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Committee Secretary
Senate Education and Employment Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600
By online submission

RE: Submission in response to Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 referred to the Senate Education and Employment Committee on 16 May 2024

Thank you for the opportunity to provide feedback to the Senate Education and Employment Committee (the Committee) regarding the *Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024* (the Bill) referred to the Committee for inquiry and report by 15 August 2024.

UTS supports the Australian Government's aim to ensure the sustainability, quality and integrity of our world-class international education sector. We are committed to delivering high quality learning experiences for our international students and understand the importance of balancing the economic benefits of growth in the sector, the State and Australia with the delivery of social services and infrastructure to meet student needs.

International education and the Accord

The Australian Universities Accord has set a visionary roadmap for a tertiary education system that supports a stable democracy, strong economy and fairer society for all Australians. This is underpinned by ambitious targets for tertiary attainment and equity outcomes that have been accepted by the Australian Government. The capacity for universities to deliver high quality learning experiences to this expanded cohort will be severely compromised unless growth in domestic student numbers is matched through increasing own-source revenue or greater government funding.

The implementation of the Bill and the associated *draft International Education and Strategic Skills Framework* will need to consider the approach, timescales and mix needed to address Australia's skills challenge. It is likely Australia will continue to rely on skills sourced internationally to fill short- and long-term workforce needs. International education should form part of that consideration.

In addition, under current funding arrangements, reliance on revenue from international education to produce the skilled workforce of the future is a necessity for many institutions. The collective impact of recent ad hoc migration policy changes targeting international students is compounding the financial challenges for universities post COVID and presents the very real likelihood of job losses in the sector. International education matters, and it matters for all students and stakeholders.

Economic benefits of international education

International education is an important export sector for the national economy and the economy of NSW, where UTS is based. In 2023, international education was NSW's second largest export after coal, and our largest services export, valued at \$17.9 billion to the State (\$48 billion



nationally, according to Universities Australia) and supporting over 95,000 full time equivalent jobs (250,000 nationally in education, retail, hospitality and tourism).¹

International students are key to realising Australia's ambitions to progress our standing as a globally competitive innovation-driven economy. According to the Department of Education data, our domestic skills mix will not be sufficient to deliver on priorities such as advanced manufacturing and the green energy transition. In NSW, international students comprise a significant proportion of total NSW graduates in fields with critical skills shortages, including information technology (63%), engineering (52%), architecture and building (32%), health (16%) and education (14%).²

International students at UTS

UTS's international students are an integral and valued part of the UTS community, and we benefit from the global experience they bring to our university community. Importantly, revenue from international education supports the delivery of high quality facilities and learning experiences for our domestic students, which is not possible with the current level of government funding alone and the absence of any alternative reliable source of capital funding. Many of the services we deliver and experiences we provide for both domestic and international students, would be compromised by significant reductions in international student numbers.

Comments on the Bill

The introduction of this Bill brings several significant changes aimed at enhancing the quality and integrity of education services provided to overseas students. While the intent of these amendments is commendable, they also present several challenges for universities, which could potentially impact our operations, compliance and overall student experience.

This submission outlines the key challenges faced by universities in response to these amendments and provides specific recommendations for mitigating these impacts.

- **Increased regulatory burden:** The Bill introduces several new compliance requirements, such as stringent reporting on education agents and their commissions and detailed monitoring of provider ownership and control. These measures, while aimed at ensuring integrity, significantly increase the administrative burden on universities. Additional resources will be required to ensure compliance, diverting funds from core educational activities and potentially impacting the quality of student services.
- **Impact on international student recruitment:** The Bill's provisions concerning education agents, including new definitions and reporting requirements, could disrupt established recruitment processes. Education agents play a crucial role in attracting international students. Increased scrutiny and regulatory requirements may discourage their engagement or reduce their efficiency, leading to a decline in international student enrolments, adversely affecting university revenue and the broader economic contributions of the sector.
- **Financial implications:** Compliance with the new regulations will necessitate additional investments in systems, staff training and ongoing administrative costs. For instance, tracking and reporting on education agents' activities and commissions require robust data management systems and regular audits. These costs come at a time when universities are still recovering from the financial impacts of the COVID-19 pandemic and face pressures from fluctuating international student numbers.

¹ Australia Bureau of Statistics (2023), [International Trade: Supplementary Information, Financial Year \(Table 3\)](#); Australian Department of Education (2019), [Jobs Supported by international students studying in Australia](#).

² Australian Department of Education (2023), [Higher Education Statistics, Award Course Completions Pivot Table 2022](#).



- **Operational challenges:** The introduction of enrolment limits and other regulatory changes require significant operational adjustments. Universities must revise their strategic planning, marketing strategies and recruitment processes to align with the new regulations. The lack of a transition period exacerbates these challenges, leaving little time for institutions to adapt their operations without disrupting their current and future student cohorts.
- **Reputational risks:** The stringent measures and increased oversight may create a perception of Australian education being heavily regulated and less attractive to international students. This could harm Australia's reputation as a welcoming and reliable destination for quality education, thereby reducing its competitive edge in the global education market.

Economic and social contributions: As noted above, international students contribute significantly to the economy and cultural diversity of university campuses. Any decline in international student numbers due to the proposed amendments could have broader socio-economic repercussions, including job losses, reduced economic activity in the local community, less cultural exchange and fewer opportunities for domestic students to engage in a globally connected learning environment.

To mitigate these impacts, we ask the Committee to consider the following recommendations:

1. **Extended transition period:** Commencement on 1 January 2025, as proposed by government, does not allow sufficient time for providers to adapt their systems and processes. Implementation must include an extended transitional period to 1 January 2026 to allow thorough consultation with public universities ahead of our forward planning and admissions processes.

To illustrate this imperative, UTS has mapped in Attachment A an indicative timeline from application to commencement for undergraduate (407 days) and postgraduate (258 days) international students. These timelines demonstrate the forward planning required by students and universities and the disruption and unfairness of introducing new enrolment limits without adequate notice.

During this transition, we also strongly recommend that the Australian Government minimises any further changes and disruptions to current settings related to recruiting international students. This should include an immediate freeze on changes to education provider evidence levels under the Simplified Student Visa Framework (SSVF). Ideally, an alternative to the current SSVF would be desirable, given the circumstances in which we operate are now very different to when the scheme was conceived, and to end the arbitrariness of the current system in favour of increased transparency, efficiency and clarity.

2. **Consultative approach:** The Department of Education must engage in genuine co-design with the higher education sector to ensure that the regulatory changes and new policy framework are practical and achievable. This includes seeking feedback on specific provisions and their impact on university operations.
3. **Clarify the methodology used to determine enrolment limits:** The Bill is currently silent on how the Minister will determine any enrolment limits and the Explanatory Memorandum accompanying the bill suggests that it will be determined in reference to extraneous material. The uncertainty and current lack of transparency in the design of the Bill will negatively impact on providers' ability to predict and promptly respond to any enrolment limits that will be set.
4. **Enrolment limits at provider-level only:** If enrolment limits are to be set, then these be at the provider-level only and remove the ministerial power to set caps at the course level. The higher education sector is diverse and should be encouraged to maximise offerings in their areas of strength. Domestic skill demands also shift over time, and government-imposed caps at course level may not be sufficiently responsive and flexible to adapt to such shifts.



5. **Replace automatic suspension with a margin of flexibility or grace period:** The Bill suggests automatic suspension is triggered by virtue of the enrolment, or 'intending' enrolment, of one student above a provider's enrolment limit. This overlooks the fluctuations that naturally accompany international student offers and enrolment. Expectations for providers to forecast movements down to a single student is unduly onerous, impractical and automatic suspension is a disproportionate penalty in these circumstances.
6. **Clarify the proposed definition as it relates to education agents:** The proposed definition could be understood to potentially extend to activities or services that are minor, ancillary or administrative in nature.
7. **Flexible reporting:** Adopt a flexible and risk-based approach to reporting and compliance, focusing on high-risk areas while allowing lower-risk providers to operate with fewer regulatory burdens. This ensures that resources are allocated efficiently and effectively.
8. **Inclusion of a sunset clause:** Acknowledging the future role of the Australian Tertiary Education Commission as an independent steward for the tertiary system, the Minister's powers under the legislation should be subject to a review mechanism and a sunset clause.

UTS is committed to maintaining the highest standards of quality and integrity in its international education programs. While we support the objectives of the Bill, it is crucial to address the operational, financial, and reputational challenges it presents. By adopting a phased, consultative, and supportive approach, the government can help ensure that the sector remains robust, competitive, and capable of delivering world-class education to students from around the globe.

UTS appreciates the opportunity to contribute and would welcome future engagement regarding this inquiry. Please do not hesitate to me directly or Danielle Woolley, Head of Government Affairs and External Engagement should you wish to discuss this submission further.

Yours sincerely

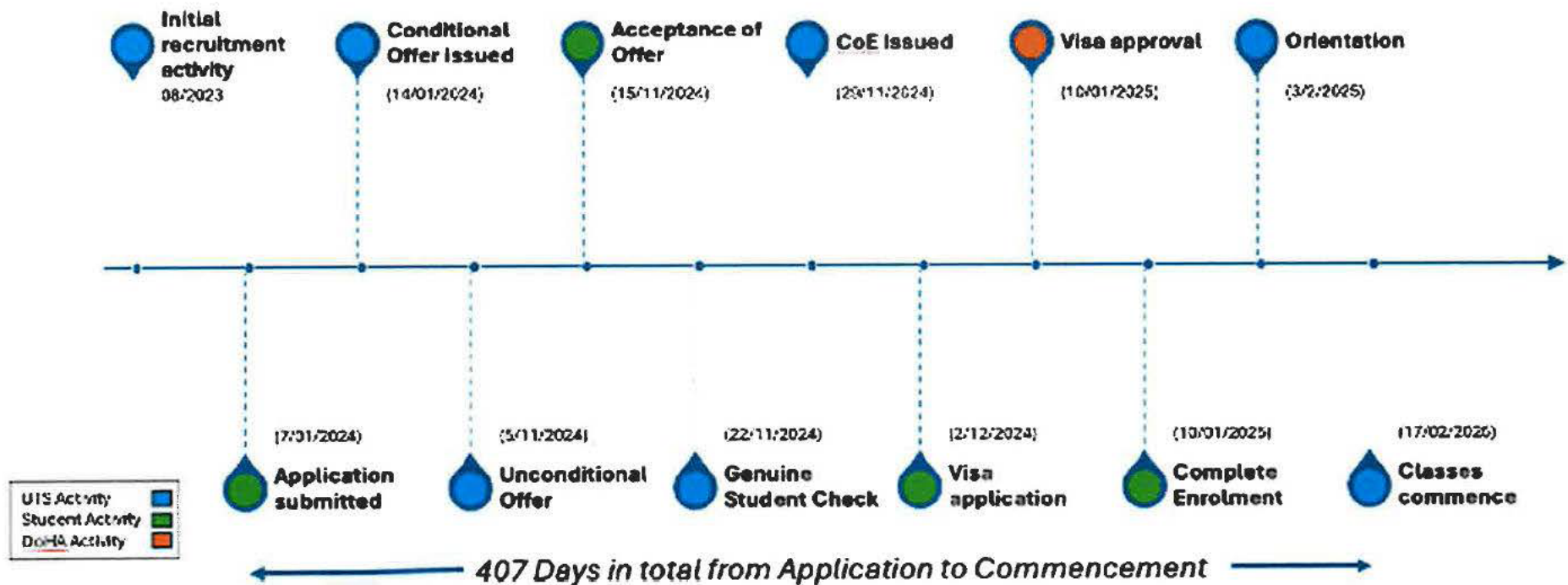
Professor Andrew Parfitt
Vice-Chancellor and President



Attachment A – Undergraduate

Note: Transition from 'conditional' to 'unconditional' offers are typically based on preparatory academic pathways or English courses that students are currently undertaking with the expectation of an 'unconditional' offer on completion of those preparatory programs.

**Indicative timeline for 2025 commencement
International Undergraduate Consideration period from interest to commencement**





Attachment B – Postgraduate

Note: Transition from 'conditional' to 'unconditional' offers are typically based on preparatory academic pathways or English courses that students are currently undertaking with the expectation of an 'unconditional' offer on completion of those preparatory programs.

Indicative timeline for 2025 commencement International Postgraduate Consideration period from interest to commencement

