UNIVERSITY
OF WOLLONGONG
AUSTRALIA

14 June 2024

The Hon Jason Clare MP
Minister for Education
GPO Box 9880
CANBERRA ACT 2601
StrategicFramework@education.gov.au

Dear Minister

Re: UOW submission in response to the Draft International Education and Skills Strategic Framework

The University of Wollongong (UOW) welcomes the opportunity to respond to the draft International Education and Skills Strategic Framework. This submission outlines our strategic considerations, addresses sector consultation queries under the draft's broad objectives, and highlights the university sector's role in sustainable migration and economic contribution.

UOW is dedicated to improving the quality and integrity of Australia's international education sector. International students are integral to Australia's education sector with a reputation for quality built up over decades. They not only contribute significantly to the economy but also enhance the cultural and academic fabric of our institutions and communities. Further, as it has done since the late 1940s, Australia's welcoming of international students has served Australia's broad foreign relations goals.

We actively encourage studying in regional areas, which not only supports regional growth but also provides students with diverse and fulfilling experiences. This is especially important as regional areas face unique economic and demographic challenges.

International students are central to workforce development, economic stability and soft diplomacy efforts. According to the Australian Bureau of Statistics (ABS), international education contributed $47.8 billion to the Australian economy in the 2023 calendar year, ranking as the country's fourth-largest export. Of this, $31.8 billion (66.5% of the total) was earned through higher education, while $11.1 billion (23.2% of the total) was through vocational education and training.

The government looks to universities as drivers of research, innovation and productivity. The reliance on universities to generate research and innovation is a linchpin of Australia's strategy to enhance its global standing and economic competitiveness. International education is an important part of that uplift in the economy.

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Moreover, international education plays a vital role in advancing Australia's foreign policy objectives. Soft power diplomacy serves as a reliable means to forge ties with key regions, exemplified by the recent Free Trade Agreement with India.

As an anchor institution, UOW collaborates with partners and communities to drive economic leadership, create jobs, and diversify local economies. We prioritise high-quality education and research programs that enhance regional capacity and meet the demands of both Australian and international employment markets. Our integrated approach fosters economic, social, environmental and cultural value at global, national and regional levels. We continually work with offshore accreditation authorities to ensure offerings are compliant, and that future offerings are brought to the market on time. UOW is expanding and enhancing industry partnerships to ensure graduates are career-ready and equipped with the skills, knowledge and entrepreneurial mindset that employers demand.

A strategic long-term view must be taken to protect Australia against any unintended consequences of any reforms. Adopting a transition mechanism to bring into effect any new arrangements will provide stability and give certainty to prospective international students and their families.

While commentary around migration tends to associate international students with issues such as housing and cost-of-living, any new measures must not overlook the far-reaching economic and social value they deliver. The international education sector requires clear, forward-thinking strategies to thrive.

UOW looks forward to continuing our engagement with government and university stakeholders in the development of the International Education and Skills Strategic Framework to foster robust and sustainable growth in the international education sector.

The University would welcome the opportunity to meet with you to elaborate upon, and further clarify, the matters raised within this submission. In the meantime, please do not hesitate to contact the UOW Director, Government and Community Relations (Mr Canio Fierravanti) for further information on 0411 244491 or via email at caniof@uow.edu.au

Yours sincerely

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Acting Vice-Chancellor and President

Encl.

UNIVERSITY
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UOW SUBMISSION IN RESPONSE TO THE DRAFT INTERNATIONAL EDUCATION AND SKILLS STRATEGIC FRAMEWORK

JUNE 2024

BACKGROUND

As a young and agile university, the University of Wollongong (UOW) has a unique position on the global stage, being one of only a handful of Australian universities with more offshore than onshore international students.

UOW supports the diversification of the international student profile and encourages policy initiatives that motivate universities towards achieving a more diverse international student base, to deliver programs relevant to Australia's skills shortages and regional demands, as well as initiatives that encourage students to undertake study with Australian universities.

In the late 1980s, UOW was at the forefront in terms of the recruitment of international students by Australian universities. Since then, the University has pursued a deliberate strategy of diversifying onshore student enrolments while steadily expanding our offshore presence.

At the end of 2023, UOW had around 9,500 international students enrolled to study onshore, including 1,300 enrolments at UOW College Australia. UOW's onshore international student body is incredibly diverse, comprising over 110 countries of origin with primary source countries including India, China, Pakistan, Bangladesh, Nepal, Sri Lanka, Vietnam and Japan.

UOW has developed a strong offshore presence since the opening of the University of Wollongong in Dubai (UOWD) in 1993. In addition to UOWD, we now deliver world-class education programs in Malaysia (UOW Malaysia), Singapore (Singapore Institute of Management), Hong Kong (UOW College Hong Kong), and China (Central China Normal University) and soon India which will launch in July 2024. As of December 2023, more than 13,000 students (undertaking either postgraduate, undergraduate or pathway programs) were enrolled across our international campuses.

UOW Global Enterprises (UOWGE) is a subsidiary group of UOW and is aligned to the University's strategic objectives of sustainable growth and providing an exceptional learning and student experience. Under UOWGE, UOW College Australia provides pathway programs for domestic and international students regardless of age or previous education. Many international students begin their studies at UOW College and then move onto university courses.

POLICY REFORMS FOR QUALITY, INTEGRITY AND DIVERSE ENROLMENTS

UOW understands the importance of sustainable migration settings, focused on what serves our national interests. We require policy settings that are consistent, transparent, and considerate of the nuances of the operations of different institutions, markets and regions.

Moreover, the adoption and implementation of a fair, balanced and transparent framework for Australia's international education sector requires a guiding set of principles which extend to:

1. Opportunities for reforms to international student education to simultaneously provide economic, cultural and diplomatic benefits to Australia by offering in-country educational experiences for students wishing to return home and providing a pathway to permanent migration that addresses areas of national workforce need. Domestic students also benefit from studying alongside international students which builds their cultural competence.

2. Ensuring there is a balance between these two streams, and that international student education is balanced with educational opportunities for domestic students that expands access. This is where caps may be helpful in maintaining the optimal balance.

3. Onshore international student education brings economic benefit to Australia but is also a means by which Australia makes high quality education available to international students who want an in-country experience before returning home. Consideration needs to be given to the extent to which this must be demand driven to respond to the aspirations of prospective students and their families, as well as considering their future employment prospects and the workforce needs of their home countries.

4. Building permanent migration pathways into international student education can help Australia build workforce capacity in areas of need and can complement the skilled migration pathway. Such a pathway may take time to build up in areas which have not traditionally attracted international students.

5. Not under-estimate the importance of international education, onshore and offshore, of short and longer term duration, in Australia's soft diplomacy efforts. While our presence through branch campuses offshore is important, so is having international students experience life in Australia and having short term exchanges that allow student mobility in both directions.

6. Innovative models of transnational education (TNE) will take time, investment and government assistance to build up. We should not anticipate these will replace onshore student education.

Within this context UOW advocates for a series of strategic policy considerations and would welcome the opportunity to discuss these further with government. These include:

- Adopting a transition mechanism to bring into effect any new arrangements which will provide stability and give certainty to prospective international students and their families. This will provide a strategic long-term view to protect Australia against any unintended consequences.

- Maintaining a balanced and adaptable approach to onshore international enrolments. This includes limiting such enrolments to a maximum of 35% (headcount) of total institutional onshore student enrolments excluding higher degree research candidates and study abroad students. This measure would ensure the majority of students enrolling onshore at Australian universities are domestic students. In terms of compliance, three year rolling averages could be applied, and consideration given to how these measures link with domestic managed growth policies as proposed in the Universities Accord.

Aligning compliance measurements with rolling three-year averages aligns with the international student recruitment pipeline – spanning from initial inquiry to enrolment, thereby ensuring greater effectiveness and continuity in oversight.

UOW currently hosts around 600 international students in the non-award Study Abroad/Exchange program. Their stay in Australia is governed by UOW and their home institutions. They are accommodated either in UOW housing or through University-arranged homestays, before returning to their countries to complete their degrees. These non-award programs also allow UOW students to study abroad in exchange programs, which is a key pillar of our internationalisation agenda.

Given the small number of students involved and the stringent governance of these programs, excluding the student visa 500 subclass (non-award) from proposed caps will preserve valuable exchange opportunities for both UOW and its partner institutions.

- To ensure compliance and quality in international education, UOW proposes penalising institutions financially for exceeding enrolment caps, and varying post-study work rights to address regional and skills needs.

- Exempting students sponsored by Australian and foreign government agencies, students enrolled in offshore programs delivered at institutional-owned campuses, and those coming to Australia as part of an institutional partnership arrangement from the imposed caps. These exemptions are crucial for maintaining the diversity and inclusiveness of Australia's international education sector while ensuring that various unique and beneficial programs can continue to operate effectively.

- Final year undergraduate students studying identical degrees at offshore campuses of Australian universities be provided with the opportunity to undertake their final year of study in Australia (which would be cap-free).

- Capping enrolments from any single source country at no more than 40%, ensuring diversity of international student cohorts. This has been used previously by UOW as an internal measure to ensure diversity.

- Maintaining a balanced distribution of enrolments across diverse fields of education, ensuring that no single broad field of education exceeds 40% of an institution’s total onshore international enrolments.

- Positioning public universities as the main destination of international education in Australia. With that in mind, we propose that a minimum of 80% of all onshore international enrolments in Australia are retained within public universities, and their enabling pathways and colleges.

- Carefully managing how any caps may be applied to university pathway colleges. It would be inequitable to “double count” students who commence at the pathway college and then move to the university. Owned by UOW Global Enterprises (UOWGE), a fully-owned subsidiary group of UOW, UOW College is a self-accrediting higher education provider. This designation allows it to independently accredit its programs and qualifications.

- Homestay opportunities should be considered as meeting the requirements for extension above the cap on grounds of cultural safety, positive student integration/experience and financial benefit to local communities.

- Visa conditions that require students to remain at their original university or transfer to another university to ensure genuine study status is maintained. Potential measures could include requiring a new visa application to be submitted and granted for students or revising the current release requirements from six to twelve months.

- Consideration should also be given to revising the prioritisation of visa applications to Evidence Level 1 institutions. This policy could lead to dysfunctional decision-making by agents and applicants, causing students to choose educational providers based on the likelihood of visa approval rather than academic outcomes. This behaviour could result in increased pressure on onshore transfers after six months of study, potentially compromising the quality and integrity of the sector.

- To attract top-tier students to Australia, and sustain Australia's competitive edge in the highly competitive international education market, it is vital that visa and migration policies are transparent and consistent. Simplifying visa processes and clearly defining the Genuine Student criteria will position Australia as the preferred destination for high-calibre international students. Consideration should be made to how the Australian visa system is perceived by prospective students in comparison to those of other host countries such as the UK, Canada, USA, and New Zealand.

- Adopting the UK system whereby students receive a Confirmation of Acceptance for Studies (CAS) from licensed sponsors managed by the Home Office. Institutions either have a license or they don't. This would create a fairer playing field while allowing the Department of Home Affairs to oversee compliance. This approach encourages students to prioritise their selection of institutions based on educational outcomes rather than focusing solely on visa turnaround times associated with the provider risk rating.

- In determining which courses are best aligned with Australia's skills needs, the government should not make determinations at the course level. Determinations should be made at the discipline/study area level. This will support providers in continuing to innovate and make their courses attractive to international students. Determination at the course level risks stifling innovation and healthy competition in the higher education sector.

- Setting targets for the number of students allocated permanent residence places is crucial. Targets should be established for these students, while not setting targets for those expected to return to their home country after completing their course. This approach will help maintain the strength of the higher education sector as a key export for Australia. This can be achieved by having Subclass 500 Visa holders declare their intentions at the initial application stage, with subsequent visa conditions specifying their ability to seek alternative visas from within Australia. This method would ensure a clear stream of international students who are confident of returning home upon completing their degrees.

- Transnational Education (TNE) is attractive because it allows students to complete part of their qualification at their home institution. The Government could support this by streamlining visa processing for approved TNE programs, such as those with International English Language Testing System (IELTS) entry requirements of 6.0 or equivalent. Favourable consideration should be given to students who have already studied a portion of their course offshore via institutional-owned campuses, twinning arrangements, and Credit Transfer Arrangements (CTA) arrangements. These students have demonstrated their ability to meet the academic requirements of the offshore component of their course, thereby proving their genuine motivation to study. Extending post-study work visa rights to students who study at an overseas campus fully owned by an Australian university is crucial. These students should sit outside of any cap.

- Revisiting the Simplified Student Visa Framework (SSVF) and Support for Students Framework would also assist the integrity of the sector. While the SSVF has been effective for some time, the new Support for Students Framework holds significant potential to enhance integrity. However, it may take time to influence the current profile of incoming student cohorts effectively. Aligning these frameworks to create stronger incentives for integrity is essential. Should the Simplified Student Visa Framework (SSVF) continue, the Department of Home Affairs should offer more transparent and proactive advice to support providers in the prescreening of applicants. This would enhance providers' capacity to support positive migration outcomes. Additionally, understanding the timeframes to influence existing pipelines of students is crucial.

- The roles of agents, partners, and sponsors in maintaining the integrity of the international education sector are important to consider. Measures should be implemented to ensure these stakeholders uphold high standards of integrity throughout the process. Additionally, creating incentives tied to successful course completion, in conjunction with the student support framework, could further drive integrity. However, this approach requires careful consideration of the six-month release requirements to avoid disadvantaging certain providers.

INITIATIVES TO DELIVER SUSTAINABLE GROWTH OVER TIME

There is a strong need to establish comprehensive growth models that consider the impact of international students in regional areas of Australia. These models must account for factors such as regional impact and adaptable capping mechanisms. Lower living costs and tuition fees compared to major cities make regional areas an attractive option for international students. This financial advantage not only draws students to these areas but also encourages graduates to stay in Australia to work, which benefits Australia's economy by retaining skilled talent.

International students who relocate to local government areas served by one of our campuses are a major source of economic stimulus to the community. They also make broader economic and social contributions through casual or part-time work, or participation in volunteering, sport and other community activities.

An Economic Impact Report released by UOW in 2020 found that every international student moving to the Illawarra region contributes approximately $25,791 to the local economy each year. In 2018, with

a total of 5,314 such students, this cohort was estimated to have collectively injected around $137 million into the Illawarra economy. [1]

The contribution international students make to regional communities and economies cannot be overstated. This is even greater when considering the proposed skills framework and the contribution that post-study work visa holders make to a regional economy. In fact, spending by international students accounted for more than half of Australia's economic growth in 2023. [2]

While the Government is looking to limit the number of international students, it is imperative to ensure that such limitations are implemented in a manner that aligns with the diverse needs and dynamics of different regions across the country. There should be a focus on flexible capping measures spanning different timeframes and student categories. Consideration should be given to the high concentration of international students enrolled in institutions located in the state capitals of the eastern states (Brisbane, Sydney and Melbourne).

Given the fluctuating job demands across various disciplines in different regions, a one-size-fits-all approach to discipline-specific target allocation is impractical. It is important to recognise that different regions may have unique skill demands. Extra places could be made available on top of the baseline caps for each institution for skills shortage areas.

While data and evidence exist, the causal link between housing shortages and international student demand is still under discussion. A report from the Student Accommodation Council (endorsed by the Property Council of Australia) has found that international students make up just 4 per cent of the Australian private rental market. Census data also shows that international students tend to live in shared houses with multiple housemates, so the impact is further reduced. Student residential requirements are varied. Building additional student accommodation will need an appropriately nuanced approach to resolve the complexity of demand that is presented by students.

UOW also incorporates innovative housing solutions such as homestays – where students reside in local households through institution-managed arrangements. This helps to alleviate pressure on the housing demand and aids households in coping with cost-of-living pressures, and places students in culturally safe environments that can assist their transition to study in Australia. Homestay is a very attractive option for many international students and facilitates positive community connections with the higher education sector, particularly in regional areas.

Along with campus-based accommodation, homestay opportunities and potential should be factored into government calculations when it comes to permitting enrolment above any prescribed institutional cap. Again this should be especially the case in regional areas where new student accommodation at sustainable scale would simply not be viable.

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[1] Available at: https://www.uow.edu.au/about/reputation/economic-impact/ 2021, p.20

[2] *Foreign Students Are Saving the Economy*, Australian Financial Review, March 8, 2024, https://www.afr.com/policy/economy/foreign-students-are-saving-the-economy-20240308-p5fasz#:~:text=Analysis%20of%20the%20national%20accounts%20figures%20by%20economists,the%201.5%20per%20cent%20annual%20rate%20in%20December.

Another vital component to sustainable growth is strengthening work-integrated learning (WIL) to ensure it is promoted and recognised as a key feature of courses for international students. UOW notes that the framework document refers to work-integrated learning as a desirable feature of courses for international students, but this reference is not tied to any tangible element in the framework. UOW would welcome any plans and measures to officially acknowledge work-integrated learning as a factor that enhances the suitability of courses for international students.

UOW's vision is for all students to engage in a variety of scaffolded, purposefully designed and learner-centred WIL experiences across their degree. Enhancing work-integrated learning opportunities at universities and increasing access to workplace-based forms of WIL, such as internships, would support international students to gain relevant professional experience and build professional networks in Australia, making them valuable contributors to the Australian workforce.

Additionally, increasing funding for the set-up, quality assurance, and monitoring of internships, and creating a streamlined institutional approach to industry engagement, can enhance the effectiveness of WIL programs. Collaborating with industry partners to generate opportunities and support for international students is also essential. Equally important is incentivising industry to actively engage with higher education providers.

As discussed in the Review of the Migration System (Final Report 2023), graduate transitions to full-time employment are strongly associated with vocationally aligned fields of study and work-integrated learning. [3] In 2022, 76.2 per cent of international students were employed or enrolled in further study 4-6 months after completing their degree. [4] In the same year, Universities Australia reported that international student satisfaction increased by 7.5 per cent to nearly 75 per cent. [5]

OVERCOMING BARRIERS, HARMONISING REGULATION AND INTRODUCING NEW MODELS

Barriers to growth include the lack of alignment in regulatory arrangements and in qualifications frameworks between countries. UOW welcomes connections established by the Australian regulator, Tertiary Education Quality and Standards Agency (TEQSA), with cognate regulatory bodies in Malaysia, Hong Kong, and the UAE. These connections should be pursued in other established and emerging markets. They can be a basis on which to develop stronger harmonisation in regulation.

[3] Department of Home Affairs, Review of the Migration System: Final Report, p. 117, available at: https://www.homeaffairs.gov.au/reports-and-pubs/files/review-migration-system-final-report.pdf?trk=public_post_comment-text

[4] Department of Education, Department of Education 2022-23 Annual Report, available at: https://www.education.gov.au/about-department/resources/department-education-202223-annual-report

[5] Universities Australia, Student Satisfaction Up Across the Board, available at: https://universitiesaustralia.edu.au/media-item/student-satisfaction-up-across-the-board/

At UOW, there is a concerted effort to maximise the potential of our global campuses by integrating them more effectively into our growth model. We propose that this would involve recognising Australian awards offered by our campuses abroad. By adopting innovative delivery models like the validation approach, where awards offered in Hong Kong and Malaysia are recognised as Australian, UOW would pioneer new ways of expanding Australian higher education into transnational markets.

This approach, distinct from traditional "franchising", promises not just growth but also novel avenues for enhancing Australia's global impact. The validation approach is common in the UK and requires different approaches to quality assurance. It offers a new way of bringing Australian higher education to transnational markets.

Alongside efforts to harmonise regulations and qualification frameworks across diverse educational systems, the Government can bolster support for TNE by extending post-study work rights to students at offshore campuses fully owned by Australian universities. Above all else, the system needs to be fair, transparent and equitable to avoid high concentration of international students enrolled in a small number of institutions located in Brisbane, Sydney and Melbourne. The solution needs to consider the timeline – from when a student is initially considering studying in Australia, through to course completion. Providers need to have clear direction to allow for long-term strategy and investment.

The University would welcome the opportunity to elaborate upon, and further clarify, the matters raised within this submission. In the meantime please do not hesitate to contact the UOW Director, Government and Community Relations (Mr Canio Fierravanti) for further information on 0411 244491 or via email at caniof@uow.edu.au