

## **ABDC submission: Draft International Education and Skills Strategic Framework**

### ***Objective 1: A Sector Built on Quality and Integrity***

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

The ABDC welcomes Education Minister Clare's announcement (Sky TV, 9 June 2024) that a cap on international students will relate to institutions rather than courses. The institutional focus will reduce the complexity of implementing caps and be less problematic for trans-disciplinary courses.

However, the ABDC asks that the Government:

- Give the sector sufficient notice of changes. The proposal to implement enrolment caps by 1 January 2025 is unworkable as some students have already been accepted to universities to start their studies in Australia in 2025 and even 2026. The ABDC proposes delaying the international student cap date to 1 January 2026.
- Distinguish between existing and potential international students. Consider grandparenting arrangements for existing students.
- Reduce the possibility of unintended consequences. The ABDC is concerned about caps cutting business school income that funds research across each university. Cuts in university research funding could lead to lower international university rankings that attract students to Australia in the first place.
- Note that reducing the number of business school students may have a much bigger impact on university income than cutting the number of students in other disciplines. This is because the cost of providing business education is much lower than in areas like health.
- Compensate for the loss of international student income by lifting the Government funding of research, which is currently well below the OECD average.

The Australian Business Deans Council hopes any policy changes will allow Australian universities to continue producing top-quality research and sustain the sector's hard-won success in the highly competitive international student market.

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

- Providers must ensure that only genuine student applicants are offered places.
- Providers should aim for appropriate domestic-to-international student ratios with a diverse mix of students from different countries.

- A clear pipeline from study to permanent residency is needed if Australia is to retain the skills of its best international graduates.
- Along with viable post-study work rights, providers must work closely with government and industry to provide international students with more work-integrated learning and exposure to employers who may benefit from students' cross-cultural knowledge.
- Providers should collaborate with government and agents to prioritise student welfare, foster innovation, and sustain Australia's global reputation in international education.

## ***Objective 2: A Managed System to Deliver Sustainable Growth Over Time***

### **Question 1: What factors should inform the Government's approach to allocating international student enrolments across sectors, providers, and locations in Australia?**

The ABDC was surprised to read that business and management are “skills not generally in shortage in Australia” (Draft Framework, p. 18). The Government's Jobs and Skills Authority has identified shortages in business and management professions such as auditing, insurance, workplace relations, cybersecurity and recruitment on its Skills Priority List.

The Authority also recently recognised the shortage of financial advisers in most Australian states. The number of Australian financial planners has fallen by almost 40% since 2019, from over 25,000 to around 16,000, leading to some advisers closing their books to new clients as demand exceeds supply and pushes advice costs higher.

The peak accounting bodies, CPA Australia and CA ANZ, have warned of the shortage of qualified accountants in Australia. They say the nationwide skills shortage and global competition for accounting talent means it is in Australia's best interest to continue to encourage international enrolments.

Delivery of business and management education is an important part of the international education sector's success.

Business is an international language popular with international students. Business courses develop a wide range of skills in graduates that benefit government, the non-profit sector, and private enterprise across all industries. For example, data analytics, sustainability, innovation, and supply chain management provide crucial and much-needed expertise for health and other sectors with skill shortages.

Any changes should protect the sector's continued success and reputation among the 39% of international students who choose to complete a business and management qualification in Australia.

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

The ABDC proposes that the international student cap exclude these categories:

- Students who do not require a student visa to enter Australia:
  - Online studies. Students completing Australian degrees online do not apply for student visas and will not enter Australia as students.
  - Offshore transnational education (TNE) students. Students completing Australian degrees overseas at TNE partner institutions for the entire study time do not apply for student visas and will not enter Australia as students.
- Students already committed to Australian universities:
  - Pathway students who study with domestic or international pathway partners commit to being international students for up to four years of overseas study at Australian universities. Many have already been accepted by Australian universities on condition they complete the overseas portion of their pathway studies.
- Students who do not qualify to apply for post-study work rights:
  - Students who undertake courses shorter than two years do not qualify for post-study work visas. Their offer letters clearly stipulate this.
  - Many pathway students will study in Australia for less than two years even though their course may be longer. For example, students doing a three-year bachelor course may complete two years overseas and one year in Australia. Another example is students undertaking a two-year master's course that includes one semester overseas.
  - Non-award students who come to Australia for a short-term experience.

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

- The proposed approach with caps on institutions, with caps on courses as a reserve power, will increase reporting complexity for providers but will still allow universities to most effectively manage their resources.
- The proposed framework does not distinguish new and existing students in the international enrolment cap. Any caps should not disrupt the studies of existing students.
- If the Government ever chooses to use its power to implement caps at course level, the ABDC asks it to consider how those caps would work with interdisciplinary offerings. Academics in one discipline are not qualified to teach in a non-relevant discipline, according to Australian Qualification Framework.

**Question 4: Should sectors other than higher education and vocational education and training, such as schools, ELICOS, and non-award be included in approaches to manage the system for sustainable growth?**

- No comments.

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

Allocating international student enrolments should acknowledge the value of transferable skills and give providers the flexibility to respond to international student demand in a global market.

An additional consideration could be the ratio of domestic and international students. This would allow universities to increase international enrolments in line with growth in domestic enrolments. Growing both cohorts would improve students' experience by fostering cross-cultural links.

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

Support for the provision of homestay accommodation could be provided, as it is often more affordable as well as socially and culturally enriching.

Our members note that domestic students, particularly those from rural and regional areas attending metropolitan universities, also find it hard to source affordable housing.

Therefore, housing for both international and domestic students should be considered jointly, with a focus on increasing the supply of affordable housing overall.

**Question 7: What transition arrangements would support the implementation of a new approach?**

- Allow sufficient lead time. Blocking students who have already been accepted or are committed to coming to Australian universities is, and will continue to, damage our international standing as higher education providers in a well-developed country. We propose delaying the effective date of the caps to 1 January 2026.
- Exclude pathway students in the international student cap. As mentioned earlier, these students are already committed to overseas studies in Australian universities. Many of the students started their pathway program a few years ago. Their pathways are identified in agreements signed between Australian universities and overseas pathway partners. Not allowing those students to come to Australia could put many universities in violation of agreements and pose a potential legal threat.

***Objective 3: Taking Australian Education and Training to the World***

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

### *Resources*

Setting up offshore and transnational delivery is a high-cost, low-return exercise in the short term. It is also a high-risk, investment over the long-term. Adapting courses designed for onshore teaching and learning or creating new courses to be delivered as offshore and transnational studies, requires significant university resources. The financial challenges of the past few years mean that many Australian universities do not have the resources to pursue these platforms.

### *Understanding the international environment for offshore and transnational education*

Every country has its own regulatory environment and market with varying and constantly changing levels of stability. This increases the risk of universities investing resources in TNE.

## **Question 2: Where can the Government direct effort to support transnational education?**

- Australian universities recognise opportunities in transnational education. However, they may lack knowledge about, for example, which countries are suitable; the regulatory and economic environment in those countries; possible models and suitable partners for transnational education; and the history and levels of success of prior Australian footprints. Austrade and DFAT guidance is valued and can assist in improving knowledge.
- The Government could also provide detailed guidelines to universities seeking accreditation offshore for transnational offerings and promote quality assurance frameworks that ensure Australian education standards are met in transnational offerings.
- With professional bodies like the International Education Association of Australia, governments could offer in-depth seminars on topics like market scan, in-country regulatory environment, and country development plans that would be of use.