

VETASSESS

Objective 1

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

SUMMARY: VETASSESS firmly believes education agents should be regulated in a \$40 billion-plus export industry where almost 80% of international students who arrive in Australia have done so through an education agent. This is consistent with Recommendation 13 of the Nixon Rapid Review 2023.

DISCUSSION: VETASSESS commends the Australian Government for strengthening integrity measures around international education noting that these issues have been known to the international education sector, including Australian Governments, for two to three decades prior to the recent reviews cited in the draft Framework.

The international education sector is worth some \$40 billion-plus in export dollars and must be protected. We understand that almost 80% of international students who arrive in Australia have done so through an education agent. Consistent with Recommendation 13 of the Nixon Rapid Review 2023 VETASSESS strongly believes that education agents should therefore be directly regulated – that they are not has been a risk for decades now and has resulted in numerous integrity issues as noted in the Framework.

The regulation of education agents could be funded through a levy paid by either registered education agents or education providers. VETASSESS works closely with migration agents on a regular basis. We understand that the regulation of registered migration agents through Office of the Migration Agents Registration Authority is not without its problems – the fact it has no remit over unscrupulous people providing migration advice and who are not registered migration agents being just one of those. Notwithstanding, it does give the Australian Government some leverage and signals to the sector its intent to have integrity in the migration program.

SUMMARY: VETASSESS recommends Commonwealth and state/territory governments vigorously pursue and stamp out international student worker exploitation. The new Immigration Compliance Division announced by the Australian Government in response to the Nixon Rapid Review 2023 could catalyse these efforts. Leaders in the international education sector call out international student worker exploitation at every opportunity.

VETASSESS also notes the terms wage exploitation and wage theft, while emotive, are also apt descriptions of a very real problem, whereby employers are not complying with the minimum legal entitlements of their employees. It is particularly problematic amongst employers of temporary migrants, notably international students and working holiday makers. Surveys of international students conducted consistently find the majority are underpaid. Given how entrenched exploitation of international students continues to be, VETASSESS recommends both a concerted coordinated effort by the Commonwealth and state/territory governments to actively pursue and stamp out international student worker exploitation, and that leaders in the international education sector very loudly and visibly call out international student worker exploitation at every opportunity.

The new Immigration Compliance Division announced by the Australian Government in response to the Nixon Rapid Review 2023 should be leveraged, with resources partitioned off for international student protection. The Council for International education should regularly and actively encourage leaders in the international education sector to call out international student worker exploitation at every opportunity.

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

Objective 2

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

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

SUMMARY: VETASSESS recommends soft power and diplomacy goals as well as economic prosperity should be the drivers of the level of international students in Australia.

DISCUSSION: VETASSESS takes the view consistent with the Australian Government's 2017 Foreign Policy White Paper which states:

Our commitment to education, training and research exchanges will remain central to Australia's soft power. These exchanges build influence and strengthen understanding. Australia will continue to welcome hundreds of thousands of international students to our shores. (DFAT 2017 p111)

Therefore, soft power and diplomacy as well as economic prosperity must remain central to, and should be the drivers of, Australia's international education policy. It is disappointing that this receives little acknowledgement in the Framework. The strategies required to fulfill these foreign policy objectives should be extrapolated and used to determine the overall level of international students in Australia. This should include consideration of skilling pathways from student to skilled migrant to permanent migrant as Australia builds its future population for economic prosperity and regional security.

The desire to be the preferred international student destination in the world is not an end in itself, is not sufficient to sustain social licence and has no strategic foreign policy basis. International education policy viewed through the lens of socioeconomics will more likely provide a pathway through the current debate migration debate and Australia's skills needs of the future. Putting a single annual number on international students might not carry much utility, rather, a sliding scale of international student levels and there diplomatic, societal and economic benefits might be a more practical tool for overall policy development.

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

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?

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

SUMMARY: VETASSESS strongly cautions against aligning international student courses to Australia's skills needs as doing so will create an environment of uncertainty across the sector and diminish soft power diplomacy. Australia's skills needs should be firmly within the domain of a long-term skilled migration strategy, not the domain of international education. Rather than using policy levers to nudge international students into areas of skills needs, the Australian Government could develop structured labour mobility pathways that have greater social licence and feed skilled workers into areas of greatest need – some of which will invariably be international students.

DISCUSSION: VETASSESS's experience in skills priority lists has shown us that aligning international student courses to Australia's skills needs as a means of informing the overall level of international students in Australia will not work in practice. Doing so will create an environment of uncertainty across the sector, particularly for students, their families, and education providers. There is strong demonstrated evidence from the higher education sector that such a strategy would not work. A 2023 study by the University of Melbourne found the Job-Ready Graduates scheme "had only a modest impact on students'

course preferences” with “just 1.52% of university applicants chos[ing] fields they would not have chosen under the old scheme.”

VETASSESS believes international students should be encouraged study whatever course they choose determined by their own motivations. Skilling Australia’s workforce is one upside of international education, however, as noted above, the key policy drivers should align with Australia’s 2017 Foreign Policy White Paper. Encouraging international students to study in their desired vocation and either put those skills to good use as a longer-term migration pathway to Australia, or to put those skills to their best purpose in their country of origin or elsewhere is most consistent with developing strong people-to-people links, soft power and regional security.

Moreover, as skilled migration pathways are critical for Australia’s economic future – no matter what vocation – the pathways should not be limited or manipulated for other domestic purposes. VETASSESS lived experience is that attempting to achieve a single policy priority (domestic skills needs) by merging them with potentially unrelated policy priorities (soft power/regional security) compromises both outcomes sought. Rather than using policy levers to nudge international students into areas of skills needs, the Australian Government could develop structured labour mobility pathways that have greater social licence and feed skilled workers into areas of greatest need – some of which will invariably be international students.

VETASSESS acknowledges that a system of international education that has served Australia well in the past does not mean that it is fit for the future. These are unprecedented times. Skill shortages are at an historical high. Population ageing and slow productivity growth mean that, in the absence of action, this situation will go from bad to worse. Jobs are changing at rates never seen before and that we are unlikely to ever see again. It is imperative that Australia both develops its local skills and attracts and retains skilled global talent.

On available evidence, only around 16 percent of people who first came to Australia on a student visa have transitioned onto a permanent visa. By way of contrast, more than half of previously Temporary Skilled Workers end up staying permanently. This tells us that tackling Australia’s current and future skills needs is best done through a long-term skilled migration strategy as announced by the Australian Government at the end of 2023. The proposed international education Framework has a different, temporary student visa focus.

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

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

Objective 3

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

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

SUMMARY: VETASSESS encourages a review of the situational-specific needs for study-at-source delivery and whether the stringent regulations set by ASQA for delivery in Australia are suitable for offshore.

DISCUSSION: Questions 1 and 2 are intrinsically linked, and are linked to levels of international students entering Australia. The barriers to growth at least for delivery of VET offshore are related to regulatory barriers and cost of delivery. VETASSESS encourages a review of the situational-specific needs for study-at-source delivery and whether the stringent regulations set by ASQA for delivery in Australia are suitable for offshore where resources are not as abundant. An analogous situation can be found in the delivery and

regulation of childcare in remote Australia where the regulator ACECQA recognises the situation-specific context or remote delivery of childcare and provides some risk-managed flexibility in the regulations.