

Thankyou Senators for the invitation to appear today.

The NTEU has long advocated for reforms to the international education sector.

It is our view that education providers have become overly reliant on international student fee income.

This reliance was aptly demonstrated during COVID, when the international education sector was almost completely shut down in a matter of days, resulting in tens of thousands of job losses.

At the same time, however, international education is an integral part of Australia's higher education sector.

International students bring with them their own cultural identities and experiences to campuses.

They help to internationalise not only our curricular but our institutions more broadly.

International education has expanded our research opportunities and capacity and helped to promote soft diplomacy in our region.

The NTEU's strong view is that international education should be valued for the benefits it brings to students and staff, both here and in their home countries, and to help ensure our teaching, learning and research activities continue to be internationally recognised in terms of quality and global impacts.

The reality is, however, that international education has instead become commodified, with institutions relying upon it to plug deep funding holes, supplement their domestic teaching, cover the gaps in research funding and, at the extreme end, boost their investment portfolios.

It has helped drive the corporatisation of public higher education, with Vice Chancellors and senior executives adopting cultures and pay packets more in keeping with listed, for profit multi-national corporations than as leaders of institutions of public good.

Institutions compete with each other for their share of the international student market, and international student fees are hiked steadily each year in a profit driven culture.

It's not only legitimate education providers who seek to profit from international education.

There are also bad actors who have moved into higher education, primarily in the for-profit sector.

Course skipping has been a problem, as have bogus courses and "ghost colleges", providers who only exist on paper. It has been a sector ripe for exploitation.

It's not only in terms of education.

Prior to COVID, International students were our second largest group of migrant workers. They were also the most exposed to trafficking, wage theft, and labour exploitation.

With these factors in mind, many of the recent changes the Government has made to international education are sensible and supported by the NTEU.

And our view is that, before proceeding with any further changes, such as the proposed caps, more time should be allowed to assess the impacts of these measures on student numbers.

That said, there are provisions in the Bill that the NTEU believes could be beneficial, if properly implemented – for example, the integrity changes to migration agents.

However, the new unprecedented powers the Bill would also give to the education minister are a step too far.

They enact new levels of authority and control in an individual.

As such, they could also open the door to political interference.

The Union does not support these deeply problematic measures in their current form.

This includes the authority for the Minister to set a maximum base number of student visas, which is linked to the idea of caps in the sector.

Much has been said about the likely impact of this.

We do not yet know what form these caps would take, so talk of mass job cuts being pushed by some vice chancellors is both premature and alarmist.

However, if the Bill as it currently stands is implemented, then at some point, irrespective of how or when its applied, the ministerial powers in the Bill, including setting limits on student visas, would likely result in job losses.

The NTEU has, in the past, recommended some regulation around international education, such as limiting international tuition fee increases to CPI, unless approved otherwise.

But new Ministerial powers to set limits on international student enrolments, by sector, institution and/or discipline level, and the ability to suspend a provider, or a course, in ‘the national interest’, creates a framework that will inevitably invite the spectre of political interference, be that perceived or real.

Leaving this aside, the Union also is concerned over what a sudden and deep decline in international student fee income would mean for those education providers who are reliant on this funding for their core operations, and who don’t have healthy surpluses to cushion the impact of the various policy changes.

We have therefore made a number of recommendations around phasing in, over time, those changes that would impact student numbers, allowing providers to plan and put in place measures that would avoid the need for sudden mass job cuts.

On this, we also highlight the need for transition funding arrangements.

Based on 2022 figures, we roughly estimate that, should caps of 30% per provider be considered, the sector would require funding support at a minimum of around \$350 million per year, to support institutions where no operating surplus was available to absorb the expected revenue losses.

Of course, that is a point in time, and circumstances for each individual institution – be that financial or location or international student profile - should be factored in any transition arrangements going forward.

However, it is a starting point for discussion around the historical public defunding of higher education, to the point where the bulk of institutional revenue now is from students – both domestic and international.

We welcome the opportunity to answer any questions you have.