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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE
AND TRADE

Inquiry into Tourism and Australia's International Education Sectors

(Public)

TUESDAY, 18 APRIL 2023

MELBOURNE

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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Tuesday, 18 April 2023

Members in attendance: Mr Gosling, Mr Hill, Mr McCormack, Mr Perrett and Ms Vamvakinou

Terms of Reference for the Inquiry:

The tourism and international education sectors are important contributors to the Australian economy. These sectors contracted significantly following the emergence of COVID-19 in 2020 and the subsequent closure of international borders. Noting that Australia has since opened its borders, the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT) will inquire into the international education and tourism sectors as key contributors to the post-COVID-19 recovery of the Australian economy, with a focus on:

(i) in relation to tourism:

- the challenges and opportunities for growth in tourism and how Australia can reassert itself as a leader in the international tourism sector;
- the effectiveness of recent tourism campaigns overseas;
- the promotion of regional Australia as a world class international travel destination;
- the role of Australia as a hub in support of tourism in the Asia Pacific region; and
- other related matters that may assist in the inquiry.

(ii) in relation to international education:

- challenges associated with the loss of international student numbers as a result of the significant disruption caused by the COVID-19 pandemic and effective measures to attract and retain students to Australia;
- online innovations in education delivery and potential opportunities to strengthen the sector's resilience;
- initiatives to ensure positive international student experience and support pathways to build their skills and contribute to Australia's prosperity; and
- opportunities for international education to support strategic and foreign policy objectives.

HONEYWOOD, the Hon. Phil, Chief Executive Officer, International Education Association of Australia**Subcommittee met at 08:35**

ACTING CHAIR (Mr Hill): I declare open this public hearing of the Trade Subcommittee of the Joint Standing Committee of Foreign Affairs, Defence and Trade for the inquiry into Australia's tourism and international education sectors. I'd like to begin by acknowledging that where we meet today, in Melbourne, has been the meeting place of Wurundjeri-Woiwurrung peoples for thousands of years. I'd like to pay my respects to their elders past and present and also acknowledge the cultures of any Aboriginal and Torres Strait Islander people present or listening today.

This hearing will be broadcast on the parliament's website, and the proof and official transcripts of the proceedings will be published on the committee's webpage. I welcome the representative from the International Education Association of Australia, the CEO, Mr Phil Honeywood. As a former member of parliament, I'm sure you know very well that this hearing is a legal proceeding of the parliament and the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. I invite you to make a brief opening statement before we proceed to discussion.

Mr Honeywood: Thank you, Acting Chair. Could I just state upfront that my association is delighted that the committee has decided to really delve into our sector at such a crucial time. It would be fair to say that when we had the borders closed for two years with COVID we lost incredible market share to countries that we compete against, particularly Canada, the UK and, of course, the USA. More importantly, we also received incredible reputational damage not only for the manner in which international students who were caught up here through no fault of their own were treated but also for the manner in which those who had valid visas or had made commitments to come here were stopped from coming. We're still recovering from that reputational damage.

Having said that, there's no doubt that there's pent-up appetite to study in and with Australia. We're the beneficiary of that, but the danger with pent-up demand is that you can finish up getting the wrong type of student with the wrong type of motivation if you're not careful. That's all the more reason, as we come out of the pandemic and as the government have taken a great deal of interest in the health of the sector, that we get the regulatory settings and the policy settings right.

I think we've gone a long way to achieving that. Even since my association put together this submission, there's been a great deal of progress made by the current federal government, be it in the migration cap increasing; be it in work rights being capped again, which is crucial to stopping the wrong motivation for coming here, which I mentioned earlier; or be it the post-study work right duration which the acting chair, Julian Hill MP, and I sat on to ensure that we got the settings right to encourage those with the right skills sets and the right attitude to have an opportunity to stay here longer and contribute to our economy.

I come to you at a good time, having put this submission together at a time when we weren't quite sure where different policy settings were going to land. Certainly the sector is appreciative of the efforts that have been made so far by the government to ensure that we get those regulatory and policy settings established for the right reasons.

ACTING CHAIR: I should also declare at this hearing what I declared to the committee at the outset of this inquiry—that Mr Honeywood and I have been appointed by the Minister for Education as co-conveners of the Council for International Education, which advises the minister. I just put that on the public record again.

I might ask a couple of questions and then we'll share the call around. I have an unlimited number of questions. I want to fill whatever time is remaining. Perhaps we'll start with the topic of the day. There were some major media reports over the last week or so—including in the *Australian Financial Review* a few days ago, and this morning splashed across page 1 of the *SMH*, the *Age* and so on—of growing concerns regarding the recruitment of or the ballooning numbers of applications from what appear to be non-genuine students from parts of South Asia. The media report today was about India, but actually, if you look at the data, it's a lot broader than that. It's Nepal. It's Bangladesh. It's right across South Asia in particular. I'll ask you to put on the record a little more about two topics. Firstly, what is the driver for this behaviour and, therefore, the importance of uncapped work rights being wound back? Would you agree with the media reports that this is driven by the previous decision to uncap work rights? Secondly, what is the role of agents and what does your association think may need to be done with regard to education agent oversight?

Mr Honeywood: They're really important questions. When it comes to uncapped work rights, bear in mind that, in the global ecosystem of international education, for many years other study destination countries, such as the UK, Canada, the USA and New Zealand, have had a work entitlement of 20 hours a week—technically, 40

hours a fortnight—for any full-fee-paying international student that goes to their country. Now, there are good reasons for this. It's partly to try and encourage course related employability so that they add to their CV while they're studying in those countries—some sort of component of field work or field placement in the course they're doing. It's also, obviously, to assist those students to supplement the allowance or the income they receive from their family in order to proceed with their studies in the various countries.

Unfortunately, without any consultation at all with stakeholders, the former federal government announced out of the blue, not long after they opened the borders, finally, that they were going to permit full-fee-paying international students to work full time—in fact, uncapped work rights—while they were meant to be studying full time, concurrently. Clearly, in a global community coming out of COVID, this was manna from heaven for a lot of families doing it tough in countries, particularly in our region. Mum and dad's family business in the Punjab or in Kathmandu may have been suffering, and suddenly there's this situation where a Western country, Australia, is offering Australian dollars for unlimited work rights, compared to the cap that was still in place in the countries we compete against, be it Canada or the UK.

Now, I say 'no consultation' because it shocked me that we received no indication that this was going to happen. Obviously, I made public statements that expressed my concern—because, as I've described elsewhere, it's become a bit of a Ponzi scheme which is attracting young people with the wrong motivation. More importantly, many genuine students have also come under mental health pressure from family back home saying, 'If you can work 100 hours a week, 120 hours a week or whatever while you study full time, then we want you to jump out of the university course and go into a cheaper, shall we say, less onerous course, maybe with an independent provider, a non-public university, and we want you to work as much as you can to get those Australian dollars back home.' We've heard from the Council of International Students Australia that a lot of their student members are under mental health strain as a result of these uncapped work rights.

So we were delighted when, as a consequence of the recommendations that came out of the Post-Study Work Rights Working Group, which Mr Hill and I were members of, the federal Minister for Home Affairs, the Hon. Clare O'Neil, announced that from 1 July this year we would go to 24 hours a week, or 48 hours a fortnight, capping work rights again. It's going to take a long time for that to find its way through the system because there will still be a message in many corners of the world that Australia is open slather when it comes to work rights. The danger, too, is that if we go from black to white, from uncapped to suddenly capped work rights, there are going to be a whole range of issues—perhaps of students not being able to afford their tuition fees et cetera. We have to have a watching brief on how that pans out.

ACTING CHAIR: Just before we go to agents, I might just ask you to confirm one aspect of your submission and then invite any other committee members to speak on the issue of work rights. Your submission says that the uncapped work rights have:

... led to Australia having a diminished reputation as a high quality study destination country, instead reinforcing the notion that students are needed to fill labour market shortages in low skill jobs.

That's what you mean by the evidence you've just given—that it'll take a while to work through, that it's a pipeline effect.

Mr Honeywood: Absolutely. There's no doubt we've got young people here who perhaps haven't had the right motivation. They're in the system and they may be here for another two or three years, completing their full-time study course or dropping out of their principal course into another course in order to stay in the country.

ACTING CHAIR: Ms Vamvakinou.

Ms VAMVAKINO: For my sins, I've also chaired the migration committee. This issue of international students and working especially in the low-ranking registered training orgs over the last 15 to 18 years, which has been largely tried to be dealt with—it's not a new phenomenon; it's actually been going on for quite a while. In your understanding of how the visa system can be manipulated not just in terms of employment—my interest is in the education agents but also in the misuse of those visas for spouses, which then leads to exploitation and abandonment of women, which is another issue the human rights committee is now investigating. They all seem to be fairly well linked in a way, and migration agents themselves—I know the deputy chair has referred to education agents but there is a migration agent and labour hire aspect to this as well, which complicates the picture considerably. How much work is being done to try and manage that, given that it is not just your organisation but a series of others that need to come together to get a clear understanding of the pathways being manipulated and used, which then leads to our reputation and also to misunderstandings about people's intentions here?

Mr Honeywood: It's a great question. My association has done a lot of work, particularly during COVID, on what we call student voices. We surveyed over 5,000 international students in both New Zealand and Australia. The reason we did New Zealand was we wanted to benchmark, given that the then Prime Minister of New Zealand had a whole comprehensive welfare system in place to look after international students caught in that country. We wanted to hear the students' attitudes from a New Zealand perspective and from an Australian perspective. As you probably appreciate, the Australian system did not fare well when benchmarked against New Zealand. That student voices survey elicited some important information about concerns about partners, concerns about accompanying children who come here and concerns about exploitation, particularly—and it's really an area we've got to do a lot more work in—what I call same culture exploitation.

I would argue that students from certain countries make three crucial mistakes when they arrive in Australia. Mistake No. 1 is they share accommodation with students from the same country, be that with a partner or without a partner, and they therefore speak the same language and are effectively in a monocultural bubble from the time they arrive here. Often they're renting accommodation at the end of the railway lines in many of our major cities.

Mistake No. 2 is they get their part-time job by word of mouth through a recently arrived migrant from the same country—be it a Nepalese Australian, Indian Australian or whatever—and that employer says: 'I will be like your adopted uncle or adopted aunty. I will look after you in so many ways. I won't pay you the award wage but I will look after you.' That instantly creates this unfortunate interdependence situation. Often the student then gets caught in a vicious cycle of: 'What do I do? I know that I'm doing something illegal, but this person is meant to be looking after me.' Many of these young people come from cultures where they respect their elders, and they would not imagine that an elder from their same culture would go out to exploit them.

Mistake No. 3 that they make—amongst many others, but the third major one they make—is they will go to a migration agent or an education agent—sometimes they're interchangeable—to get advice about how they can get a migration pathway, and that migration agent will often not inform them that they're getting commission, through their education agent subsidiary or by other means, to direct that young person into another course which may not suit their talent or their skills. Also, often that migration agent from the same culture will not in fact have as professional an approach as others from a different culture might have.

When I put each of those mistakes to Indian, Nepalese and many other students, they say, 'Sir, I wish you were at the plane when I arrived here in your country, because I've made all those mistakes.' That answers your question in more of a systemic way.

Ms VAMVAKINO: I think you're putting it politely! In my experience, there's a very deliberate and aggressive misuse of the visa system and migration agents and education agents. To a certain extent, even those participating in it are fully aware of what's going on. That's what makes it difficult in many ways. This is not to shed blame on students, but the fact is it's almost institutionalised in a way.

ACTING CHAIR: It's not everyone, either.

Ms VAMVAKINO: No, it isn't everyone, I know. Our tourist and hospitality sector is very reliant on international students, as you would be aware.

Mr Honeywood: Too reliant.

Ms VAMVAKINO: Too reliant—and we've learnt that. Ongoing vigilance and trying to get proper settings to try and stop this would be very beneficial to our reputation being restored.

Mr Honeywood: Correct. Bear in mind that the vast majority of international students still go home at the end of their study period. It is definitely an issue. It's a minority, but, during COVID and because of the policy setting I mentioned from the previous federal government, it's become larger than what it should be.

ACTING CHAIR: That's on work rights. Can we move for a moment to education agents and invite you to comment, to start with, on those couple of issues I raised in particular: do we need greater oversight, and what are your association's proposals or areas that you'd suggest the committee should delve into further over the course of the inquiry in relation to education agents?

Mr Honeywood: It's a real delicate balancing act when it comes to the interdependence between education providers and both overseas education agents and onshore Australian based education agents. My association was commissioned by the previous government, under then Minister Birmingham, to lead an all-peak body sector inquiry into whether we could have an industry led education agent regulatory body. The rationale behind that was that, because successive federal governments had had enormous difficulties with OMARA, with the migration agent, and the cost of that, then Minister Birmingham was really keen to see the industry step up and run their own regulatory body.

We had two years of deliberations, and it would be fair to say that all the peak bodies—be they Universities Australia, TAFE Directors Australia, English Australia, the skill sector—came at it from a genuine desire to have an agreement that there should be some regulatory control. However, when the rubber hit the road, the problem we had was that English Australia were concerned that a lot of mum and dad education agents, as they called them, in Europe would think it was just too complex to send students to Australia if they had too much regulatory oversight, and that they would then direct English language students to America or Canada instead. Universities Australia said at the time this would involve another taxation impost on universities, even though we estimate it to be about \$1,000 a year for each university. Because it was going to be user pays, an education agent would pay the largest component of a registration fee. Why do we have to get a revenue source? We have to employ probably three or four people to do both face-to-face auditing and desk based auditing of education agents who applied to get a quality stamp of approval. It was most unfortunate that two of those peak bodies then walked away from that project after two years of deliberations. We're talking seven years ago now.

ACTING CHAIR: Was it the university sector? Was it the universities?

Mr Honeywood: Public universities—Universities Australia was their representative at the time—and English Australia, for different reasons. I put that on the record because I want committee members to understand that this has been tried before and that perhaps industry-led and industry-run might sound like a nice idea, but getting everyone to step up to the plate is far more challenging. On that basis, I would argue that government probably needs to embark on a new process by which it makes it very clear—particularly for onshore education agents, where you can regulate them—that there has to be both industry and government involvement.

ACTING CHAIR: Can I pick up a few specifics. I take your point that regulating onshore agents is a lot easier because they operate within Australia's jurisdiction. Offshore is harder. Some behaviours are not impossible, because my understanding—but correct me if I'm wrong—is the ESOS Act already requires providers with a CRICOS registration to hold records and requires their agents to comply with certain codes or behaviours.

Mr Honeywood: It's actually a code of ethics.

ACTING CHAIR: Okay. So there's some lever there, but it's a bit more remote and there'll be limits to what can be done. Is that a reasonable understanding?

Mr Honeywood: To the federal Department of Education's credit, when the industry walked away from this education agent regulatory proposal, the federal Department of Education got agreement from the peak bodies that we would actually have them once a year sent to all providers the performance of their education agents in terms of the number of students that that agent had directed to that provider who dropped out. So the academic progress of students who'd been directed by an agent to enrol in that provider. That's transparent information that's provided to each education provider ~~by university private college~~. They can see—in terms of visa approval process, visa approval percentage versus application percentage and performance—how different agents are faring on a quality measure. It's mandatory, but at the end of the day it relies on the provider to decide, 'Do I like this agent or not?'

be they at university or private college

ACTING CHAIR: To take that a step further, I was pretty shocked when I saw what might be seen as a modest initiative last year by the Western Australian government. I'll probably get into trouble for saying this, but I thought it was a terrible piece of public policy. But it belled the cat on how the agent market in some quarters appears to be working because the Western Australian government decided to offer \$500 incentives payments to agents if they sent students to Western Australia. I thought that was a shocking piece of public policy because it completely undermines the notion that the agent should act in the best interests of the student, aside from the fact it sets up a potential and destructive bidding war between states and territories, with no public policy benefit.

I'd put to you two specific propositions from the ITECA submission and invite you to comment further on those. Firstly, that international education agent fees and commissions be disclosed to students and registered providers. That should be a priority action for government. I'd welcome any comment on that because I think I was quoted in the paper this morning as saying I think students would be shocked if they knew the spiralling extent of agent commissions at the moment, and that effectively providers can buy students by degrading their own quality now, by cutting money from teaching and courses to buy students, which is like a pool of piranhas in a shrinking pond of water. Secondly, that the Australian government, in consultation with sector stakeholders, explore effective mechanisms to ensure registered providers have more effective oversight of agent activity and quality. I think you've probably covered that in your previous scheme.

Mr Honeywood: We know that the behaviour of certain agents is such that they will find ways and means around any official cap on commissions or transparency around commissions. For example, it's well known in the industry that certain providers have given cash bonuses to individual employees of agents. So, over and above the

commission, there'll be money in an envelope handed under the table—or across the table, in front of the owner of the agency—to a particular education agent employee who's done an outstanding job in directing traffic, shall we say, to a particular provider. So that has been going on for many years.

ACTING CHAIR: That's been a public concern for a long time. Remember the old media reports of doctors taking free island holidays to recommend particular drugs. All that stuff's been outlawed. That's a shocking practice.

Mr Honeywood: Correct, but it still happens. You've also got a situation in which other benefits, shall we say, can be provided to certain providers by agents and vice versa.

Ms VAMVAKINO: Just on that issue, how long has it taken for public awareness about this sort of behaviour to come to the surface? Two terms ago our immigration committee discovered education agents and a whole raft of very worrying and actually frightening behaviour from these people. At that time, a lot of South American students were being very, very openly manipulated and exploited. It did get into the media. How long has it taken us to actually grasp the seriousness of this issue? How do we respond to it to really stamp it out?

Mr Honeywood: Yes, we've all been aware of this issue for many years. How do you stop very bad human behaviour, particularly when these entrepreneurs will do anything they can to make a profit? As I say, I think the acting chair and I, as co-convenors of the Council for International Education, would be in furious agreement that government has to step up. It's high time that a regulatory framework was put in place to call out bad behaviour.

What the pandemic led to was that those students who were stuck in Australia then became this incredible cohort that education providers who wanted to keep their doors open fought over. It led to this shocking situation of commission education agents actually going to providers and saying, 'If you want a student to transfer to your provider, you'll pay me up to 50 per cent commission.' By the time that provider pays rent on their classrooms, pays for teaching staff and then pays the commission, you can understand that the quality of the education outcome is going to be somewhat compromised—in fact, badly compromised.

The other danger in all of this is that we are aware, for example, of offshore agents who will have their cousin running the onshore operation. So it becomes a fully vertically integrated business model that the offshore agent gets the student initially and then the student arrives, using public university as a Trojan horse. Often quality private providers are a Trojan horse to get the student visa. When they arrive in Australia, they then have been organised by the cousin here who's the onshore agent to then direct the student to another provider so that the company or the vertically integrated business model picks up two commissions. It picks the commission up from the initial provider that has done the offshore recruitment and then picks up a further commission from redirecting that student to another provider subsequently, usually after about five or six months.

ACTING CHAIR: For the financial services sector, after the banking royal commission, one of the public policy responses that government settled on, rather than capping commissions, was transparency to make the market operate better. I think people would be rightly shocked if they understood the extent of the profiteering going on.

Mr Honeywood: Absolutely.

ACTING CHAIR: In saying that, I should put on the record that most agents do a terrific job. They're an essential part of functioning. They're dealing with vulnerable consumers and they provide great wraparound service and good advice. But the opportunity for profiteering here seems unconscionable.

Mr Honeywood: Correct, and that was going to be my point as well: the vast majority of agents are doing a good job and have the welfare of their student cohort at heart. At the end of the day, particularly when they're offshore, their reputation is on the line. If the family has sold agricultural land in the Punjab for their child to come here and then that child doesn't get an educational outcome the family expected or anticipated then they'll beat a path to that education agent's door. And there are many precedents where—

Ms VAMVAKINO: But what could they do about it?

Mr Honeywood: Actually, there are precedents where Indian police have raided the offices. It's happened before when these students have been misled. So there has been precedence for that.

Mr GOSLING: Earlier, when mentioning the abuses of the system in terms of the three mistakes, you mentioned Nepal first and then India. In the Northern Territory I've had some concerns about certain agents or arrangements expressed to me. In your experience, is that where the concern about exploitation mostly lies?

Mr Honeywood: It's really the employer exploitation as well, as I mentioned. Yes, it's exploitation by agents, but, in equal measure, once the student arrives here and, through word-of-mouth usually, hears from another Nepalese student that there's a good job going round the corner at a business owned by Nepalese Australian small-

business person—often commercial cleaning is mentioned in that context—you'll find that, unfortunately, there's often exploitation from that employer from the same culture. I worry as much about the employment situation as I do about the education agencies.

Just on Nepal, for my sins I sit on the Study NSW board and the StudyPerth board. Until recently, we had a Study Queensland board, which has now been abolished. On the Study NSW board we were informed the other day that Nepal, a country of 27 million people, is currently the second-largest student source country into New South Wales, our biggest state. China's still No. 1, Nepal's No. 2, and India, with over a billion people, is third, behind Nepal, with 27 million people. So it goes to the question of why, apart from their love of Australia, so many Nepalese would want to come to Australia to study, when we've never had that number before. I'd put to you that it's the uncapped work rights that have been a major drawcard—compared to wanting to go to Canada, the UK or the USA.

Mr GOSLING: From 1 July, as I'm sure you're aware, there will be a new cap of 48 hours per fortnight. Do you have any views on that?

Mr Honeywood: I absolutely welcome it. In fact, Mr Hill and I were on the five-person working group, which included the president of the NTEU, Alison Barnes, the UA CEO and the deputy secretary of the Department of Education, which recommended that cap.

ACTING CHAIR: It was a very wise and considered review, obviously!

Mr GOSLING: It seems to strike the right balance, from my observations.

Ms VAMVAKINO: Yes.

ACTING CHAIR: Three days a week.

Mr Honeywood: Four days study, three days—and that still gave us a market edge over the countries we compete against.

Ms VAMVAKINO: On that question from Mr Gosling: once that does kick in—and it's an absolutely sensible thing to do—what do you expect might happen to those students who are here and who will not be able to remain as a result of either the limitation on work or the intention of only working? Is that something that we need to prepare for?

Mr Honeywood: It is indeed. Every year I go down to the University of Tasmania and do my on-campus presentations, and a few years ago I commended them for their increase in international student enrolments. The University of Tasmania said, 'No, it's not us; it's the 20 private providers who've moved from the mainland down to Hobart.' They are teaching, shall we say, an interesting vocational diploma called 'the diploma of leadership'. I'm not sure quite what you learn in the diploma of leadership, because some would argue leadership's innate, but in information that was provided recently to our Council for International Education we discovered that, whilst the three top vocational diplomas for international students are commercial cookery focused, the next four of the top 10 are all diplomas, or variations of diplomas, of leadership.

That's an example where students will, to your point, Ms Vamvakinou, finish their principal course and then, as a means of staying in Australia, think: 'What's an inexpensive, further course of study I can do? Ah, I will get extra migration points if I go to Tasmania. I'll do an \$8,000 a year diploma of leadership, and hopefully I'll get a job in Tassie to supplement my income there.' You'll find that certain students will try and find their way around the system, if you like, and jump between states and territories—bearing in mind, of course, that most international students, if they're seeking a migration outcome, will go for a state or territory government sponsored migration place. Often the Northern Territory is a popular place to finish your study because they have quite a good Territory government sponsored migration program, which they need. There are some outstanding examples, that Mr Gosling would be aware of, of international students who contributed to the Northern Territory economy and community from that, but it does, unfortunately, encourage bad behaviour by students from certain countries who desperately want a migration outcome.

ACTING CHAIR: Mr Neumann is still with us, but he had to move from video to audio because the Teams audio was not working. Mr Neumann, do you have any questions at this point? Mr Perrett?

Mr PERRETT: No. I had troubles getting on as well, so I'll have to wait.

ACTING CHAIR: No worries. We might keep working through some of the issues raised in your submission, if you're okay with that. I suspect this will be a small one, but on the secondary school sector, international education, you provide a pretty compelling statistic that Australia only has three per cent of our international students in our schools system, compared to 20 per cent in New Zealand. You make the point that we don't have a unified school system—we have a certificate of education for Victoria, South Australia, New

South Wales and so on—and there would be some marketing benefit in an Australian certificate of education to promote more consistency. That strikes me—and you're a former state education minister of higher education—as profoundly unrealistic, but perhaps if you could help us bridge the gap between the unlikelihood of that happening and what you're proposing.

Mr Honeywood: The wider Australian community, who are very keen to ensure our social licence to operate is better accepted and understood, would really like to see more international students come into our high school system, be it government high schools—

ACTING CHAIR: Could you point your microphone more at your mouth?

Mr Honeywood: I think most Australians would agree it would be fantastic if we got more international students coming for the start of their education journey in Australia in our high school system, be it government high schools or independent schools. Why? They get to meet young Aussies in the playground and they are better integrated into our community if they start their journey at that level.

Unfortunately, we shoot ourselves in the foot. When the Kiwis go offshore, they are promoting one year 11 and year 12 matriculation certificate; and when we go offshore it's the Victorians competing against the South Australians. The New South Wales government, would you believe, don't even allow their high school certificate to be delivered offshore. What that means is it's actually now two per cent of our international student cohort in our school system.

We have to really step up here because, in a report that my association published a few years ago, we're finding that we're losing the race. The Americans, the Canadians and the Brits are all massively enhancing international high schools across China, Vietnam and right across Asia. One school here in Victoria, Haileybury, has five partner schools in China delivering the Victorian Certificate of Education. In fact, in our sister city of Tianjin we have 170 year 12 Chinese students currently doing the Victorian Certificate of Education, so there's precedent for that. But in the meantime we're losing massive market share to those other countries who do a better job of promoting school based education.

I think that it's probably worthwhile, in response to Mr Hill's question, that we perhaps try and knock heads together in our wonderful federation system to have one overarching Australian certificate of education under which the other state based territory based certificate sits, and that we use an Australian certificate as a marketing and promotion exercise.

Ms VAMVAKINO: Just on that, the International Baccalaureate has found a comfortable parallel place here. Wouldn't we want to have a look at that and maybe model something similar?

Mr Honeywood: It's a great precedent, but it's seen to be a global certificate. I've got friends' children who've done that. You have to do one foreign language.

ACTING CHAIR: My daughter did it, too. It's not for everyone.

Ms VAMVAKINO: Can we vary it to make it more feasible?

Mr Honeywood: You'd have to get acceptance by every state and territory minister.

Ms VAMVAKINO: My view on the state government is very well known.

ACTING CHAIR: The bit that seems unrealistic to me is the notion that the states and territories would fully align their curriculum or certificates.

Mr Honeywood: Correct.

ACTING CHAIR: Are you proposing instead that if a student graduated, say from VCE—because we're sitting in Melbourne—that they would also receive their VCE certificate and an Australian certificate of education?

Mr Honeywood: Correct.

ACTING CHAIR: Which may help them market themselves to universities overseas.

Mr Honeywood: I think that's a great win-win. The danger is that in promoting that as such, it might be seen to be a marketing device only. If it can be shown to international students that it's also a benefit such as the benefit Mr Hill mentioned, then it might be a worthwhile initiative.

Mr PERRETT: I note in the submission the comment about accommodation and I wonder if Mr Honeywood could expand on that. I'm particularly interested in that continuing crisis, as far as I'm concerned.

Mr Honeywood: You'd be very well aware that in Brisbane there's currently almost zero student accommodation available. The committee's going to hear tomorrow from the purpose built student accommodation sector. I sit on one of their associations, the one you're hearing from tomorrow. It's largely a local

→ his government no longer saw

government and state government area, shall we say. The former mayor of Brisbane, not the current one, the one before him, Mayor Quirk, did an outstanding job in ensuring that student accommodation developments were given development discounts, whatever you want to call it, if they could be proven to be located accessible to university campuses, accessible to public transport. That for a time made Brisbane a really important study destination city for international students.

Unfortunately, the current mayor of Brisbane actually got rid of the Brisbane marketing department for international students, and the current state government unfortunately abolished their state advisory council, which was a fantastic exemplar that had myself, key university vice chancellors and key stakeholders on it, chaired by Minister Stirling Hinchliffe. Out of the blue, late last year, Mr Hinchliffe just wrote a letter to all of us saying ~~we no longer see~~ the need for an advisory council on international education. The Liberal mayor of Brisbane, and the Labor government at the state level, have both really done a disservice to international education enhancement in the state of Queensland, because there's no overarching stakeholder forum anymore to give ongoing advice and expert input about some of these issues around student accommodation and other issues that really Queensland needs to be able to kick goals with.

Having said that, I know Minister Stirling Hinchliffe is doing some regional forums in Toowoomba and Townsville in coming months because of the focus in Queensland on regional. But if the message is going out from Brisbane 'Don't come here because there's no accommodation', that can have reverberations for some years to come. So there has to be a real focus on local government and state government to streamline planning procedures to get shovel-ready projects happening sooner rather than later and also there has to be a real emphasis on some incentives for developments to happen ideally in concert with the university so that it's on-campus or close-to-campus accommodation. We should bear in mind that, if student accommodation is done well, it takes a lot of pressure off public infrastructure—public transport et cetera—because you don't have students having to commute long distances on trains from the outer suburbs if they can walk from their student accommodation to campus for lectures et cetera.

Mr PERRETT: I take that Brisbane example and wonder if there's information on other cities that are doing well. I know Graham quite well. I think it was 20 people in one house in his electorate that prompted him to take the broader view [inaudible] lord mayor [inaudible] Are there examples in other cities? If we do it right, we can bring that economic benefit and attract students to the university.

Mr Honeywood: Yes. Graham Quirk also established the first student ambassador program. He had international students apply and be interviewed to be ambassadors for the city of Brisbane and they mentored other international students. It was a really great program. They were taken to different workplaces and really given a program to inculcate them into the Brisbane community. There are some other outstanding examples of that. Study Cairns, Study Gold Coast and Study Toowoomba have taken the lead from Graham Quirk's program at the time and are doing their own good stuff, but we can't get the purpose-built student accommodation industry to invest in projects in regional cities. Even Perth is struggling at the moment because there are not many purpose-built student accommodation facilities in Perth. You often have to rely on the private rental market and on other accommodation options to try to get students properly cared for and accommodated close to campus.

Having said that, we often look at public universities and say, 'It's their responsibility,' but private providers as well should be part of that whole-of-student journey provision. Private providers get away with not providing any student accommodation, whereas public universities are often in the spotlight for not providing enough on-campus or close-to-campus accommodation.

Ms VAMVAKINO: You've made a very interesting point there—private providers should actually be responsible for that critical part of the student journey, because without the accommodation you don't get the students. How could we proceed into a scenario where that becomes something we can actually look at? The upside of that is that it will also clean out the remaining very low ranking exploitative aspects of the provider system.

Mr Honeywood: It's a really hard question because—

Ms VAMVAKINO: Sure, but not impossible.

Mr Honeywood: How would you force a private provider to invest or borrow money to build student accommodation?

Ms VAMVAKINO: How is it done elsewhere? How is it done in our competitor countries? What happens there with accommodation?

Mr Honeywood: They don't force any provider to provide accommodation, but, for example, the Irish government just announced the equivalent of several hundred million Australian dollars to build student

accommodation. We also have NRAS here in Australia. NRAS was misused because they couldn't get enough private developers to take up the offer of low socioeconomic housing [inaudible] so a lot of universities in Australia actually put their hands up and got substantial funds from NRAS—

ACTING CHAIR: That was not quite what it was intended for.

Mr Honeywood: Yes, it was not what it was intended for—for student accommodation. They weren't supposed to put international students into that accommodation—

Ms VAMVAKINO: They were?

Mr Honeywood: They were not supposed to.

Ms VAMVAKINO: They were not.

Mr Honeywood: But many of them, shall we say, ignored that, or they gave domestic students that accommodation, and international students had to find alternative accommodation elsewhere. The University of Melbourne did not go with NRAS, but Monash University did. The problem Monash University found was that they were then subject to the Residential Tenancies Act, whereas, if you own your own accommodation and you've got students there, you don't come under the Residential Tenancies Act provisions. Bear in mind that you don't necessarily have students wanting a 52-week tenancy arrangement. So there are lots of issues around whether or not you come under residential tenancies acts.

ACTING CHAIR: Can I just follow up with a couple of specific questions on housing. There's a housing rental crisis, for a range of reasons—it's growing, and it's of enormous concern, I know, to government members and I think to all members—in most parts of the country. Equally, we need to be careful not to just blame international students and make them a scapegoat, because the reasons for it are complex. They're to do with supply; falling household sizes, on average; and, in many places, the impact of the short-stay Airbnb, which is destroying the rental market in holiday areas, in coastal towns and in most parts of inner cities. So there are a range of reasons. That said, through this inquiry we should be looking to recommend whatever we can to increase supply, to take pressure off the private rental market and, as you say, to give students better choices.

You might want to take on notice—and it might be a bit of a telegraph to the PSBA when we chat with them tomorrow, but I am still struggling with the PSBA specifics about what we can do—whether there are any federal levers, because the grandiose recommendations are 'if only we sped up planning approvals' and 'it's all local and state government'. We've seen this movie before. But is there anything specific? Is it federal taxation? Is it superannuation? Are there any kinds of federal fiscal or commercial rules that we can look at?

Mr Honeywood: That's a really crucial point. We want your level of government to buy into this issue for us.

ACTING CHAIR: The other aspect is whether there's anything else that we could be thinking about, such as resurrecting and breathing a bit of life into homestay, which used to be a mainstay of the international education sector but seems to have dropped away—grandmas with spare rooms and so on.

Mr Honeywood: Agreed. I'll address homestay first. Homestay has always been really popular for under-18-year-olds, where there's a duty-of-care legal requirement involved for the provider and often the homestay family. So, for under-18-year-olds, that's a crucial area. PBSA has increasingly come forward with accommodation options for under-18-year-olds, where you've got locked floors—floors locked after a certain time of night—and so on to ensure duty-of-care obligations are met. I think there needs to be more communication about the benefits of homestay. For example, in the street in which I live there was a widow who always had two Japanese female students in her two spare bedrooms. She was getting a wonderful income from that, which wasn't taxable, because she could have up to two students and not be taxed. It gave her company, and she really delighted in being host to these young Japanese girls.

ACTING CHAIR: Sorry, can you just clarify your point about non-taxable?

Mr Honeywood: You don't have to pay income tax. My understanding is it's capped at fewer than three students.

ACTING CHAIR: I didn't even know that.

Ms VAMVAKINO: I didn't know that existed either. So that was specified in the—

ACTING CHAIR: In a cost-of-living crisis, we need to be promoting that.

Ms VAMVAKINO: So that was a specification: you will be exempt.

Mr Honeywood: Yes.

Ms VAMVAKINO: She was a widow—retired?

Mr Honeywood: Yes.

Ms VAMVAKINO: But this did not apply to people who are not retired?

Mr Honeywood: No, my understanding is it applies to everybody.

Ms VAMVAKINO: Did it really?

Mr Honeywood: Correct.

Ms VAMVAKINO: Sorry—just to pick this up, because I didn't know this either—

ACTING CHAIR: Hello, media! If you're listening, amplify this point!

Ms VAMVAKINO: There's a lot of discussion around allowing people on the age pension who have their own homes to work a little bit to supplement their income and to be involved in the community for a whole series of health reasons, but also as a contribution, and to assist where there are labour shortages. Could this be conceptualised as something that could be offered to retired people whose children have left, and, rather than being forced to sell their house to live in a little house; they want their big house—

Mr Honeywood: Absolutely.

Ms VAMVAKINO: We're a multicultural community. We can actually, I believe, with good intentions, make a go of this. Is this something we can look at in terms of people who are on the pension?

Mr Honeywood: Yes. Look—

ACTING CHAIR: Can I just put in an intervening thing from Graham Perrett, which is:

We can't provide tax or legal advice through the committee. However, I've just asked the committee secretary, having got very excited, as we all did, to seek some advice from the Parliamentary Library to verify the current status of that advice.

So I wouldn't suggest that people at home act on it today, but very soon—

Ms VAMVAKINO: I'm exploring those on the pension and their contribution and the matter of their income.

ACTING CHAIR: Your point is well made. With the cost-of-living and housing crisis—

Mr Honeywood: Ms Vamvakinou, I think that's an area that the federal government could be involved in, in terms of communications programs or communication strategy, to encourage this to happen.

Ms VAMVAKINO: But people wouldn't want to lose their pension if they were doing any goodwill, and therefore it becomes an issue.

Mr Honeywood: No, absolutely. My understanding is that—and I could be corrected—certainly it's got no income tax obligations as a result. When it comes to the situation with the wider student accommodation area in which the federal government might be able to get involved with, I think the issue there really comes down to ensuring that every state and territory government has got working groups or some type of bona fide structure that brings all stakeholders together—homestay, private rental market and purpose-built student accommodation providers—and that conversations happen between the relevant federal government agencies and state, territory and local government to have a holistic approach.

Under the Constitution, my understanding would be that the federal government would have the ability to persuade, to collaborate and to potentially provide incentives. Obviously there's a taxation issue here for the purpose-built student accommodation sector, where most of them are owned, ironically, by overseas government pension funds—the Canadian teachers' pension fund, the British pension fund and the Government of Singapore Investment Corporation, which is the major owner of Iglu, one of the top three PBSA companies. They've all got taxation reasons as to why they're investing in purpose-built student accommodation in Australia as well. That's where the federal government has a lead—

ACTING CHAIR: That's the kind of point I mean. I invite you to think about making a supplementary submission, and we can talk further today. We need those kinds of specific ideas. What are the levers that a federal government, without going down the path of borrowing more money and putting it on the national debt and giving grants, which is just not going to happen at this time—I'm sure there'd be broad agreement on that—are there things which a federal government could responsibly look at, such as incentives for superannuation funds or other patient long-term investors, to shift some capital to increase supply? This is critical infrastructure for the sector and would help take pressure off the housing market.

Ms VAMVAKINO: We should also look at creative ways of doing this, because at the end of the day there's only so much land available, especially in the inner city, which is close to a lot of the institution. We have to be realistic. How much more can you actually build? I can think of areas in my electorate where this could work. I can't speak for my council, but I can actually think of some that may be—

ACTING CHAIR: Central Broadmeadows? It'd be great. It's near shops and transport.

Ms VAMVAKINO: You bet it is. It's near the railway station, too—right across the road from it.

Mr Honeywood: You want it close to campus as well, if you can, to take the pressure off overcrowded trains et cetera. That's definitely an area that we will explore further. At the end of the day, the classic example I'll leave you with is that Randwick City Council, around UNSW, has a height limit for any apartment complex. I think it's about six or seven storeys. That means that the University of New South Wales has to have domestic and international students travel across the city in Sydney on public transport to get to campus. It leads to this crazy situation where the purpose-built student accommodation providers will tell you that they've got their apartment towers in Darling Harbour and they've got all these kids having to cross the city every day on the light rail or whatever it is to get over to Kensington because the City of Randwick won't allow apartment towers above seven storeys because of local government voters' pushback against high-rise towers.

Ms VAMVAKINO: Nowhere near an airport.

ACTING CHAIR: I think you can be on pretty safe ground suggesting that the federal government is not going to be recommending height limits in particular suburbs.

Mr Honeywood: I'll just mention this as well. When Scott Morrison was immigration minister, he was quoted in the *Daily Telegraph* as saying: 'Hop on any bus in Sydney, and two out of every five passengers will be international students. We're going to force them to live in the regions.' Mr McCormack has joined us, and he'd be aware that his party has been very good when it comes to supporting international students in regional areas, because they really add a lot of value to regional communities.

Mr McCORMACK: They do.

Mr Honeywood: It's one thing to say we're going to force them to live in regions; it's another thing to provide incentives—through additional post-study work rights visas etcetera—to live and study in regional communities.

Mr McCORMACK: I wanted to ask about regional Australia and what your thoughts were on where the future is headed. Obviously universities—New England, Charles Sturt and others—are somewhat concerned about where they're headed. The fact is that they have lost money ~~over the~~ over the course of COVID. Maria has identified, quite correctly, that there is a housing crisis in regional Australia. I was in Mildura, and even last night on Q+A, both before, during and after the show, the housing crisis was enunciated very clearly to me in terms of how we're going to actually accommodate students in the future. I know Monash and La Trobe are doing good things with the Murray-Darling Medical Schools Network, but where do you house those young potential doctors, who are going to hopefully fix the rural doctor shortage?

Mr Honeywood: Absolutely. That's where I think the federal government can have a role to play. But, at the end of the day, as you'd be aware, local government often has the primary powers in the planning arena. State government often has the housing policy and the regulatory control of residential tenancies acts, so it's really got to be a whole-of-community approach. Just being shovel-ready can take three years for projects. Even in regional communities, I've heard that to ascertain—

Mr McCORMACK: You can't find a tradie for love nor money.

Mr Honeywood: Correct.

ACTING CHAIR: Permits are less of a problem.

Mr Honeywood: I'm on the StudyPerth board—and being an east coaster in that country is quite interesting! The crisis there is so bad that they are looking to quickly convert B-grade office buildings and motels that are beyond their use-by-date into student accommodation. Now we've got regional tourism back, there may be no motels available, but we'd all know of facilities that could do with a bit of a spruce up and may not be attracting the tourists or whatever, which might be identified. They don't have to be shovel ready. They can have a quick planning change and then have student accommodation ~~and an allowable usage~~. I would recommend that. I know we've had issues with farmers exploiting international students, in a very minority way—

Mr McCORMACK: Some farmers.

Mr Honeywood: Yes, only a very small minority. Again, going to your point about homestay, I would imagine there would be plenty of potential in regional communities. If there were a tax incentive, such as we've got with widows being able to take homestay students and not pay tax for more than three students, there might be another benefit there with a lot of rural properties that have excess bedrooms.

Mr McCORMACK: They are all good ideas.

Ms VAMVAKINO: Can you clarify: is this homestay only for widows?

Mr Honeywood: No, it's for anybody.

ACTING CHAIR: He was just illustrating the point.

Ms VAMVAKINO: Okay. I understand.

ACTING CHAIR: As I said earlier, I've asked the committee secretary to seek advice ASAP from the Parliamentary Library, because we are not providing taxation advice to the Australian people. But it would be good to clarify that situation and whether it's an area where we can look at recommendations.

Mr GOSLING: Sorry, I haven't had an opportunity to read that Asia Society and IEAA report into those perspectives. Can you pull out a couple of the key recommendations. I'm particularly interested in their views on scholarships, but their perspectives would be helpful if you could summarise them.

Mr Honeywood: There are a couple of issues. One is that Australia has always been accused, particularly by countries in our own region, of just making money out of international students. My association's got sister associations in Europe, North America and so on who see us as just motivated by profit, and what they argue is that Australia should do more in two-way exchange. To Julie Bishop's credit, she managed to wrangle out of Tony Abbott the New Colombo Plan scholarship program, which was \$100 million, I think, over four years. To the current government's credit, in their budget they've kept that money flowing. Prior to COVID, we had 13,000 young Australian undergraduates studying in our Indo-Pacific region, across about 24 countries. As a former exchange student to Japan, I've got to say it's been a fantastic proof to our regional neighbours that we're not just going to bring their kids here and make money out of them but are willing to send some Aussies to their universities as well.

Having said that, I note that what my association has proven, based on research we've done in tracking where those young Australian undergraduates finish up employment wise, is that any young Aussie who has that sort of overseas study experience, particularly in our region, is a more desirable employee for a whole range of employers, particularly large corporations, here in Australia because they're seen to have intercultural understanding and intercultural exposure or competency, as we might call it, which a young Australian who hasn't been abroad perhaps won't have or won't exhibit. Bear in mind this is the scholarship scheme, so it's taxpayer money that's supporting Australians, often young Australians from low-socioeconomic backgrounds, to have that overseas offshore experience.

Where the rubber hits the road, though, is the extent to which international students who come here are seen by Australian employers as the best type of candidate for a job. What I mean by that is that often Australian employers don't understand how easy it is to employ an international student even while they're studying or have post-study work rights. The current government has gone a long way to improve on that, because we've now got additional two-year post-study work right entitlements. It does have an implication for regional areas, though, because we've retained the one year of extra post-study work right entitlement for regional and the two years extra for remote, but where there's a bit of a conflict there might be whether, if I can come to Sydney, Brisbane or Melbourne and get a post-study work visa for four or five years, the extra year on offer at a regional community is enough of an incentive to do my whole study program in that regional community. But, having said that, I note that the government's kept that incentive there.

My point is that Australian employers need to have a better communication program, and my association's put out an employability guide for Australian employers who want to employ international students. Seek.com, to their credit, have launched a portal where Australian employers interested in employing international students either part time or full time when they graduate can put jobs on the portal and international students can go into that separate portal to look for those jobs.

The other issue that we've got to be aware of and that, again, needs to be communicated to the wider Australian community is that often these international students are the only ones doing STEM related courses. They come from countries where mathematics, physics and chemistry are seen to be desirable subjects to study. Our young people are not going into those STEM programs. We are well aware of that. So we need to provide further incentives for international students, particularly if they graduate in Australia from an engineering or IT type of program, to be promoted as employees in the Australian employment context. Otherwise we're going to be relying on temporary skilled workers who may not understand our culture as well as a young person who's been part of our culture for a number of years while studying at an Australian university or college.

Mr GOSLING: Thank you.

ACTING CHAIR: Because we've got about 15 minutes left, can I just ask members to indicate what topics they want to discuss so we can manage the time and at least seed some of the discussion. This is a first date, if you like, with Phil and the association. I think we've got a couple of days set aside in May for hearings, and the chair was proposing to do them as thematic roundtables and invite different groups of stakeholders on the different

topics that emerge from today and tomorrow. So I'm sure we'll have you back for those couple of days, but are there any other topics we want to just seed at the moment?

Ms VAMVAKINOU: I was just going to make two points which would be a question that hopefully could be developed. One is on the issue of regional campuses and regional universities. I was recently approached by someone who I know very well—he's Pakistani—with a thought around a Pakistani agricultural society centre of excellence in agriculture in regional Victoria or somewhere else, building around this idea of a serious, worthy reason to come and study here and do exchanges between regional universities in Australia, Pakistan and anywhere else. Is that something we can seriously start to think of so we don't get this mish-mash of courses everywhere but we get serious centres around agriculture, energy transition and all those better farming issues, which we can contribute to.

Secondly, on that whole issue of skills, we've got a serious problem with recognising and accepting the work qualifications and work experience of people who come to Australia, predominantly through the refugee program. We haven't been able to resolve that. I think there's something about our attitude that's almost schizophrenic, and that worries me a little bit. I agree with you. We should be encouraging their expertise, but we're not, when they come here as permanent residents.

Mr Honeywood: There are two answers to that question. First, as Mr McCormack would be aware, there are some outstanding centres of excellence in some of our regional universities when it comes to horticulture, agriculture and other endeavours. I was recently in India with Minister Jason Clare on his first education mission there after 10 years of delays. We were delighted when he was able to sign off with the Indian Minister Pradhan on a mutual recognition of qualifications document. Officially now we've got the framework in place where we will recognise Indian qualifications as a precursor, particularly in the horticulture and agriculture areas, as Mr McCormack would be delighted to hear. Up until now we haven't given proper recognition to an Indian student, who might have done a bona fide undergraduate degree in horticulture, to allow them to progress into a postgrad here in Australia. That's one harbinger of these mutual recognition of qualifications areas. Could you remind me of the other element to your question?

Ms VAMVAKINOU: Were we talking about agriculture or about attitudes towards the recognition of skills and work experience?

Mr Honeywood: We were talking about attitudes. I should put this on the record. My association has spent what reserve funds we had on a public relations campaign to educate the wider Australian community on the benefits of international education in soft-power diplomacy, in employment and in whatever. Would you believe that the first theme that we came up with the public relations company was 'Worth our welcome'—the idea that international students are worth welcoming into Australia? Canadians do it incredibly well. A number of our potential co-investors said, 'We want that in a focus group.' We took that to regional Queensland and the western suburbs of Sydney, and the overwhelming feedback was, 'No, they're not worth our welcome, because they take our kids' jobs and they take our kids' university places,' all of which is absolute rubbish. They don't take places, and they do the jobs that our kids aren't wanting to do anymore. We had to go back to the drawing board.

Ms VAMVAKINOU: That's because you took it to a focus group.

Mr Honeywood: No, it was also our co-investors, who said, 'We don't think it's going to work.' We then took it back to focus groups, and the response came back for our plan B. Our theme is 'Helping Australia thrive'. The feedback we got there was: 'Yes, we're happy to have them pick fruit. Yes, we're happy to have them do commercial office cleaning. But, no, we don't want them to be baristas, because if they're baristas, that's a hip job that my child should be doing.' So scratch the surface in Australia, and we do get this unfortunate, sort of racist, pushback, which is more perception than reality. We're really keen to get some co-investment. It's not a case of trying to indoctrinate the Australian community, but the problem that my sector has had is that we've been happy to stay under the radar for too long, and we need to get out there and promote the fact that over 200,000 Australians work in international education, be it in accommodation et cetera.

Ms VAMVAKINOU: I don't think it's racist. I wouldn't call it racist. It's more protectionist, and I think we need to address it in that way and reassure people—

Mr Honeywood: [inaudible]

Ms VAMVAKINOU: Well, I'm sorry—I agree it could be, but I would have to disagree with calling it that only.

Mr Honeywood: There were some terrible situations.

ACTING CHAIR: The point you make—I'd use more-neutral language for the moment—which is dispelling some urban myths and genuine misunderstandings. The most common one is the notion that international students

take domestic places, which, as we all know, is complete nonsense. It's not how the system is designed. The data is crystal clear. A big part of the reason that we have—what?—seven universities in the top 100 in the world, which is astounding, is the world-quality research that's funded in significant part off the back of international student fees. You can argue whether that's a good or a bad thing—that's to do with our funding models—but it's a fact. For years, the high-quality capital investments which universities have made have come from this revenue. They've created places for domestic students. So the more we can do to dispel some of those myths, the better, so people can make informed choices based on facts.

Mr Honeywood: We've now got an official parliamentary friendship group for international education, which Mr Hill co-chairs with Zoe McKenzie. We had our first function at Parliament House a few weeks ago. Minister Clare spoke at that. What I did was I made sure nobody left the room without taking the two-pager, which has the good news on policy initiatives on the front and calls to action on the back. I'll hand it out.

ACTING CHAIR: There are a couple of other key issues in your submission. I'll get a couple of comments on the record to help us frame our understanding. One of them—your section 2—relates to online innovations in delivery and transnational. My understanding, but could you explain it, is that transnational can include institutions here setting up campuses overseas, but it could also include online delivery. Can you at least help us frame or understand the policy issues that are coming at us regarding transnational and some of the tensions or debates around online delivery.

Mr Honeywood: It cuts across a number of sectors; I mentioned earlier the school sector. Now in China you've got about 750 international high schools, the vast majority of them teaching the American, the UK and the Canadian year 11 and year 12 curriculums, so we're losing the race there. They are often Chinese owned, Chinese built campuses where foreign providers provide the curriculum. That's now happening in Vietnam and other countries across Asia in the high-school sector. When it comes to post-secondary, one of the problems we've had with Australia is that we've been too happy to take what I call the low-hanging fruit. We've been too content to bring students in, whereas the UK, really because of Theresa May—when she was Home Secretary and when she was Prime Minister, she did not like subcontinent students in big numbers coming to study in the UK. As a result, UK universities went forth and multiplied, and they built campuses all over Asia. So you've got a much higher preponderance of UK universities delivering in campuses across Asia than you have Australians. There are some outstanding examples, however: Monash Malaysia, Swinburne Kuching, RMIT Vietnam is the biggest offshore provider in Vietnam. But, compared with a country like UK, they're small and far between.

Separately, in the offshore TNE space is the online-learning component. What we found during the pandemic was that there was a massive appetite, particularly from Chinese students, to do their course entirely online. Now that type of behaviour, I'll call it, has a place, but I would advocate strongly for face-to-face delivery being much better for the individual, because they get to experience our culture or in the third country they get to experience another culture. So we now have very big campuses in Singapore, in Malaysia, where if the family—for example, in India—can't afford to send their child for an undergrad course in Australia they'll send them to Murdoch University campus in Singapore. It will be less expensive for them, and then their child might come to Australia subsequently for postgraduate study if they can afford it.

In the regulatory framework, I think we've got to be very careful that we get the balance right, in answer to your question, that we don't rely too heavily on entirely online delivery. Under the current ESOS Act, only one-third of a course can be delivered online. I think we really need to ensure that we don't go too far above that, because online has got a whole bunch of other issues when it comes to certain providers' bad behaviour that you can guess at.

It's a really difficult area in which Australia needs to up the ante in terms of transnational education involvement. India has finally allowed foreign providers to build and operate campuses in that country, after a lot of resistance from Indian providers. Indonesia is now allowing the top 100 ranked universities in the world to have campuses in Indonesia, so Monash are now there. Deakin, I think, are there. So, yes, there's a lot of space for Australia to make up in what we call the transnational education arena, be it online delivery only or be it face to face in third countries.

ACTING CHAIR: I might ask the universities in the next session as well whether there are any policy changes or suggestions which they would propose to us to enable and facilitate their transnational operations in a sensible way. I have just two final questions. First, we're hearing from a number of submitters later today. Some of the independent higher education providers have suggested that they should be able to access the Open Universities Australia initiative. I'm just curious—could you help us understand that proposal and any of the issues? Second, a number of submitters throughout the day are proposing much more generous post-study work rights for all international students—or vocational training. Some are suggesting skills shortage areas; others seem

to be suggesting what I think is a slightly crazy open slather for hundreds of thousands of people. What are some of the issues which we should bear in mind in considering both of those proposals?

Mr Honeywood: I'll leave the Open Universities one to whatever the peak body is to discuss. I'm not really aware of where that's at. Particularly in the independent provider space, there was a lot of criticism from many of them. I think I detect a bit in this that they couldn't understand why we just didn't keep open slather on uncapped work rights while the student studied full time and why we can't have more open slather on post-study work right entitlements.

At the end of the day, we've got to remind ourselves that these young people are primarily here to study. ^{we} ~~we~~ want them to come for other purposes, ^{we} ~~we~~ give them a working holiday visa or we give them a temporary skilled visa, and I guess the missing link—and I commend the current government for their migration review program—is that, at the moment, Australia is too opaque when it comes to migration pathways. Effectively, we're going to be inviting these young people to come and study for three or four years and potentially have a post-study work right entitlement visa for five or six years—that's a decade out of their lives—and then we're going to tell them: 'Goodbye. Go home.'

That, unfortunately, is where we've got to now. This is largely a reaction to what happened about eight years ago when we had hairdressing diplomas and community welfare diplomas and so on being rorted.

ACTING CHAIR: I think we're pretty old now; it was about 14 or 15 years ago.

Mr Honeywood: I think we stopped it about eight or nine years ago.

ACTING CHAIR: Right. Okay.

Mr Honeywood: To be fair to the Howard government, they thought that these young people would actually become hairdressers, when there was no such intention on the part a Sikh boy, wearing a turban and not allowed to cut hair, who was doing a hairdressing diploma pragmatically to get a migration outcome. In the vocational area, I think the pendulum has swung too far against vocational, in that we regard all vocational diploma international students as being here for the wrong reasons. That's got to be fixed. I think we need to really recognise that there are definite specialist paraprofessional skills in the vocational delivery area that we should be encouraging, that we should be supporting by way of additional post-study work right visas and so on, because we've got the skill shortages.

The other one I'll put on the table, which is going to be controversial, is that we really do need to look meaningfully at providing international students with access to our licensed apprenticeship system. I can say this with some authority because for eight years, while I had the current job, I was also the chairman of the Electrical Trades Union and the electrical contractors-owned group training company. We employ about 240 apprentices in Victoria and about 110 in Tassie, and we farm them out to employers where the employer can't take on a full-time apprentice because they don't have enough jobs. It's a great system. The problem is that we've got this massive shortage of young Australians wanting to become tradespeople, yet we've got fantastically motivated young people offshore who would really benefit from doing an apprenticeship. We've got to crack this, I think, with cooperation from trade unions and from government, because we want a young person to actually learn about our occupational health and safety rules and regulations before they come here as a temporary skilled visa holder when they're coming from overseas where they may not have had proper occupational health and safety training.

With that whole licensed apprenticeship area as it is at the moment, we can't carry on as a country with the trade shortages. I think that Michael McCormack has mentioned that we can't carry on. We're paying far too much for an electrician or a plumber. Other countries have got nothing like these pay rates. It's impacting on the cost of living. It's impacting on skills shortages. Look at Rochester.

Mr McCORMACK: They would probably argue they're not being overpaid.

ACTING CHAIR: I've never heard anyone come in and argue they've been overpaid.

Mr Honeywood: They won't tell you they're being overpaid. I'll say that they're getting—

ACTING CHAIR: A greater supply could drive more competition.

Mr Honeywood: Thank you for that, Mr Hill. Anyway, I'll just put that on the table because it's one we're going to have to address sooner or later. I'd rather have a young person come here and do four years as a bona fide apprentice in our system than outside of our system.

ACTING CHAIR: In the one minute you have remaining—we're 30 seconds over—who else would you suggest we talk to to explore these issues about the barriers to international students? You've talked about apprenticeships, but there are professional colleges and others. Who should we be talking to?

Mr Honeywood: Industry accreditation bodies. I mentioned in the submission and I mention in this fact sheet that they are far more powerful than trade unions in this country. They dictate the field placement requirements and the English language levels of international students. You can graduate as an engineer in Australia at the moment with an English language IELTS level of 6.5, but to enter enrolled nursing in this country—that is, at the lower level of nursing—you have to have, as a minimum, an IELTS level of 7. That's to enter it, not to graduate from it. Now, I defy many young Australians to get to an IELTS level of 7 in English across comprehension reading, writing and speaking.

These industry accreditation bodies are all-powerful. They often don't consult as widely as they should. For example, the Australian Nursing and Midwifery Federation told me that we're going to have a shortage of 30,000 nurses by whatever date it is. But, at the same time, they've lifted the English language minimum entry level. Overnight that locked out Koreans, Japanese and Vietnamese and it meant that we became a Filipino market. It's controversial because a lot of Australians worry about it, but, at the end of the day, in aged care it's those migrant workers who are going to be doing, and are still doing at the moment, the heavy lifting.

Somehow or other, you need to haul in these industry accreditation bodies and get them to justify the fact that, to be a psychologist in Australia, it's almost impossible to get a field placement, yet we've got all these young people who are having to go to Anglo-Celtic mental health counsellors who've got no intercultural competency training.

ACTING CHAIR: We actually heard that from the students, very powerfully, when we were in Sydney.

Mr Honeywood: But try to get a field placement when you're a psychology student from overseas. It's impossible.

ACTING CHAIR: We're going to need to close, but I invite you to take a request for a supplementary submission.

Ms VAMVAKINO: Yes. Absolutely.

Mr Honeywood: I'm happy to do that.

ACTING CHAIR: Because many of these students are working or are studying in areas where we desperately want more skilled workers, would you like to give us two or three pages explaining this accreditation blockage? Also, which accreditation bodies should we request to come and discuss this with us? That would be very helpful.

Mr Honeywood: Thank you. I'll hand these documents across, if the secretariat wants to distribute them to those who weren't here.

ACTING CHAIR: Okay. Thank you for coming today. If you've been asked to provide any additional information, including additional questions on notice by members following the hearing, could you please forward it to the secretariat by Tuesday 9 May. You'll be sent a copy of the transcript of your evidence and will have an opportunity to request corrections to transcription errors. We'll now suspend the hearing for about 15 minutes.

Proceedings suspended from 10:03 to 10:26