



AUSTRALIAN BUSINESS DEANS COUNCIL

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By online form

ABDC Submission to The Joint Standing Committee on Foreign Affairs Defence and Trade Inquiry into the Post-COVID Recovery of Australia's International Education Sector

The Australian Business Deans Council (ABDC) is the peak body and collective voice of Australia's university business schools that graduate [17% of all domestic students and 46% of international students](#). Our mission is to make business schools better.

In this submission, the ABDC wishes to provide context and factors to consider concerning the four international education themes identified in the Terms of Reference.

From the outset, though, we wish to stress the importance of having an overarching, Australia-wide international education strategy, and a statement from the Australian Government about the value and importance of the sector.

A new international education strategy should provide a cohesive value proposition for Australian education from school through to vocational education and training (VET), university courses, and research. It should also provide opportunities for all higher education providers in their areas of expertise.

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.

Resetting our relationships

In 2019, there were about 520,000 international students in Australia who provided revenue worth [A\\$10 billion across the university sector](#)ⁱ — figures that plummeted as pandemic restrictions increased.

In April and May 2020, the ABDC warned that Australia's hard-won international reputation for high-quality education and research was at risk.ⁱⁱ

Students who lost their jobs were excluded from the types of hardship assistance being offered to international students in other countries, like Canada and New Zealand. Excluding international students from hardship assistance damaged Australia's reputation, and undermined trust in the international education sector.

The ABDC's concerns went to the heart of how, as Australians, we position our country globally; our trustworthiness and leadership in the Asia-Pacific region; our strengths as a vibrant, diverse society; and our ability to care for those we had previously welcomed into our home — concerns that are equally important today.

Much of the \$4.7bn that universities contributed to research each year had been funded by the international education revenue that had evaporated.ⁱⁱⁱ The result was the loss of thousands of higher education jobs, with research and infrastructure projects put on hold or abandoned. Talented researchers left Australia with no guarantee they would return.

Now, our number of international students and researchers is improving. A Mitchell Institute analysis^{iv} concluded there were 320,000 international students in October 2022, but more than 72,000 international student visa holders were outside Australia. About half of those were Chinese international students who were still subject to travel restrictions in their home country.

The loss — temporary or otherwise — of China as the principal source of international students in Australia has led to efforts to diversify the mix of nationalities in our international student cohort.

However, as we seek to diversify further and widen our education markets, Australia must look beyond the financial transactions that have made international education our largest service export and develop deeper and lasting relationships with those who either come only to study, or those graduates who wish to stay and contribute to the Australian economy through employment.

Managing expectations

The quality of our complete offering to international students — not only on campus — is critical to maintaining our reputation as an attractive education destination.

As the hardships of the pandemic showed, students who come to study in Australia can find themselves quickly in a hand-to-mouth existence. Students must understand the cost of living and the commitment to have the most positive experiences possible. This goes back to all providers being clear on the realities of studying and living as a non-citizen in Australia.

There is a danger that the current extension of the hours international students can work could have the unintended consequence of heavily skewing the work-study balance away from study, particularly if money is a pressing concern.

Soft diplomacy and building regional capabilities

International graduates who return home are potential ambassadors for Australia, engaged in soft diplomacy that can heighten understanding with our regional neighbours and open possibilities for future cooperation.

This could be enhanced by reaching out with greater support for doctoral and masters' students from the Asia-Pacific (APAC) region to contribute to upskilling — like previous Australia Awards or inbound Colombo Plan funding.

Smoother pathways to residency from post-study work rights

A primary factor influencing international student enrolment in Australian universities is the opportunity to access employment through a post-study work rights (PSWR) visa. While there is considerable demand among international graduates of our universities to stay in Australia and contribute to the Australian economy, the current PSWR settings need to provide a coherent path to permanent residency and not prevent students from accessing employment in the areas in which they have trained.

Recent extensions to this PSWR scheme in some areas of study are welcome. Still, we need migration settings that provide pathways to permanent residency that are of benefit to, and easily understood by, potential employers of our international graduates.

Educating and inspiring employers

Data on skilled migration shows that employers are underutilising international students on 485 visas — these visa holders make up just 7 to 10 per cent of overall skilled migration.^v International students struggle to find employment in their field of study, and are likely to transition to other temporary visas, suggesting that a clear, compelling pathway to permanent residency is lacking.^{vi}

It can take time for any graduate to be employed successfully in a field of study. Short post-study work rights with no clear pathway to permanent residency can make it unviable for employers to invest time and resources in onboarding international graduates, which discourages highly skilled international graduates from remaining in Australia.

The ABDC contends there should be carefully targeted campaigns — that involve all stakeholders, including governments and the higher education sector — to promote the value of international students as interns and the ability of international graduates to meet employer needs.

Improving the employment prospects of students

To meet skills shortages in Australia and overseas and improve the employability of graduates, flexible forms of assessment that reflect changing workforce expectations are needed. The government could work with higher education, vocational education and business to define the elements of capabilities transferable across industries and occupations.

Opportunities to upskill and reskill should be delivered in flexible ways — for example, ‘stacking’ short courses or micro-credentials to provide whole or partial degrees, depending on student need. The Government’s recently announced *Microcredentials Pilot in Higher Education* is a welcome first step to realise this opportunity.

Opportunity to rethink the Australian Qualifications Framework (AQF)

This review provides an opportunity to examine the volume of learning for master’s education as well as the addition of micro-credentials and stackable credentials. For

example, Australia is behind our major competitors, like the United Kingdom, the USA and Canada, where one-year master's degrees are often the norm.

Online innovations in education delivery and potential opportunities to strengthen the sector's resilience.

The opportunity for students to continue studying online and access PSWR has kept more students enrolled, with the expectation that they can learn from, and contribute to, Australian industry once able to travel.

However, the Government must provide short-term certainty by clarifying whether it intends to continue access to PSWR for graduates who have studied online; and the visa these students are required to hold while studying remotely with Australian higher education providers (if any) to access PSWR.

Micro-credentials support by the Tertiary Education Quality and Standards Agency (TEQSA), including through amendment to the AQF, will aid in the transition of universities to offer these to meet the skills gap in Australia and in our closest APAC trading partners.

Initiatives to ensure positive international student experience and support pathways to build their skills and contribute to Australia's prosperity.

The extension of PSWR visas; educating employers about the benefits of international student interns and graduates; and a better pathway to migration have much to offer Australian employers in meeting the skills shortage and strengthening the ties and markets for Australian firms across APAC.

However, there must be a stronger focus on employability outcomes in Australian education offerings and greater opportunities for internships while enrolled as a student in Australia.

As discussed earlier, this will require a concerted effort by all stakeholders and a campaign targeted to improve how businesses perceive the value of international student interns and graduates.

Opportunities for international education to support strategic and foreign policy objectives.

Australian universities have the expertise to contribute strongly to capacity building in the APAC region.

Business schools play a key role in shaping the new governance, risk management, leadership and operational practices needed to transition businesses, industries and economies to net zero in Australia and our intentional students' home countries.

The ABDC has endorsed a [Declaration on Climate Action](#)^{vii} to establish education standards and identify the threshold attributes of graduates to contribute to net zero transition. In this, the ABDC is collaborating with the Australia-New Zealand Chapter of Principles of

Responsible Management Education (PRME) to build forums to share best practices and coordinate action.

The ABDC has also appointed a Climate Action Fellow^{viii} to boost climate change action and improve industry engagement.

This work is critical to promoting the innovative and forward-thinking attributes of domestic and international business school graduates and Australia's role in the APAC region.

The ABDC wishes to thank the Joint Standing Committee for the opportunity to make a submission to the inquiry and welcomes further opportunities to engage with the inquiry as it progresses. Requests for further information may be made to the ABDC c/o Caroline Falshaw, Executive Officer: office@abdc.edu.au



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ⁱ Hurley, P. *International Students are Returning to Australia*. <https://theconversation.com/international-students-are-returning-to-australia-but-they-are-mostly-going-to-more-prestigious-universities-193391>

ⁱⁱ Grant, D. 2020. *ABDC Calls for Urgent Action to Stop the Haemorrhaging of International Education*. <https://abdc.edu.au/latest/2512/>

ⁱⁱⁱ Grant, David. 2020. *Why Aren't We Saving a Vital National Asset?* <https://www.theaustralian.com.au/higher-education/why-arent-we-saving-a-vital-national-asset/news-story/9ab924227c0c29d90258dbc9393c8645>

^{iv} Hurley, P. *International Students are Returning to Australia*. <https://theconversation.com/international-students-are-returning-to-australia-but-they-are-mostly-going-to-more-prestigious-universities-193391>

^v Norton, A.J. 2022. *Extending the 485 visa by two years will exacerbate the problems of Australia's temporary migration program*.

<https://andrewnorton.net.au/2022/09/06/extending-the-485-visa-by-two-years-will-exacerbate-the-problems-of-australias-temporary-migration-program/>

^{vi} Ibid

^{vii} ABDC. April 2022. *Business Deans Issue Declaration on Climate Action*. <https://abdc.edu.au/latest/3284/>

^{viii} ABDC. September 2022. *Australian Business Schools Turn up the Heat of Climate Action*. <https://abdc.edu.au/latest/3680/>