

Experience Gold Coast Submission for the ESOS Amendment Bill 2024

Background

Experience Gold Coast, which includes the Study Gold Coast brand, serves as the peak education and training body for the City of Gold Coast. Our organisation plays a crucial role in promoting and uniting the education and training sector to help grow student numbers for the region. We educate the community about the value of the education sector, provide meaningful student experiences, and promote the industry's value to expand the city's talent pool, attract more employers, and grow the local economy.

While we appreciate the Government's commitment to enhancing the integrity of the sector through the ESOS Amendment Bill 2024, we have identified several areas of concern that we believe require reconsideration to ensure the Bill fosters a cooperative environment with the education sector, ensuring clarity, transparency, and sustainable impact. Below, we outline our key concerns and recommendations.

Part 1 - Education agents and commissions

Over 70% of international students coming to Australia are influenced and guided by education agents. Given this, Experience Gold Coast supports transparency regarding education agent transactions and their role in helping students attain student visas.

The proposed bill introduces significant changes concerning the definition of education agents, their commissions, and the transparency of reporting such transactions. However, the disclosure of agent information and commissions typically falls within the realm of commercial confidentiality. Consequently, the bill may raise concerns about compliance with general privacy laws.

We suggest re-evaluating the scope of required disclosures to balance transparency with commercial confidentiality. It is crucial to find a middle ground where the integrity of the sector is upheld without compromising commercial interests.

Additionally, it is essential to develop clear guidelines to ensure compliance with privacy laws while maintaining the integrity of the education sector. These guidelines should include best practices for data management and protection to safeguard sensitive information.

Part 3 – Management of provider applications

Part 3 of the Bill empowers the Minister for Education to direct ESOS agencies not to accept or process applications for registration or course additions for up to 12 months through legislative instruments. This discretion raises questions about the extent of governmental control over the registration process and its impact on the education sector's autonomy.

The broad discretion granted to the Minister could lead to unnecessary bureaucratic delays and hinder the sector's growth and responsiveness. The ability to halt registrations for extended periods may also create uncertainty and instability within the sector, deterring potential investors and new providers.

Experience Gold Coast expresses concerns regarding the broad discretion granted to the Minister to halt applications. This power could lead to significant delays and negatively impact the sector's growth and responsiveness.

We propose implementing a review mechanism to evaluate the impact of such directives. This mechanism should involve stakeholders from the education sector to ensure that the directives are necessary and proportionate. Additionally, reconsidering or removing Part 3 to prevent potential hindrances to the sector's growth and adaptability is advisable. Alternatively, establishing criteria and guidelines that limit the Minister's discretion can ensure that it is exercised judiciously.

Part 4 – Registration requirements for education providers

The Bill requires new providers to deliver a course to domestic students for two years before they can apply to register to teach international students ensuring new providers have a track record and can demonstrate quality before entering the international market. Experience Gold Coast would like to highlight the challenges this poses for new providers that often rely on international student revenue to establish themselves in the competitive market. Without this income during the initial two-year period, emerging institutions may face financial strain and operational difficulties.

Experience Gold Coast recommends considering phased implementation strategies or alternative support mechanisms to assist new providers, such as:

- A tiered approach allowing gradual increases in international student enrolments while demonstrating commitment to quality education.
- Providing exemptions or support such as mentorship programs, financial incentives, or access to resources for institutions demonstrating clear commitment to quality and sustainability.

This would support new providers in building capacity to serve both domestic and international students.

Part 5 – Automatic cancellation of registration

The Bill introduces the automatic cancellation of a provider's registration if they fail to deliver a course to an overseas student for 12 consecutive months. While schools are exempt from this provision, concerns persist about the potential impact on genuine providers who may face temporary disruptions in course delivery due to various legitimate reasons. Experience Gold Coast acknowledges that there can be several valid reasons for a course not to proceed within the 12-month timeframe, such as:

- Fluctuations in course popularity, leading to insufficient enrolments in certain years.
- Academic reviews or necessary updates to courses, resulting in a temporary pause in delivery.
- Insufficient student enrolments to run a particular course at a given time, but not necessarily indicating a lack of commitment to the course.

To address these concerns, Experience Gold Coast urges the government to allow applications for extensions to ensure genuine providers are not unduly affected by the automatic cancellation provision. Extensions should be granted based on a thorough review of the reasons behind non-delivery and the provider's plans to resume course delivery. Additionally, introducing a review process to assess the reasons behind non-delivery before automatic cancellations are enforced is essential. This process should involve consultation with the provider to identify and address any underlying issues that may have contributed to the

temporary disruption in course delivery. By implementing a review process and granting extensions where appropriate, the government can strike a balance between maintaining quality and integrity in the international education sector while also supporting genuine providers who may face temporary challenges in course delivery due to legitimate circumstances.

Part 7 – Enrolment caps for education providers

The proposed ESOS Bill recommends introducing enrolment caps for education providers. Experience Gold Coast seeks clarity on how these caps will be implemented, as regional cities like the Gold Coast rely heavily on international student talent to fulfill various critical roles within the city. Applying the same cap criteria as major cities such as Sydney and Melbourne could have disproportionate effects on regional cities including the Gold Coast.

Additionally, the proposed implementation of enrolment caps poses several challenges:

- **Lag in Allocation and Enrolment:** Delays between allocating enrolment limits and actual student enrolments could result in unused student places and a significant gap between allocated and realised enrolments, leading to inefficiencies in resource utilisation.
- **Recruitment Timing:** The deadline of 1 September for establishing enrolment limits is problematic, as Semester One (Trimester One) student recruitment is predominantly completed before this date. Enrolment caps need to be determined well in advance to effectively guide recruitment activities.
- **Government Micromanagement:** The proposed mechanism of setting enrolment caps introduces a level of government micromanagement that contradicts principles of risk-based and proportionate regulation. Granting the Minister the power to suspend providers who exceed their cap for a year may further exacerbate administrative burdens and stifle institutional autonomy.
- **Purpose-Built Student Accommodation (PBSA):** Relying on universities to provide more PBSA would take years to achieve and state and local government policies present barriers leaving limited scope for effective federal intervention. Further, this asset class is almost 100% reliant on foreign investment and the Queensland Government has recently announced an increase in Foreign Investment Tax, further disincentivising offshore developers to consider building PBSA.
- **Potential Impact on Domestic Tuition Fees:** Reducing international student places may lead to an increase in tuition fees for domestic students as institutions seek to balance their budgets.

Experience Gold Coast proposes the following potential solutions and recommendations:

- **Reassess the Imposition of Caps on International Student Numbers:** The Department of Home Affairs have already pulled a number of levers to significantly slow down the arrival of international students and therefore a further step of applying caps is unnecessary. In addition, the simple act of announcing potential caps has already had the effect of slowing down the application rate. Imposing caps will do long-term, irreparable damage to a sector that offers immense social and economic benefits to Australia.
- **Reconsider the Timeline for Setting Enrolment Caps:** Align the timeline with recruitment cycles, providing sufficient lead time for providers to adjust their recruitment strategies.

- **Exclude Non-Student Visa and Non-Award Course Students from Cap Calculations:** Students on non-student visas and those studying non-award courses should not be counted towards an enrolment cap to accurately reflect actual capacity and demand within institutions.
- **Introduce State-Specific or Metro-Specific Enrolment Limits:** Apply enrolment limits by state or metropolitan city to proportionally redirect the number of international students to the regions so as to align with resources and needs.
- **Establish a Flexible Market-Driven Mechanism:** Empower the market to manage the mismatch between demand and supply of student places, fostering greater adaptability and reducing reliance on rigid regulatory interventions.
- **Develop a Collaborative Approach for Student Accommodation:** Involve state and local governments in expediting PBSA projects to identify and address local housing needs more effectively, ensuring adequate student accommodation options in a timely manner. Further, proper regulation of the homestay sector will ensure that an optimum number of students are directed to this option which also provides maximum benefit for Australian homeowners.

By implementing these recommendations, the Government can better manage enrolment limits while supporting the growth and sustainability of the education sector, particularly in regional areas like the Gold Coast.

Part 8 – Automatic cancellation of specified courses

Experience Gold Coast respectfully requests the government's consideration to revise or remove Part 8 of the ESOS Amendment Bill 2024, which proposes aligning courses/programs with Australia's skills and training needs and priorities.

This proposal directly contradicts the intention for the majority of international students to return to their home countries after completing their studies in Australia. Experience Gold Coast believes that curricula should be aligned with global skill needs to equip students for employment opportunities internationally and enhance the global standing of Australian education. It's important that course offerings are considered to be separate to migration policy. Furthermore, this proposal does not contribute to enhancing the integrity and quality of the ESOS system, which is the primary objective of the proposed amendments.

Experience Gold Coast seeks further clarification regarding the provision to 'automatically suspend and cancel specified courses based on systemic issues, their relevance to Australia's skills and training priorities, or if deemed in the public interest.' It is essential for the legislation to be precise. The phrase 'in the public interest' is overly broad and requires a more defined scope to ensure transparency and fairness in its application.

Additionally, the bill's provisions allowing for the suspension of course registrations for up to one year present significant operational challenges for educational providers. When introducing new courses or undergoing re-registration due to material changes, providers face extended delays. These delays are compounded by lengthy institutional processes for curriculum design and course approval, as well as regulatory approval procedures. Such protracted timelines can jeopardise the timely delivery, relevance, and popularity of educational programs, ultimately affecting the institution's ability to meet both current and future student needs effectively.

Experience Gold Coast recommends the following:

1. Remove or revise Part 8 to align curricula with global skill needs, enhancing the international standing of Australian education and preparing students for global employment opportunities.
2. Provide a clear and precise definition of the term 'public interest' to ensure transparency and fairness in the application of course suspensions or cancellations.
3. Streamline the processes for course registration, re-registration, and approval to minimise delays and ensure the timely delivery of relevant and popular educational programs.

By addressing these concerns, the government can ensure that the ESOS Amendment Bill 2024 effectively enhances the integrity and quality of the international education system while supporting the global competitiveness of Australian education providers and their ability to meet the diverse needs of both domestic and international students.

Conclusion

Experience Gold Coast acknowledges the government's efforts to enhance the integrity and quality of the international education sector through the proposed ESOS Amendment Bill 2024. However, we have identified several areas of concern that require careful consideration to ensure the Bill fosters a cooperative environment with the education sector, ensuring clarity, transparency, and sustainable impact.

We urge the government to re-evaluate the provisions related to education agent disclosures, ministerial discretion over provider registrations, registration requirements for new providers, automatic cancellation of registrations, enrolment caps, and the alignment of courses with Australia's skills and training priorities.

By addressing the concerns and implementing the recommendations outlined in this submission, the government can strike a balance between maintaining the integrity of the sector and supporting the growth and competitiveness of Australian education providers, particularly in regional areas such as the Gold Coast.

Experience Gold Coast remains committed to collaborating with the government and stakeholders to develop a regulatory framework that promotes quality education, protects the interests of students, and fosters a thriving international education sector that contributes to the economic and cultural enrichment of our communities.

We appreciate the opportunity to provide our insights and look forward to continued dialogue and cooperation to ensure the successful implementation of the ESOS Amendment Bill 2024.