



The University of Queensland's submission to the Inquiry into the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024

The University of Queensland (UQ) welcomes the opportunity to provide input into the Senate Education and Employment Committee Inquiry into the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024.

Australia is a world leader in the provision of international education, and it is one of Australia's great success stories. Recent [analysis from the National Australia Bank](#) shows that international students contributed to over half of Australia's GDP growth in 2023 (0.8% out of 1.5%), and within the higher education sector international student revenue contributes significantly to the strength of our research ecosystem, an outcome that has considerable benefits for Australia's profile and reputation, more broadly. Additionally, the educational outcomes for all of our students are enhanced by the opportunity to engage with peers from a diverse range of backgrounds, exposing them to a range of cultures, ideas and alternative perspectives and providing opportunities to foster global connections.

At UQ, we agree that Australia's international education sector must be built on a foundation of quality and integrity to ensure its reputation is maintained and its long-term sustainability can be assured. We are concerned that non-genuine students and a small number of unscrupulous providers have eroded public confidence in international education and, for this reason, we are supportive of Parts 1, 4, 5 and 6 of the ESOS amendments. We think it is appropriate that there is greater oversight of relationships between providers and education agents (Part 1) and understand the importance of ensuring that new providers are genuinely committed to providing education services to a mix of domestic and international students (Part 4 and 5). We are also pleased to see stronger powers to suspend a provider's registration for those that do not meet the fit and proper test (Part 6).

Our only recommendation under these sections is that the exemption for Table A providers from the requirement to deliver courses exclusively to domestic students for two years be extended to wholly owned subsidiaries of Table A providers. This will ensure that pathway diplomas are not affected by this requirement, given that these pathways are important for maintaining quality within higher education.

UQ does have concerns with Parts 3, 7 and 8 of the ESOS amendments (see below). While universities are heavily supported by government funding and operate in a highly regulated environment, they are also self-accrediting institutions with autonomy to set their own financial and strategic direction. Self-accrediting status, underpinned by strong internal governance, means that universities make their own decisions about the courses they offer and the number of students they enrol. This ensures they can respond quickly to the demands of students and expectations of industry, government and the public.

Legislative changes that give ministerial powers to limit international student enrolments at an institution, course and location level (Part 7) or to suspend and cancel a course that provides "*limited value to Australia's ... skills and training needs*" (Part 8) will result in a loss of autonomy for universities, restricting their capacity to set and advance their own strategic, academic and financial direction. If enacted, ministerial powers to direct ESOS agencies to pause registration of new providers and courses will slow down the capacity of universities to introduce new courses. While CRICOS registration would not be required to open a new course to domestic students, in many cases international student revenue is necessary to help ensure course viability, especially in the start-up phase.



Universities are not-for-profit institutions with clear missions to deliver for the public good. All revenue is invested back into teaching and research and so any constraints on a university's capacity to generate revenue will have significant implications for what can be delivered here and now, and what investments can be made for the future. We recognise that there are significant pressures on Australia's housing market and that the sector's social licence can be undermined by growth that is seemingly unmanaged. However, a centralised micro-managed approach to address these issues runs the risk of undermining the sector's global reputation and, as a consequence, having adverse economic effects, more broadly.

Part 3 – Management of Provider Applications

The Part 3 amendments give ministerial powers to suspend the making and processing of applications for provider registration or course registration. At UQ, we are concerned that pauses in processing will hinder our capacity to introduce new courses in a responsive and agile way although we note that the explanatory memorandum states that *“Ministerial determinations may apply to all initial applications or apply to a particular class or classes of providers or courses, so that there is flexibility to allow some providers and/or courses to progress.”*

We recommend that powers to suspend applications apply only to the registration of new providers and not to the registration of new courses. Alternatively, we propose that Table A provider applications for new courses are exempt from these suspension provisions given the self-accrediting status of Table A providers.

Part 7 – Enrolment limits

The Part 7 amendments give ministerial powers to set limits on annual international student enrolments, limits that can apply to new enrolments, total enrolments or course enrolments. The location of the course can also be considered and providers that exceed their limit will have their CIRCOS registration automatically suspended for the year. These powers are significant and in UQ's view go beyond what is required to ensure the quality and integrity of Australia's international education sector given that the limits will not be determined by quality concerns. There are no guiding principles for the setting of enrolment limits and, as noted earlier, these powers risk undermining the autonomy of Australia's universities.

We are also concerned that these reforms will create instability and uncertainty, undermining Australia's global reputation as a provider of world class higher education. Prospective students will turn away from Australia as a study destination if there is a risk that their study plans could be interrupted by enrolment limits. Under these arrangements, their likelihood of obtaining a place at their preferred institution will no longer simply be a factor of their ability to meet admission and visa requirements but will also be affected by institutional caps that will not necessarily be transparent to them.

The implementation of enrolment limits, as described in the legislation, will be challenging for both government and providers. Managing student enrolment numbers is complicated. Historical trends are used to predict commencing and returning student numbers, but final enrolments are influenced by a range of factors outside of an institution's control. Offers are made on the assumption that a certain percentage will be accepted, but conversion rates change from year to year. Algorithms are used to predict returning student load but there will always be a margin of error in these models. Institutions also have multiple intake and graduation points across a year. The proposal to automatically suspend registration if enrolments limits are exceeded assumes a level of precision in enrolment management that doesn't exist and will have unintended consequences by creating an environment in which providers could be faced with no option but to renege on offers or cancel future intakes.



For these reasons, The University of Queensland proposes that the bill be amended to remove Part 7. If there is no support to remove Part 7, we propose the following:

- Part 3 should include a sunset clause so that the ministerial powers to limit enrolments cease upon the establishment of the ATEC or within 3 years (the earlier of the two), with the TEC having responsibility for the setting of enrolment limits for higher education institutions as part of the mission based compact process.
- The application of international enrolment limits should be deferred to 2026. This would allow for a more holistic consideration of the optimal size and shape of each institution that sets international limits at the same time as managed growth targets for Commonwealth supported students.
- Enrolment limits should apply only to new students and only at the institutional level. Limits should be based on acceptances rather than commencements in recognition of the variability in acceptance to enrolment conversion rates. This will also ensure certainty for applicants who have accepted an offer.
- A safety net clause should be introduced to ensure that the limit on new students (acceptances) is never lower than the actual new students (acceptances) in the prior year.
- Enrolment limits should be imposed only via a legislative instrument. The clauses enabling the Minister to impose limits by notice to the provider should be removed.
- The clauses relating to the automatic suspension of a provider's registration if enrolment limits are exceeded should be removed. Given the complexities of predicting final acceptance/enrolment numbers, compliance with enrolments limits should be managed in a more flexible way. One example could be through a safety net margin (i.e., an allowable buffer) with any over-enrolment considered when setting the following year's limit.
- A number of groups of students should be exempt from enrolment limits. They include:
 - *Higher Degree by Research (HDR) and internationally sponsored students.* HDR students provide a significant contribution to Australia's research capacity and capabilities whereas sponsored students create a global network of leaders that provide a strong foundation for trade, diplomacy, security and academic alliances.
 - *Students who have studied at an offshore campus of an Australian institution.* While UQ does not have an offshore campus, this is important for strengthening any business cases for transnational education.
 - *Higher education students enrolled as part of exchange or study abroad arrangements.* These students are typically only in Australia for relatively short periods.
 - *Students studying in schools and ELICOS providers.* These are important pathway providers for well-prepared international students.



Part 8 – Automatic cancellation of specified courses

Part 8 gives the Minister powers to automatically suspend or cancel courses where:

- *“there are or have been systemic issues in relation to the standard of delivery of the courses included in the class; or the courses included in the class provide limited value to Australia’s current, emerging and future skills and training needs and priorities”*

UQ is supportive of ministerial powers to cancel courses where there are systemic issues in relation to the standard of delivery. This legislative change will strengthen the quality and integrity of international education. However, UQ is not supportive of ministerial power to cancel the CRICOS registration of courses because they are not deemed to meet Australia’s skills and training needs and priorities, given that such courses may provide the skills and training relevant to students’ country of origin.

UQ therefore recommends that the clause specifying that courses can be cancelled if they provide limited value to Australia’s current, emerging and future skills and training needs and priorities be deleted.