

# University of Newcastle Draft International Education and Skills Strategic Framework



The University of Newcastle is pleased to provide feedback on the Consultation Draft of Australia's International Education and Skills Strategic Framework.

The University provides this submission as a regional, research-intensive university, a national leader in equity, and an anchor institution in its regions, with close ties to business, industry and the community sector. We are proud to welcome the nation's largest cohort of Aboriginal and Torres Strait Islander students to our university each year, and proud to run the Australia's oldest and largest enabling program, with nation-leading results.

The University has more than 5,000 international students from 97 countries currently enrolled both at the University and the UON College of International Education. Nearly 9 out of 10 reside in the Hunter or Central Coast regions, contributing economically, culturally, and socially to the communities they are part of. In return, the University strives to provide these students with connections to people, work experiences, and community that will last throughout their lives.

The University acknowledges the rationale behind the proposed changes to ensure a robust and sustainable system that can help meet our country's skills needs, and a system that welcomes and supports international students.

The University wants to ensure all Australian communities continue to enjoy the benefits that international students provide (and vice-versa), including cultural diversity and strong links to their home countries, in many cases key international trade partners.

Importantly, carefully providing international students permanent migration pathways in areas such as healthcare and social services, and STEM, can significantly contribute to regional economies, especially regions in times of major social and economic transition.

Key points:

- Government must consider the enormous contribution made by international students to our country, and the perception in other countries of policy changes.
- Quality student experience and outcomes must be prioritised:
  - Previous reviews have indicated the greatest risk rests with the large volume of private providers system, and despite the complexity of this approach, it may yield the best outcomes.
  - Regions provide a quality experience through excellent connections with employers and community
  - Regions provide quality outcomes through excellent employment opportunities, with consistently lower unemployment rates
- Skills shortages and workforce planning should be considered in shaping international education:
  - Regions have particularly acute skills needs due to:
    - Major economic transition
    - Critical skills shortages in health and support services
  - Institutions with a demonstrated track record of delivering skills directly into their regional footprint can create permanent migration pathways into regions.
- Any cap considered should be negotiated through the Compact system, and at an institutional, rather than national or state level, giving consideration to an institution's national contribution; caps should not be numerical, but set to a proportion of domestic students (for example 35% of onshore students), as a pathway to sustainable student growth and widening participation.

## CONSULTATION QUESTIONS

### A sector built on quality and Integrity

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

The University of Newcastle strongly supports measures identified in the framework to ensure the integrity of the system, including:

- the move to increase the designated 'no-transfer' period to 12 months;
- scrutinising the provider-agent relationship; and
- increasing requirements for new providers to demonstrate acceptable levels of retention and progression before CRICOS approval is granted for new programs.

The University would further welcome:

1. **Increased measures around student transfers from a university to an RTO**, versus university-university changes.

In doing so we note strong existing regulatory framework and quality assurance universities must meet. We acknowledge the need to safeguard the principle of student choice by maintaining a diverse range of study options. However, there are ongoing concerns around the number of students requesting a release in the first year of their program to transfer to a lower AQF level in a seemingly unrelated discipline offered with a private provider.

2. **Increased transparency around agent performance.** At the time of the release of the Parkinson Review, there was a commitment to make agent performance data available to all providers. This would provide greater visibility around agents who systematically recruit non-genuine students. Currently this data set is still not available.
3. **More timely and transparent data sharing** on international student enrolment across the sector. Currently, the most recent data available to providers is from 2022. Sharing data for student enrolments from universities, private providers and the VET sector would increase both government and provider's understanding of the system, and where risk lies regarding non-genuine students, and student retention and support.
4. **Re-evaluation of the Evidence Tier Levels.** The University understands the Government's goals regarding aligning migration targets and international education, the current policy settings of visa processing under Ministerial Direction 107 are penalising institutions outside of capital cities, placing institutions such as the University of Newcastle at risk of losing our ability to enrol international students.

The current system delays visa processing for universities in Tier 2, including many regional universities. In Q1 of 2024 alone, we had a scenario where 31 students in the Bachelor of Nursing – a critical resource in the Hunter and Central Coast regions – were unable to commence their course due to delays in receiving a visa outcome. The University has been approached by students who have enrolled in universities in capital cities to attend university as they were unable to obtain a visa for the same program in Newcastle.

If the intent of recent and proposed legislation is to reduce the saturation of international student enrolments in metropolitan areas, the current 'Evidence Level Index' system is counter-intuitive to that aim. We support re-evaluating this system, or at a minimum pausing movement between the Evidence Level Tiers.

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

1. Transparency from providers on agent quality. Providers can share information on agent quality. The University of Newcastle has a robust system in place to monitor agent quality. We have actively engaged with our onshore and offshore agent network to ensure they are fully aware of legal obligations and take immediate corrective action where agent performance falls short of these. This includes terminating agency agreements, and restrictions on countries agents can source from. To underpin quality and integrity, we have invested in market-leading agent management software solution, to be integrated with existing systems.

### **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?**

Allocation should prioritise:

- A high-quality student experience and employment outcomes for students across all sectors.
- Institutional ability to create quality pathways for select graduates into areas of regional skills shortages, taking into account employment projections and workforce planning.

#### ***Focus Effort for Maximum Impact***

When considering the potential for visa exploitation, the Parkinson Review Panel expressed greatest concern about the private VET sector, where there were more than 500 providers, many new entrants, and many with fewer than 100 students. While this presents a greater policy and compliance challenge than the public university sector, it may also yield better outcomes in terms of limiting visa exploitation, and managing overall student numbers.

To prioritise quality, the distribution of enrolments should reflect the contribution made to Australian society by the students but also providers themselves. There is a large number of private higher education and vocational providers offering a narrow range of courses, which offer little in terms of either research outcomes or addressing Australia's skills gaps. There are disproportionately high numbers of non-genuine students enrolled at these providers, with progression and completion rates far lower than those of established private providers or universities. Limiting the number of places allocated to providers with poor retention and completion, as well as courses which are not aligned to skills shortages, should be a consideration for government.

We must safeguard a student's right to choose the institution they feel represents the best fit for academic aspirations, however applying a level of quality control should not interfere with this.

#### ***Regional communities can create quality outcomes for students***

The Government should consider the untapped capacity of regional areas to provide quality student outcomes. Parkinson noted permanent migration pathways should exist for the portion of students most likely to succeed in the labour market, and this is influenced by strong ties to work and community formed during study. Regional students are afforded unique opportunities to develop close ties with businesses and community, due to strong relationships formed by universities.

International students in turn provide considerable benefit to regional communities, especially during times of major economic transition. The Hunter and Central Coast are undergoing major change, including the transition from coal-fired power. Creating and attracting new industries requires critical skills, in STEM and throughout the supply chain. The University is at the forefront of research and training in sustainable energy sources, with students and graduates positively impacting communities globally.

As the workforce transitions over the coming decades, the limiting factor for new industry development is talent. Consistently low unemployment in Newcastle and the Hunter (2.5 and 3.1% cf 4% for NSW) constrains new industry growth. The intensity of skills shortages has increased demand for all students by business. The

University receives consistent feedback from employers on international students' value to developing competitive advantage in their industries. Employers in turn provide high quality work integrated learning opportunities for international students.

### ***Critical Health and Social Skills in Regions***

Priority should be given to institutions that demonstrate an ability to directly address skills shortages in regional and rural communities, where demand far exceeds availability. Skills shortages in health and social assistance are acutely felt in rural areas. Currently 65% of rural GPs are internationally trained, and 30% of incoming doctors at Hunter New England LHD transition through an international program. An international midwifery or pharmacy graduate can be the difference between a health service being available in a regional community or not at all. Training in Australian institutions is highly beneficial for health workers to settle in regional and rural areas long term. Regional skills allocations could be agreed at an institutional level, through compacts. Government should similarly align rural health training programs to enable international students to be trained in rural settings.

### ***Align Migration and Education Policy***

Government must closely align migration and education policy by increasing the number of migration points available to students who completed study in a non-capital city, to influence student choice. Strong permanent migration pathways should also be created for regional students in areas of skills needs, either through post study work rights from 2-3 years or new measures as identified in the Parkinson Review.

### ***Consider Global Relationships***

Notwithstanding this, places should not be wholly focused on skills that directly fit into the Australian workforce. Most international students return to their home countries. Returning to their home countries or elsewhere with diverse skills, knowledge and relationships formed in Australia benefits our nation and our region more broadly.

### ***An Institutional Approach***

With the above factors in mind, a limit on international student enrolments tied to the proportion of total students at an institution could be a workable approach. For example, through the Compact system, it could be decided that an institution could have a maximum international cohort of between 30 and 40% of the overall student population. The Universities Accord highlighted a need for greater participation rates (particularly in regional and rural areas such as the Hunter and Central Coast) and one way this could be achieved is by establishing a link between growing domestic enrolments and being able to enrol more international students.

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

The University acknowledges the priority of the Australian Government to ensure international students are genuine, and engaged in high quality courses which will lead to positive outcomes for Australia and our region.

In setting immigration policy, Government must consider the immense social and economic benefits that international students bring to Australia, and the impact on local communities if student numbers were reduced dramatically.

Income from international education services in 2023 was around \$36bn, of which \$22bn was spent on goods and services. As discretionary spending slows in the face of cost-of-living pressures, this income is critical to local businesses and the wider Australian economy. University students, who stay for longer periods of time, and engage widely with their communities in regional areas, bring significant benefits. This is one reason the University of Newcastle is a critical source of revenue and staff for local businesses in the Hunter and Central Coast regions.

If the intent is to impose a numerical cap, this should not be imposed at a state or national level. State and national caps would be a blunt measure, which, when combined with the current visa processing settings, would further disadvantage institutions outside capital cities. Rather, as previous answers, an institutional measure, set to a portion of onshore domestic load, would be a measure that enabled growth over time.

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

There is a significant risk that managing such a system could result in a level of reporting and administration that is costly and unsustainable for all but the largest universities.

### **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?**

Consideration should be given to the pathway between ELICOS and either vocational or higher education. Many international students begin their studies in Australia with an ELICOS or ELBP provider before moving into their primary course. At this point, it is our position that only higher and vocational education be included.

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

We recommend government draw on a range of sources including the Office of the Jobs and Skills Commissioner to identify areas of critical skills need on a geographical basis. As previously stated, health and support services are experiencing critical workforce shortages in regional areas, to the extent that it threatens service provision. This, and other essential services could be prioritised, especially where institutions have a demonstrated capability to link graduates into regional employment.

Consideration should be given to the geographical dispersion of skills shortages, noting workforce planning is needed in regions, and noting the intensity of skills shortages. Newcastle and the Hunter Region, for example, have consistently had a much lower unemployment level than the NSW average (2.5 and 3.1% cf 4% for NSW) highlighting the intensity of skills shortages.

At a regional level the Government could draw on the resources of the Net Zero Energy Authority, business organisations, and universities which are often are the custodians of rich and evolving data sources on their regions (for example the Institute for Regional Futures at the University of Newcastle).

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

The majority of Australian universities have made large and consistent investments, both directly and through partnerships, in purpose built student accommodation.

Most universities should be able to meet a requirement to demonstrate sustained and recent investment in affordable accommodation options proportionate to international student enrolments and institutional size. The University of Newcastle has consistently invested in safe and affordable accommodation options for students, including taking market soundings to ensure price points are suitable for a range of student living arrangements. The University already has more accommodation for more than 1750 students, with 450 new beds being built, and planning underway for an additional 700; in addition to an extensive homestay network.

The largest barrier to rapid investment in more student accommodation remains state government planning controls, taking around 3 years to realise the asset, with a significant portion of that time spent in planning

approvals. We would urge the Government to work with their state counterparts, including considering local government planning controls, to ensure student accommodation is prioritised.

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

Any changes made by the Australian Government are keenly observed by our international partner countries, people who influence student choice and prospective students themselves. Care must be taken to ensure that changes are communicated in a manner that prioritises quality education and student experience, and values the positive contribution students make when choosing Australia.

The University suggests that any measures be put in place with a sunset clause of 2-3 years that enables the Australian Tertiary Education Commission to manage stewardship of the system with Ministerial oversight once established.

The Government could look to the Canadian experience, where caps have been set for an initial period of two years, with a review set at this time. Note, we do not recommend states set caps as per this model due to the complexity this would entail.

Where policies are aimed at encouraging more students to study with regional providers, transitional policy could include funding for measures that would encourage students to consider regional options in areas of skills needs, such as additional migration points and funding for additional, high quality student accommodation.

## **Taking Australian Education and Training to the World**

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

The biggest barrier to growth in offshore delivery is continuing market uncertainty over visa outcomes. The impact to student and agent confidence in Australia as a study destination is significant, and without guarantees on visa outcomes, very few students commit to commencing courses offshore if there is a chance they will not be able to complete it. While there is merit in completing a qualification from an Australian university in-country, the reality is the experience of living and studying in Australia carries as much importance to many students as the qualification itself.

As we saw during the COVID period, there are student experience challenges associated with in-country study, with access to resources such as stable internet connectivity and distance to study hubs or campuses impacting many students. Many of the courses that directly address a skills shortage are not suitable for online delivery as they require practical sessions. However, building offshore campuses is expensive and out of reach for many institutions in the current climate.