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International Education
Association of Australia



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Response to Australia's International
Education and Skills Strategic Framework

June 2024

Objective One: A Sector Built on Quality and Integrity

1. Further reforms Governments should consider to improve quality and integrity of the sector

The International Education Association of Australia (IEAA) puts on record that we exist to support and advocate for the diverse and integrated ecosystem that has always been an integral characteristic of our nation's international education community. We continue to support quality providers whether they be directly delivering education programs or supporting students as education agents, accommodation providers, insurance companies or other important services. The overriding premise of IEAA's submission is that the international education sector must be provided by Government with a greater degree of certainty and forward planning than has been apparent in the recent past. This is not only important for our education provider members to have budget clarity with their staffing, teaching spaces and student services. It also goes to the heart of Australia's reputation as a welcoming and caring study destination nation. Too many recent policy backflips, e.g the extension of 485 visas to 5 years being withdrawn after only 6 months, have resulted in market confusion and have been unjust for students attracted by such policy announcements. Our response to this question is delineated as follows:-

Governance: At this stage, the framework is unclear on the respective roles of the two key Ministers, the Council for International Education, the national regulators and the proposed Australian Tertiary Education Commission (ATEC). If ATEC is to have a key role in the allocation and monitoring of students caps then, until it is established, what will be the allocation process for 2025? If, once established, ATEC is going to rely on and utilise individual university mission-based compacts for agreed institution based caps then what similar mechanism will apply to independent higher education providers? Given that the Minister for Skills and Training will have a significant allocation of the overall capped places, what body will determine the annual carve up between higher education and VET places? Of most concern is the potential for political interference in the unprecedented powers provided to future Ministers under the ESOS Amendment Bill currently before Parliament. Up until now, the two national regulators, TEQSA and ASQA, have provided at arms length from Government key provider assessments and determinations. Their current roles may well be compromised by a future Minister who gives preference to political factors over other more objective criteria. IEAA believes that a strongly independent ATEC must become a check or balance on any misuse of the Ministerial powers that are currently envisaged. This concern supports our Association's call for an ATEC Deputy Commissioner with specific responsibility for the international education sector.

Cap exemptions: IEAA supports the Framework's suggestion on page 16 that post graduate research enrolments, schools, short courses, non-packaged short English courses and non-award courses should be excluded from the "new settings to manage growth"(the managed system). We would add to this a specific exemption for learning abroad programs (of less than 12 months duration). Our Association sees merit in other small cohort exemptions from the caps as follows:

- Overseas and Australian Government scholarship recipients. This small cohort has crucial soft diplomacy attributes
- Students enrolled in offshore Australian campuses and twinning programs. If students enrolled in such TNE courses do not believe that they will have the right to complete their program of study in Australia then our nascent TNE growth profile will suffer.
- Public TAFE provides high quality and low growth courses to international students. The preponderance of free TAFE places for domestic students has disincentivised many TAFE Institutes from actively pursuing overseas student enrolments. Currently only accounting for 2.2% of the overall cohort, public TAFE involvement in offshore teaching and learning will be a lynchpin for our nation's soft diplomacy in skilling up regional neighbours

Weighting of Higher Education to VET cap places: Our Association reiterates our concern with the ongoing integrity risks associated with a number of providers particularly in the independent VET sector. We support the Government's own concern that VET Diplomas in e.g Leadership have often not led to genuine course related employment outcomes. Notwithstanding this, we also recognise that there are many outstanding VET and dual sector providers. These should be incentivised by Government to focus on delivering key skills in demand qualifications (as determined by Jobs and Skills Australia and the national regulator). In support of quality VET we do not agree that a new provider must prove that they have delivered courses to domestic students for 2 years before seeking CRICOS registration. For example, Study Perth have noted that a new well resourced cybersecurity private RTO recently opened in their state and delivers very targeted courses to international students in an area of worldwide skill shortage.

Fairness in Visa Processing: While the forward focus of the Framework is on the powers and policies attributed to the Ministers for Education and Skills and Training, it is vital that we also factor in the substantial role currently performed by the Home Affairs Minister in our sector's ecosystem. If student numbers are to be formally capped under the Framework, then it behoves Government to reexamine the equity of its current approach to visa processing. There is certainly a case to be made that quality providers, who have not been able to attract students from EL level one source countries, have found themselves unfairly impacted upon because of their reliance on EL level 2 and 3 country markets. In order to resolve these market/recruitment inequities, our Association calls for the following reforms:-

- Rescinding Ministerial Direction 107 and moving away from a provider based visa risk system to one that more holistically considers the risk of the individual student visa applicant
- Reviewing the need for regular EL provider level changes on the basis that other envisaged policy changes may diminish their relevance
- At a macro level, for universities, there may be merit in the Government determining an appropriate ratio of domestic to international students in consultation with individual institutions. This would certainly garner support for the sector's social licence to operate within the wider community.

Education Agent and Commission Integrity: Whilst acknowledging the non-compliant behaviour of some agents flowing on from the Covid pandemic, IEAA has raised, in previous correspondence with the Minister for Education, our concerns about the proposed ban on commission payments for onshore student movements. There will always be genuine

academic, compassionate and compelling reasons for some students to shift providers, courses and locations. We note that there will be many cases where a student might complete a more generalist undergraduate degree at one provider but then legitimately need to seek advice on shifting to a post grad program that meets their particular academic specialisation. We also have concerns with the suggestion that agents might, instead, be engaged on a fee for service basis. If this were to be permitted outside of the protections currently provided by the ESOS Framework then we believe integrity would be further compromised. A separate concern relates to the proposed definition of “agent”. We believe the proposed definition is way too broad and needs to be better targeted so as not to include stakeholders who are in no manner regarded by both students and providers as agents.

Enabling the Regulators to be more effective: IEAA raises two specific suggestions here:

- Additional funding for the QILT surveys, which are widely regarded as among the most valid and reliable indicators of a quality provider, would assist the work of the regulators
- Enhancing the proactive monitoring by TEQSA and ASQA of education providers who consistently breach Standard 7 of the ESOS Framework. To this end, the Government should require the regulators to share the “down hopping” data with providers so that quality providers can address individual cases of concern with their education agents

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

As per our above comments under fairness in student visa processing, the current role of education providers within the SSVF system must be revisited. The primary focus of education providers should be on teaching and learning while delivering a positive student experience. The previous Government’s decision, under SSVF, to force providers to become immigration assessors ignores the fact that immigration expertise should rest with the Home Affairs Department. Any analysis of provider obligations in competitor study destination countries would highlight that Australia’s CRICOS registered institutions are required to make comparatively substantial investments in pre-visa screening, full delivery of ESOS obligations and pro-active engagement with their international students to mitigate risks of exploitation and modern slavery.

In the past, when quality education providers have called out the bad behaviour of low quality competitors, they have had their legitimate complaints often go unanswered. Both Government and the regulators should be more responsive to genuine complaints and devote more resources to their recent campaign of unannounced visits/audits of low-quality providers’ facilities.

Objective Two: A Managed System to Deliver Sustainable Growth Over Time

1. Factors to inform government's approach to allocating enrolments across sectors, providers, locations in Australia

Our Association makes the following observations and recommendations under this heading:

- As IEAA seeks to represent all quality providers across the various sectors, we are keen to ensure that there is no in built bias in the allocation of enrolments under the caps. While the Framework document has a great deal of content related to public universities (who we acknowledge enrol app two thirds of our nation's overseas students) there appears to be no equivalent allocation role, to that suggested for ATEC, for independent higher education or VET providers. It would be regrettable if this led to a skewing of enrolments that might disproportionately punish independent providers. Already in Canada we have witnessed the Ontario Province Government choose to allocate 95% of their allocated capped overseas student numbers to public providers but only 5% to their private providers. This has resulted in longstanding independent ELICOS and post-secondary providers being forced to close their operations. More clarity from Government on its current views here will be important.
- In specific relation to our public universities, the allocation of caps must deliver equitable access to the benefits of international students for all Australian universities. As one regional university was recently quoted, "The ability of regional universities to offer the opportunity of higher education to our domestic students and to undertake the research that solves regional needs is underpinned by our financial sustainability." A number of regional universities have highlighted that retention of their ability to enrol strong cohorts of overseas students through their capital city campuses (whether contracted to good third party providers or directly delivered by the university) is a crucial issue. In the absence of successive Federal Governments being prepared to adequately fund our public universities (at anything akin to OECD averages) our Association supports the need for regional universities to continue to receive appropriate overseas student enrolment allocations for both their principal campuses and their major metropolitan teaching operations as well. IEAA would also encourage the Government to consider other regional attraction policy options such as launching a regional promotion campaign internationally and offering more scholarships (e.g a quota of the Australia Awards) for regional campus study
- Through their Advisory Bodies and Study Clusters, State and Territory Governments are legitimate stakeholders in the international education sector. While IEAA notes that some Study Clusters are advocating for specific State/Territory quotas (and then to allocate enrolment places to individual providers within each jurisdiction's overall cap) we do not support such an approach. Instead, we see the Federal Government as principal funder of our public education institutions (and having the foreign affairs soft diplomacy, trade, etc primary role) as having the legitimate responsibility for enrolment allocations to our sector. It is important to also note here that international students often determine which study destination country to apply to based on friends and relatives who live in Australia's largest cities. If denied the opportunity to access such migrant diaspora support networks then this could lead to unintended consequences and declining interest in studying in Australia
- Notwithstanding the Federal Government's concern to attract overseas students who will study courses that meet our nation's Skills in Demand, IEAA maintains that course based capping should be avoided in any enrolment allocation managed

system. Aligning enrolments to Australia’s specific skills needs will send a message to our regional neighbours that we are not interested in providing their young people with world class qualifications that they can take back to their home country. Given that app 80% of our overseas students return home after completing their course of study or post study work right period, ignoring other nations’ skilling requirements sends all the wrong messages. Where the Government seeks to limit choice, it should do so clearly and transparently so that students can make informed decisions. If the Government is intending to limit enrolments in a particular field of study, this should be articulated to students, rather than being only identifiable through the sum-total allocation across providers. The Government already has other policy levers at its disposal to attract overseas students into supply shortage areas. The ability for any student to jump out of their current course of study, enrol in a Cert III in Aged Care and, after working for 2 years as an Aged Care Assistant be guaranteed Australian citizenship is just one such, albeit controversial, example.

2. Considerations for government to inform overall level of international students in Australia

IEAA suggests as follows:

- The Government should consider (and ideally educate the wider Australian community) the impact the almost two years of border closure in 2020-21 had on international students and its subsequent impact on Net Overseas Migration (NOM). As very few overseas students entered Australia during this period, the current NOM figure has been artificially inflated by not having many students graduating and leaving the country. We maintain that our sector’s component of the overall NOM number should normalise somewhat over coming months as students who entered/reentered post-pandemic finish and return home
- the allocation of international student commencements for each provider should be formulated with a baseline that recognises each provider’s particular enrolment and course profiles. While some may argue to use a pre-Covid baseline, formulating a 2025 allocation on 6 year old data would prove to be inequitable for newer providers and those that have invested in new programs and locations in the intervening years.

Notwithstanding this, we understand that Government requires overall student numbers to be lower and we would therefore advocate that:

- a) reductions should be borne by those providers who have a consistently poor compliance record, are currently under investigation by the regulator, or who have conditions imposed upon them by the regulator. Once the regulator is satisfied that compliance/integrity issues are resolved they can have any penalty enrolment percentage reduction restored
- b) further reductions in overall student numbers can be secured by placing a limit on the number of commencements in courses and qualification levels that have persistent quality and integrity issues
- c) ideally, greater emphasis on the diversity mix of student source countries as well as where there are opportunities for course related work experience across Australia could be incentivised within the caps. However, while ever the current Home Affairs Department imposed provider based EL risk ratings are in place then there is little reason to invest in new market entry and recruitment activity

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

- on the positive side, having a known set of policy parameters and rules should mean that education and training providers can plan, develop and deliver their business models more effectively and efficiently
- the caveat to the above is that, for any education provider to be able to plan, invest and operate with confidence, details of their allocation will need to be made available well in advance as the international student recruitment process has such a long lead time
- managing the cap is likely to create significant red tape for all providers and increased costs, given both the potential complexity and the sanctions likely to be imposed for getting the process wrong. Factoring in uncertainty with commencement volumes, particularly in the light of current visa refusal rates, providers will likely need to build in a buffer as to how many acceptances (and CoEs) they allow. IEAA sees this situation as leading to 2 likely scenarios:
 - a) either most providers will elect to operate well under their caps (further diminishing the economic impact of the sector and its social good/soft diplomacy impacts). Or
 - b) the mass cancellation of offers and CoEs every semester once the provider's last visa is granted and that takes the provider to their cap ceiling
- Factoring in the above points, the automatic suspension of a provider for going several students over their cap will be strongly opposed by IEAA and other peak bodies. Visa processing, attrition and graduation rates are, at the best of times, difficult to predict. All of these are elements of doing business that will legitimately create uncertainty as to how many places a provider will have to offer. Our Association suggests an alternative will be to give a provider who goes over their cap a period of 6 months to come back under their cap or then face sanction. The sanction might be the suspension, as planned, or a penalty reduction (app 5% would seem fair) for the following year's allocation

4. Should schools, ELICOS, non-award be included in approaches to manage system for sustainable growth

As detailed in our response above to Objective One, we do not agree that HDR, schools, ELICOS, learning abroad, scholarships and non-award be included under the proposed caps system. We would add that schools, ELICOS and non-award programs are trusted pathways for students entering both the higher education and vocational education sectors, and therefore, should not be included in the allocation of caps. Otherwise, a provider will be potentially impacted twice, with a single packaged enrolment counting towards both their higher/vocational education cap and their ELICOS/non-Award cap. Given the Government's concerns around accommodation, we would add that these programs should not be included in the caps because they are generally of short duration, and therefore the students often find accommodation with homestay families or in student residences, rather than the private rental market

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

Our Association has strong views on this question as follows:

- at one level we do not believe that this is a valid question to ask. In the absence of guaranteed pathways to migration (with the exception of Cert III Aged Care) and with 80% of overseas students returning home, we will always be talking about a minority of students. As mentioned in an earlier section, the objective of our international education sector should surely be to provide world class education and training outcomes to all, in courses that may be relevant for Australia but ideally will be relevant for the student's home country
- the Government already has at its disposal long established mechanisms for aligning study with our nation's skills needs. These include through the Skilled Migration program and duration of Post Study Work visa arrangements. Another factor working against Government involvement in this policy space is the fast evolving pace of new course development and enhancements to existing courses. In the past, Australian Governments have been much slower to respond to significant course change behaviours than the education providers themselves
- requiring overseas students to enrol in courses that they do not want to do is also a very blunt policy instrument. The current Government has rightly been critical of the previous Government's Job Ready Graduates scheme that had similar aims. It would be ironic if the Governor seeks to repeat an approach that it has been critical of for our domestic students with international students instead
- IEAA recently pointed out in our Migration Review submission that courses/qualifications such as Accounting have been unfairly targeted by successive Australian Governments. The fact that an international student chooses to study Accounting does not necessarily equate to them becoming an Accountant per se. Instead, they will often become bookkeepers, General Managers or use their qualification to run a small business - all of which are vocations that Australia would benefit from

6. Link between international student numbers and increased supply of student housing

Our Association is represented on the Student Accommodation Council (SAC) and supports their submission in this vexed policy area. To this we would add:

- as Government is aware, SAC recently commissioned a report by Accenture which highlighted that only 4% of Australia's total rental market is taken up by international students. While both the Government and the Opposition have legitimate concerns about the current rental market, we see this as a failure of successive Governments' policy frameworks rather than resorting to a blame game targeted at international students
- housing policy has limited influence from the Federal jurisdiction. Until State/Territory and local government planning controls are changed (combined with current construction industry job shortages) then a shovel ready student accommodation development will continue to take 2 to 3 years minimum to be put in place. State and local government tax regimes (e.g land tax, rate levies) also act as an increasing

disincentive to invest in the PBSA sector. Overall, Government incentives to attract investment into PBSA will be a better policy response than forcing universities to build their own accommodation. Incentives could include discounted parcels of government owned land, infrastructure subsidies, occupancy guarantees, discounted rates and taxes and plot ratio bonuses

- should the Government decide to persist with a political linkage and build this into its cap setting process, then it must ensure that it acknowledges and builds into its policy setting the many different housing approaches of international students. Because of its relatively high cost, PBSA is not the only option of choice for many students. A much larger number choose to stay with relatives and friends, within existing housing stock. In doing so, they are generally not creating any further burden, and therefore, should be incorporated into the housing model via a managed caps system

7. What transition arrangements will support implementation of a new approach

Our Association makes the following observations here:

- as noted in previous sections of our response, the recruitment cycle for international students is a long one, with many providers reporting to us that their recruitment is already well underway for 2025 with offers and acceptances already received. We therefore maintain that the proposed implementation date of 1 January 2025 is unreasonable since it leaves providers with an insufficient period to adjust their strategies, resources, systems and infrastructure. For these reasons, IEAA recommends that the date of implementation should be delayed until January 2026.
- in the absence of ATEC being established in a timely manner to consult and factor in public universities' mission compacts, and with no similar allocation mechanism being suggested for independent providers, we have real concerns that an ad hoc allocation of places for January 2025 could cause major damage to Australia's reputation abroad
- there is already a lack of transparency and consistency which is not controlled by the Department of Education. The current visa refusal rate and processing delays by Home Affairs Department is already obfuscating the situation and making it tremendously challenging for education providers to redesign their business processes with any predictability for January 2025 anyway.

Objective Three: Taking Australian Education and Training to the World

Barriers to growth in offshore and transnational delivery

IEAA is very supportive of enhanced TNE delivery (particularly if meaningfully supported by all arms of Government). However, we make the following points:

- establishing a TNE presence is not without significant risks and requires a whole of institution commitment including a much longer period to plan for a financial return. There are added complexities in operating in a foreign country such as navigating the unclear or insufficiently developed regulatory frameworks, different legislative,

cultural and political environments. Invariably it is the revenue generated from onshore international recruitment that supports and enables institutions to explore and take the risks associated with TNE opportunities. In difficult times for the sector (such as those that will ensue from the proposed caps regime) these exploratory/high risk activities are either paused or withdrawn. In other words, only when onshore enrolments are doing well do providers have the resources to cross-subsidise these longer terms desirable options

- from the Australian legislative/regulatory perspective, our post-secondary institutions must maintain compliance with HESF, if awarding an AQF award, and if engaging with a third party, maintain standards equivalent to those on their home campus. This creates enormous compliance burdens. Australian institutions are also reporting increasing levels of competition from both home country and international competitors from some of the markets they are operating in. Many of these competitors are not subject to the same level of oversight and regulatory reporting requirements
- unfortunately Australian state/territory governments can also act as significant barriers to entry in offshore delivery. It is already well documented that, in the absence of one national matriculation certificate, our school sector competes with itself in promoting and delivering different Year 11 and 12 programs. Of more concern is the recent announcement in Victoria's State Budget that it will discontinue funding/auspicing the delivery of the Victorian Certificate of Education in the northern hemisphere. A number of Victoria based independent schools have been successfully delivering the VCE in China and Vietnam over many years. Students who graduate with the VCE usually then become an import pipeline for enrolments into our Australian universities
- for public TAFE it has already been noted that the advent of free places for domestic students has led to a marked decline in interest by TAFE Institutes to explore offshore delivery opportunities. If a TAFE CEO has their KPIs based on successful delivery of government funded courses to domestic students, and no equivalent KPI required for offshore delivery, then we cannot anticipate greater TNE involvement going forward

Where can government direct effort to support transnational education

- successive Australian Governments have fallen victim to one arm of government not coordinating with the other. A well known example here has been Austrade encouraging providers to support their education fairs into Africa. However, those providers who have heeded the Austrade call and invested funds accordingly, too often find that their Home Affairs Department student visa conversion rate (from even the most outstanding student applicants) does not justify their investment. Hence only two states, WA and SA, have one African country in their top 10 student source markets. In the absence of a significant onshore market from the African continent, there is little incentive to be involved in TNE delivery there. In contrast, Nigeria has been the UK's third largest student source country for many years and UK universities are increasingly active in the TNE market there
- in the recent Joint House Committee Inquiry into our sector, evidence was tabled that Austrade provides \$54 million p.a in funds for our nation's tourism/hospitality sector but only \$6 million p.a in funding for the international education sector. Compared to other study destination countries that we compete against we are not funded by

government appropriately. UK Government supported programs, such as those of the British Council have acted in the past as shop fronts and marketing devices for greater engagement with British institutions

- at the very least, our Association maintains that Australian Government agencies could further improve their offshore market research and intelligence gathering funded activities to identify emerging trends, opportunities, and challenges in agreed target markets. They should also better collaborate with relevant accreditation bodies and quality assurance agencies to streamline accreditation processes and enhance the credibility and recognition of potential TNE qualifications
- Australia's New Colombo Plan and our Australia Awards scholarship programs are recognised globally as outstanding education-based contributions to bi-lateral engagement, particularly with neighbouring countries. The downside is that countries located outside our Indo-Pacific region, particularly those in Latin America, perceive Australia to be less interested in meaningful education support and engagement with them. Given that Colombia and Brazil now feature in the top 5 student source countries for many of our states it would be beneficial to all stakeholders if more could be done by our Government to better engage with non-Indo Pacific offshore markets