



Charles Sturt
University

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

25 September 2024

Office of the Vice-Chancellor
Charles Sturt University



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Senator Tony Sheldon
Chair
Senate Standing Committee on Education and Employment
PO Box 6100
Parliament House
Canberra ACT 2600

By email: eec.sen@aph.gov.au

Dear Senator

Charles Sturt University is grateful for the opportunity to provide a follow-up submission on the *Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 [Provisions]*.

As we said in our initial submission to this inquiry, Charles Sturt University supports the goal of improving the quality and integrity of international education in Australia. Unfortunately, the bill before Parliament will pursue that goal only by placing one of Australia's most successful export industries and the reputation and sustainability of vital national institutions at risk.

Since our initial submission there have been two significant developments in relation to this bill. The first was the announcement on 27 August 2024 of indicative caps for higher education providers on their number of international student commencements in 2025. The caps were announced without warning and with no prior consultation with providers. Subsequent hearings of this inquiry revealed that some universities have questioned the accuracy of the data the Department used to determine the caps and the methodology by which previous years' commencement numbers were used to set caps. This reinforces the need for a mechanism for review or appeal of caps decisions, something Charles Sturt University recommended in our first submission to the inquiry.

The second development was the letter the Minister for Education, the Hon Jason Clare MP, sent to all higher education providers on 16 September 2024. In that letter, Minister Clare re-stated the Government's intent to reduce immigration by targeting international students and imposing caps on commencements and insisted that the current risk rating and visa processes established by Ministerial Direction 107 (MD107) must remain in place until the ESOS bill receives Royal Assent. In making the removal of MD107 contingent of the passage of the bill, Minister Clare has all but dismissed the concerns raised by higher education providers and the evidence presented to the Committee from a wide range of witnesses of the unfair application of and outcomes from MD107 which has increased the flow of international students into a small number of large city universities and has substantially reduced student numbers into regional universities.

According to data gathered by Universities Australia, MD107 has resulted in 55,372 fewer international higher education student visas being granted in between December 2023 and June 2024, compared to 175,200 in the corresponding period in 2022-23. This represents a 32 per cent drop year on year, or a \$4 billion hit to the economy at a cost of \$19 million a day. For Charles Sturt University the impact of MD107 has been an inexplicable increase in the proportion of visas being refused: 30 per cent over the past year, compared to 13 per cent the year prior and 5 per cent the year before. Refusal rates have increased in spite of the University's rigorous approach to pre-visa screenings, a process that includes



interviews, document checks and assessment against student visa criteria, all overseen by former Department of Home Affairs staff.

We have also experienced increasing delays in processing, as a result of which around 50 per cent of the students at our Sydney campus were still waiting for a visa at the start of the two most recent semesters. In total we estimate we have lost around 450 students to delays in processing, visa refusals, and the need to reject genuine student applications out of concern the student would not obtain a visa, with an estimated financial impact of \$40.5 million to date.

Charles Sturt University relies on the income stream from a strong cohort of international students to enable us to offer higher education opportunities to regional, low SES, first in family and First Nations students. Every year at least 45 per cent of Charles Sturt's domestic students are the first in their family to go to university. Among our domestic enrolments, around 16 per cent come from low SES backgrounds, and almost four per cent are from First Nations backgrounds. Boosting participation by these groups remains a core part of the University's mission. Our Sydney and Melbourne campuses provide vital lifeblood to our regional campuses, directly supporting domestic student delivery, investment in vital infrastructure, and research that benefits regional communities and industries.

Before the pandemic our Sydney and Melbourne campuses attracted around 8,000 students and provided \$135 million in revenue to the University. In 2019 we had almost 3,000 commencing international students. Our indicative international student commencements cap for 2025, though, is only 1,000, a figure that is being represented by the Department and discussed in the media as a generous increase. We are one of only four universities, all regional, to have received a 2025 cap allocation lower than our pre-pandemic volume.

Before the pandemic, members of the Regional Universities Network accounted for 12.1 per cent of Australia's international student volume. Under the indicative caps proposed by the Government, this will fall to only 6.4 per cent. And yet the Government is presenting the National Planning Level and Institutional Student Profiles as a win for regional universities.

Moreover, since the Government is proposing to set these caps annually, we have no capacity to plan ahead with confidence. We need provision for adequate and predictable growth, and an income stream that helps us provide the higher education opportunities that regional students need and deserve.

Charles Sturt University supports the Government's efforts to bring greater quality and integrity to Australia's international education system. We do not, however, support the poor and rushed approach the Government has taken to developing an appropriate policy response, to consultation and communication, or to legitimate concerns raised by higher education providers. We commend the Committee for taking the time to look into the ESOS bill in such depth, taking evidence from a wide range of stakeholders, hearing their concerns, and revealing some of the shortcomings with the thinking behind and application of caps. We look forward to the recommendations of the inquiry and subsequent amendments to address the many issues raised in hearing. That said, the length of the inquiry means that the bill will pass, as it seems likely to do, very late in 2024. It would therefore be unfair and risky to expect universities to reduce enrolments or cancel offers in 2025 simply to satisfy the Government's timetable and a desire to defuse immigration as an election issue.

We therefore again urge the Committee to recommend that the Government defer implementation of International Student Profiles until 2026, revoke Ministerial Direction 107 immediately, and amend the bill to provide greater certainty around future commencement numbers.



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We are also seeking agreement from the Government and the Opposition that Charles Sturt, and indeed all universities, should be able to return to their pre-pandemic international volume and that the cap allocation should provide an appropriate pathway to do this. There is a strong case for returning to pre-pandemic international student numbers to provide the revenue universities need to deliver core services and their distinct missions. It is the best way we can make up for the chronic shortfall in public funding for teaching, learning and research and the uncertainty about future funding arrangements for them. If the Australian Government will not allow a return to pre-pandemic international student numbers, it must be prepared to fund universities for the lost revenue, so that we can continue the teaching and research that our communities need.

Yours sincerely

**Professor Renée Leon PSM
Vice-Chancellor and President**