

Australian Catholic University

**Submission to the Senate Education and
Employment Legislation Committee**

**Inquiry into the Education Services for
Overseas Students Amendment (Quality and
Integrity) Bill 2024 [Provisions]**

July 2024

Submission to the Senate Inquiry into the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 [Provisions]

Australian Catholic University (ACU) welcomes the opportunity to make a submission to the Senate Education and Employment Legislation Committee in relation to its inquiry into provisions of the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024.

ACU's submission is informed by its experience as a public university with significant involvement in international education, having provided high quality higher education to a significant number of international and domestic students since the University's establishment more than 30 years ago. As a national university, operating seven campuses across three states and one territory, ACU has unique insight and expertise in supporting international students undertaking their studies in both regional and capital city locations across Australia.

Since 2000, the *Education Services for Overseas Students 2000 (Cth)* (ESOS Act) and ESOS Framework has played a critical role in assuring a quality educational experience for all international students. Over the years, the ESOS Act has been amended and strengthened to ensure that it: reflects the changing international education landscape; provides international students with protection including tuition assurance for courses for which they have paid; and both enhances and protects Australia's reputation for delivering high quality education and training services. However, ACU considers several provisions in the current Bill and proposed regulations are regressive in this respect.

ACU is concerned the Bill, if passed in its current form, would shift the focus of the ESOS Act from consumer protection of international students, to an instrument that will unduly facilitate direct ministerial intervention and political interference in the operation of the industry into the future. Furthermore, that this would undermine the integrity of international education in Australia, the nation's fourth largest export industry.

Recommendations

ACU makes the following recommendations with respect to the Bill. The rationale behind these recommendations is detailed below.

1. That the Senate Committee reconsider the scope and nature of the powers proposed to be vested in the Minister with respect to the enrolment of overseas (i.e., international) students.
2. That any provision for caps on international student enrolments be managed through existing mechanisms, taking into account institutional capacity, strategic priorities, and balance between domestic and international enrolments.
3. That the proposal be rejected for any linking of enrolment caps for international students with the development of purpose-built student accommodation. Instead, separate arrangements should be made for student accommodation to feature in University Compact discussions that will set the enrolment profile for each university.
4. That the Senate Committee recommend the Commonwealth Government allocate additional resources to develop the Provider Registration and International Student Management System (PRISMS) to support compliance, monitoring, and management.

I. Ministerial powers

The ministerial powers proposed in the Bill are contradictory to the purpose and intent of the ESOS Act, that is consumer protection for international students and support for their well-being whilst they study in Australia. The proposed amendments will enable the Minister to suspend, cancel or terminate a provider's ability to offer a course that a student has accepted, consequently leaving the student with little protection or ability to undertake their studies.

In ACU's view, there should be reconsideration of the proposed powers to be granted to the Minister to make unilateral changes without appropriate reference to the current regulators, existing mechanisms in place to manage student load, and for students to access appropriate facilities, support and services, as they undertake their studies.

II. Caps on institutions and programs

ACU is concerned about both the intended and unintended consequences of imposing caps on international student enrolments. Not only will the imposition of caps be administratively burdensome for both government and education providers, but it will also provide significant challenges to institutions in meeting their enrolment targets and diversifying their source markets for international students.

Managing enrolment caps will very likely result in institutions under-enrolling in order to ensure that they are compliant. There is a significant range of variables that institutions have to balance in managing quotas and caps. Conversion rates from application to enrolment vary dramatically from year to year due to the impact of these variables. Institutions will need to be far more conservative in their approach to enrolment and load management to ensure that their caps are not exceeded, and subsequently subject to significant sanctions impacting their ability to operate.

Potentially factoring Australia's skills needs into caps is also concerning. A significant proportion of international students do not migrate to Australia, rather they return home or move to third countries for employment purposes, once their studies are complete. To align caps with areas of skills shortage will reinforce the incorrect perception that international student's primary motivation for study in Australia is migration. Such granular and skills focused caps will directly impact on international enrolments and likely undermine the financial viability of many institutions.

Managing caps will present a significant challenge for providers. Institutions are likely to struggle to monitor and manage enrolments, particularly at the commencement of the academic year when there is an overlap of students finalising their studies and graduating, and a new cohort of students arriving to commence studies. In addition, many students transfer courses whilst enrolled with a provider. If internal course transfers are counted as commencements, this will result in providers restricting student choice and constrain their ability to change courses.

III. Purpose-built student accommodation

The proposed requirement for universities to build additional purpose-built student accommodation (PBSA) in order to increase their international student enrolment caps runs counter to the purpose of the ESOS Act and will do little to address Australia's housing crisis. Property development is not core business for universities. Building accommodation requires significant private investment and alignment with local government planning and building requirements.

Furthermore, while institutions may build accommodation for international students, they cannot compel students to use it. Many international students do not wish to live in university-built student accommodation. Additionally, if the measures proposed in the Bill are implemented and universities are subject to the imposition of stringent international student enrolment caps, they are likely to under-enrol to ensure compliance. Thus, there would be no guarantee that they will be able to fill their new PBSA; in which case limited resources would have unnecessarily been wasted on such activity.

IV. Administration and systems capability

The management of international student enrolments already involves significant resources, for all involved. Universities and other higher education providers shoulder considerable responsibilities in relation to government reporting, compliance, accreditation, and risk management.

The proposed amendments will add significantly to the current administrative burden of universities. This would necessitate redirecting limited resources to compliance and monitoring, and away from critical areas of student support. ACU estimates the additional reporting and compliance obligations will require the engagement of at least two additional compliance focused staff in addition to the costs associated with significant IT system development that will be necessary to address the proposed additional reporting and monitoring obligations.

ACU notes that there will also need to be significant investment by the Commonwealth Government to support the significant changes proposed in the Bill. The current PRISMS system does not have the capacity to support the proposed institution monitoring and compliance requirements and will require significant development.