

Australian Universities Accord - Interim Report

An Interim Review of its International Dimensions

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Executive Summary

The next iteration of the Report on the Universities Accord would benefit from a deeper dive into the history of international education in Australia. This should include an examination of the origins of international student recruitment 'industry', especially reviews by Jackson Committee¹ Review the Overseas Aid Program, 1984 and the Goldring² Committee Review of Australia's Private Overseas Student Policy in the same year; further background is provided in *the Story of IDP*³, in *Making a Difference Australian International Education*⁴ and in *Lessons from the History of IDP*⁵ in Student Recruitment Agents in International Higher Education.

An Undervaluation of the Contribution of International Education

The Interim Report undervalues the potentially sustained contribution international education can make to education and development in the Indo-Pacific, to the Australian economy and society, and to Australia's international standing.

On page 6 it states that:

University research, which accounts for 36 per cent of Australia's overall research effort, has become too reliant on *uncertain* [my emphasis] international student funding and needs to be put on a sounder and more predictable footing.

An engineered slowdown in the growth of international student enrolment, if that is was intended, would be contrary to Australia's national interests, certainly to the health of our balance of payments, and – unless replaced with a unlikely sizeable increase in Commonwealth funding - to the financial viability of our higher education system.

The Perverse Impact of Over-Regulation

According to a statement by the Industry Commission⁶:

Government regulation of this industry, since its beginning in 1986, has been characterised by sudden shifts in policy direction, the effects of which have been made more serious by the way in which decisions were reached and subsequently communicated to those who were directly affected, in Australia and overseas. A major early mistake was not to require a bona fides testing of applicants for student visas ... [but] ... when the brakes were put on, the policy changes from one that was fairly relaxed to one that some say is now too strict.

¹ Review of the Australian Overseas Aid Program, 1984

² Review of Australia's Private Overseas Student Policy, 1984

³ *The Story of IDP, Thirty Years in International Education and Development*, Lazenby and Blight, 1999

⁴ *Making a Difference*, Editors Dorothy Davis and Bruce Mackintosh, 2011. This publication from page 219 offers an account of IDP's intervention in marketing, information, counselling and enrolment services.

⁵ Chapter 8 in *Student Recruitment Agents in International Higher Education Agents - Lessons from the History of IDP*, Blight, 2023

⁶ *Making a Difference* (op cit.)

The Interim report may stimulate further regulation of the industry as governments in whackamole style institute changes as institutions, students and agents find new ways around regulations.

The Conflation of Immigration and International Education Policies

According to *Making a Difference*, changes to international student visa policies in the period 1998 to 2009 meant that:

Migration through education was no back-door path. It was straight through welcoming front door. Arguably, governments were complicit in the continued growth of providers whose profit motive was linked to inveigling foreign students to pay for bogus education qualifications for the sole purpose of migration.

Governments in considering a revisit to the nexus should be wary.

The Interim Accord Report notes that 'the Government's Migration Review outline sets out policy directions regarding international students such as providing 'faster pathways to permanent residence for the skilled migrants and graduates Australia needs and increasing integrity in the visa system'. As a rationale, the Report notes *overseas students offer a significant source of talent to address the social needs of Australia particularly in terms of skills shortages and the development of new knowledge.*

There can be little doubt that changes in visa policy to enable the extension of visa provisions for international students to undertake work experience in Australia will make Australia a more attractive and competitive destination for international students potentially contributing to a sustained flow and of revenues to Australian universities and colleges. However, it could distort the processes of immigration policy and open the way for queue jumping and corruption.

The Government should also consider the foreign and aid policy implications of such international education and immigration policy directions. Taken at its full, the policy could lead to a "brain drain" directly counter to its expressed view of 'strengthening the economic and social development of the Indo Pacific' especially given the coincidence of skills shortages - in health and aged care for example - that are shared between Australia and countries such as Indonesia, the Philippines and Bangladesh. It would also be counter to the recently issued policy objective of Australia's development cooperation program 'to advance the Indo Pacific that is peaceful, stable and prosperous (through sustainable development lifting people out of poverty).

Promotion of Australian Education, Language and (multi)-Culture Abroad

Australia is seen as through a glass darkly.

Positive and favourable images of Australia enhance its capacity to increase intakes of the best and brightest international students, tourists, traders, investors, and immigrants. Images for better or worse are formed by the multicultural character of the Australian population; Australia's uneven treatment of its first peoples; its friendly but sometimes weird tourism promotions; and by popular, sometimes sensational, media coverage of its politics and society. But, and perhaps inevitably, there is no agreed coherent or consistent image formed through these diverse portrayals. The establishment in the early 90s of the Australia Abroad Council (AAC), sought to bring a measure of coherence in the timing and thematic basis of these portrayals. This was to be achieved primarily through joined-up promotions of actors engaged in this disparate array. Events were conducted with this in mind included *Australia Today*, *Indonesia* and comparable promotions in Korea, India and the United States. However, the AAC was discontinued by the Howard Government. Moreover, IDP's

privatisation, that included a sensible business decision to broaden its representation beyond Australian education providers, means that its singular focus on the quality and standing of *Australian education has been lost.*

I offer this personal submission⁷ on the international dimensions of the Interim Report of the Australian Universities Accord.

The Report sets the scene well. It could, however, benefit from a deeper appreciation of the potential for a high-quality and equitable international education industry to contribute, not only to the transformation of the higher education system of Australia, but also to that of the Indo-Pacific. A deeper dive into the risks and potential of the conflation of Australia's immigration and international education policies is warranted.

A brief glance at the history

A deeper dive into the modern history of international education in Australia should include an examination of the origins of international student recruitment 'industry' – and the two substantial reviews by Jackson Committee⁸ Review the Overseas Aid Program, 1984 and by the Goldring⁹ Committee Review of Australia's Private Overseas Student Policy; further background is available in *the Story of IDP*¹⁰, *Making a Difference Australian International Education*¹¹ and more recently a multi-stakeholder perspective on Challenges and Best Practices especially a chapter titled International Education Agents: Lessons from the History of IDP¹².

An Undervaluation of the Contribution of International Education

The Report undervalues the actual and potentially sustained contribution of international education to education for development in the Indo-Pacific, to the Australian economy and society and to Australia's international standing. Indeed some will interpret the Report as undermining the pursuit of international student recruitment.

⁷ Dr DG Blight AO Bachelor Science and PhD graduate of the University of Western Australia; for 15 years an Australian diplomat and aid administrator (including from 1984 to 1986 head of the Branch responsible for aid to China and countries of Southeast Asia); a recognised leader of Australia's international education push for the years from 1986 to 2000 as deputy and then CEO of IDP; founder in 1989 of IELTS Australia and of the IELTS partnership between the British Council and the University of Cambridge and IDP Education Australia. Since 2007, Visiting Fellow at the School of History of the Australian National University, a working currently on a biography of Sir John Crawford, first chair of IDP's progenitor the Australian Asian Universities Cooperation Scheme. In 2004 appointed an officer in the Order of Australia for services to international agriculture, education and development.

⁸ Review of the Australian Overseas Aid Program, 1984

⁹ Review of Australia's Overseas Aid Program, 1984

¹⁰ The Story of IDP, Thirty Years in International Education and Development, Lazenby and Blight ,1999

¹¹ Making a Difference, Editors Dorothy Davis and Bruce Mackintosh, 2011. This publication from page 219 offers an account of IDP's intervention in marketing, information, counselling and enrolment services.

¹² Student Recruitment Agents in International Higher Education Agents (Chapter 8): Lessons from the History of IDP, Blight, 2023

The Report states on page 6 that:

University research, which accounts for 36 per cent of Australia's overall research effort, has become too reliant on *uncertain* [my emphasis] international student funding and needs to be put on a sounder and more predictable footing.

Any suggestion, that might be read into the Report, of an engineered slowdown in the growth international student enrolment, would be contrary to Australia's national interests, certainly the health of our balance of payments, and – unless replaced with a sizeable but unlikely increase in Commonwealth funding - to the financial viability of our higher education system.

I presume the observation of uncertainty was based on a slowdown in increased student flows arising from the Asian Financial Crisis and the interruption caused by the pandemic. However, there has been a more or less steady increase in international student flows since the inception of the program in 1986. Given an appropriate supportive policy and strategy framework this observation on uncertainty will be shown to be based on an underestimation of the scale of student demand globally which studies¹³ have shown continues to outstretch the higher education teaching capacity of many developing countries. Bear in mind that only a relatively small fraction of this unsatisfied demand would far exceed Australia's current level of international enrolments. Even now, the data indicates a resumption of growth in international student numbers to the main provider countries. In any case, a deliberate strategy to reduce the revenue stream for an Australian export service would appear unwise.

I would suggest that far from measures that might reduce the level of funding from international students, governments should look at ways in which through long term consistency in policy and strategy, pre-pandemic levels of international student enrolments will be regained, increased and sustained. In the remainder of this submission, I will examine areas for study towards this end.

Conflation of International Education, Aid and Immigration Policies

This is not the first time that policies on education, immigration and foreign policy have impacted adversely on overlapping objectives. As *Making a Difference* notes on page 136 in what it describes as the 'sixth phase dependency of Australia's international education value proposition (from 2005 to 2010) involved increasing dependency on the migration nexus and renewed exposure of the industry to corruption.' According to *Making a Difference*:

Changes were made to the student visa program early in 2005. There was a lowering of the assessment levels for several countries and sectors, affecting the English language and financial requirements of visa applicants. The pass mark for selection for permanent residency under the GSM program was increased from 115 points to 120 points. At the time the possession of a Migration in Demand Occupation was worth 20 points and it became the key determinant of selection. Within a year of this policy shift, 42 percent of skilled independent migrants applied on this basis, compared to just 9 percent in the previous year. This gave international students who had completed a course related to the designated occupations a major advantage over other applicants'

¹³ See Olsen, International Education: Australia's Potential Demand and Supply. See also Global Student Mobility: 2007 An Australian Perspective Five Years On by Melissa Banks, Alan Olsen, David Pearce, the Centre for International Economics.

Other visa policy changes impacted on the international student intake:

In May 2005 the number of occupations on the Migration in Demand List was expanded to include many relatively low-skilled occupations, including cooking and hospitality. This change triggered an acceleration of growth in [international student] enrolments in VET enrolments.

As a result, according to *Making a Difference* again:

Migration through education was no back-door path. It was straight through welcoming front door. Arguably, governments were complicit in the continued growth of providers whose profit motive was linked to inveigling foreign students to pay for bogus education qualifications for the sole purpose of migration.

Governments in considering a revisit to the nexus should, therefore, be wary.

The Interim Report, from about page 60, opens up a link between international students as 'meeting the social needs of Australia particularly in terms of skills shortages and the development of new knowledge'. This claim appears to cite a submission from the International Education Association of Australia, which I have not seen.

The Interim Accord Report also notes further that 'the Government's Migration Review outline sets out policy directions regarding international students such as providing 'faster pathways to permanent residence for the skilled migrants and graduates Australia needs and increasing integrity in the visa system'. As a rationale the Report notes:

'[O]verseas students offer a significant source of talent to address the social needs of Australia particularly in terms of skills shortages and the development of new knowledge.

There can be little doubt that changes in visa policy to enable the extension of visa provisions for international students to undertake work experience in Australia will make Australia a more attractive and competitive destination for international students potentially contributing to a sustained flow and of revenues to Australian universities and colleges.

The Government should also consider, however, the foreign and aid policy implications of such international education and immigration policy directions. Taken at its full, the policy could lead to a "brain drain" directly counter to its expressed view of 'strengthening the economic and social development of the Indo Pacific' especially given the coincidence of skills shortages - in health and aged care for example - that are shared between Australia and countries such as Indonesia, the Philippines and Bangladesh. It would also be counter to the recently issued policy objective of Australia's development cooperation program 'to advance the Indo Pacific that is peaceful, stable and prosperous (through sustainable development lifting people out of poverty).

I agree, therefore - but perhaps for different reasons - that as the Report reckons:

Industry attitudes towards hiring international students and graduates requires significant attention. Universities play a pivotal role in connecting industry with international students, including communicating the benefits of employing international students and addressing misinformation regarding international visa limitations. They also play a role in supporting international students who may not always be aware of what employment opportunities exist for them both during and post-study. Ensuring international students, particularly those studying in areas of Australia's skills needs, are connected to industry throughout their

education will facilitate better pathways into employment and therefore help meet workforce shortages.

Australia should address the conflicting objectives of helping, on the one hand, to enhance the skills of people in the Indo-Pacific in areas vital to the economic and social progress of countries in the region and at the same time to add to the pool of skilled people as potential permanent residents of Australia. One approach, which admittedly has been dismissed by an experience observer¹⁴, would be to reinstate the requirement that upon graduation international students should be required to return to their country of origin at least for a limited period afterwards to 'join the queue' of potential immigrants. This could be balanced by an extended period of post graduate exposure to paid work experience in Australia and by a concerted effort to prepare international graduates for employment in their countries of origin.

The Perverse Impact of Over-Regulation

According to a statement by the Industry Commission¹⁵:

Government regulation of this industry, since its beginning in 1986, has been characterised by sudden shifts in policy direction, the effects of which have been made more serious by the way in which decisions were reached and subsequently communicated to those who were directly affected, in Australia and overseas. A major early mistake was not to require a bona fides testing of applicants for student visas ... [but] ... when the brakes were put on, the policy changes from one that was fairly relaxed to one that some say is now too strict and poorly targeted.

Another comparable sudden shift in policy occurred in August 2023 when the Australian government announced that it 'will close effective immediately a loophole in its visa rules that allowed international students, who gained visa approval on the basis of confirmed acceptance in a higher education course, to enrol for cheaper vocational courses as soon as they arrived in the country'. 'Recent investigations' had identified that many students were misusing this concurrent study rule. The government believes that closing the loophole will stop predatory 'second' providers from enrolling students before they have studied for the six months required. While the policy change appears sensible, it does suggest that the phenomena of 'sudden shifts' in policy as new problems pop up is still with us.

It is reasonable for Governments to institute needed changes as institutions, students and agents find new ways around regulations. Government should, however, seek to deal more effectively with this whackamole phenomenon.

Promotion of Australian Education, Language and (multi)-Culture Abroad

Australia is seen as through a glass darkly.

Positive and favourable images of Australia enhance its capacity to increase intakes of the 'best and brightest' students, tourists, traders, investors, and immigrants. Such images for better or worse might be formed by the multicultural character of the Australian population; Australia's uneven treatment of its first peoples; its friendly but sometimes weird tourism promotions; and by popular, sometimes sensational media coverage of its politics and society. But, perhaps inevitably, there is no

¹⁴ The observer in a private communication asked me to contemplate the public uproar associated with the deportation of skilled health workers.

¹⁵ Insert reference

agreed coherent or consistent image formed through these diverse portrayals. The establishment in the early 90s of the Australia Abroad Council (AAC), with a secretariat in the Department of Foreign Affairs and Trade, sought to bring a measure of coherence to the timing and thematic basis of the range portrayals by agencies and the media of Australia. This was to be achieved primarily through joined-up promotions of actors engaged in this disparate array. Events including Australia Today, Indonesia and comparable processes in Korea, India and the United States achieved a measure of success. However, the AAC was discontinued as a cost saving measure by the Howard Government. IDP's privatisation that included a business decision to broaden its representation beyond Australian education providers means that its singular focus on *Australian education has been lost*.

Areas for Further Consideration

I endorse the Report's visionary ideas in evolving the mission for higher education, the need for more students enrolled in higher education (including I would add from abroad which will often endow the critical mass to underwrite new courses and programs), meeting Australia's future skill needs, equity in participation, access and opportunity, excellence in learning, teaching and student experience, and fostering international engagement, noting the mutually reinforcing character of all of these ambitions. There is a nexus between international education, quality, foreign policy objectives, integrity of visa pathways, innovation in international education (including digital and offshore delivery), high quality experiences, and recognition of overseas skills and qualifications, promotion of commercial use of research output, and building connections with international alumni. The nexus is vital. *There is, however, a disconnection between these ideas on the one hand, and the claim on the other of 'an unhealthy degree to which core research capability in Australia's universities is funded through [so-called] volatile international education revenue'.*

Many of the ideas for further consideration, including funding for research and innovation, are being pursued actively by universities and colleges as core activities. They are all funded in part by revenues generated by surpluses from increased enrolment of international students both to bolster research and innovation as vital to success in gaining sustainable increases in market share of international education services and growth in partnerships. An increase in critical mass incidentally enables universities and colleges to broaden their range of courses. It is, in my personal experience, a reasonable proposition that surpluses generated by one core business activity (in this case international education) should be invested in that activity *and in other core activities of university enterprise*. By accepting, without comment, concerns raised by the many of an unhealthy connection between these surpluses and research funding, the Report risks undermining this revenue source. As I have pointed out in the foregoing there are a number of other ways in which this revenue resource can be protected by government policy and strategy.