

Opening Statement from the Hon Dr Peter Hendy, Chief Executive Officer, Independent Higher Education Australia Senate Inquiry into the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024

Thank you for the opportunity to speak with you today.

IHEA remains opposed to the capping of international students as proposed in the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 (ESOS Bill).

As constructed in the ESOS Bill there is a very real likelihood of over regulation of a sector that is on the back foot from recent visa refusals. We are concerned the Bill will further damage the international education sector.

With respect to the allocation of international student enrolments, IHEA's position is that independent higher education providers should not be subject to this arrangement, since the key objective of such an approach must be to curtail the significant growth that has occurred in a very small number of providers during 2024.

This has occurred while many providers in the sector, including independent higher education providers, have been subjected to blanket student visa refusals. Correcting this imbalance should be the focus of the Bill.

Despite this growth in students in some providers, between 2019 and 2023, onshore international student enrolments decreased by 5.1 per cent in higher education.

This has already had a significant and adverse impact on independent higher education providers who make a significant contribution to their local economies through creating employment opportunities and demonstrating a dedication to serve students, staff and the wider community.

Should caps, nonetheless proceed and be applied to international students at independent higher education providers, there are some key principles that we believe should be followed:

- Adequate time to transition. Students and providers have already made decisions about 2025, and these (contractual) arrangements should not be disrupted or jeopardised. With this in mind, a 2026 commencement would be more appropriate.
- Each independent provider is no worse off than they were in 2019, which should be their baseline position.
- Caps should not be applied to courses, aligned with Australia's skills needs or based on location. This will create unnecessary complexity and confusion and diminish student choice.
- Caps should be temporary and time-limited to up to two years and should cease at the end of this period.

In terms of other measures in the ESOS Bill, we would make the following observations:

- The Bill should be amended to not lead to unintended consequences. For example, the requirement on providers to deliver one or more courses to domestic students for consecutive study periods totalling two years, prior to be eligible to apply for registration to provide courses to overseas students. This provision needs to be carefully considered alongside other, existing arrangements, such as FEE-HELP requirements, to ensure that new independent higher education providers are not precluded from entering the market.
- Rather than a blanket ban on commissions for agents, an approach that prohibits agent commissions during a six month period and when a student is moving to a course at a lower Australian Qualifications Framework (AQF) level provides a more balanced approach.
- The definition of an education agent should be narrowed so that it does not inadvertently capture a range of unintended bodies, such as government agencies and even peak bodies.

In summary, we have a number of concerns around the impact of the ESOS Bill as drafted. While we fully support genuine measures to ensure the quality and integrity of the international education sector, doing so through the ESOS Bill will create another layer of requirements and re-produce what already effectively exists, especially since the international education sector has been effectively capped through recent visa processing arrangements.

While the Bill purports that regulatory changes are necessary to ensure the quality and integrity of providers that are operating in the international education sector, we respectfully challenge that assertion.

the Tertiary Education Quality and Standards Agency (TEQSA) and the Australian Skills Quality Authority (ASQA) are the regulators responsible for ensuring the quality and integrity of higher education and vocational education and training providers that they register. These roles should continue, as is, and not be diluted or diminished.

Thank you for the opportunity to speak with you today.

Hon. Dr Peter Hendy
Chief Executive Officer
Independent Higher Education Australia