PARLIAMENT OF AUSTRALIA

Joint Standing Committee on Foreign Affairs, Defence and Trade

Trade Subcommittee

Discussion Paper – International Education

Inquiry into Australia's tourism and international education sectors

Contents

Introduction

The Minister for Trade and Tourism, Senator the Hon Don Farrell, requested the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT), through its Trade Subcommittee, to inquire into Australia's tourism and international education sectors. The inquiry will explore the challenges and opportunities presented to both sectors since the reopening of Australia's borders.

The purpose of this background paper is to give context and detail to the international education component of the inquiry. This paper outlines 7 themes that consider some of the issues and challenges facing the international education sector. Each theme has a series of questions to be considered prior to the roundtable public hearing.

The background paper is not intended to replace the Terms of Reference. Nor is it intended to place more importance on some issues over others or represent the full suite of issues being considered. Rather, it summarises the current situation and possible alternatives, and sets out thematic questions that may assist on these topics. This background paper is intended as a resource and a guide to this purpose.

While the breadth of the inquiry includes education and tourism, given the complexity of the international education landscape, this paper is restricted to identifying issues and themes associated with international education only.

That said, international education and tourism are often interrelated. International students travel and explore Australia, they are joined by visiting friends and family, and serve as advocates for Australia and the regions they study and live in. International students work part-time during their studies often in the hospitality and tourism industry and are a vibrant and important part of why Australia is an attractive travel destination. Submissions that cross over between tourism and international education are welcome. Submitters are encouraged to provide case studies, research and evaluation findings, and shared experiences of Australia's international education sector.

The Committee is looking for evidence and examples of what works and what needs to change. Submitters do not need to respond to all themes and may choose to respond to some or all the questions proposed. Submissions may highlight other issues, so long as they remain directly relevant to the Terms of Reference.

In its final report, the Committee will draw upon the evidence gathered through public hearings and written submissions. The Committee proposes to table a report in the second half of 2023.

The Committee has identified the following themes and areas of particular interest and/or concern. Questions at the end of each theme are designed to help inform responses to the Committee. The Committee may ask additional questions and pursue other lines of enquiry during the hearings.

- Online education, offshore (transnational) and hybrid education futures

- International student experience

- Quality and regulation including education agents

- Skills and graduate pathways

- Marketing

- Regional experiences for international students

- Soft power

General questions to consider on Australia's International Education Sector

1. If we could wave a magic wand, what would Australia's international education sector look like?

   - What needs to be done to get there?

2. Are there any aspects of the sector which are of particular concern?

3. How do we preserve and build on what is done well?

4. What would be the one key change if implemented that would drive the greatest improvements?

5. How can we best use innovation and diversification to drive Australia's global competitiveness in international education?

6. What needs to happen to secure the international education sector against future market shocks?

7. What are the biggest barriers to the delivery of a quality education experience?

8. What does Australia need to do to attract and retain the best and brightest to contribute to Australia's knowledge and skill sets now and in the future?

9. Can the international education sector be better positioned to contribute to the future of Australian research, including research commercialisation?

10. How can the international education sector better support Australia's foreign policy objectives and leverage bilateral and multilateral opportunities?

11. How can Australia's international education sector appropriately guard against foreign interference?

12. How can the sector and the Australian Government effectively guard against student exploitation and rorting in the sector?

Setting

Australia's international education sector plays a critical role in connecting Australia with the rest of the world as well as contributing to Australia's national economy. In the past twenty years Australia has educated approximately 3 million international students. Prior to the pandemic in 2019, international education brought in $40.3 billion and supported 250 000 jobs in Australia.

In 2020, Australia was the third most popular study destination for international students, after the United States (US) and the United Kingdom (UK).[1] International students are integral to higher education's contribution to Australian society, bringing significant economic, cultural and community benefits. Australia attracts students from over 190 countries, and this collective diversity and knowledge feeds into our education institutions, workplaces, and communities.[2]

Australia has been regarded as a global leader in international education, however the landscape is changing through emerging geostrategic complexities, increasing competition from traditional and new markets and the rise of digital delivery. In addition, Australia has one of the strongest legislative frameworks in the world to protect the rights of student visa holders studying in Australia.

Australia will need to utilise international education outcomes to respond to Australia's national skills shortages now and into the future. Australia's international education sector will need to recalibrate to keep pace with digital innovations as online and transnational markets grow. The Australian Government will need to consider how best to strengthen resilience to future market shocks, to foreign interference and research security risks to strengthen the international education sectors ability to contribute to building Australia's future workforce.

The impact of COVID-19 saw a revenue drop from $40.3 billion in 2019 to $22.5 billion in 2021, but the sector is now on a path to recovery. International student numbers returning to Australia since the borders reopened are strong and are trending upwards, including from China following the cessation of their Zero-Covid policy and the Chinese Government stance on online qualifications.
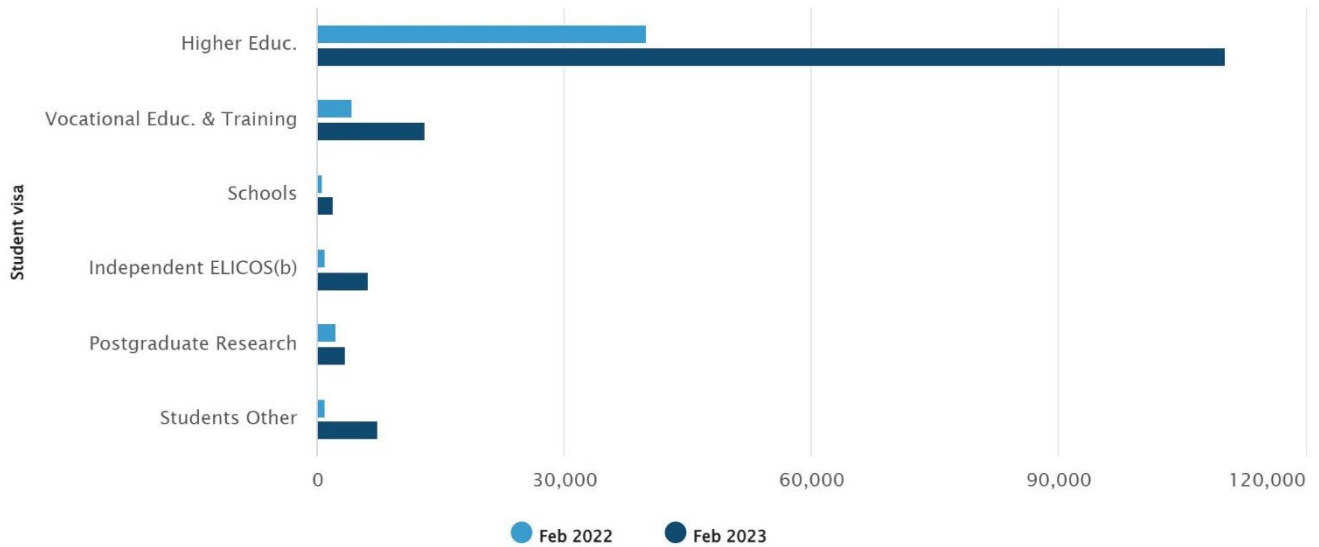
In February 2023 there were 142,580 international student arrivals to Australia, an increase of 93,270 students compared with the corresponding month of the previous year.[3]

The graph below shows an increase in student visa applications and arrivals between February 2022 and February 2023.

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[1] UNESCO (2022) Education – Number and Rates of International Mobile Students (Inbound and Outbound) [Data Set], data.uis.unesco.org, accessed 3 May 2023.

[2] Department of Education (2021) Higher Education Statistics – Undergraduate Applications, Offers and Acceptances [Data Set], education.gov.au, accessed 3 May 2023.

[3] https://www.abs.gov.au/statistics/industry/tourism-and-transport/overseas-arrivals-and-departures-australia/latest-release (accessed 1 May 2023)

a. International student visa holders whether it be for a short-term (less than 1 year) or long-term (1 year or more) duration. This is not the same as when a traveller self reports 'education' as their main reason for journey.
b. English Language Intensive Courses for Overseas Students.

Source: Australian Bureau of Statistics, Overseas Arrivals and Departures, Australia February 2023

Figure 1 International Student Arrivals

Global trends in international education landscape see students weighing up investment in study against the gains in employment opportunities post-study. Students are interested in both migration pathways and in qualifications that are recognised in their home countries.

Australia's strengths in international education – our world-class education system and institutions, liveable cities, multicultural society, student protection mechanisms and high graduate outcomes – remain strong incentives for students seeking an international education. Australia consistently ranks among the most popular study destinations for international students. Competitor countries, including the UK, US and Canada have recovered to 2019 levels and are increasingly pursuing education opportunities in our region.

This inquiry is important as the recommendations made by the Committee will assist the Australian Government to protect its competitive advantage in the international education sector and will guide policy and regulation settings for a vibrant and sustainable international education sector. The Committee looks forward to discussions with witnesses on the themes listed below in this paper.

Themes

Online, offshore (transnational) and hybrid futures for international education

Australia's geographical location and strong ties in the Asia Pacific region increases its opportunity to build on international partnerships and expand Australia's quality education offshore. This section introduces three interrelated modes of international education delivery each with specific opportunities and challenges: online; offshore (including transnational); and hybrid international education. Online can be divided into online studies undertaken by international students in Australia on a student visa, and student visa holders located offshore studying online, and transnational students.

Transnational students are those students located offshore, who do not hold a student visa and are studying at an Australian institution. For example, transnational students can be:

- at an offshore Australian provider campus

- studying for an Australian qualification through an approved third-party provider, and

- studying wholly online and located offshore.

The third is a hybrid mode, where a student who has undertaken part of their course with an Australian provider offshore (online or on an offshore Australian campus), or presents with prior learning, comes onshore on a student visa to complete a course of study. Some further consideration is welcomed through submissions and hearings on future possibilities and challenges of hybrid modes of study.

Online

Covid-19 saw Australian education providers by necessity rapidly pivot to online delivery. While necessity accelerated the use of digital platforms, online education is likely to continue to expand. Technological advancement is reshaping the way the education sector organises itself and contributes to economic and community development.

Artificial intelligence (AI) and automated complex systems are developing rapidly and are increasingly integrated into how education is delivered. There is potential for disruptive innovation that could challenge traditional forms of education by reshaping the way education is delivered. For example, Massive Open Online Courses (MOOCs) allow students to upskill without traditional qualifications. Over the next decade, MOOCs and micro-credentials may transform how students choose to study, how workers upskill and how employers choose employees.

Digital interfaces allow providers and Government to connect directly with students. The development of easy-to-use platforms and apps to guide prospective student discovery and applications is one way to inform and connect international students to the Australian education market. In the future, this digital engagement could potentially disrupt third-party intermediaries such as education agents.

It is clear that new technologies are having a big impact on the design and delivery of education services, and it creates new demands and possibilities for research, innovation and entrepreneurship. This brings fresh challenges and opportunities for Australia's education providers.

Surveys and reports about the COVID-19 online experiences in general reported a strong and common desire for international students to return to onshore and face-to-face learning. While this is good news for Australian onshore face-to-face international education, there is capacity to explore what online can mean for new untapped markets such as transnational and hybrid and for traditional markets to consider introducing flexibility in the delivery of services.

The capped percentage for online study for onshore international students has been waived by regulators since March 2020, as a COVID-response measure. However, this will change in 2023 as Australian education returns to normal regulatory settings. The regulator for higher education, the Tertiary Education Quality and Standards Agency (TEQSA) and the regulator for vocational education and training, Australian Skills and Quality Authority (ASQA) announced on 19 October 2022 the expectation that all providers will transition to compliance with *Education Services for Overseas Education Act 2000* (*ESOS Act*) National Code by 30 June 2023.

The current (temporarily relaxed) regulations require providers to not deliver more than one-third of the units (or equivalent) of a higher education or VET course by online or distance learning to an overseas student. [i] This online percentage is currently under review by the Department of Education as part of their rolling review of the ESOS legislative framework, which will consider the sector's appetite for change.

Challenges in student experience online

Australian providers will need to consider how to best provide adequate support to online students, including technology and connectivity issues, and health and welfare. For example, social isolation is a common challenge in online study environments. Education providers as well as providing their own in-house support services have traditionally relied on Australian support services such as Beyond Blue and Lifeline, however most of these are not available to offshore students.

TEQSA's *Foundations for good practice: The student experience of online learning in Australian higher education during the COVID-19 pandemic* (2020) identified six main themes raised by students in adapting to an online learning regime. While these themes were identified under the hard online pivot required under the pandemic, they remain important considerations for the future of Australian education online:

- reduced interaction with academic staff and peers
- difficulties with IT and variation in staff expertise in its use
- assessment changes
- isolation, lack of engagement and reduced motivation
- difficulty with the translation of some subject areas from an internal to an online mode of delivery, and
- lack of access to libraries as a source of peer socialisation as well as a physical quiet study location.

Characteristics of what worked well identified in the summary reports are relatively few with the following being the most common ones mentioned:

- flexible access to materials, including early availability of lecture and tutorial questions
- good access to academic help and advice online, with many staff making extra 'online' time available for discussion groups or to answer individual students' questions, and
- the technology used made it easier for the students to learn.

The TEQSA report raised questions about the quality of the sector's teaching and learning IT infrastructure. Australian education providers may need to invest in digital infrastructure to remain competitive in the online education field.

Offshore/Transnational

Global flows of ideas, trade and knowledge are changing at an unprecedented rate. Increasingly sophisticated digital environments and platforms to geostrategic instabilities and global events such as COVID-19 are rewriting how we study and work.

Australia has a strong offshore presence in many markets, both in international branch campuses, institutional partnerships and increasingly exploring other innovative ways of delivering transnational

education (TNE). However, Australia lags behind some similar education providing countries, particularly the United Kingdom (UK) and the United States (US). There are opportunities to deepen and broaden Australian TNE as offshore markets mature. TNE is one tool that can potentially be leveraged to support Australia's skill shortages, particularly as other countries in our region, such as Indonesia, look to upskill significant proportions of their population.

There is opportunity to configure TNE courses to both meet demand in overseas markets, while also aligning them with Australia's chronic skill needs. This provides an avenue for skilled migration of individuals that have been trained by Australian institutions, to Australian standards, to meet Australia's needs.

TNE and training are a potentially useful avenue to drive strategic and foreign policy objectives, particularly with those in our region. TNE could be a way to work with partners within the region to develop a way of accessing high quality Australian international education at a more affordable price point. With around 15 per cent of international students who study with Australia coming from ASEAN countries, there are significant opportunities to grow this number and reach more students through transnational and online delivery.

Continued and targeted engagement in our region with higher education institutions, VET and schools will enhance the opportunity to increase global access and equity around knowledge in our region. This will in turn contribute to increasing global education standards and supporting government policies such as the Plan for a Stronger Pacific Family.

Utilising innovative transnational models could contribute to Australia's global reputation as a leader in education. But it will hinge on the ability of the education delivered offshore to maintain a high quality and able to meets the needs of students to ensure Australia remains one of the world's leaders in international education.

In the Indo-Pacific region and Latin America the demand for skills is growing due to economic challenges arising from population demographics, technology advances, structural adjustment of labour markets and the rapidly evolving needs of industry. Australia is well-placed to respond to this increasing global demand for skills development, particularly in industries where Australia is regarded as a global leader.

Visas, legislation and standards

An international student in Australia on a student visa who undertakes online study will come under the *Education Services for Overseas Students Act 2000* (*ESOS Act*) legislative framework and protections. A transnational student who studies online and does not hold a student visa will not come under the protections of the *ESOS Act*.

Section 26 of the *Tertiary Education Quality and Standards Agency Act 2011* (*TEQSA Act*) requires a registered provider to ensure that any third party delivering a course on its behalf (either wholly or partly) delivers the course consistent with all of the requirements of the Higher Education Standards Framework (Threshold Standards) 2015 (the HES Framework). The HES Framework does not distinguish between requirements for courses delivered in Australia or overseas.

Transnational VET

The delivery of VET courses either through face-to-face delivery in-country or online to non-domestic students residing offshore is regulated by ASQA. Offshore VET provision involves the delivery of a course of study that leads to a formal VET award. The course of study may be undertaken through a range of modes including online or distance delivery. Training and assessment may be provided partly or fully outside Australia by either a Registered Training Organisation (RTO) or through collaboration between an RTO and one or more third parties.

Regulating VET offshore

ASQA is the national regulator for Australia's VET sector and is empowered to audit the offshore operations of registered training organisations. ASQA's 2019 Report, *Protecting the quality of international VET and English language education* highlighted regulating offshore delivery is challenging due to a range of factors, including the distance and spread of delivery sites and the lack of timely and reliable data being available to the regulator.

ASQA identifies a need to ensure offshore students are afforded the same protections as other students. Offshore delivery of VET introduces risks to the Australian VET system, both nationally and internationally. This includes the risk of poor-quality VET impacting the reputations of Australian VET providers, Australian VET qualifications and the Australian VET system.

ASQA's 2019 report found that reputational risks are generally related to the quality of program delivery. This includes the risk of training and assessment not reflecting the requirements of Australian industry as described by training packages. Training and assessment that does not meet the requirements of training packages may have no value for students seeking employment in Australia and may be seen as a 'second-class' qualification. These risks may affect students, individual providers, and the Australian VET system.

International Skills Training (IST)

The International Skills Training (IST) courses deliver training courses specifically designed for the offshore international student market. IST courses have been developed by Australian Technical and Vocational Education and Training (TVET) experts and are approved by the Australian Government for delivery by quality Australian Registered Training Organisations (RTOs)

The IST program's intent is to:

- address critical competency gaps and skills demand facing the international workforce and the global economy
- support the growth of a greater supply of skilled labour for overseas countries and employers, as well as assist labour mobility across many industries, by developing consistent technical standards
- help meet global demand for Australian education products and high quality skills training offshore
- provide Australian RTOs and multinational businesses with the opportunity to support and expand their global operations, and
- protect the integrity of Australian education quality, status and reputation.

The Department is currently developing (in consultation with subject matter experts) courses in other high-demand, priority skills areas for partner countries. These new IST courses will be added to the program from 2022[4].

Australian VET courses delivered offshore is an opportunity for Australian providers to grow their markets and to expand the scope of their operations. IST allow for differentiating the market to offer training packages that are bespoke for the local market but are not required to meet an AQF level. These have soft power benefits through bilateral skills building programs in countries in the region.

Care has to be taken with this sector of the market to ensure students do not assume that these courses would be automatically recognised in Australia or would be automatically considered as

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[4] https://www.dewr.gov.au/international-skills-engagement/international-skills-training-courses

Recognised Prior Learning (RPL), as this is at the discretion of individual providers. Equally that third party providers and primary Australian providers are effectively regulated to prevent spurious marketing of the courses as a pathway to Australia.

A balance needs to be struck in expanding the delivery of bespoke, local skills training against the value in investing in offshore AQF accredited courses. This includes consideration of how AQF accredited course delivery is a potential source of offshore graduates to fill critical skilled jobs in Australia.

As Australian transnational education expands, questions about barriers to cross-border labour mobility will arise. This will require further exploration into a more nuanced approach for qualification recognition processes and occupational licencing (at all government levels) to streamline and safeguard professional standards.

This could include introduction of pilots to explore traineeship/apprenticeships pathways for occupations in critical skills needs. In addition, ongoing reviews and tighter regulations may be required to prevent any attempted gaming of the apprenticeship/traineeship approach for migration purposes, or migrant worker exploitation. , and appear counter to the objectives to raising of the Temporary Skilled Migration Income Threshold (TSMIT).

Such pilots could draw lessons learned internationally, such as the German VET system[5] that has closely integrated professional competences acquired through in-company training. They could leverage off existing strategic agreements such as the *Northern Territory Strategic partnership agreement 2023 to 2027* the Northern Territory Government signed with Timor-Leste which includes a four-year strategic skills training partnership[6]

Questions – Online, offshore and hybrid futures

1) How do education providers ensure that online students receive the same level of support services that are available to face-to-face students?

2) How can Australia understand and leverage changing student preferences and changing market needs?

3) Is there a profitability model for offshore delivery? If not, what inhibits it?

4) What can we be doing better to gather information about transnational students to inform, refine and support Australia's quality education offerings offshore and online?

5) Australia lags behind some competitor countries in transnational and online education, what opportunities should Australia be taking up to improve and expand our transnational education (TNE) sector and our online capabilities?

   - How can Australia support innovation in online and in TNE while maintaining quality?

   - What are the trends in online and in TNE from an Australian perspective?

   - What could make Australian online and TNE offerings stand out amongst competitors?

6) Can the Government be doing more in multilateral and bilateral fora to promote Australian transnational education?

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[5] https://www.cedefop.europa.eu/files/4184_en.pdf#page=40&zoom=100,0,0 (accessed 9 May 2023)

[6] https://www.iteca.edu.au/ITECA/Content/News/2023/intl-q1/nt.timor.alliance.update.aspx (accessed 9 May 2023)

7) How does Australia ensure that the TNE courses delivered by Australian providers are accredited for their quality to a level comparable to the Australian Qualifications Framework but are still fit for purpose for its local market and needs?

8) What could be done to ensure that TNE is a viable avenue for skilled migration of individuals that have been trained by Australian institutions, to Australian standards, to meet Australia's needs?

   - Is there a risk of offshore transnational Australian qualifications generally being regarded as a second-class qualification to their face-to-face equivalent delivered in Australia and, if so, how can this be managed?

9) How can Government, industry and the international education sector work together to create quality assured traineeship-based qualifications that are capable of delivering work ready international graduates to fill areas of critical skill needs? These qualifications would need to ensure that:

   • students are not exploited

   • quality oversight is effective and efficient, and

   • graduates are filling skill needs.

   - Would open work rights visa conditions need to change, what else would need to change?

10) Can current programs such as the International Skills Training (IST) courses be considered along with offshore AQF level VET courses as a bridging step to onshore traineeships?

11) In developing an approach to a hybrid model (partially online or offshore and partially onshore and face-to-face) what are the pitfalls and opportunities?

12) What barriers does Australia's international education sector face in developing a successful hybrid education offering?

Student Experience

Student experience is a critical factor for international students. It is one of the three top factors which international students consider when choosing a study destination. International graduates who have had positive experiences studying in Australia are more likely to recommend Australian education institutions to friends, family, and peers.

Australia's international education sector should consider how to develop a stronger national and joined-up approach to welcoming students to Australia. One that is backed by pre- and post- arrival support and includes support that continues throughout every student's education journey and beyond to cultivate graduates who can answer Australia's skills needs. The sector needs to continue to invest in quality products, and work to ensure a safe and welcoming environment for international students.

International student experiences in Australia encompass both on and off campus experiences. Education providers have a legislated role in supporting student experience on campus and supporting students to access services they need to live within Australia.

The International Student Experience Survey for 2021 was released on 24 August 2022. The survey revealed that:

• 67 per cent of international students rated the quality of entire educational experience positively in 2021 compared to 63 percent in 2020.

- International student ratings of education experience recovered somewhat in 2021 (67 per cent compared to 63 per cent in 2020) but remain below pre pandemic levels (75 per cent in 2019).
- International students located in Australia rated the quality of entire educational experience more highly than international students who studied offshore in both 2020 and 2021, by 3 percentage points and 4 percentage points respectively.
- The difference between international students and domestic students remains high, with a 7-percentage point difference in quality of entire educational experience (67 per cent for international compared to 74 per cent for domestic) in both 2020 and 2021.
- International undergraduate students rated their living experience in Australia highly in 2021, with 93 per cent of students satisfied with their overall living experience, up from 91 per cent in 2020.

The *Australian Strategy for International Education 2021-2030* (the Strategy), released in November 2021, recognises the importance of student experience and wellbeing by including 'students at the centre' as one of its priorities. Within Australia, education providers have responsibilities to international students to support their health, wellbeing, and adjustment to living in Australia. These obligations are contained in the *Higher Education Support Act 2003*, the *Higher Education Standards Framework (Threshold Standards) 2021* and the *Education Services for Overseas Students Act 2000* and the *National Code of Practice for Providers of Education and Training to Overseas Students 2018* which requires providers to:

- provide students with information about their work rights and how to seek support for workplace issues.
- provide information about support services to assist overseas students in adjusting to study and life in Australia and resolve any issues that arise.
- record and manage critical incidents that significantly impact on student safety and wellbeing.
- take all reasonable steps to provide a safe environment on campus.

Welfare and safety

The Australian Government takes international students' safety and welfare seriously. There are already rigorous requirements in place for education institutions to support international students' wellbeing. The Government wants to ensure all students who come to Australia are living in a safe, supportive environment and have the help they need to thrive while in Australia.

The majority of international students' report feeling safe living and studying in Australia. According to the 2021 International Student Experience Survey:

- 97 per cent of international undergraduate students were satisfied with personal safety on campus.
- 91 per cent were satisfied with personal safety off campus.

Under the National Code, education providers must take all reasonable steps to provide a safe environment on campus and advise overseas students and staff on actions they can take to enhance their personal safety, including assisting students to report incidents that affect their wellbeing to the appropriate authorities and providing support services to assist students with general or personal circumstances that are adversely affecting their education in Australia.

Student accommodation

A key aspect of international students' experience while studying in Australia is their accommodation. Poor housing conditions can undermine international student's physical, emotional and financial wellbeing. The quality of students' living arrangements is strongly linked to student's satisfaction with their education experience. It contributes to building social networks and enhances students' sense of security.

Pressure on student accommodation will continue to be a strong factor in international student experience, with a housing and rental pressures ubiquitous throughout Australia. Australia's housing

crisis is being widely reported on Chinese social media. Students are actively talking about difficulties with accommodation and are worried about arriving without first securing a bed.

This situation is also being experienced by international students in competitor countries. Canada had more than 807,000 international students in 2022 and is experiencing housing vacancy rates of 0.8 per cent in some university cities.[7]

Most international students in Australia live in arrangements covered by state and territory Residential Tenancy Acts. On-campus colleges are not covered by the Residential Tenancies Act. Instead, an agreement is made under each university college's regulations. The Australian National Code of Practice for Providers of Education and Training to Overseas Students 2018 (the National Code) requires education providers to take responsibility for verifying that accommodation for students under the age of eighteen is appropriate.

States and territories are implementing a range of strategies to accommodate the increase in international student numbers and support international students to secure accommodation.

- All jurisdictions are providing predeparture advice about the current accommodation market to international students coming to Australia.
- Study NSW, Study Perth and Study Cairns are running campaigns to encourage their communities to host international students as part of a homestay arrangement.
- Study Gold Coast is partnering with the Queensland State-wide Tenant Advice and Referral Service (QSTARS), a tenancy support and referral service, to assist students with any issues they experience with renting accommodation.
- South Australia has a dedicated accommodation portal for international students and is working together with students and education agents to ensure that information regarding accommodation is communicated effectively.
- StudyPerth is undertaking a campaign to encourage investors to invest in the development of student accommodation within Perth.

Questions - Student Experience

1. How can providers, and Governments at all levels better prepare students for their rights and obligations and life in Australia before they arrive to study to ensure a safe and quality international student experience after arrival?

2. How can Governments at all levels work with the sector to enhance the student experience and ensure Australia is viewed as a safe and welcoming destination?

3. What are the key lessons in best practice in international student engagement that ensure a quality student experience?

4. What are the major challenges and opportunities that need to be addressed to ensure students remain at the centre of international education sector?

5. How can the sector and the Australian Government work with states and territories to support international students to secure appropriate and safe accommodation?

6. What policy or regulatory changes could be considered to boost investment (especially domestic investment) in Purpose Built Student Accommodation?

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[7] Canadian Bureau for International Education (accessed 8 May 2023)

Integrity and regulation

The regulatory and reporting landscape for Australian education sector is crowded and complicated. Providers are subject to regulatory requirements including those stemming from the Higher Education Support Act 2003 (HESA), the Tertiary Education Quality and Standards Agency (TEQSA) and Higher Education Standards Framework (Threshold Standards) and the Australian Qualifications Framework (AQF)[8].

Providers that teach international students must comply with a range of specific regulations, including the *Education Services for Overseas Students Act 2000* (*ESOS Act*). Providers operating in the VET system are subject to a different set of regulations overseen by the Australian Skills Quality Authority (ASQA) or state-based regulators.

Australia needs to continue to develop and enhance regulatory frameworks and systems that support international students and underpin our world class international education sector.

In the post Covid-19 environment the Australian international education sector must find a way to trade on its strengths to remain competitive and that is through Australia's international reputation for quality. One of the quality pillars is Australia's strong international education regulatory framework, surpassing many competitor countries which do not offer the frameworks of tuition protection and legally mandated obligations for education providers in the provision of education to international students that Australia can offer.

To ensure this framework remains effective Australia needs to review where the weak points are in the current framework and its' regulatory application and be bold in delivering effective solutions to the issues, even if it risks the 'bottom' dollar of the sector student numbers. Ensuring that the education regulatory framework is lockstep with the Migration Review's objectives to support student visa holders who are coming to Australia for the genuine purpose of receiving a world class education and deter those who are not.

The *ESOS Act* allows international students access to an Australian education by operating in conjunction with domestic education frameworks, including: the Australian Qualifications Framework (AQF); the *Higher Education Support Act 2003*; the *National Vocational Education and Training Regulator Act 2011*; the *Tertiary Education Quality and Standards Agency Act 2011*; the *Australian Education Act 2013;* the Higher Education Standards Framework 2021; and other state and territory school legislation.

But there are legislative gaps, most notably regarding education agents, but also in the requirements of verifiable evidence of students' English language standards, achieving a nationally consistent and robust standard of student written agreements with providers, and in the attendance and course progression requirements of students to assure visa conditions are met.

The best legislation is only as good as the regulatory application, and in the international education environment it is intrinsically connected to the regulation of the holders of student visas onshore. Arguably the focus in previous years has been on border integrity and offshore recruitment and visa granting and an approach (anecdotally) of auto-granting of student visa changes once onshore.

A closer and more focussed attention to onshore visa changes, and adherence to student visa conditions may alleviate some long-held concerns about transfers and 'visa hopping'. In addition it may address the risk of student visa holders defaulting and remaining in Australia illegally, and of behaviour going 'under the radar' and not reported in a robust, evidence based and timely manner.

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[8] Australian Universities Accord (2023) – Discussion paper (accessed 3 May 2023)

The confluence of these issues and unscrupulous actors in the sector collectively exposes student visa holders to serious exploitation.[9]

One of the ways this could be addressed is by better alignment in onshore monitoring between the Department of Home Affairs, education providers and TEQSA and ASQA reporting and investigations. For example, if there is a spike in transfers from one provider to another, especially from Higher Education to VET this could prompt a system red flag to have a closer examination of the transferring students by Home Affairs, and a cross-notification to TEQSA and ASQA to investigate. This would require a change in the way PRISMS is utilised and an exploration of better data sharing capacity across agencies and between providers. Expansion of regulators resourcing would have to be considered to put them on a more pro-active footing and enable more active monitoring, taking on investigation of individual complaints and investigation of issues. Finally, restrictions on the access to international students in sectors, or specific practices that have persistent and serious exploitation issues should be considered.

Written agreements

Under Standard 3 of the National Code, registered providers must formalise their enrolment of overseas students through written agreements. Written agreements protect the rights and set out the responsibilities of each party, as well as the courses and related education services to be provided, tuition and non-tuition fees payable, and refund policies. The use of written agreements, which serve as both a regulatory tool and commercial agreement, seeks to provide clarity, certainty, and support to international students, complementing education quality and enhancing the student experience. To achieve these aims, written agreements need to be transparent, robust, and appropriately flexible to deliver an optimal student experience.

The Government has no direct oversight of written agreements, and each individual provider is responsible for creating their own, with no obligation to publish their written agreements. Written agreements were the source of the most common issue international students raised in complaints to the Commonwealth Ombudsman Office. Between 1 January 2018 and 30 June 2022, 41 per cent of all complaint issues international students raised concerned terms in written agreements (2432 out of 5982 complaint issues). In the same period, in 587 investigations, the Commonwealth Ombudsman Office found that: in 36.5 per cent of cases, providers had given outcomes that appeared substantially compliant, fair, and reasonable, in 48.5 per cent of cases, providers had given outcomes that did not appear substantially compliant, fair and reasonable[10].

Agents

The National Code only requires providers to enter into formal agreements with agents who formally represent them and is silent on requirements in situations where providers are approached directly by agents. Where providers have not formalised an arrangement with an agent through a written agreement, providers cannot guarantee the student is receiving accurate information about the institution and providers have little recourse for corrective action. There is little transparency about the transactional relationships between providers and agents. Notably, there is a lack of transparency on the use of sub-agents, where agents outsource recruitment, including those located in other jurisdictions. Providers may not always be aware that an agent has outsourced some or all its services.

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[9] https://www.asqa.gov.au/news-events/news/operation-inglenook and https://www.theage.com.au/politics/federal/tough-as-nails-sex-drug-trafficking-inquiry-to-be-helmed-by-former-top-cop-20230129-p5cg9s.html

[10] https://www.ombudsman.gov.au/__data/assets/pdf_file/0022/117157/Issues-paper-Improving-fairness-in-written-agreements-between-international-students-and-Australian-education-providers-A2287202.pdf

As providers are not required to record these informal arrangements in the Provider Registration and International Student Management System (PRISMS), there is no Government oversight, and it is difficult to identify patterns of unethical behaviour. In addition to their own enquiries, providers rely on advice and information from the Department, peak bodies, and other contacts to manage their agent relationships. However, as providers only have access to information on the performance outcomes of their own agents in PRISMS, there is an information gap when they are looking to partner with new agents. Greater data transparency could reduce this gap. Even with sufficient data, not all education providers take a proactive approach to monitoring agent behaviour that would require them to terminate the relationship with the agent. While education providers are required to outline their processes for monitoring agent behaviour in their agent agreements, standards vary between providers.

The remainder of this theme on regulation will concentrate on Education Agents, as they represent a potential gap in Australia's regulatory framework and one that given the high number of agents in student recruitment in Australia, which is greater than any of our competitor countries, deserves more consideration.

Education Agents

Education agents are a key part of the international education sector that operate within Australia as well as offshore. The growth of education agents within Australia has resulted in fierce competition for international students within Australia (states and territories) as well as competing internationally with countries such as the UK and US.

Education agents are often the first engagement students have with Australia's international education system. The 2021 Quality Indicators for Learning and Teaching (QILT) survey reported 87 per cent of international undergraduate students used an agent when coming to Australia to assist with visa applications or to enrol at an institution. It should be noted that among those using the services of an agent, 93 per cent of those students rated the service provided by their agent positively.

Yet submissions for the *Inquiry into efficacy of current regulation of Australian migration and education agents*[11] described education agents misconduct including misleading international students, recruiting providers, documentation and financial fraud, or colluding with non-genuine students, and unscrupulous providers to game the migration and education system is not uncommon across not only Australia but most of the top competitor countries.

A significant challenge for Australia is the Government's limited jurisdiction with respect to offshore-based agents. This means that issues related to education agent behaviour overseas must be addressed indirectly by setting requirements for education providers within Australia.

The current student recruitment market is an 'agents' market' where providers are engaged in international competition for students. This places providers at a disadvantage in managing agents as educational institutions are driven by recruitment targets. Multiple additional factors hamper the ability of providers to control agent behaviour, including the existence of powerful education agency networks and frequent use of subagents.[12]

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[11] Report of the inquiry into efficacy of current regulation of Australian migration and education agents (tabled 21 February 2019)

[12] Pii-Tuulia Nikula (2022) Education agent standards in Australia and New Zealand – government's role in agent-based international student recruitment, Studies in Higher Education, 47:4, 831-846, DOI: 10.1080/03075079.2020.1811219

The London Statement (2012)[13] endorsed by the United Kingdom, Australia, New Zealand and Ireland is the closest example of global regulation which lists ethical and best practice standards for education agents' integrity, transparency, and professionalism.

For Australia, Canada, the US, UK and New Zealand student recruitment is largely outsourced to for-profit education agents (see *Appendix A* for country comparison on education agent and regulation). More recently, Australia and competitor countries have seen an increase of large-scale agent aggregators that host platforms and market to education providers hundreds of agents and sub-agents recruiting international students to Australia.

In Australia, education providers are accountable for the actions of the agents they use to recruit international students, under the *National Code of Practice for Providers of Education and Training to Overseas Students (2018)* (the National Code). Education providers are responsible for ensuring that their education agents act ethically, honestly and in the best interest of international students and uphold the reputation of Australia's international education sector. If they find that any of their agents have acted improperly, they must end their working relationship.

These provider obligations are set out in standard 4 of the [National Code of Practice for Providers of Education and Training to Overseas Students 2018](#) (the National Code) and standards 1.3.4, 1.3.5, 7.1.1 and 7.1.5 of the [Higher Education Standards Framework (Threshold Standards) 2021](#). Similar guidelines have also been produced in the UK and the US, although, unlike in Australia, they are not legally mandated.

In 2018, Australia's *ESOS Act* was amended to allow for greater transparency around education agents' performance. The Department of Education hosts an Education Agents Dashboard through the Provider Registration and International Student Management System (PRISMS). The Dashboard holds information about students recruited through education agents which providers can use to assess agent recruitment performance[14]. However, education providers can only see reports for its own students recruited through education agencies. Providers will not see information about students from other providers.

A study into agent and third-party provider use in the UK showed that that universities that are successfully navigating the agent landscape emphasise developing or procuring expertise on how to select and manage partnerships and invest in careful forethought on incentives and contractual terms to mitigate risk.[15]

In Australia, the Office of the Migration Agents Registration Authority (OMARA) has jurisdiction in circumstances where a migration agent is also an education agent. But there is currently no industry wide or government registry for education agents.

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[13] The London Statement sets out seven principles that agents will be urged to adhere to, in an effort to ensure they practise responsible business ethics, providing current, accurate and honest information to prospective students so they can make informed choices.

[14] The Dashboard records student information including if the student successfully completed their enrolment; has had their visa application refused or their visa grant cancelled; transfers to another provider; notify early cessation of their studies; have their studies terminated for non-payment of fees or disciplinary reasons; be reported for unsatisfactory course progress or course attendance or deferred or suspended their studies.

[15] Nous Group (2022) *Public meets private: The growth of educational services in international student recruitment* Nous Group, Oxford International Education Group and Universities UK International

Education agents' opportunistic behaviour can lead to substandard outcomes not only for client institutions as principals, but also for other key stakeholders, including students, governments and national education systems[16]

Some research suggests further measures like a comprehensive due diligence of all new education agent engagements, audits and background checks should be carried out. This is reflective of findings from the Joint Standing Committee on Migration (2019) *Report of the Inquiry into Efficacy of Current Regulation of Australian Migration and Education Agents.*

Innovative approaches to direct monitoring of both on-and offshore education agents, for instance by marketing audits or mystery shopping[17] could be explored to circumvent provider/agent collusion, but this would require additional resourcing and an unusual expansion of both ASQA and TEQSA regulatory scope.

A government administered education agents registry or licensing board is another option, but it is one that would require significant investment of resourcing both in legislative and operational establishment and ongoing resourcing over time and would likely require a levy on providers to offset the cost of agent regulation assumed by Government. This would lock providers into only working with accredited agents. Monitoring and investigative powers would potentially need the ability and resources to have offshore reach and powers to investigate.

Accreditation of education agents is explored in a research paper on regulation which highlighted the following limitations:

- A limited pool of licensed agents can result in increased competition across providers, which, in turn, will increase education agents' bargaining power versus providers.

- Even credible agents may decide to redirect students to other countries rather than meet additional administrative and financial burdens.

- a growth in other education broker services, such as student-contracted counsellors, could undermine the policy intent as a destination country licensing scheme may not cover all industry actors.[18]

The ability to control sub-agents operating offshore, or aggregators fielding hundreds of individual agents presents another challenge to a registry solution.

Modelling findings from a report for the UK Council for International Student Affairs, A Partnership for Quality: A route to a UK Quality Framework with Education Agents considers the following and how it may fit with the challenges in the education agents in the Australian context:

- A single Code of Ethical Practice for Education Agents which will set expected standards for all education agents who work with Australian education providers. Which would be the result of a co-design process with education agents, providers, and Government, using the London Statement as a basis.

- Education Agent education and training, taking care that completion of training does not confer Australian Government approval. This should be free and aimed at education agents on Australia's

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[16] Pii-Tuulia Nikula (2022) Education agent standards in Australia and New Zealand – government's role in agent-based international student recruitment, Studies in Higher Education, 47:4, 831-846, DOI: 10.1080/03075079.2020.1811219

[17] Nikula, Pii-Tuulia, and Jussi Kivistö. 2020. "Monitoring of Education Agents Engaged in International Student Recruitment: Perspectives from Agency Theory." Journal of Studies in International Education 24 (2): 212–231.

[18] Nikula, Pii-Tuulia, and Jussi Kivistö. 2020. "Monitoring of Education Agents Engaged in International Student Recruitment: Perspectives from Agency Theory." Journal of Studies in International Education 24 (2): 212–231

regulatory framework, this should be co-designed with education providers and agents working with Government.

While Australian education providers are legally mandated to manage the agents they work with, further support through the development of a step-by-step good practice in appointing, training, supporting, and managing education agents could be of value. These steps would add a supportive dimension to the ESOS regulations already in existence and could support the sector towards a unified framework of agent management, without significant regulatory burden and expense. These changes could also be supported by a consideration to increase tracking of education agents' data through the Education Agents Dashboard, and consideration to move to a more transparent and accessible agent data would potentially send a strong signal to the sector and to education agents engaged in the Australian market.

The approach could complement ongoing Government consideration of changes in the existing *ESOS Act*, especially in regard to:

- strengthening student written agreements, including requirements to disclose agent commissions and related student fees, and

- Consideration to require proactive monitoring and reporting to strengthen agent monitoring requirements.

Questions: Integrity and Quality

1. What is needed to ensure not only a robust and effective legislative framework but also its effective application in investigation and practical regulation?

- Do regulators, especially ASQA need additional tools, or is it a matter of more creative or aggressive use of the tools available?

2. What are the 'easy' changes that would improve the integrity of the international education environment?

3. What are the gaps and areas of weakness in the current regulatory system that have allowed unscrupulous education agents and providers to exploit the Australian education system, undermine the integrity for migration system and international students?

4. How can visa settings, education provider recruitment practices be optimised to limit the vulnerability of student visa holders, uphold the integrity of the visa system, ensure a quality education, and deter unscrupulous actors?

5. How effective are written agreements in consistently setting out and protecting the rights and obligations of students and providers?

- How can they be leveraged to reduce regulatory compliance costs and promote best practice in the areas of refunds, deferrals, and transfers?

6. In addition to regulatory change, how can Australia better communicate to students their rights and responsibilities before they come onshore and during their course of study?

- How can Australia better inform and support new providers and their agents on their roles and responsibilities?

7. What benefits may arise from trialling moderated and/or external assessment of high risk VET courses and providers, whereby a random selection of their students are required to undertake an external assessment on curriculum material for which they have been assessed as competent?

8. What issues would arise from the reintroduction of minimum attendance hours and recording attendance hours for VET for international students?

9. What are the barriers to establishing data collection on students, providers and education agents that is robust and transparent? Should this data be accessed by all providers and students to assess the quality and integrity of the agents they are working?

10. Should there be consideration of a more comprehensive and consolidated data collection across Government portfolios such as the Department of Education, Austrade, Department of Home Affairs, and the regulators to support a more joined-up regulatory oversight?

11. Should there be stronger, or more specific regulation on provider relationships with agents, including contractual standards and minimum monitoring requirements?

12. What would be needed to establish a best practice approach for education agents?

13. What regulation including resourcing and sanctions are needed to investigate and act against third parties who seek to exploit the visa system, including education agents?

14. What challenges and opportunities might exist in the establishment of an education agent registry?

-   How would it remain up to date and robust?

-   How would it on-board new agents and ensure background checks are accurate, that infringements are promptly investigated, and actions taken?

15. What are the considerations and solutions to:

    •   offshore education agents operating outside of Australia's jurisdiction?
    •   the use of sub-agents?
    •   the status of aggregators and their responsibilities?
    •   managing regulatory resourcing and costs to sector and government?
    •   the risk of red tape? and
    •   inadvertently impeding Australia's international student market?

16. How can the triage, referral and decisions making mechanisms for cases of concern be made more robust? Particularly where there are indicators in the exploitation of international students in Australia?

Skills

Australia's international education sector has the potential to make a greater contribution to meeting Australia's skills needs. International graduates who have completed qualifications in Australia benefit from living, working, and being part of the Australian community. This enables them to develop the cultural, language and employability skills and in-turn, contribute to Australia's workforce and communities. Currently, only around 12 per cent of international students transition to permanent residency in Australia.[19] Improving employment outcomes will require better pathways and student experiences, addressing employer hesitancy, and ensuring effective regulatory oversight of international students and international education providers.

While the student visa has facilitated the growth of the international education sector, the contribution to permanent skilled workforce is relatively low.

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[19] Grattan Institute submission to the Inquiry into Australia's Migration System, 14 December 2022.

Attracting younger, higher-skilled migrants will increase Australia's knowledge base in the emerging low-emissions technologies and other cutting-edge sectors, including the digital economy.

Graduate outcomes are key indicator of the success of international education delivery and student experience. It is important that international students finish their Australian degree and are supported and equipped with the right skills to take on the jobs of the future. Recent research showed international students were very interested in the opportunity to gain relevant experience when choosing a study destination, with 65% of students saying the opportunity to gain experience was the most enticing factor of post-study work rights.[20]

Results from the *2022 International Graduate Outcomes Survey* (GOS) found that the international undergraduate full-time employment rate has increased, from 50.2 per cent in 2017 to 57.7 per cent in 2022. While this is a very promising result, it is still 20.8 percentage points behind the domestic rate. Even if international students do find full-time work quickly after graduating, they are more likely to report skills under-utilisation than their domestic counterparts[21]. Commonly cited reasons for skills underutilisation, among international postgraduate coursework graduates include lack of work experience[22]. Many employers are looking for more than just a qualified candidate. Employers want to hire people with relevant previous work experience and strong 'employability skills' such as, communication, planning, project management, problem solving and writing and research.[23]

Work-integrated learning (WIL) is part of an increasing number of courses and beneficial for students' employment prospects. However, international students still face barriers to taking up WIL opportunities which need to be addressed, including challenges associated with sourcing and participating in WIL, language differences, navigating workplace culture in Australia and a lack of understanding by employers of the benefits international students can bring.

The recent review of the migration system found that Australia has a migration program that is failing to attract the most highly skilled migrants and failing to enable business to efficiently access workers. At the same time, there is clear evidence of systemic exploitation and the risk of an emerging permanently temporary underclass. Cumulatively, the review found that these factors are eroding public confidence.[24]

Pathways

The extent to which international students can meet skills needs in the Australian economy depends in part on the degree of alignment between the courses they choose, and Australia's skills needs.

Offering opportunities to stay and work in Australia after graduation makes Australia more competitive in comparison to other destination countries in retaining graduates qualified to take up skilled jobs in demand. International students who graduate from any Bachelor degree course in Australia have long been able to access two years of post-study work rights through the Temporary Graduate visa (subclass 485). From 1 July 2023, an additional two-year extension of post-study work rights will be available for international higher education graduates with select degrees in areas of verified skill shortage. The extension is in addition to the existing additional one to two years of work rights for eligible students who study, live and work in regional areas.

International VET students have a more limited post-study work entitlement. Usually, those who graduate from diploma or trade qualifications related to occupations on the Medium and Long-term Strategic Skills List (MLTSSL) can apply to work for up to 18 months under the Graduate Work stream

[20] *IDP Connect, Emerging Future 3, April 2023*
[21] *Social Research Centre - 2022 International Graduate Outcomes Survey, February 2023*
[22] *Social Research Centre - 2022 International Graduate Outcomes Survey, February 2023*
[23]*Jobs and Skills Australia, Survey of Employers who Recently Advertised, 2022*
[24] https://www.homeaffairs.gov.au/reports-and-pubs/files/review-migration-system-final-report.pdf (accessed 8 May 2023)

of the Temporary Graduate (485) visa, subject to a positive skills assessment outcome.[25] In 2021-22, Home Affairs granted 9,056 visas under this stream. The current MLTSSL includes 53 VET occupations, mostly in traditional trades (e.g. automotive). Although the MLTSSL limits access to the post-study work entitlement, once a visa has been granted, students are free to work in any occupation.

The Job Ready Program delivered by Trades Recognition Australia (TRA) provides international VET graduates who study courses related to 41 occupations on the MLTSSL (and who are eligible for the Temporary Graduate visa), with a minimum 12-month employment-based skills assessment program that supports the pathway for temporary and permanent migration. Given strong demand for this program, and its work-based approach to skills assessment, it could serve as an example of how to provide more international graduates with migration pathways.

Suggested questions - Skills

1. In what ways can industry and the sector work better together to strengthen graduate outcomes?

2. How can work-integrated and industry-informed learning opportunities be promoted to industry to raise awareness with potential employers of the benefits of employing internationally educated students?

- What are the challenges and opportunities?

3. What does the sector need to do to better to support international students' soft skills, to boost their employability? Would this include English language support throughout their course of study?

4. What are the risks and opportunities with extending longer work rights to international VET graduates?

- How could they be practically managed?

Marketing

In the past, Australia has relied on a few key markets, such as China and India. Changing geopolitical and economic dynamics has raised questions about the risks of over reliance and potential vulnerabilities in the current market. Competition is fierce from competitor countries extending their reach into the Indo-Pacific region and from new competitors, such as the United Arab Emirates who offer a 'golden visa' allowing a 10-year residency to the best and brightest international students from ranked universities. Source countries investment and development of their own 'home-grown' education offerings are also gaining inroads into student's choice of provider.

Australia's services exports rose 10.2 per cent to $97.1 billion in 2018-19. Services exports benefitted from strong demand from overseas students seeking a high-quality education and successful tourism campaigns attracting increasing numbers of international visitors. Tourism and international education together account for over 60 per cent of total services exports[26].

Whether Australia remains an attractive destination will depend on how well education providers respond to students' expectations for their learning experience and provide a value proposition as technology and business models evolve.

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[25] The MLTSSL requirement and the skills assessment requirement were temporarily suspended and the duration temporarily extended to 24 months for applications lodged between 1 July 2022 and 30 June 2023.

[26] Trade and Investment at a Glance 2020 Department of Foreign Affairs and Trade (accessed 2 May 2023)

Australia may need to consider diversification an option to reduce dependence and preserve against market shocks. This could include diversifying into new markets in Southeast Asia and South America and innovative approaches that could be used for education delivery in existing markets.

Diversification is a priority of the *Australian Strategy for International Education 2021-2030* and is an important tool to strengthen business resilience across the international education sector and to maintain competitiveness.

Diversification is not just about attracting students from a range of countries. It also means:

- delivering education in new ways and exploring new models of offshore education, including online delivery and industry partnerships

- diversifying where international students study in Australia, by attracting more students to regional education institutions

- diversifying the disciplines international students choose to student, beyond popular management/commerce and STEM courses, and

- sharing Australia's expertise in education policy, curriculum design and systems development internationally.

The Australian Government engagement in multilateral fora, such as the G20 and APEC are helping enable Australia to build a strong education reputation internationally and increase market access. This engagement includes the UNESCO Global Convention on the Recognition of Qualifications concerning Higher Education (the Tokyo Convention), to encourage qualification recognition best principles and practices by overseas governments.

Bilateral undertakings by the Australian Government are opening up possibilities. On 2 May 2022, the Indian University Grants Commission (UGC) gazetted regulations that will allow Indian and foreign universities, including Australian universities, to offer twinning, joint and dual degrees. The Australian and Vietnamese Government have recently completed the Australia-Vietnam Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) online delivery pilot project that will support Australia to further its transnational education relationship with Vietnam. The project led to Vietnam permitting online/blended delivery of higher education courses by Vietnamese universities with a foreign partner.

Questions - Marketing

1. Do you think the diversification of Australia's international education sector is a viable option to reduce dependence on a small number of student markets?

- What else can be done to secure the sector from future market shocks?

- What are the challenges and opportunities in new market expansions?

2. What are the countries and regions should Australia market to as an education destination of choice?

- What is missing and how could Australia better capitalise on the markets that currently exist?

3. Would a model akin to the British Council, which presents a united British brand and operates on the basis of government funding combined with cost recovery from the services it provides work in the Australian context?

4. How can the sector and governments, including state and territory governments work together better to promote Australia to new and emerging markets, and leverage off the Australian Governments multilateral and bilateral endeavours?

5. The international marketing of Australia is spread across Austrade, Tourism Australia, individual educational institutions, and various marketing enterprises funded by state territory or councils. Do these approaches create a coherent message about Australia's education services that is easy for prospective students to understand and to make informed choices?

- How can Australia develop a more collaborative approach to marketing Australia as an education destination of choice?

Regional

International education has much to offer regional economies and communities, both through the goods and services purchased by international students, and through the engagement opportunities they bring to Australian institutions, domestic students and local communities by expanding opportunities for global engagement. The economic benefits to regions can be significant.[27]

Regional Australia[28] has much to offer international students, by way of a unique student experience, greater community engagement and competitive price points for courses. Studying in a regional institution may also mean smaller campuses and class sizes so international students have more opportunity to interact and network with domestic students, lecturers and local communities. Education institutions in regional Australia typically offer specialised courses, including agriculture, marine science and tropical medicine, supported by world-class research and training expertise.

International education brings significant cultural and social benefits to schools, vocational institutions, universities, workplaces and communities, but only a relatively small percentage of international students study in regional Australia. *Figure 2* shows the dominance of the major metropolitan centres in drawing international students to study locations.

New South Wales	169,724
Victoria	128,289
Queensland	63,953
Western Australia	27,916
South Australia	27,060
ACT	10,557
Tasmania	5,319
Northern Territory	2,572

Figure 2 State and territory breakdown of enrolled international students as of 1 February 2023

Visa levers to promote regional education

Temporary Graduate Visa (TGV) holders (post-study work stream) who have graduated from a regional educational institution and have lived in regional Australia on their first TGV are eligible for a second TGV of up to two years depending on conditions. Those eligible for a second TGV are required to remain in a regional area for the duration of their new visa.

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[27] A 2016 Deloitte Access Economics' study estimated that onshore international students studying and living in the New South Wales region of New England and the Northwest contributed $33 million to the local economy and supported 243 full time equivalent (FTE) jobs in 2014-15. It also identified those studying and living in Cairns (Queensland) contributed $36 million to the region, supporting 273 FTE jobs.

[28] Regional Australia and how it is defined changes the Australian Bureau of Statistics (ABS) Australian Statistical Geography Standard remoteness structure, which divides Australia into five classes of remoteness based on a measure of relative access to services, is used by the Department of Education. For migration purposes Regional Australia is defined by the legislative instrument Migration (IMMI 18/037: Regional Certifying Bodies and Regional Postcodes) Instrument 2018, which includes several capital cities, such as Canberra, Adelaide and Hobart as regional Australia (Sydney, Melbourne and several other larger cities like the Gold Coast and Perth are classified as metropolitan areas).

The intent is to provide an additional incentive for international students to study at a regional institution and to live in regional areas post-study, boosting diversity and prosperity in regional Australia.

Questions - Regional

1. Regional Australian education providers often have specialisations that are unique to the environment (such as James Cook University and marine research). How can these unique attributes be better promoted?

2. How can efforts be better coordinated to bring together education institutions, state and local governments to support and encourage more international students to choose study locations beyond Australia's capital cities?

3. What is the role of the Regional University Centres in welcoming and supporting international students in regional universities?

4. What incentives could be considered to attract more international students to choose to study in regional Australia?

Soft power

Australia is an appealing country of choice to study in due to its stable democracy, vibrant multicultural society, relatively strong economy, attractive lifestyle and world-class educational institutions. Australia's soft power through international education harnesses Australia's capacity to influence other countries in our region and internationally.

Australia's commitment to international education, training and research is central to Australia's soft power. These educational exchanges build influence and strengthen people-to-people links and mutual understanding, and is an important component in development, especially in the strategically important Pacific region.[29]

Higher education is deeply entwined with Australia's international engagement. Dynamic changes underway in our region will continue to drive our economy and offer Australia significant opportunities. Asia overall stands to deliver nearly two-thirds of global growth to 2030.[30]

International education was Australia's fourth most valuable export in 2019-20, bringing hundreds of thousands of international students to study with Australian providers both onshore and offshore.[31]

The region's own higher education systems and research landscape are developing rapidly, with seven Chinese universities in the global top 100.[32] Growth in Asian universities, and their growing research dominance, brings new competition for universities as well as opportunities for new partnerships.[33]

Engagement through higher education can help Australia to build our reputation as a contributor to peace and sustainable prosperity, and to promote Australia as an attractive destination for people, business and investment. International education provides a platform from which we can elevate our broader engagement, developing personal networks in neighbouring countries.

The Australian Government recognises the greater ability in a globalised world of individuals and non-state actors to shape outcomes on issues of importance to Australia. Digital communication also

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[29] Foreign Policy White Paper (2017) (accessed 2 May 2023)
[30] Trade and Investment at a Glance 2020 Department of Foreign Affairs and Trade (accessed 2 May 2023)
[31] DFAT 2021.
[32] Times Higher Education (2023) World University Rankings (accessed 29 April 2023).
[33] Australian Universities Accord (2023) – Discussion paper (accessed 3 May 2023)

allows non-government actors and nation states alike to influence public attitudes at an unprecedented pace and scale.[34]

For more than 70 years, the Australian Government has supported the education of emerging leaders from developing countries, through the Colombo Plan in the 1950s to today's Australia Awards. More recently, the New Colombo Plan is supporting Australian undergraduates to live, work and study in the Indo-Pacific. This two-way educational exchange underpins Australia's bilateral relations with the region and the broader global community by building enduring institutional and people-to-people links.[35]

For 2023, the Department of Foreign Affairs and Trade (DFAT) has offered 1,603 Australia Awards scholarships and short courses to individuals from 28 partner countries. The estimated 2022-23 budget for Australia Awards investments across the globe is $254 million[36].

International education plays an important strategic role in Australia's engagement in the Indo-Pacific region. Australia and India's Education Ministers signed the first ever Mechanism for the Mutual Recognition of Qualifications between Australia and India, in New Delhi on 2 March 2023 supporting the recognition of qualifications in Australia and India to facilitate access to higher education in both countries.

Questions – Soft power

1. How can we engage better with ASEAN countries in the realm of international education?

- What opportunities exist to grow international education outreach in these markets, and strengthen relationships?

2. What opportunities exist to secure research collaborations with trusted international partners?

3. How can we use innovation and diversification of education delivery, such as micro-credentials to support existing partnerships with our Pacific neighbours and increase education, training, and employment pathways?

4. How can Australia's international education be usefully incorporated in Australia's other strategic outreaches and plans such as the Trade 2040 Taskforce?

5. How can Australia best strengthen the higher education and research sectors resilience to foreign interference, while building on research excellence and integrity, and support the building of Australia's sovereign workforce?

6. How can we leverage and strengthen alumni networks and graduates to foster connections, and support for prospective and current students, and to strengthen country to country and trade relationships?

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[34] Foreign Policy White Paper (2017) (accessed 2 May 2023)
[35] https://australiaawards.com.au/about/ (accessed 1 May 2023)
[36] https://www.dfat.gov.au/people-to-people/australia-awards (accessed 1 May 2023)

Appendix A: Education agents in competitor markets

Canada

Canada does not have an endorsed list of education agents, code of conduct, or consistent model of agent regulation across Canada. One province, Manitoba, introduced legislation in 2016 to protect the rights of international students. This legislation outlines the regulations education providers must adhere to when working with agents, to ensure agents adhere to ethical and honest conduct in the best interests of international students. The International Consultants for Education and Fairs (ICEF) operates as a certification body for agents and provides voluntary training for agents.

New Zealand

New Zealand publish a by-country list of quality education agencies. Like Australia's ESOS Act, New Zealand's *Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019* regulates providers by holding them responsible for the behaviour of the agents they use. Agent performance data from markets with high volumes of applications is also published publicly to promote transparency. New Zealand encourages agencies to become an Education New Zealand Recognised Agency (ENZRA), which allows agencies access to tools to assist them in quality delivery of services. However, this program is opt-in, and agencies are not required or regulated to register. A review of ENZRA is currently underway.

United States

Commissioned agent use has only been endorsed by the US government since 2018; there is no federal regulation of agents, however quality standards have been developed by the American International Recruitment Council (AIRC). AIRC, a non-profit of U.S. tertiary institutions and student recruitment agencies, operate as a certification body, providing access to a 5-year certification register for agents for a fee of US$10,000.

UK

Like Canada, the UK has limited agent regulation. There is no government legislation that directly regulates agents; however, protections and quality assurance measures are embedded in other legislation. The British Council operates as a certification body for education agents and provides online training for UK education agents. The UK government is currently developing a national code of ethics for agents and is establishing a quality framework, leading to closer alignment with the Australian and New Zealand systems for regulation.

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i Under Standard 8 of the National Code

8.18 A registered provider must not deliver a course exclusively by online or distance learning to an overseas student.

8.19 A registered provider must not deliver more than one-third of the units (or equivalent) of a higher education or VET course by online or distance learning to an overseas student.

8.20 A registered provider must ensure that in each compulsory study period for a course, the overseas student is studying at least one unit that is not by distance or online learning, unless the student is completing the last unit of their course.

8.21 For school, ELICOS or foundation programs, any online or distance learning must be in addition to minimum face-to-face teaching requirements approved by the relevant designated State authority or ESOS agency as part of the registration of the course, if applicable.

8.22 The registered provider must take all reasonable steps to support overseas students who may be disadvantaged by:

8.22.1 additional costs or other requirements, including for overseas students with special needs, from undertaking online or distance learning

8.22.2 inability to access the resources and community offered by the education institution, or opportunities for engaging with other overseas students while undertaking online or distance learning.