

Submission to the Productivity Commission Research Project: International Education Services in Australia

Introduction

The University of Wollongong (UOW) is pleased to provide this submission in response to the Productivity Commission research project into International Education Services in Australia.

UOW is a leading Australian university with an international reputation for academic excellence. UOW started in 1951 as a small college of the University of NSW and after gaining autonomy in 1975 has grown to now have over 31,000 students and approximately 2,500 EFT staff. UOW has been placed in the top 2% of universities in the world by its performance in The Times Higher Education and QS World University Rankings 2014/2015 and the Academic Ranking of World Universities 2014. The University is consistently ranked among the top Australian universities for the quality of its teaching, research, graduate employment rates and student experience. The University offers degree programs across all levels of study (undergraduate and postgraduate coursework and research), as well as English language and academic bridging programs through UOW College.

International students at UOW

In 2014 UOW had a total of 5,831 international students onshore. This represents a gradual recovery in numbers since our previous peak in 2010, when we had 6,586 international students onshore. Our top source country is China, with 2,349 enrolling students, representing 40% of the total. However in line with our strategic key performance indicator to diversify our student base, UOW has experienced an increase in the proportion of onshore students from other destinations, particularly India, Malaysia and Vietnam. Collectively these now represent 17% of our international onshore student demographic in 2014, compared to 9% of the total in 2012. To date almost 10,000 exchange students have studied at UOW through over 170 Study Abroad and Student Exchange global links. The tuition fees and living expenditure of our international students represent significant export income not just at the regional level, but at the state and national level. Our research has shown that, excluding tuition fees, UOW students conservatively spend an average of \$23,000 per academic calendar year on living expenses in the local economy¹.

UOW has strived to maximise our international presence through a mix of onshore and offshore student higher education hubs, to capture both in-country and Australia-bound markets in high value segments, maintaining diversity of income stream. UOW's presence in Dubai (UOWD) has been complemented by offshore locations in Singapore, Hong Kong, and since 2010 through its partnership with the Laureate group in Malaysia. Our International Division, under the leadership of the Deputy Vice-Chancellor (Global Strategy), constantly assesses the broader higher education market around the world monitoring trends and searching for emerging opportunities. Onshore, UOW has worked to maintain and grow revenue by capitalising on the market recovery first evident in 2012. Our strategy is that identified opportunities are pursued early to ensure presence in emerging markets, balancing marketing resources directed to maintain existing markets, and withdrawing from non-performing markets.

Forward student recruitment agents located around the world provide important intelligence including early insights on market changes and trends which can inform the need for, and suggested approaches to, strategic responses in what is an expanding but constantly evolving global marketplace for higher education services. Competition for market access and retention continues to intensify both among Australian universities, traditional competitors such as the United States, United Kingdom and Europe, as well as the rapidly increasing number of new home-grown institutions within and across Asia (in particular).

¹ Braithwaite 2012 *UOW: Leading Locally, Competing Globally*, accessed 11 December 2014, available URL: <https://impact.uow.edu.au/index.html>

Student visa conditions

Like Universities Australia and other peak higher education bodies, UOW continues to be concerned that Australia's high cost, overly complex student visa regime sends the wrong messages about our country as a welcoming study and tourism destination. The current non-refundable student visa application charges act as a significant barrier to entry for many of our key source countries and are a source of frustration for foreign governments in the context of their student scholarship schemes.

Australia's non-refundable student visa application charges act as a significant barrier to entry for many of our key source countries. Based on comparative analysis, a standard undergraduate visa already costs a prospective student more than double that of some of our key competitors². Additionally, when visa charges were increased in 2013 without sector consultation, this not only applied to the base application, but to all additional applicants, primarily impacting on postgraduate students with dependents. The subsequent temporary application charge (STAC) of \$700 for any second or subsequent onshore temporary visa application, also applies to all those on the visa. This system of charges can potentially result in visa costs that are higher than the tuition fees for short education courses in Australia.

The impact of these changes is difficult to isolate; however there is no doubt they act as a disincentive for highly qualified international students to choose Australian education institutions above our competitor nations for education or research. The charges may also discourage international students from bringing their family with them to Australia for the duration of their studies; or from extending their time in Australia after graduation either as tourists or through postgraduate study.

UOW supports the position of Universities Australia and the many other submissions to the 2014 Joint Review of Border Fees, Charges and Taxes which recommended:

- Eliminating the STAC as a counterproductive barrier to the education and tourism industries.
- Reducing the base student visa charge to a level more commensurate with our key competitor nations.
- Tiering the student visa price to accommodate shorter study durations.

The Streamlined Visa Processing (SVP) initiative implemented for universities and non-university higher education providers in 2012 is an example of positive change in the arena of visa reform. It is through similar initiatives that the Government can demonstrate its commitment to grow international education through larger numbers of future, longer-term students and to secure Australia's place as a world leader in education.

Skilled migrant policy

Australia has been a pioneer in the field of international education, however our future position is far from guaranteed in a rapidly changing higher education environment. In a highly competitive global labour market, host country work experience is now considered a necessary part of the overseas study 'package'. A 2014 study by Deakin University into Australian Graduates and the Transition to Employment³, found that international graduates are under increasing pressure to gain work experience either while at university or immediately afterwards to boost their chances of employment success. It is clear that opportunities to acquire experience in the host country labour market are now a key driver of student choice of higher education provider.

The tightening of Australian migration policy from 2010 impacts international students in a range of ways depending on their post-study migration goals. While the changes are intended to ensure the

² Honeywood, P, 2014 'Raising visa charge may deter overseas students', The Australian, September 24 2014

³ Blackmore et al 2014 *Australian International Graduates and the Transition to Employment*, accessed 17 November 2014, available URL: <http://www.deakin.edu.au/research/src/crefi/documents/international-graduates-employment.pdf>

best and brightest migrants, there remains opportunity to enhance selection systems to ensure our skilled migrant program does not become too narrowly focused. For example, the recent discussion of removing Accounting from the Skilled Occupation List for 2015 impacts the ability of Australian businesses to plan their recruitment strategies. UOW urges the Government to consider allowing more flexibility into selection systems, such as the CPA's submission proposal of a sliding scale reflecting the undersupply or oversupply of skills. Ensuring Australia can meet the growing demand for work placement in fields such as accounting will not only improve the employability of our graduates but will enhance the value of an Australian degree in an increasingly competitive international market.

Increased government coordination

The 2013 *Australia – Educating Globally* report written by Michael Chaney AO, Chairman of the International Education Advisory Council, identified the urgent requirement for a coordinated national approach to international education. The report recommends 'ensuring improved coordination of government policy and programs for international education and better consultative mechanisms for stakeholders, in order to optimise government support for the international education sector'⁴. The report highlighted a critical need to establish a new high level Ministerial Coordinating Council on International Education (MCCIE). The Council would include representatives with expertise in matters relating to international education, science and research from across the sector, business and industry and oversee a five year strategy for international education. The creation of such a council would recognise that, while all stakeholders have their own roles and interests in international education, all share responsibility for a sustainable international education sector. While it is understood that the Government supports the concept of chairing meetings of relevant Federal portfolio Ministers, business, peak body and state government representatives, it is not entirely clear when this forum or an associated strategy will be implemented, meaning Australia is still lacking a whole of government consultative approach.

Recommendation

Australia's international education, research and training sector is a \$15 billion per annum industry that provides thousands of jobs for Australians and provides enormous cultural and diplomatic benefits to Australia's international standing and global reputation. There are so many opportunities for stakeholders to work together, to build a sustainable international education sector. This includes ensuring that Australia's student visa settings continue to be competitive, while helping to meet national skills needs. With a coordinated effort across the sector to meet emerging challenges, Australia will be able to play a leading role in meeting the growing global demand for education.

**For further information on this submission please contact Canio Fierravanti
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⁴ Chaney, M et al 2013, *Australia – Educating Globally - Advice from the International Education Advisory Council*, date of access 11 December 2014, available URL: <https://internationaleducation.gov.au/International-network/Australia/InternationalStrategy/theCouncilsReport/Pages/The-Council's-Report.aspx>