

# Submission to the consultation on *Connected Creative, Caring: Australian Strategy for International Education 2021 - 2030*

Joint submission  
May 2021



# Joint submission to the consultation on *Connected Creative, Caring: Australian Strategy for International Education 2021 – 2030*

Navitas, Kaplan and Study Group (the Organisations) welcome the opportunity to respond to the Consultation Paper for the new international education strategy – *Connected, Creative, Caring: Australian Strategy for International Education 2021-2030*.

The international education sector, particularly independent higher education providers, continue to face challenging times as a result of international border closures. There is an opportunity to initiate a public debate on the importance of the international education sector to Australia's long-term economic prosperity, not just in direct export earnings, but also as a pipeline of young, diverse and highly-skilled migrants who have demonstrated a commitment to Australian values and our way of life.

Navitas, Kaplan and Study Group operate campuses in all the major destination countries for international education. We are seeing first-hand the impact of the open and welcoming policy settings in both international education and migration by Australia's key competitors – Canada, the United Kingdom and recently in the United States. In the past Australia has led the world in policy and institutional innovation in international education — it is time for us to do so again.

The Organisations have developed ideas for possible policy reforms and initiatives to drive sustainable and diverse growth in the next era of international education in Australia. Some of these proposals make changes within existing frameworks, and others are completely new and will require detailed policy development and consultation.

The following submission outlines our responses to the Consultation Paper and the discussion questions.

# 1. Executive Summary

The impacts of COVID-19 on Australia's international education sector have been significant and continue to be so for most within the sector. Despite the impacts to date, students are still waiting to study in Australia and there remains the possibility of a return to normal, although this is likely to erode, particularly after the northern hemisphere fall intake. Earlier in the pandemic students had tended to defer their studies, we are now seeing a tendency to switch, or at least hedge, on destination countries. Australia, along with New Zealand, is falling behind other key competitors as successful management of the pandemic is becoming far less valued than whether a country is perceived to be open and welcoming.

The International Education Strategy provides an opportunity to turnaround Australia's reputation and set the industry up for future success. Importantly it must balance the challenges the sector has faced with COVID-19 and its current position in the global market, with longer-term strategic considerations about the future of the industry and its sustainability. Specifically, the strategy must consider:

- that Australia will welcome international students when they are able to return
- how Australia will best support students when they return to studying in Australia
- consider and develop concrete strategies to address the challenges with the social license of the international education industry that currently exists.

Navitas, Kaplan and Study Group (the Organisations) as three leaders within the independent international education sector have put forward a package of proposals to address these challenges in the shorter-term and longer-term in response to the discussion paper. Our series of proposed **measures aim to stimulate demand and support for quality in international education**:

## **A. New Pathways to Temporary / Permanent Migration – International Higher Education**

**Students to Supercharge Australia's Economic Recovery**, including setting targets on student to migrant transition levels, amendments to current settings around 'temporary migrants' acknowledging the longer-term contribution international students can make, targeted changes to the skilled migration points system to provide a more attractive pathway for students that have studied in Australia and changes to the Temporary Graduate Visa (including a short-term extension).

## **B. Minor amendments to the Streamlined Student Visa Framework to recognise quality and mitigate against poor quality**, including the establishment of a 'bottom-tier' within the SSVF framework to disincentivise high-risk and low-quality student recruitment practices, and greater acknowledgement and incentives for 'top tier' SSVF providers.

- C. Changes to English language delivery and incentives**, through reconsideration of existing visa assessment practices and prioritisation of student's learning outcomes by allowing longer periods of ELICOS study as part of a packaged visa, as well as changes to the skilled migration points system to incentivise high-level English language skills.
- D. Amendments to visa settings to support market diversification and recruitment in non-traditional markets**, including reconsideration around GTE assessment practices in non-traditional markets.
- E. Active enforcement of student visa requirements to support high quality offerings and deter perverse recruitment behaviours**, ensuring students stay with their original provider for the already mandated six-month period.

In addition to these changes four **longer-term systematic and governance reforms in international education** are proposed:

- F. Industry backed International Education Sustainability Fund** – which includes:
- **Community engagement projects stream** – aimed at funding practical community projects that provide tangible benefits for Australian communities and support the international education industry's social license.
  - **Student hardship support** – to provide a systemic, sector-funded 'safety net' to students in times of extreme hardship (such as was seen during the COVID-19 pandemic).
- G. Sustainable funding for the Council of International Students Australia (CISA)**, including the provision of ongoing, appropriate funding for a secretariat service to support the CISA Executive, ensuring appropriate stipends to support the sustainable operations of CISA, and specific budget to support engagement with government and the sector.
- H. An International Education Commissioner**, to play a stewardship role for the sector through the provision of strategic advice to government at all levels, the monitoring of sector trends and policy coordination and a platform for consistent coordination and engagement with the sector.
- I. Government support for transnational and digital education, including ongoing support through** government-to-government relations, recognition of quality and qualifications to support a stable environment for Australian providers to operate and ongoing consideration of regulators to requirements in this non-traditional education environment.

## 2. Context and Australia's competitive position

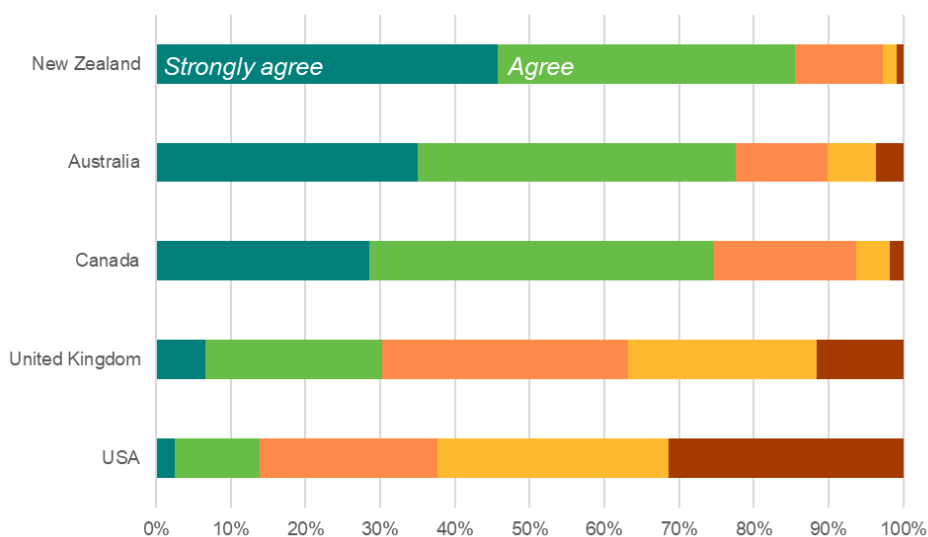
### 2.1 Students are waiting to return to study in Australia and there is still the potential for a return to normal

#### Australia's success in eliminating COVID-19 was the envy of the world – we made a good first impression

At the start of the pandemic, Australia demonstrated a strong public safety response and stability in its management of the coronavirus pandemic. Students, parents and agents around the world looked towards Australia very positively based on the manner it had been able to effectively handle the pandemic. Due to this it retained its attractiveness as an international education study destination. The Navitas Agent Perception Survey in May 2020 showed that the Australian, New Zealand and Canadian government's handling of the coronavirus have made them more attractive study destinations.

The Government did an incredible job in leading Australia through this initial period of the COVID19 pandemic. The health and economic response have been exemplary – keeping Australians safe, keeping the economy going and keeping people in jobs.

**Figure 1: May 2020 Navitas Agent Perception Survey — To what extent do you agree with the following statement: “The way this country’s government has handled the coronavirus has made it a more attractive study destination.”**



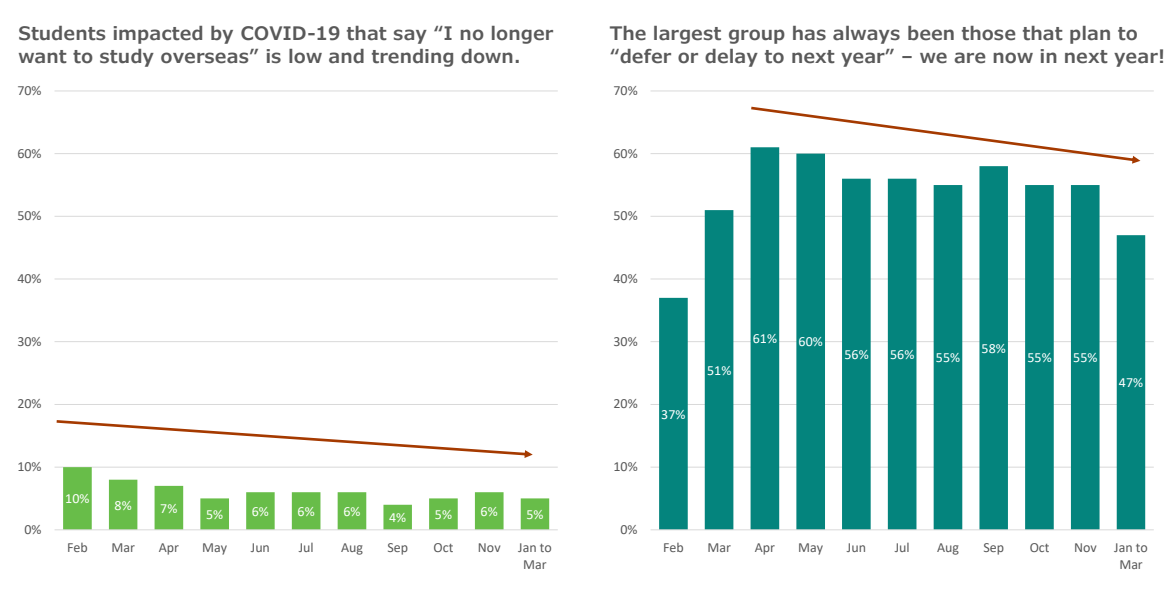
Source: Navitas Agent Perception Survey – May 2020

**Students are deferring, not cancelling – for those students that have already chosen Australia, they are looking for reasons to stay**

International students have demonstrated resilience and commitment to following through on their plans to study in Australia – they have shown themselves to be very ‘sticky’ in maintaining their choice to study in Australia. As an example, approximately 40,000 Chinese students were able to make it onshore through third countries after borders were closed to China in February 2020. This demonstrates a commitment to achieving their study plans, even with the health, financial and border barriers imposed on them. Studying abroad is the culmination of a long period of searching and debating, planning and saving, worrying and dreaming.

The proportion of students saying that they will cancel their study plans has been low and in the QS surveys the proportion has been falling. Most students have said that they are deferring or delaying their study plans – as the QS survey results below shows. At the start of the pandemic over 60% of survey respondents said that they were planning of deferring or delaying their studies, but in the latest round of surveys, this has fallen to 47%. In the IDP survey similarly reports a large proportion of students saying “I am expecting to commence studies as planned” – 80% in its October 2020 survey and 75% in April 2021.

**Figure 2: Responses by students whose study plans have been impacted by COVID-19**



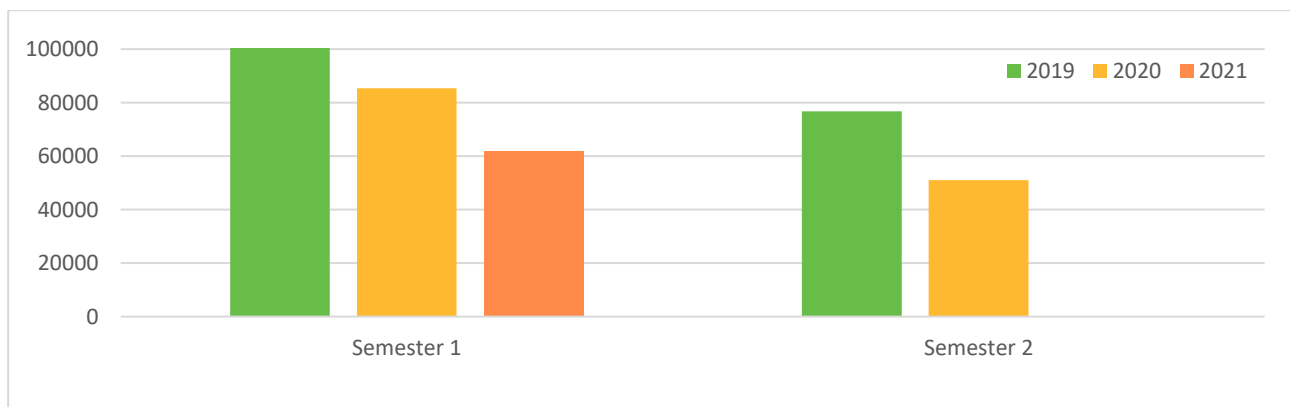
Source: QS

**The level of pent-up demand is not to be underestimated – of the 73,000 higher education students that didn't turn up in 2020, 36,500 could be waiting to follow through on their Australian study plans**

Since the start of the pandemic, Australia has seen 73,000 fewer higher education commencements (than might have otherwise been expected based on historical numbers). Some of these students will have already

cancelled or switched to another destination country. Based on the QS survey, it can be assumed that around half of these students or 36,500 will have delayed their studies as they wait for borders to re-open. In addition to this number there are currently a further 56,000 enrolments that have deferred their studied indefinitely (having not proposed a new start date).<sup>1</sup> We would assume that the vast majority of these students are studying in the higher education sector. Together, this represents 'pent up demand' of over 90,000 students.

**Figure 3: International commencements in Higher Education – 2020 and 2021 compared to 2019**



Source: 2021 PRISMS Detailed Pivot

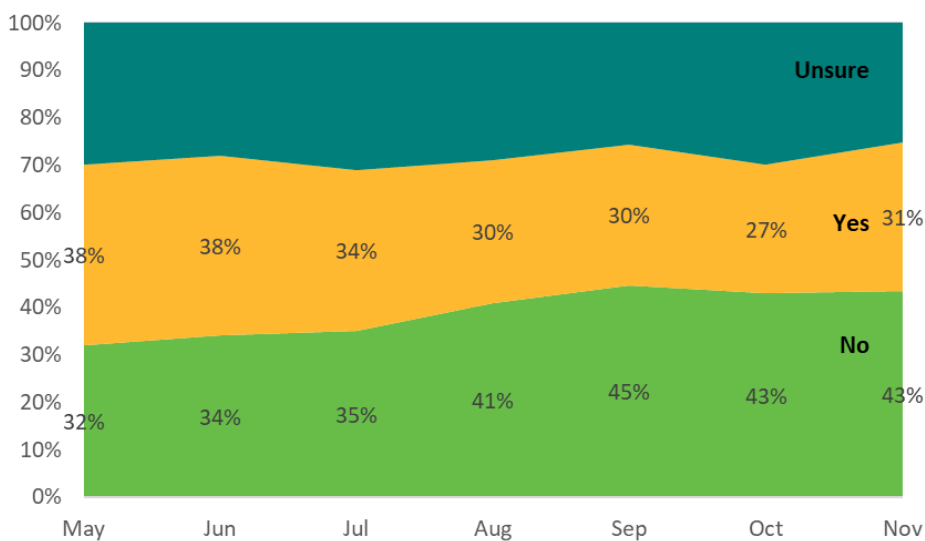
<sup>1</sup> [https://internationaleducation.gov.au/research/research-snapshots/Documents/RS\\_COVID-19%20update%20March%202021.pdf](https://internationaleducation.gov.au/research/research-snapshots/Documents/RS_COVID-19%20update%20March%202021.pdf)

## 2.2. Australia has a lot to lose, it's response over the next 12 months will set its trajectory for years to come

### As the months wear on students are growing impatient for a return to face-to-face learning and the commitment to studying in Australia is waning

While online learning provides significant opportunities, by and large, online learning is not yet considered to be an adequate substitute for the face-to-face on-campus experience for student for whom that is their preference. In fact, as the pandemic has persisted, even those students who were willing to accept online learning as a transitional measure during the initial months of COVID-19 are becoming less accepting. The proportion willing to learn online for six months before transitioning to face-to-face has fallen from 38% at the start of the year to 31% by the end of the year, while the proportion not willing to do so has risen from 32% to 43%.

**Figure 4: If you knew the online learning would be for a maximum of six months before you begin F2F classes, would you consider it?**



Source: QS Higher Education In 2020: How Covid-19 Shaped This Year

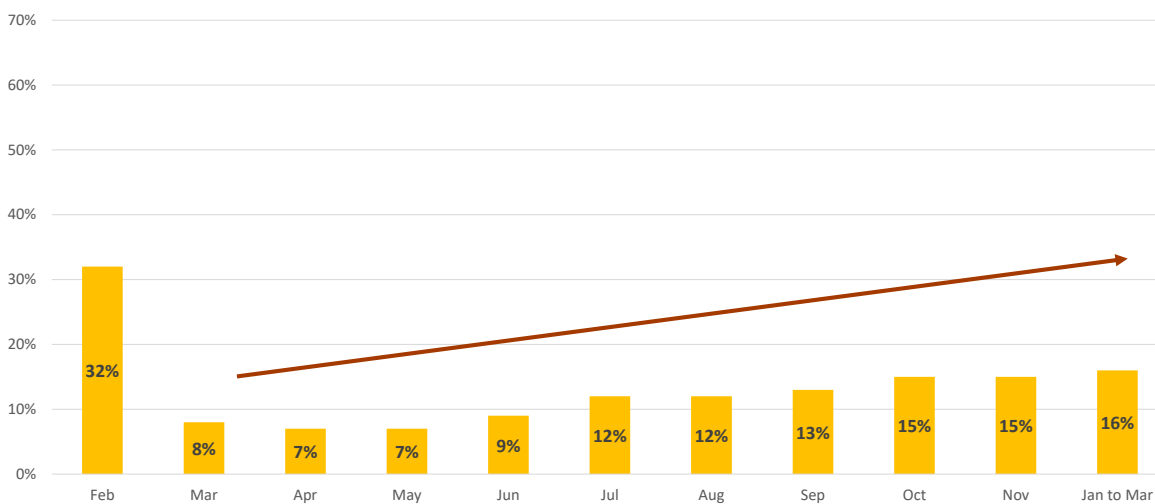
There is clear evidence that the previously high student stickiness is starting to wane. Faced with closed borders and only online options for study with Australia available, many students who would have previously delayed or deferred their studies are considering viable alternatives. The long running QS survey in particular has shown that from the start of the pandemic the number of students that say they intend on switching has risen steadily from month-to-month.



The latest Navitas Agent Perception survey found that agents themselves are recommending that applicants either apply elsewhere, or at least apply to another destination to hedge their bets. Almost one-in-five agents (18%) are recommending that applicants to Australia have a back-up option – as shown in Figure 5. This represents a substantial proportion of students that are being advised by their agents to switch study destinations, or at least be prepared to switch with backup applications to other countries.

### Figure 5: Responses by students whose study plans have been impacted by COVID-19

As the pandemic persists, students that say “I now intend to study in a different country” is trending up.



Source: QS

### The long-term impact for Australia is reputational, with a real risk that perceptions of Australia being less open and welcoming than other countries becoming entrenched

Navitas has been tracking agent sentiments on the twin dimensions of ‘safe and stable’ and ‘open and welcoming’ since the start of the pandemic. In 2020, countries either led on being ‘safe and stable’ (New Zealand, Australia) or on being ‘open and welcoming’ (the UK).

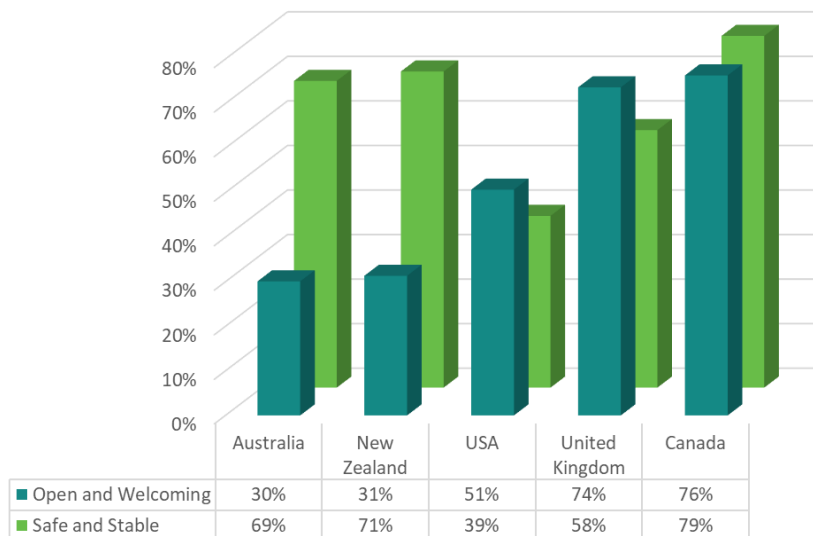
In 2021, Canada has achieved a surprising and commanding position being number one on both safety (79% agree) and openness (76% agree). Of the major anglophone destinations, no other country comes close to achieving this result, with the UK in a distant second place (with 58% and 74% respectively). Canada has led the way in its policy response to international students during the pandemic. Canada has continually demonstrated its inclusivity through a range of support measures targeted at international students affected by the virus (including additional work rights and access to unemployment benefits). Its reopening of borders to international students in

October last year and subsequent announcements regarding extensions to post-study work rights and vaccines for international students have only strengthened its reputation.

Australia has improved its reputation for being safe and stable with the proportion of agents that agree/strongly agree rising from 61% to 69% from September 2020 to May 2021. However, in that same period, Australia's reputation for being open welcoming has deteriorated from an already low 45% to 30%. The fact is that in the few short months since the last survey, the United States has been able to improve its reputation for being open and welcoming to 51%, such that it is now ahead of Australia on this important measure.

There is a risk that this has a long-term reputational impact for Australia, that will not only impact current application intakes, but as significantly future application intakes.

**Figure 6: "Over the past two months, the reputation of this country as safe and stable/open and welcoming for international students has improved."**



Source: Navitas Agent Perception Survey – May 2021

**The losses for Australia are substantial with each passing intake – both in terms of the immediate lost generation of students, but also lost future generations as the switch to alternatives become entrenched**

While COVID-19 is clearly an unusual and time bound phenomena, it would be a mistake to think that the current disruptions to student flows will not have longer term consequences. In particular,

there are four issues that will mean that the shock of COVID-19 will lead to long-lasting effects on the international education sector in Australia.

**First, there will be a loss of capacity within the international education sector.** With the cessation of JobKeeper, many organisations and parts of organisations that were once viable will become far more marginal. This is most apparent with the closure of colleges that are no longer able to sustain zero revenues. There are however many such impacts that are less visible as institutions and universities continue to operate, but are forced to scale back or consolidate their program offering. The diminution of ELICOS centres within universities is a good example of such losses in capacity that may not be immediately apparent.

**Second, our research capabilities and rankings may be diminished** as the funding and workforce for research becomes harder to sustain. It is widely accepted that Australia's ability to punch above its weight in the global rankings is in no small part supported by fee revenue from international students. In addition, international PhD students provide a large pool of capable researchers, particularly in the STEM fields. With destination switching on the rise, the loss to Australia is by definition a gain to other nations seeking to advance in the highly competitive research stakes.

**Thirdly, path dependency of student choices will shift in favour of other countries** as a result of a forced shift in international students' choices away from Australia towards other destinations. International students select their destinations taking into account a wide range of path dependent considerations, such as whether or not there are siblings in the same city or country, whether the family owns property or holds an existing lease, and whether there are relatives with whom they are able to reside. As a result, the loss of several intakes of students can have a longer lasting event beyond those particular cohorts – future cohorts will have their choices biased away from Australia as a result.

**Fourthly, there will be further dilution of systemic advantages that Australia has held in the past** in its recruitment activities. This includes the weakening of historically strong marketing, recruitment and admissions teams, including those in-market with expertise in the field who either lose their positions or gain employment in institutions from other countries. It also includes weakening (or indeed loss) of relationships with agents and other stakeholders in market due to Australia not currently being a viable option. Finally, there is a risk that Australia-focused desks and departments with education agencies may be required to transition towards other destination country markets in order fulfil students needs and their own commercial imperatives. This further weakens Australia's position in the medium to long-term.

### 2.3. The National Strategy is the opportunity to turnaround Australia's reputation and set-up the industry for future success

Given the extended period of closed borders and likely loss of market share in the interim, the strategy must make significant changes to enable Australia to rebuild its position post-pandemic

As outlined above, the impacts of the COVID-19 have been significant in terms of students not able to come to Australia, as well as the market perception of Australia and its reputation as an education destination. To that end we propose a range of migration-oriented measures which have the dual benefits of accelerating Australia's national economic recovery and bolstering the attractiveness of international education in Australia. This represents a careful and calibrated re-coupling of international higher education and skilled migration. Recoupling higher education and migration represents a win-win for Australia. Other destination countries are already going down this path, particularly in response to the direct and negative impact the COVID-19 pandemic has had on population growth and which is a key driver for many modern economies.

Our proposed reforms in **proposals A1 to A7** represent a comprehensive package of measures that seek to drive Australia's economic recovery and to ensure that any losses in market share become a temporary rather than permanent artefact of the COVID-19 pandemic years.

#### **The strategy must outline how Australia will welcome international students when they are able to return**

From our understanding, all jurisdictions are currently considering how international students could be welcomed back into Australia in a safe and sustainable way. This includes considerations around travel, quarantine arrangements, accommodation options (including industry-led accommodation) as well as building community confidence in our ability to do so safely. In working with the industry, governments have acknowledged the importance, for both students and the economy, of supporting the return of international students.

It will be important that the strategy emphasises that international students are welcome in Australia and that Australia looks forward to their return. Any specific details on the governments intent to support returning students over the next twelve months will also be a valuable signal to source country markets that Australia is (or is at least soon to be) open for international education.

### **The strategy must outline how Australia will achieve a return to growth while maintaining quality and increasing diversity**

Aside from re-opening its borders, Australia can be doing much more to show that it is serious about being open and welcoming to students. The strategy – that has students at its centre – provides an opportunity to meaningfully demonstrate to students and agents what an Australian study experience will look like when borders re-open and the pillars of the Australian approach to international education for the next ten years.

Collectively positive market sentiments, strategies to support students and clarity around opening borders has been shown to have an effect on market sentiment. The proportion of agents reporting improvement in the reputation of the USA as safe and stable almost quadrupled from 10% to 39% between September and March. Even more impressive is the USA's reputation for being open and welcoming which saw an almost five-fold increase from 11% in September to 51% in March. The United States has shown that reputations can change with concerted efforts, providing an instructive example for Australia.

Further changes are also important to ensure Australia achieves a rapid rebound in growth following this recent period and impact on Australia's reputation as an international education destination. Sustainability should be a key tenet of Australia's growth – driven by a high-quality standard of education and experience for students and efforts to ensure a diversity of student background and experiences. **Proposals B to E** are all aimed at supporting quality and sustainable practices within the sector.

### **Finally, it must consider and develop concrete strategies to address the challenges with the social license of the international education industry that currently exist**

Australia's international education industry is not well understood or appreciated by the general Australian public. International education does not receive the same level of support as other major Australian export industries and the economic and societal benefits of the industry are either not understood or do not resonate with most Australian people. The challenges brought on by COVID-19 have brought this into sharper relief with public sentiment not strongly in favour of returning students or support for the industry.

The industry is undertaking work to address this issue and more effectively communicate the benefits of the international education sector. The International Education Association of Australia (IEAA) has recently commenced a piece of work on this very topic. Navitas, Study

Group and Kaplan have also signed on as industry partners to Griffith University for an Australian Research Council grant focused on tangible ways to build the industry's social license. This forthcoming program of work by the sector on its social license will be valuable, but the strategy provides a further critical opportunity to meaningfully consider this issue and identify tangible actions that can support the industry's social license.

**Proposals F to I** have been developed to support the social license and governance of the international education industry, as well as optimising support for longer term growth aspirations in online education.

### 3. Policy reform proposals

Navitas, Study Group and Kaplan propose a number of key reforms to the international education sector in response to the Consultation Paper. This will ensure the strategy is fit for purpose and is best placed to support a sustainable and thriving industry going forwards.

#### 3.1 Measures to stimulate demand and support for quality in international education

##### A. New Pathways to Temporary / Permanent Migration – International Higher Education Students to Supercharge Australia’s Economic Recovery

The COVID-19 pandemic has had a direct and negative impact on Australia’s population growth (both in terms of negative net overseas migration and a decline in the fertility rate), which is one of the key drivers of Australia’s economic prosperity. Net Overseas Migration (NOM) saw the largest declines since the First World War. Demographers and economists alike agree that this means that Australia will be smaller and therefore older and poorer with lower standards of living as a result of the pandemic. Productivity has also been negatively impacted by the absence of young, highly-skilled migrants coming into the Australian workforce.

The long-term demographic and economic impact resulting from the pandemic was summed up in comments by Phillip Lowe, Reserve Bank of Australia Governor, on 3 February in his address to the National Press Club:

*‘Notwithstanding this recovery, we are not expecting the level of GDP to return to its previous trend over our forecast period. This is largely because of lower population growth. When we prepared the forecasts a year ago, we were expecting the population to grow by 1.6 per cent per year over 2020 and 2021. The actual outcome is likely to be around 0.2 per cent in 2021, the lowest since World War I. This slower population growth has a direct effect on the size of our economy and means that we will not get back to the previous trend any time soon’.*

In recent years, Australia has supported fewer international students to transition to skilled migration while other destinations are changing policy settings to attract the “best and brightest”. In this way Australia is not fully realising the values of international students becoming migrants. In contrast, other countries have been able to gain the economic benefits of the graduate cohort more effectively. For example, Statistics Canada reports that almost one-third of international students who earn a bachelor’s degree in Canada become permanent residents in the ten years after they get their first study permit, and 50 per cent for those with master’s degrees. Elsewhere,

the UK Home Office reported in 2019 that the largest proportion (29 per cent) of new migrants granted settlement in 2019 were people who originally arrived in the UK on a student visa.<sup>2</sup>

Policy settings that encourage international students seeking a bachelor's degree or higher to come to Australia for study and stay on and work are some of the simplest and most effective in offsetting the detrimental impacts of the pandemic on Australia's demography, economy and skilled workforce.

In our recent submission to the Standing Committee on Skilled Migration (link [here](#)) we put forward seven proposals to support this. These were:

**Proposal A1 – *Settle 1 million new migrants in Australia over a five-year period***

- For the Australian Government to consider establishing a clear and stated objective to support one million people to permanently migrate to Australia over a five-year period.
- This represents only a moderate increase on Australia's previous migration level of 190,000 per year and would directly address the short-fall that has resulted from COVID-19.

**Proposal A2 – *Set a target for a student-migrant transition***

- Increase the proportion of international students that transition from studying in Australia's higher education system to settle in Australia and gain permanent residency.
- As students should provide a strong foundation for Australia's skilled migration program setting a target would send a clear signal to market on the important contribution international student make to the Australian economy and society
- The current level in Australia is 16 per cent, compared to 27 per cent in Canada.
- We propose to increase Australia's student-migrant transition to 25 per cent or one-in-four international students.

**Proposal A3 – *Recognise genuine higher education student visa applicants may have a migration intention***

- Amend the rules (instruments) and therefore the assessment of Higher Education Student Visa applications to support skilled migration priorities, by temporarily suspending the requirement to demonstrate the intention of being a 'temporary' entrant for low-risk applicants while still ensuring applicants are 'genuine students'.

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<sup>2</sup> UK Home Office (2019) 'Migrant Journey: 2019 Report'. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/886570/migrant-journey-report2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/886570/migrant-journey-report2019.pdf)



- This would represent acknowledgement in the rules and assessment of higher education students' visa applications that indicating an intention to stay in Australia (either through post-study work rights and/or skilled migration) is a positive and beneficial outcome
- This would support greater coherency in the objectives, setting and safeguards across the Student visa, Temporary Graduate visa and Skilled Migration programs. It assists in creating a high-quality pool of temporary migrants and increases the pool of talented students that could then flow through to permanently migrating to Australia.

#### **Proposal A4 – Targeted changes to skilled migration points system**

- Changes to the points-based system will provide a more attractive pathway for talent that has studied in Australia (or completed an Australian qualification) to settle in Australia.
- Specifically, a temporary change in the points allocation for the Australia Study Requirement (from five points to ten points) for students that have studied a degree level program would:
  - increase access to permanent residency through increased use of both the Independent visa (subclass 186) and Nominated (state and territory) visa (subclass 189) categories
  - deliver secondary benefits for Australia as an international education destination – providing increased clarity and attractiveness to some students in the short-term due to the clear and formally established pathway to permanent residency.
- This would support increasing access temporarily to a group of individuals that have multiple years' experience studying, working and living in Australia (and are therefore already accustomed to and supportive of Australian values).

#### **Proposal A5 – Short term extension of the Temporary Graduate Visa**

- Temporarily extend the duration of the 'Temporary Graduate Visa' by an additional 18 months to increase the time higher education visa holders can stay on the visa, thereby supporting transition through to the Skilled Migration Program.
- This change would both increase the attractiveness of Australia as an international education destination, as well as in turn providing graduates with access to additional skilled migration points based on the longer duration of time they will spend in Australia.

#### **Proposal A6 – Re-name the Temporary Graduate Visa and roll out a promotional campaign to employers**

- There is a mismatch between the skills profile of graduates and employment outcomes – with employment outcomes not as strong as they could be for these highly talented students.
- In part, this is because employers are not aware of the program and therefore uptake is lower than it could be.

- Proposed changes would be to re-name the program placing lesser emphasis on the 'temporary' nature of the visa which may be a deterrent to potential employers and lead a campaign to employers aimed at increasing awareness of the program, communicating that it is a viable and attractive option to employ international graduates from Australian institutions.
- This would support increased connections with industry to meet skills and industry needs through international education, as identified as a priority in the Strategy discussion paper.

**Proposal A7– Enhancements to the successful Professional Year Program.**

- Changes to the PYP, including changes to the visa points awarded to participants, expansion of eligible occupations, consideration of opening up the program to talent that have studied in other destinations, and recognition of and delivery of the coursework component to students that are not in Australia.

These measures combined would create new pathways to permanent residency via the skilled migration program for former international students with Bachelor's degrees or higher. We therefore propose that they are also considered as part of the international education strategy.

**B. Minor amendments to the Streamlined Student Visa Framework to recognise high quality and mitigate against poor quality**

While the organisations support the existing SSVF system, two changes are proposed to better recognise and incentivise good behaviours in student recruitment.

While the organisations support the existing SSVF system, two changes are proposed to better recognise and incentivise good behaviours in student recruitment.

**Proposed change B1 – Establishment of a 'bottom tier' (Evidence Level 4) within the Simplified Student Visa Framework**

There is some evidence that there are a small number of CRICOS-registered providers that are undermining the reputation of the sector despite some of the regulatory and incentive structures that are already in place. The Organisations understand that a small number of providers in the sector are happy to endure high risk-ratings well beyond Evidence Level 3, and to maintain a business model that takes into account the additional burden of proof and associated visa restrictions. Under this strategy the existing Streamlined Student Visa Framework (SSVF) requirements to not provide a deterrent (or incentive) for such behaviour with providers continuing to grow despite their Evidence Level.

Rather than allow such providers to thrive on high-risk and low-quality student recruitment practices, the Organisations believe it is appropriate for providers that maintain poor risk ratings over a prolonged period, with no demonstrable plan to improve their rating or change their existing risk systems are categorised at Evidence Level 4. We would propose that organisations that are categorised at Evidence Level 4 should be excluded from recruiting new students for a defined period to provide a deterrent to poor recruitment practices and inappropriate consideration of visa risk.

### Proposed change B2 – Greater acknowledgement of ‘top tier’ providers (Evidence Level 1) within the Simplified Student Visa Framework

In contrast, the Organisations also believe that at the other end of the spectrum there could be greater incentives for consistently high performing and high-quality providers through the SSVF program. High

performing providers (such as those that are consistently categorised as Evidence Level 1) could have their performance rewarded through:

- getting access to the equivalent of a Trusted Trader or Accredited Employer scheme for international education – for example, provision of a case manager or access to a super-streamlined processed (with assurance of their ability and processes in place to manage visa risk).
- access to data to help them further support Australia’s immigration integrity.

Both of these benefits for high-performing and high-quality providers would provide incentive to achieve an Evidence Level 1 (or higher) ranking, as well as support the functioning of a high quality visa assessment process.

## C. Changes to English language delivery and incentives

English language is a critical enabler of international student success in the Australian higher education system. It also provides the basis for community engagement, employment and social cohesion. Despite this, there are currently some elements of the existing higher education system that inhibit language learning or do not fully support students learn the English language. Two changes are proposed.

### Proposed change C1 – Number of weeks of ELICOS study as part of a packaged Higher Education student visa

English language proficiency is a key factor in a student's academic success and fundamental to their learning in any field, and indeed their success in their graduate careers. There has been an observable shift over time – in the transition from Streamlined Visa Processing to the Simplified Student Visa Framework – in the number of weeks of ELICOS that can be included as part of a packaged higher education student visa and be successfully granted. Previously providers would be able to put forward a program for a student of up to 50 weeks of ELICOS, have them move into a Diploma and then onto their primary course, usually a bachelor's degree.

It is the experience of our Organisations, and that of others in the sector, applications for packaged visa with greater than 10 weeks ELICOS are often rejected (particularly when the student is applying from an Evidence Level 3 Country). This is despite the fact that these students typically require participation in more intensive (and longer duration) English language programs for student success.

We propose that student visa assessments should prioritise the learning outcomes of students by allowing longer periods of ELICOS study as part of a packaged visa and by reconsidering the assessment process as part of SSVF used for students with longer English programs as part of their packaged visas. This is particularly relevant following a period of educational disruption for students and their learning (as a result of COVID-19), in particular in relation to language learning during this recent period.

### Proposed change C2 – Incentivise high-level English language skills through the skilled migration system

In line with Government priorities around ensuring migrants possess appropriate English language skills, we propose a greater number of points for the English Language Skills criteria based on higher levels proficiency. As outlined by Minister Tudge when he was Acting Immigration Minister, 'English is our national language and is critical to getting a job, fully participating in our democracy and for social cohesion'.<sup>3</sup>

We recommend changes to the current points allocation to further reward highly proficient English speakers and incentivise the maintenance and further enhancement of language skills by

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<sup>3</sup> Hon Alan Tudge MP (2020) 'New requirement to learn English to maximise job prospects'. Available at: <https://minister.homeaffairs.gov.au/alantudge/Pages/New-requirement-to-learn-English-to-maximise-job-prospects.aspx>

applicants. This would support higher levels of English language, particularly for students that may wish to migrate to Australia and the country their home.

#### **D. Amendments to visa settings to support market diversification and recruitment in non-traditional markets**

It will be important for the international education sector to build back following the impacts of COVID-19 through growth in international students. The size, scale and ability to pay means that China will undoubtedly be a key part of the Australian international education industry's recovery. However, other markets (including markets not typically targeted by Australian providers) will also be important to ensure there are appropriate levels of diversity within the sector and that growth is sustainable in nature. Action is required in the short-term to lay the groundwork for these diversification efforts and growth in new or non-traditional source country markets.

Assistance from government will be important to support efforts to diversify markets and establish new markets. Australian Government leadership in supporting these markets will be critically important. This includes through its 'Brand Australia' activities and through policy coordination across government agencies that play a role in international education. Considerations around where the existing visa system can be adjusted to support this strategic outcome will be particularly important to support growth in new and non-traditional markets which will support sector diversification efforts.

Currently with the genuine temporary entrant assessment (GTE) it can be challenging to recruit from markets that do not have a significant track record due to limited student numbers and the approach used by Department of Home Affairs to assess visa applications. This can result in high visa rejection rates for source country markets that would support diversification efforts.

The Organisations would recommend that the Government consider alternative mechanisms that might be used in new markets to ensure the visa system support government and sector objectives around

diversification and sustainability. There are a number of options, but one such approach could be a pilot program or trial with eligibility only for those providers with a strong track record of delivering high quality and genuine students under the SSVF system.

## **E. Active enforcement of student visa requirements to support high quality offerings and deter perverse recruitment behaviours**

Currently students are required to stay with a provider for six months (of their primary program) and are only required to apply for a new visa where they are transferring to a program with a lower AQF level (such as transferring from Higher Education to VET). From our understanding, this requirement is not always actively enforced, including due to 'loop-holes' in the registration of students as 'new' students in the PRISMS reporting system.

It is our view that this results in the active recruitment of students by providers after they are already onshore and have commenced their studies – also referred to as 'poaching'. From our perspective this does not support the industry's position as a provider of high-quality education with students often recruited to lower priced programs. Other countries have more active policies in place to ensure that this does not occur. For example, New Zealand requires an international student to stay with its original provider for a period of 12 months (compared to only six months in Australia) and re-apply for a visa to change providers.<sup>4</sup>

The following changes could be made to the visa system to minimise the risk of this type of recruitment:

- Active enforcement of the requirement that a student remains with a provider for a period of six months, including implementing changes to the PRISMS reporting system to ensure existing students are not registered as 'new' students due to limitations in the existing system, e.g. by using a more 'unique' identifier such as a student's passport number as the threshold search criteria.
- Amend visa settings so that the risk for a student under SSVF transfers to the new providers and does not represent a 'trailing risk' for the original organisations of the visa holder students.

The Organisations recommend the Government consider the above options and their effectiveness in addressing this issue. These could be implemented together or could also be implemented separately.

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<sup>4</sup> [Can I change my course and/or education provider? | Immigration New Zealand](#)

### 3.2 Longer term systemic and governance reforms in international education

#### F. Industry backed International Education Sustainability Fund

Approximately 40 percent – or \$16 billion – of the overall export earnings for international education is tuition fees paid to institutions. There is an opportunity for the sector to ‘build back better’ and come together to implement a levy on institutions to create an industry-backed sustainability fund that would have two main streams:

- **Community engagement projects** – this stream would fund practical community projects that provide a tangible benefit for all Australian communities, thereby allowing the international education sector and international students to ‘give back’ to the community in which they study and live.
- **Student hardship support** – this stream would be called upon to provide a systemic, sector-funded ‘safety net’ to students in times of extreme hardship (such as what we have witnessed during the COVID-19 pandemic).

The major driver – indeed the imperative – for such a fund is to re-build and maintain the sector’s social licence to operate in the minds of the Australian public by delivering more immediate and tangible community benefits. The fund would also ameliorate calls for government funding to provide a safety net for students facing financial hardship in extreme circumstances.

The detailed design of the fund would require widespread consultation, but could model the Tuition Protection Service, which ensures students are able to continue their studies in the unlikely event of provider collapse. The levy may require Government support to administer, but we propose the sector would control how funds are distributed via a board of industry representatives.

#### G. Sustainable funding for the Council of International Students Australia (CISA)

The Council of International Student Australia (CISA) is the national peak student representative organisation for international students studying at the postgraduate, undergraduate, private college, TAFE, ELICOS and foundation level. CISA therefore plays an important role in ensuring that students are ‘at the centre’ of sector-level decision-making that affects Australian international education.

There is a need for consistent and sustainable funding for secretariat support for CISA to ensure the body is best positioned to fulfil its role and contribute positively to sector issues. Specifically, we propose that the industry takes the lead in providing funding for:

- Ongoing secretariat support to the CISA Executive;
- Appropriate stipends to support the sustainable operations of CISA; and
- Specific budget to support engagement with government and the sector, including for travel costs and expenses for engagement activities.

A sustainable and industry led funding model for CISA is important to ensure ongoing support for this important body and its role in contributing the student voice to national policy discussions.

## H. International Education Commissioner

As the international education sector emerges from the challenges of COVID-19 and seeks to reverse some of the trends that were evident prior to the pandemic, there is a strong argument for the need for a 'steward' for the sector.

An international education commissioner – and associated commission – would provide a central point of advice and policy coordination to government on all aspects of international education. These activities are currently dispersed across the education, skills, immigration, and trade portfolios, with elements in foreign affairs and industry. The key functions of the international education commissioner would include:

- **Strategic advice to government at all levels.** It would be a source of insight, intelligence and policy advice to the Education Minister (as the lead on international education in the Government), other portfolio Ministers, relevant agencies and existing governance structures such as the Council for International Education.
- **Monitoring and policy coordination.** A commission would also ensure active monitoring of sector trends, and take a pro-active approach to market stewardship and oversight by anticipating systemic risks and challenges, monitoring undesirable behaviours amongst market players, and safeguarding Australia's global reputation.
- **Coordination and engagement with the sector.** A commission also provides the industry with one focal point for engagement and consulting with Government on the significant issues facing our sector.

While the remit and scope of such a commission would need to be tailored to international education, there are well developed examples of how commissioners have been well used in



adjacent areas, such as the National Skills Commission and the Rural Education Commissioner. The scale and importance of the international education sector – with exports in this sector worth over \$40 billion annually before COVID-19 – provides a strong case for a similar commissioner for international education. The challenges faced by the industry also reinforce the need for it to be implemented now.

The introduction of the commissioner would not be intended to replace any aspect of the existing system, but rather reorganise support a more coordinated and aligned response across government. The commissioner would work closely with the Council for International Education to provide strategic advice and secretariat support for this existing decision-making body. It would also play an important role in providing timely advice to the Minister for Education and the other five Ministerial members of the Council for International Education, including on the key strategic issues for the industry.

#### **I. Government support for transnational and digital education**

Realising the opportunities of digital, online and transnational education has been identified as a key strategic opportunity by Minister Tudge and has been included in the International Education Strategy discussion paper. The Organisations agree that online education is an important opportunity to augment and supplement the existing international education markets – with students coming to Australia for their studies. While onshore (face-to-face) international education will continue to be important due to the important role that it plays in the Australian education system and broader economy, online education does provide an opportunity to expand the existing market, particularly for international students that are not able to afford a traditional international education experience.

Government can play an important role in supporting market entry as providers continue to consider the opportunities that exist in delivery of online programs. Ongoing focus on government-to-government relations are critical to ensuring that there are appropriate underpinnings and assurances for successful delivery in offshore markets. Recognition of quality and qualifications is particularly important to ensure there is a stable environment for Australian higher education providers to operate. Finally, regulators should consider consulting on changes to regulatory settings that can best support the sector and ensure settings are up to date to supports the industry's competitiveness in this market.

## 4. Conclusion

In responding to the current opportunities and challenges that the international education industry faces, the Organisations – Navitas, Kaplan and Study Group – put forward a coordinated package that will support the international education industry in its recovery. This package aims to provide a framework to support strong coordination within the sector supported by the Australian Government, in order to deliver a high-quality educational experience for students. This package include a series of **measures to stimulate demand and support for quality in international education**, including these five main proposals:

- A. New Pathways to Temporary / Permanent Migration – International Higher Education Students to Supercharge Australia’s Economic Recovery**, including setting targets on student to migrant transition levels, amendments to current settings around ‘temporary migrants’ acknowledging the longer-term contribution international students can make, targeted changes to the skilled migration points system to provide a more attractive pathway for students that have studied in Australia and changes to the Temporary Graduate Visa (including a short-term extension).
- B. Minor amendments to the Streamlined Student Visa Framework to recognise quality and mitigate against poor quality**, including the establishment of a ‘bottom-tier’ within the SSVF framework to disincentive to high-risk and low-quality student recruitment practices, and greater acknowledgement and incentives for ‘top tier’ SSVF providers.
- C. Changes to English language delivery and incentives**, through reconsideration of existing visa assessment practices and prioritisation of student’s learning outcomes by allowing longer periods of ELICOS study as part of a packaged visa, as well as changes to the skilled migration points system to incentivise high-level English language skills.
- D. Amendments to visa settings to support market diversification and recruitment in non-traditional markets**, including reconsideration around GTE assessment practices in non-traditional markets.
- E. Active enforcement of student visa requirements to support high quality offerings and deter perverse recruitment behaviours**, ensuring students stay with their original provider for the already mandated six-month period.

In addition to these changes four **longer-term systematic and governance reforms in international education** are proposed:

- F. Industry backed International Education Sustainability Fund** – which includes:
- **Community engagement projects stream** – aimed at funding practical community projects that provide tangible benefits for Australian communities and support the international education industry's social license
  - **Student hardship support** – to provide a systemic, sector-funded 'safety net' to students in times of extreme hardship (such as was seen during the COVID-19 pandemic).
- G. Sustainable funding for the Council of International Students Australia (CISA)**, ensuring appropriate stipends to support the sustainable operations of CISA, and specific budget to support engagement with government and the sector.
- H. An International Education Commissioner**, to play a stewardship role for the sector through the provision of strategic advice to government at all levels, the monitoring of sector trends and policy coordination and a platform for consistent coordination and engagement with the sector.
- I. Government support for transnational and digital education, including ongoing support through** government-to-government relations, recognition of quality and qualifications to support a stable environment for Australian providers to operate and ongoing consideration of regulators to requirements in this non-traditional education environment.

**Submitted on behalf of Navitas, Kaplan and Study Group by:**

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