainable growth in international student enrolments, particularly at universities that are responding to the workforce needs of the future.
3. Previous instances of excess international enrolments should be restricted and instead enrolment limits based on the portion of a provider's revenue or total EFTSL. This should be made public and enforced equally across the sector.

4. The Government reviews its position that international student enrolments should align with the workforce needs of Australia, as this fails to recognise that only 16% of international students become permanent residents in Australia.
5. Exclude international students who have completed their schooling in Australia from the enrolment limits to enable further growth of the school sector, a sector that prepares international students for success at Australian Universities.
6. Require all providers to enrol a minimum cohort of domestic students prior to approval to enrol international students.
7. Consider existing offshore arrangements and partnerships when setting limits on a provider's intake of international students. Students who wish to complete their studies in Australia at the same provider should be included in an increase to a provider's enrolment cap to support sustainable development of offshore education.
8. Work with the sector to tighten requirements for students considering transferring to another provider before completing their qualification, one option is to link the student's visa to the provider who they commenced their studies at.
9. Providers and education agents who recruit a significant proportion of international students already in Australia should be required to demonstrate that students have been recruited in an ethical and fair manner.
10. Providing stability in settings to allow for multi-year budget and planning cycles.

## **Objective 1: A sector built on quality and integrity**

Strengthening the integrity and quality of international education is vital to ensuring high quality learning and student experience for international students studying in Australia. Swinburne commends the Government for taking a hardline approach in targeting low quality providers. We agree there needs to be an extensive assessment process enforced for all providers to stamp out exploitation putting at risk Australia's reputation as an education destination of choice. We are also supportive of the proposal to increase the no-transfer period from six to 12 months without an approved release application.

It is imperative the Government enhances provider monitoring and closes loopholes for questionable actions by education agents. Swinburne strongly urges the Government to act quickly to implement and enforce the new measures outlined. In addition, Swinburne recommends considering additional, quality reforms, including to require a minimum cohort of domestic students to be able to enrol international students. Providers established with the sole purpose of delivering to international students pose a risk to the quality and integrity of the sector.

Integrity of the international sector is vital. For far too long, some providers have competed for greater market share, resulting in questionable poaching activity. Education providers should instead focus on student retention, aligning recruitment strategies to supporting a student's success from the commencement of their studies until completion. This includes the ethical recruitment of students located offshore who have yet to commence their studies in Australia.

## Objective 2: A managed system to deliver sustainable growth over time

Moving to a sustainable growth model of international students is important to the sector. The COVID-19 pandemic and immediate aftermath highlighted their importance to Australia's workforce, bridging the skills shortages across the economy. Priority should be given to targeting low quality providers, education agents and loopholes in the system. Any limit on international student enrolments at universities should be deferred to 2026 to allow for further consultation with the sector. Tighter visa restrictions and a slowing down of visa processing should also not be used to limit demand from genuine students. An immediate limit will be counterproductive to the sector's success, stifle the economy and make ongoing skills shortages worse. The lead time to recruit international students is such that universities will have already processed acceptances for 2025 (predominantly for students in pathways) but also seeking to study in Australia from 2025. Managing this demand will be challenging unless enrolment limits are confirmed promptly for each institution.

The recently introduced *Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024* lacks detail, clarity and is oppressive. There is no requirement for a Minister to consult before issuing a notice to limit international students at a particular institution, and very limited accountability provisions for any decision the Minister might make. Furthermore, terminology within the draft bill, such as the term agents, should be tightened to ensure that institutions' in-country representatives and/or operations are explicitly excluded from this definition.

### Factors to inform the Government's approach to allocating international student enrolments

Swinburne recommends the Government consider a range of factors when allocating international student enrolment across the sector. These factors include:

- Current and historic domestic student load
- Current and future financial positions
- Location of campuses and domestic student cohort (outer suburban, regional and rural)
- Demographic of domestic students
- Pipeline of university capital requirements to meet existing and future needs of students
- Availability of purpose-built student accommodation on-campus and in the surrounding area, and student propensity to seeking this type of accommodation
- Inclusion of all provider types, and not just universities, into the above considerations

Interventions and directives by several governments to persuade both domestic and international students toward regional campuses and specific courses have failed. This Government must avoid repeating the mistakes of the past. Job Ready Graduates radically changed how courses were costed to increase demand for those linked to skills shortages, but this radical shift had little impact, except to significantly increase debt for some students and a loss of income for STEM-based universities like Swinburne.

The vast majority of international students come to Australia with a predetermined course they wish to study to enhance their employment prospects in their home country. Unless there are quality or compliance concerns, no limits or restrictions should be enforced by course. If implemented, this restriction will result in international students choosing another country over Australia and negatively impact our education reputation.

When determining the overall level of international students studying in Australia, the Government needs to consider economic, social, cultural and diplomatic factors, and that every state and territory has different circumstances, strengths and priorities.

#### Whether sectors other than higher and vocational education and training be included in approaches to manage the system for sustainable growth

When considering if sectors other than higher and vocational education and training, such as schools, ELICOS and non-award be included in approaches to manage the system for sustainable growth, the Government should exclude non-award student mobility (exchange and study abroad) programs, as these enrolments bring diversity to our campuses and inspire domestic students to study overseas. If they were to be included, institutions may choose to deprioritise these cohorts in favour of full degree students.

Packaged courses that are non-award should be treated equally across providers, as some pathway courses are offered by partner institutions, rather than by the institution offering the principal course. Provider caps should be set at visa level, rather than by the count of confirmation of enrolments to mitigate such differences.

The Schools sector should be excluded from enrolment allocations being applied, unless concerns regarding quality and volumes of international student enrolments exist. Importantly, if this sector is to continue to grow sustainably, international students who have completed their schooling in Australia should be excluded from any university enrolment limits to enable further growth of the Schools sector, a sector that prepares international students for success at university.

#### implementing a link between the number of international students and an increased supply of student housing

A broader range of options beyond purpose-built student accommodation (PBSA) by individual providers needs to be factored into an increased supply. Not all universities have the same capacity (financial or, availability of space) to build new PBSA nor do their international student cohorts necessarily wish to stay in or can afford PBSA. Additionally, all provider types need to be included in housing considerations as many students are enrolled at non-university providers. In 2023, non-university providers accounted for 59 per cent of international students studying in Australia).

Addressing underlying housing issues would have a greater impact than linking international student numbers and student housing.

### **Objective 3: Taking Australian education and training to the world**

Swinburne has a long, successful history delivering transnational education (TNE) in Asia, establishing our Sarawak campus in 2000. In recent years, our models have evolved and in 2019, we partnered with FPT University in Vietnam to deliver industry-based, tech-rich learning through Swinburne Vietnam Alliance Program (SVAP). FPT University is part of the FPT Group, the largest information technology service company in Vietnam. Swinburne's partnership with FPT University is contributing to skill demands in Vietnam through in-country teaching. Students receive industry-relevant job skills while studying and are highly sought after by industry upon graduation. SVAP was launched in Hanoi with the delivery of three sought after undergraduate programs. Commonly

referred to as “Swinburne Vietnam”, a second delivery location was launched in Ho Chi Minh City in September 2020 and a third delivery location launched in Danang two years later. To complement their studies at SVAP, students can transfer to Swinburne’s Hawthorn campus through various transfer and student mobility arrangements.

We believe this model of partnership with industry is the prototype of global best practice in university partnerships internationally. The challenge for the sector and Government is achieving the scale aspired to in the Australian Strategy for International Education 2021-2030, with many of the existing operations by Australian universities requiring significant resources to be invested with lower financial returns. The flow of students from an offshore delivery location to the Australian campus contributes to the viability of these operations. Ensuring international students who transfer from these programs can continue to do so under Government settings is critical if institutions are to pursue growth opportunities offshore. Consideration should be given to increasing institutions’ international enrolments limits if the provider can demonstrate the transferring students are high-quality, achieve success and complete their qualification from that university, with low levels of attrition.

## In summary

Swinburne University of Technology again appreciates this opportunity to make a submission in relation to the Commonwealth Government’s Draft International Education and Skills Strategic Framework. As outlined, our sector needs to be stronger, future-focused, resilient and responsive to the needs of the nation and global ructions.

Swinburne strongly supports the Government’s approach to target low quality providers, education agents and loopholes in the system. If undertaken swiftly, these measures alone will result in a significant reduction in the net overseas migration. The Government should simultaneously continue consultation with the sector, deferring the full implementation of limits on universities’ international enrolments to 2026. This managed approach will ensure the Government has time to properly consult with the sector to get these significant changes to Australia’s international education sector right.