

UNSW Submission – Draft International Education and Skills Strategic Framework

UNSW welcomes the opportunity to comment on the Draft International Education and Skills Strategic Framework (Draft Framework). We note that our submission is designed to complement our separate submission on the *Education Services for Overseas Students Act 2000 (Cth)* (ESOS Act) Amendment Bill – that underpins this Draft Framework.

Recommendations

The Commonwealth Government should consider the following as part of its consultation on the Draft Framework:

The economic value of international education:

Potential unintended consequences that could exacerbate current economic challenges

1. The integrity measures introduced by the Government since last year are supported by UNSW and are already impacting international student enrolments. We suggest the Government allows further time for these reforms to be in operation to ensure Australia does not experience significant and unintended economic and cultural impacts. The dramatic change to temporary migration numbers would create economic havoc in multiple industries such as hospitality, tourism, agriculture, education, and service sectors, as temporary migrants represent a significant portion of Australia's GDP growth in 2023. The cultural importance of a critical mass of temporary international migration is crucial to both metro and regional social cohesion and our links to the Indo-Pacific region.
2. Given the incredible value of international education (\$36.4 billion) to the Australian economy, and the substantial savings to the public purse that international students create through their subsidisation of domestic student education and research costs, the Government should take further time (at least 6 months) to consult extensively with key stakeholders, not only in the higher education sector, but also with state and local governments, businesses and communities, who will likely be impacted as a result of the potentially significant economic flow-on effects of the proposed Draft Framework and associated ESOS Act Amendment Bill.
3. The Government should more clearly investigate the differences between the impacts of permanent migration and temporary migration on domestic policy matters and their positive economic impacts.
4. The Government should support long-term investment in the innovative and productivity capacity of the Australian economy, especially as universities' research and development activities rely heavily on funding from international student fees.

Strengthening 'Brand Australia':

Australia's global reputation as a top education destination is at stake

5. The Government should note and closely monitor the impact of similar policy developments that seek to restrict international student numbers in the UK and Canada, including lessons learned to prevent adverse and unintended consequences, with many UK universities reporting financial distress.
6. UNSW welcomes the Government's action to regulate unscrupulous operators seeking to exploit international students for personal gain. However, we note that the focus of the Draft Framework on the actions of these operators can unnecessarily create negative perceptions of the higher education sector as a whole, including for Australia's top ranked universities. It is important to clearly distinguish between these unscrupulous providers and public institutions, such as UNSW, who have significant regulatory oversight already and are long-established, reputable institutions.

Promoting soft diplomacy that supports strategic and foreign policy objectives

7. The Government should consider not only how the proposed measures impact inbound international student intake but also how it will negatively affect our reputation and soft power diplomacy, particularly in the Indo-Pacific, future outbound opportunities for Australian students, and as education providers roll out transnational education (TNE) opportunities. In this context, the Government should also consider an exemption from the proposed international student caps for TNE and related offshore student programs.

Expectations management with consistent messaging is important for the international education sector's stability

8. The Government should work together with universities and industry to effectively manage sustainable growth including institution and student expectations and provide consistent messaging around its migration policy intentions and proposed settings to further improve the Australian university experience for domestic and international students.
9. International students, the overwhelming majority of whom are not long-term participants in the Australian labour market, should be free to take courses from the broad range of excellent opportunities and offerings in Australia as they build their own career plans, drive productivity and build resilience by helping to address the skills required in their home countries, in our region and beyond. The Government should reflect this by not implementing caps at the course level.
10. The Government should consider more effective ways to incentivise business to develop paid internship programs for international students to address critical skills shortages.

Challenges in delivering student accommodation

11. The Government should implement a transition period before any student caps are implemented to allow universities to plan and deliver additional student accommodation without causing irreparable damage to their international student market reputation and catastrophic damage to the model of the universities. The uncertainty in international student caps will also create a disincentive for private investment due to the potential risk of oversupply, which we think is another important consideration for the Government in finalising the Draft Framework.

12. We recommend that any assessment of additional student accommodation that has been 'made available' should include all supply created within a reasonable proximity of the relevant university, regardless of ownership and control.
13. We suggest that all analysis of student accommodation supply and demand should consider appropriate propensity levels of students to prefer student accommodation as only a proportion of students in any category will choose student accommodation.

Effectively operationalising the Draft Framework and ESOS Act Amendment Bill:

Further planning and coordination with the higher education sector is necessary before implementation

14. Recognising the Government's desire to manage the growth of international students as expressed in the Draft Framework, the managed growth trajectory of public institutions should initially be individually negotiated over the next two months as part of a compact process to enable some early traction on the Government's temporary migration agenda. This will enable trajectory setting based on individual institutional circumstances and prevent the need for the development of a single arbitrary 'baseline'. Baselines are, and should be, specific to each institution.
15. The Government should extend its consultation for the ESOS Act Amendment Bill so the country's internationally recognised and ranked higher education sector can seek certainty, stability and growth through this significant period of change. This will also enable universities and the Government to work in concert to implement recommendations from the *Australian Universities Accord Final Report*. UNSW wants to work constructively with the Government to ensure a coordinated and efficient approach.
16. The Government should consider pushing out the date the ESOS Act Amendment Bill comes into effect to 2026. To support this, the Government should implement a transitional period to help the higher education sector and students prepare and make arrangements, given the magnitude of change in the last 12 months. Taking these steps is also recommended as the proposed ATEC and funding model of the *Australian Universities Accord Final Report* are not yet finalised nor in operation, which would play a key role in driving the outcomes of this proposed strategy.
17. The legislation requires any caps to be issued by September the year before (and 31 December 2024 for 2025), which would not align with the enrolment timeline followed by education providers to coordinate budgeting, student load and workforce planning. The Government should provide additional lead-in time so that providers and students can make arrangements and put in place any communications needed to prospective students.
18. After the legislation is enacted, and post this initial individual compact discussion outlined in *Recommendation 14*, the managed growth trajectory of each institution should be individually negotiated with the proposed ATEC. Consideration should be given to the circumstances of each institution, including their business model, student discipline mix (e.g. the proportion of high-cost disciplines such as engineering and health), infrastructure, and ability to attract international student enrolment interest.

19. As outlined in the Draft Framework, the Government will consider settings for postgraduate research enrolments, schools, short courses, non-packaged short English courses, and non-award courses, and the appropriateness of excluding these from new settings to manage growth. We support the Government in considering an exemption from the broader managed growth strategy for these offerings.

Implementation and foreseeable practical challenges

20. The powers proposed for the Minister under the ESOS Act Amendment Bill should be sunsetted with the establishment of the ATEC. All powers to manage domestic and international student numbers should then rest with ATEC and be stipulated in its act of establishment.

21. The Government should carefully consider the effects of the proposed managed growth strategy that might play out in practice and how they will be managed:

- a. Hard caps would require actual offers and hence there would likely be a decrease in enrolments to well below the capped level.
- b. Capping international student numbers by provider and course could lead to the 'stranded places problem' – student places that are theoretically available but cannot in practice be used.
- c. Part of building an efficient process to set caps must include working closely with universities to determine a baseline at the provider-level rather than at the sector level. This would allow for flexibility across institutions and adaptability to the new proposed strategy.
- d. How the number of international enrolments will be assessed and confirmed against the set caps, which will require further consultation with the higher education sector to align with key timelines for international student recruitment and enrolment. This is also important to minimise the increasing regulatory burden on the sector. We strongly recommend that the Government incorporate any international lessons learned where relevant to establish an efficient process.
- e. We recommend that caps be based on Confirmation of Enrolment (CoE) numbers, rather than EFTSL or enrolled headcount, in alignment with the current management of CoE Capacity limits. This would minimise the additional workload, utilising existing monitoring and reporting functionality across the higher education sector, as well as minimising the potential for enrolment cap breaches.
- f. Consider options to give broader transitional support for the higher education sector relating to breaches, such as cautioning institutions for their first breach and imposing penalties for further breaches rather than losing registration; offering a small percentage of flexibility or buffer to allow for the imprecise nature of offers translating to enrolments; and/or implementing a reduced cap in following years as a consequence of a breach. These alternatives are important as it is difficult for universities to predict what percentage of individuals will accept or defer offers for any given year, course, or location.

g. The proposed changes would see the closure of a program for a year due to ESOS registration suspension. However, any suspension of ESOS registration would have long-term impacts - for example, relating to student demand, agent behaviour, and, concerningly, could create institutional reputational damage. Rebuilding interest for re-opened programs, or for a re-registered institution, is costly and time consuming (at least 18 months).

22. The Government should clarify how the strategy would operate in practice in relation to legislative instruments, notices, and penalty provisions.

About UNSW

UNSW is a world-leading research and teaching-intensive university, known for innovative, pioneering research and high-quality education with a longstanding global impact. Since our foundation in 1949 and through celebrating our 75th anniversary year, our aim has been to improve and transform all lives through excellence in research, outstanding learning and teaching experiences, and a commitment to advancing Australia's economic growth and prosperity.

UNSW is ranked in the world's top 20 universities¹ with more than 70,000 students and over 4,200 higher degree research candidates². UNSW has a long history of providing education to international students, stretching back to the original Colombo Plan in 1952 when UNSW was the first Australian university to welcome international students. Today UNSW has international students from over 120 countries studying with us, signifying the incredible asset that international education is to our country socially, economically and culturally.

UNSW College is a controlled entity of UNSW and offers university pathway programs and English language courses. UNSW College provides a supportive learning environment and access to university facilities, allowing students to transition smoothly into undergraduate or postgraduate studies at UNSW. With a focus on academic excellence and student success, UNSW College plays a crucial role in preparing students for their future academic and professional endeavours. This submission incorporates the views of UNSW College.

International students have been a part of Australian universities since the early twentieth century. Through decades of careful and strategic work, universities have supported international education and helped it grow to become one of Australia's great success stories.

The economic value of international education

International education is an exceptional economic success story for Australia

The integrity measures introduced by the Government since last year are already impacting international student numbers (including tighter visa processing, and changes to work rights by reintroducing a working hours cap at 24 hours per week). Along with these measures, the Draft Framework and the associated ESOS Act Amendment Bill together risks significant harm to a major

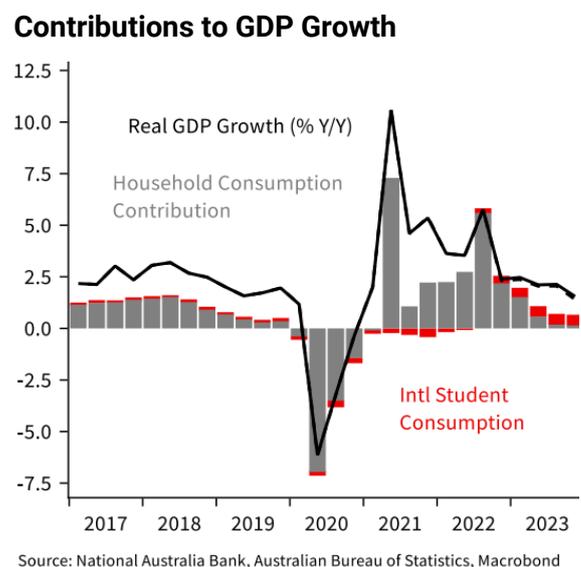
¹ UNSW (2024) 'UNSW Sydney retains Top 20 position in QS World University Rankings': <https://www.unsw.edu.au/newsroom/news/2024/06/UNSW-Sydney-retains-Top-20-position-in-QS-World-University-Rankings>

² UNSW (2024) UNSW 2023 Annual Report: https://www.unsw.edu.au/content/dam/pdfs/news/annual-reports/UNSW%20Annual%20Report%202023_V22.pdf

export industry that is critically important to Australia. The Government should allow further time for these reforms to be operational to ensure that Australia does not experience unintended economic impacts. This is especially important as the Australian economy continues its recovery from the COVID-19 pandemic and faces declining domestic demand as Australia tries to achieve sustainable economic growth.

International education is consistently Australia's most valuable export industry outside of mining – worth \$36.4 billion to the Australian economy for the financial year 2022-23³. The contribution to the Australian economy from international students comes not just from international student tuition fees, and the benefits to local economies should not be undervalued:

- International students have supported Australia's post-COVID-19 recovery. International students contributed more than half (0.8 percent of the recorded 1.5 per cent to GDP) of Australia's economic growth over 2023⁴. While some of that is tuition fees, around 60% is consumption of goods and services outside of universities.
- 69% of the international tourism spend in Australia is generated by international education, according to evidence given by Austrade to a Parliamentary hearing last year⁵. That is despite Australia ranking 130 out of 140 countries on tourism price competitiveness⁶. Without international education, Australia effectively will have an international tourism sector one-third its regular size⁷.
- Additional economic benefits are derived from family and friends visiting international students, with approximately 1 in 4 students having family or friends visit them, generating a further \$1.1 billion of tourism revenue in 2018⁸.
- International students are hugely important to small business and to local economies. For example, a Mitchell Institute study in 2020 estimated that international students in the suburb of Kingsford in NSW alone spent \$335 million on food, accommodation and other services per year. Across the country, international students spent approximately \$5.5 billion in local economies⁹.



³ Department of Education, Australian Government (2024) Education Export Income – Financial Year 2022-23: www.education.gov.au/international-education-data-and-research/education-export-income-financial-year#:~:text=International%20education%20was%20worth%20%2436.4,billion%20paid%20as%20Tuition%20fees.https://www.education.gov.au/international-education-data-and-research/education-export-income-financial-year

⁴ National Australia Bank (2024) Markets Research – Macro-thematic – International students drove growth in 2023: www.nab.com.au/content/dam/nab-email-composer/nabmarketsresearch/economics/pdf/2024-03-07%20thematic%20-%20Students.pdf

⁵ Parliament of Australia (2023) Inquiry into Australia's Tourism and International Education Sectors: Chapter 2 – The value of international students to Australia: www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/Tourismandeducation/Interim_Report_-_Inquiry_into_Australias_International_Education_Sector/Chapter_2_-_The_value_of_international_students_to_Australia#:~:text=2.14Austrade%20noted%20at%20the,%E2%80%94or%20its%20regular%20size%27.

⁶ World Economic Forum (2019) Travel and Tourism Competitiveness Report 2019: www3.weforum.org/docs/WEF_TTCR_2019.pdf

⁷ Australian Financial Review (2023) 'Tourism would barely survive, without overseas students, inquiry hears': www.afr.com/politics/federal/tourism-would-barely-survive-without-overseas-students-inquiry-hears-20230531-p5dcr4

⁸ International Education Association of Australia: Edu-tourism and the impact of international students: <https://broadenourhorizons.com.au/edu-tourism-and-the-impact-of-international-students/>

⁹ Sydney Morning Herald (2020) 'It's not just a university problem: the drop in international students being felt across Sydney's suburbs': www.smh.com.au/national/it-s-not-just-a-university-problem-the-drop-in-international-students-being-felt-across-sydney-s-suburbs-20200612-p551yu.html

The Government should consider how a dramatic change to temporary migration numbers would create economic havoc in multiple industries such as hospitality, tourism, agriculture, education, and service sectors, as temporary migrants represent a significant portion of Australia's GDP growth in 2023. The cultural importance of a critical mass of temporary international migration is crucial to both metro and regional social cohesion and our links to the Indo-Pacific region. The Government should more clearly investigate the differences between the impacts of permanent migration and temporary migration on domestic policy matters and their positive economic impacts.

Hence, we encourage the Government to take further time to consult extensively with key stakeholders, not only in the higher education sector, but also with local and state governments, businesses and communities, who will likely be impacted as a result of the potentially significant economic flow-on effects of the proposed Draft Framework and associated ESOS Act Amendment Bill.

Potential unintended consequences that could exacerbate current economic challenges

The Draft Framework and associated ESOS Act Amendment Bill will have far-reaching implications for Australian communities and businesses, given that international students play a pivotal role in bolstering the economy, including sustaining local labour markets and through their significant spend on local goods and services.

- Financial sustainability of Australia's world-class universities: The recently introduced integrity measures (such as tighter visa processing, and changes to work rights) are already impacting international student enrolments. The Draft Framework's managed growth strategy has the potential to further damage the financial sustainability of the country's universities. In the UK, international postgraduate enrolments fell 63% following government restrictions on visas, and the government was warned that further restrictions could risk some institutions failing¹⁰. Some universities are already experiencing the effects of slowing international student enrolments even before any capping or other restrictions are implemented. Australian universities are now forecasting a collective shortfall of more than half a billion dollars in 2024 due to slower visa processing and a subsequent increase in visa cancellations¹¹. For example, Federation University is reported to be making approx. 200 staff redundant due to a fall in revenue and international student enrolments, and the University of Tasmania has instituted a jobs freeze as it attempts to manage falling enrolments¹².
- Impeding implementation of key policy changes and targets for the sector: Revenue from international students helps subsidise domestic enrolments. With caps currently in place on CSPs, any unfunded revenue, together with the cost of teaching delivery is supported by our international student margins. Unless significant additional government funding is planned for the sector, a blunt cap will affect the scope, range and potentially the quality of educational offerings, as well as impacting student support services. For example, this could limit our ability to contribute to meeting the Government's ambitious equity targets set out in the *Australian Universities Accord Final Report* – and supporting those students to succeed at university.

¹⁰ United Kingdom Parliament (2024) Hansard of Higher Education (Industry and Regulators Committee Report):

[https://hansard.parliament.uk/lords/2024-05-21/debates/49FAF0DB-6F80-4B20-8864-F775078673FF/HigherEducation\(IndustryAndRegulatorsCommitteeReport\)](https://hansard.parliament.uk/lords/2024-05-21/debates/49FAF0DB-6F80-4B20-8864-F775078673FF/HigherEducation(IndustryAndRegulatorsCommitteeReport)) [https://hansard.parliament.uk/lords/2024-05-21/debates/49FAF0DB-6F80-4B20-8864-F775078673FF/HigherEducation\(IndustryAndRegulatorsCommitteeReport\)](https://hansard.parliament.uk/lords/2024-05-21/debates/49FAF0DB-6F80-4B20-8864-F775078673FF/HigherEducation(IndustryAndRegulatorsCommitteeReport))

¹¹ Universities Australia (2024) 'Keynote Address – ITEC24 Higher Education Symposium': <https://universitiesaustralia.edu.au/media-item/keynote-address-itec24-higher-education-symposium/>

¹² Australian Broadcasting Corporation (2024). 'Tertiary education union calls for Federation University leaders to resign after announcing redundancy plans': www.abc.net.au/news/2024-04-08/tertiary-education-union-federation-university-redundancy-plans/103680816

- **Further weakening Australia’s research and development (R&D) competitiveness:** Universities have come to depend heavily on international student revenue to subsidise research efforts, enabling research breakthroughs that showcase Australia’s innovative capabilities to the world. At UNSW, for every \$1 received in direct research funding, we spend an additional \$1.19c, funded by our international student margins. In the absence of the Government fully funding the cost of research activities, capping international students will directly impact those activities¹³. This is particularly significant when considering that countries which spend a higher percentage of their GDP on higher education R&D have, on average, higher levels of GDP per capita¹⁴. Australia's contribution to research as a percentage of GDP is already low compared to other similar countries. With reduced revenue from international student fees, Australia’s R&D competitiveness will further decline. UNSW encourages the Government to support long-term investment in the innovative and productivity capacity of the Australian economy.
- **Undermining our local economies:** Australia’s international education sector supports 250,000 jobs nationally¹⁵ – and UNSW alone employs over 7,500 staff¹⁶. Analysis by London Economics in 2021 of the economic impact of Go8 universities suggests that every \$1 million of off-campus non-fee expenditure by international students supports 8.78 (headcount) jobs throughout the economy. In 2020, international education contributed more than \$11.4 billion to the NSW economy¹⁷ and supports a diverse range of jobs and businesses across the state¹⁸. For example, a restaurant in Kensington near UNSW reports that up to 60% of customers are overseas students, while a further 10-20% were overseas visiting family members, emphasising that “if UNSW is successful, we are successful. They affect the whole suburb”¹⁹.
- **Australia’s long-term economic growth and prosperity:** Australia’s housing affordability crisis is historically a supply-side problem. Any policy measure to address housing availability by capping genuine international student arrivals will not address the causal factors of housing and other cost of living pressures (such as regulatory barriers and costs, supply chain disruptions, weakening of market competition, and weak productivity growth) and instead could potentially put a brake on Australia’s economic growth and prosperity.

Recommendations

Potential unintended consequences that could exacerbate current economic challenges

1. The integrity measures introduced by the Government since last year are supported by UNSW and are already impacting international student enrolments. We suggest the Government allows further time for these reforms to be in operation to ensure Australia does not experience significant and unintended economic and cultural impacts. The dramatic change to temporary migration numbers would create economic havoc in multiple industries such as hospitality, tourism, agriculture, education, and service sectors, as temporary migrants

¹³ The Australian (2024) ‘Universities face \$500m revenue loss from student visa debacle’.

¹⁴ Deloitte Access Economics (2020) The importance of universities to Australia’s prosperity – Universities Australia: <https://universitiesaustralia.edu.au/wp-content/uploads/2022/04/Report-The-importance-of-universities-to-Australias-prosperity.pdf>

¹⁵ Universities Australia (2024) ‘Keynote Address – ITEC24 Higher Education Symposium’: <https://universitiesaustralia.edu.au/media-item/keynote-address-itec24-higher-education-symposium/>

¹⁶ UNSW (2024) UNSW 2023 Annual Report: https://www.unsw.edu.au/content/dam/pdfs/news/annual-reports/UNSW%20Annual%20Report%202023_V22.pdf

¹⁷ City of Sydney (2020) International Education – Why it’s important to us: www.cityofsydney.nsw.gov.au/business-economy/international-education

¹⁸ London Economics (2020) The economic impact of Group of Eight universities: www.go8.edu.au/Go8_London-Economics-Report.pdf

¹⁹ Sydney Morning Herald (2020) ‘It’s not just a university problem: the drop in international students being felt across Sydney’s suburbs’: www.smh.com.au/national/it-s-not-just-a-university-problem-the-drop-in-international-students-being-felt-across-sydney-s-suburbs-20200612-p551yu.html

represent a significant portion of Australia's GDP growth in 2023. The cultural importance of a critical mass of temporary international migration is crucial to both metro and regional social cohesion and our links to the Indo-Pacific region.

2. Given the incredible value of international education (\$36.4 billion) to the Australian economy, and the substantial savings to the public purse that international students create through their subsidisation of domestic student education and research costs, the Government should take further time (at least 6 months) to consult extensively with key stakeholders, not only in the higher education sector, but also with state and local governments, businesses and communities, who will likely be impacted as a result of the potentially significant economic flow-on effects of the proposed Draft Framework and associated ESOS Act Amendment Bill.
3. The Government should more clearly investigate the differences between the impacts of permanent migration and temporary migration on domestic policy matters and their positive economic impacts.
4. The Government should support long-term investment in the innovative and productivity capacity of the Australian economy, especially as universities' research and development activities rely heavily on funding from international student fees.

Strengthening 'Brand Australia'

Australia's global reputation as a top education destination is at stake

Our competitors, including the US and UK, have a long-standing reputation for delivering quality, world-class education. Australia is a relatively new education market without the long-term brand prestige of these other markets. Universities, including UNSW, have worked hard to accelerate Australia's status and enhance our sector's value proposition to a global audience, successfully attracting international students despite this fierce global competition. According to a recent survey commissioned by Austrade, Australia's key selling points remain employability, quality, safety, a sense of welcome and the natural environment²⁰. In 2019, Australia was the 2nd most popular destination for globally mobile tertiary students, behind the US²¹. However, Australian universities have faced challenges in maintaining this position. For example, the overall reputation of the Australian student market, which had been steadily building over many years, was severely impacted during the COVID-19 pandemic.

The Draft Framework and ESOS Act Amendment Bill which reflect the objectives of the Migration Review, if implemented in their current form, will significantly harm 'Brand Australia' and are already doing so. Nearly half (47%) of prospective international students surveyed by IDP Education are now hesitating to go to Australia for their study²². The frequent policy changes and proposed measures are impacting the standing of Australia as a top global study destination at a time when competition between destination countries is at an all-time high and more countries including China and India position themselves as reliable education hubs²³.

²⁰ Austrade (2022) Inquiry into Australia's Tourism and International Education sectors – Austrade Submission:

www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/Tourismandeducation/Submissions

²¹ Ibid.

²² IDP Education (2024) 'The Voice of the International Student Study': <https://studytravel.network/magazine/news/0/30443>

²³ ICEF Monitor (2024) 'Demand for study abroad in Australia, Canada, UK already affected by international education policies':

<https://monitor.icef.com/2024/02/demand-for-study-abroad-in-australia-canada-uk-already-affected-by-new-international-education-policies/>

The integrity measures introduced by the Government last year are also impacting efforts to diversify student markets. Diversification has long been the focus of the international education system but by reinstating work hour limits, increasing English language levels, increasing the savings requirement and proposing the increased visa charges, it will limit the ability of a broader range of residents being able to access and afford to study in Australia – which will undermine efforts to diversify student markets.

UNSW welcomes the Government's action to regulate unscrupulous operators seeking to exploit students for personal gain and reducing visa fraud within the migration system. The measures relating to this will help ensure Australia's international education sector is better protected from these harmful practices.

Australia is home to several top ranked universities in the world (three universities in the top 20 in the world, four in the top 30) and these measures should be considered in this context. However, the focus on the Draft Framework on the actions of unscrupulous operators can unnecessarily create negative perceptions of the higher education sector as a whole. It is important to clearly distinguish between these unscrupulous providers and public institutions, such as UNSW, who have significant regulatory oversight already and are long-established, reputable institutions.

A significant consideration for international students choosing UNSW is because we are ranked in the top 20 universities in the world. If further measures are implemented to also redistribute student numbers, prospective international students are more likely to head to another country than choose another Australian institution.

The UK and Canada are already dramatically restricting international student entry. If we follow this approach, we can expect to see that other - global - locations will be more attractive to international students. These policies are already having a significant impact on prospective student demand and given the permanent nature of the proposed measures, will continue to do so for years to come. The ICEF monitor confirmed that the US and Italy are already gaining a greater share of demand²⁴. The Government should closely monitor the impact of policy developments in the UK and Canada, including any applicable lessons learned, to prevent adverse and unintended consequences in Australia.

Promoting soft diplomacy that supports strategic and foreign policy objectives

International education is a critical tool of Australian foreign policy, projecting soft power, and building a positive impression of Australia, as students return to their home countries and take up leadership positions – and is recognised as such in the *2017 Foreign Policy White Paper*.

For example:

- **Geographical advantage**: The proximity to and quality of education available in Australia for the Indo-Pacific is an important strength, and is boosted through programs such as the Colombo Plan. UNSW was also one of the first universities in Australia to open its doors to students from the Indo-Pacific under the Government's first Colombo Plan, launched in 1951. This advantage not only benefits inbound international students but also encourages the growth of outbound opportunities for Australian students. For example, under the Colombo Plan, UNSW has offered one of the largest outbound student mobility programs in Australia²⁵.

²⁴ Ibid.

²⁵ UNSW (2019) 'UNSW's 70th Anniversary – International Students': <https://alumni.unsw.edu.au/70th-anniversary/1950s#:~:text=We%20have%20one%20of%20the,Asia%20Pacific%20region%20in%202018.&text=1959%20Basser%20College%20was%20built,those%20from%20local%20metropolitan%20areas>

- Extensive alumni engagement and researcher networks foster a diverse and talented group who return home as potential ambassadors for Australia, engaged in soft diplomacy that can heighten understanding with our regional neighbours and open possibilities for future cooperation as reflected in the *Southeast Asia Economic Strategy to 2040*. Many international graduates returning to their home countries have been strong advocates for Australia as they reach leadership positions in government, industry and NGO roles. For example, the recent ASEAN summit in Melbourne had a significant number of ASEAN leaders who enjoyed an education in Australia before they returned to their home countries.
- Supporting free trade agreements: The importance of education to broader foreign policy objectives is evident through key trade agreements. For example, education is an important component of the Australia-India Economic and Trade Agreement, with closer ties with India, and assisting India to educate its burgeoning youthful population, both falling squarely within Australia's national interest.
- Capacity building: In accordance with government policy and funding, UNSW has been supporting the capacity building needs of our Indo-Pacific neighbours, including the through Australia Awards. However, the Draft Framework's objectives appear to contradict the purpose of these efforts, as it would prioritise international student enrolments that align to areas where there are skills gaps in Australia.
- Transnational education (TNE) is one of the main objectives of the Draft Framework and UNSW recognises its benefits, including the impact on soft diplomacy power that derives primarily from the in-Australia study experience. While TNE is a key component of any university's international engagement strategy, it should not be seen as a replacement for students lost because of the proposed caps or managed growth strategy. Further, it should also not be considered as a replacement for the myriad benefits of students studying on the ground in Australia. In this context, the Government should consider an exemption from the caps for TNE and related offshore student programs.

The proposed reforms, if implemented in their current form, will diminish Australia's soft power and influence. It will be important for the Government to consider not only how the proposed measures impact inbound international student numbers but also how it could negatively affect our reputation particularly in the Indo-Pacific, including future outbound for Australian students, and as education providers roll out TNE opportunities.

Expectations management with consistent messaging is important for the international education sector's stability

Re-building confidence and trust in the sector takes time: It took some time to rebuild Australia's reputation following border closures due to the COVID-19 pandemic. For example, international students who lost their jobs in Australia were excluded from the types of hardship assistance being offered to international students in other countries such as New Zealand. Excluding international students from hardship assistance undermined trust in the international education sector.

Underappreciating international students: The changing posture recently unfolding in the UK and Canada towards international students does not inspire confidence. The Draft Framework's proposed sustainable migration growth strategy as reflected in the ESOS Act Amendment Bill sends prospective international students the message that they are not welcome to study in Australia, and their contributions to the economy and our cultural and social prosperity are not valued. International

students enrich campus life by bringing diverse range of backgrounds and perspectives to university classrooms – instead, they are broadly being conveyed as problematic and damaging universities’ social license.

Freedom to choose what to study: For a prospective international student, choosing to study overseas is one of the most important decisions of their lives and understandably they want certainty when making these decisions.

As currently featured in the ESOS Act Amendment Bill, introducing caps at the course level is in direct conflict with principles of student choice. Course caps will limit a prospective international student’s experience in Australia, while disregarding their interests and where they see they can bring most value, including helping to fulfil requirements and skills gaps of their home country. International students should be free to choose their degree on their interests and career plans as they are on a temporary visa.

Further, the caps proposed as part of the Draft Framework and associated ESOS Act Amendment Bill are not temporary like those in Canada. The Bill grants a permanent Ministerial power, with little accountability around how that power is used. What is proposed in the legislation is at odds with the Government’s messaging around international education – that it is an incredible asset to our country.

Contributing to Australia’s skills shortages: The current practice and policy is that most international students go home after they complete their studies. A minority of former international students become permanent residents (only 16% of overseas students arriving between 2000-01 and 2012-14 transitioned to a permanent visa), while the others leave after completing their courses or after time on other temporary visas (following policy changes announced late last year, a shorter time in future).

Temporary migrants and international students play a minor role in the multi-faceted solution to address both immediate and long-term workforce shortages across Australia. The ESOS Act Amendment Bill sends international students mixed messages about future employment in Australia – as temporary migrants, we consider that it is not reasonable to ask students to align their studies to Australia’s skills shortages. This messaging also contradicts the Government’s broader development policy objectives and supporting programs such as the Australia Awards that seek to build the capacity of Indo-Pacific neighbours based on their skill gaps.²⁶

The Government should continue to consider effective ways to incentivise business to develop paid internship programs for international students to address critical skills shortages in industry. For example, Victoria’s Commitment to Action to improve international student employment outcomes is one such proactive initiative, which holds employers accountable for employing more international students. Unfortunately, it falls short of providing businesses with the tools and support they need to overcome any real or perceived barriers to employing global talent.

Housing affordability: Universities are acutely aware of the complex challenges the Government is managing in relation to cost of living pressure and housing affordability, including historically tight rental markets.

As a nation we must be careful not to overstate the small impact of international students on Australia’s housing market, especially when considering that between 2019 and 2023, median weekly

²⁶ Department of Foreign Affairs and Trade Australian Government (2024) Australia Awards: www.dfat.gov.au/people-to-people/australia-awards

rent increased by 30% while student visa arrivals decreased by 13%²⁷. A Property Council report also found international students make up only 4% of Australia's rental market²⁸.

We acknowledge the desire of the Government to manage the growth of international student numbers in the wake of the Migration Review. However, we do not believe that any policy approach that unduly targets international students would address the challenge of housing affordability. UNSW is especially proud to be home to a number of academic staff with expertise in developing solutions to housing affordability challenges, who continue to work with government to bring these solutions to fruition. It is our strong desire to work constructively with the Government to ensure that any policy solution that manages the growth of international student numbers does not lead to unintended consequences by undermining the benefits of international education.

Challenges in delivering student accommodation

Go8 universities either provide or facilitate access to accommodation for over 83,000 students – this is equivalent to approximately two international students at a Go8 university for every per student accommodation supply²⁹. Go8 members have a substantial forward plan of additional supply across the next decade.

UNSW is a strong supporter of efforts at both the national and state level to address the current housing affordability crisis, and cost of living pressures facing many Australians. We are also closely involved in efforts to ensure an adequate supply of accommodation for our local and international students.

However, plans to deliver more student accommodation can take several years when considering the local and state government requirements involved in the process, as well as the time required for construction. UNSW has recently faced considerable challenges in its attempts to deliver additional accommodation for more than 900 students in our local catchment. In response to UNSW's development plans, Randwick City Council recently conveyed that there is no need for more student accommodation in the area³⁰.

In considering the Draft Framework and associated ESOS Act Amendment Bill, we suggest a transition period should be provided before any student caps are implemented to allow universities to plan and deliver additional student accommodation without causing irreparable damage to their international student market reputation and catastrophic damage to the model of the universities. The uncertainty in international student caps will also create a disincentive for private investment due to the potential risk of oversupply, which should be another important consideration for the Government.

We suggest that any assessment of additional student accommodation that has been 'made available' should include all supply created within a reasonable proximity of the relevant university, regardless of ownership and control. Not including private supply creates a perverse disincentive for private capital investment to flow into the local construction economy to increase housing supply and it limits the opportunity for universities to deal with their land to create additional student supply (if they have insufficient capital to develop). Requiring universities to underwrite leases with private providers

²⁷ Universities Australia (2024) 'Keynote Address – ITEC24 Higher Education Symposium': <https://universitiesaustralia.edu.au/media-item/keynote-address-itec24-higher-education-symposium/>

²⁸ Accenture Strategy – The Student Accommodation Council (2024) Myth busting international students' role in the rental crisis: www.propertycouncil.com.au/wp-content/uploads/2024/04/240423-International-Students-Myth-Busting-Final-Report.pdf

²⁹ Group of Eight Australia (2024) International Students and Housing and Other Cost of Living Pressures: <https://go8.edu.au/wp-content/uploads/2024/04/Go8-Policy-Briefing-International-Student-Housing.pdf>

³⁰ Sydney Morning Herald (2024) 'This Sydney university wants to build 1000 apartments. Locals are up in arms': www.smh.com.au/national/nsw/uns-w-at-war-with-nida-and-locals-over-greedy-housing-plan-20240528-p5jhg1.html

creates the potential for a bidding war between institutions with universities bearing all the risk of future enrolment caps both to reduced fee income and the cost of student accommodation surplus to demand.

We suggest that all analysis of student accommodation supply and demand should consider appropriate propensity levels of students to prefer student accommodation as only a proportion of students in any category will choose student accommodation.

Recommendations

Australia's global reputation as a top education destination is at stake

5. The Government should note and closely monitor the impact of similar policy developments that seek to restrict international student numbers in the UK and Canada, including lessons learned to prevent adverse and unintended consequences, with many UK universities reporting financial distress.
6. UNSW welcomes the Government's action to regulate unscrupulous operators seeking to exploit international students for personal gain. However, we note that the focus of the Draft Framework on the actions of these operators can unnecessarily create negative perceptions of the higher education sector as a whole, including for Australia's top ranked universities. It is important to clearly distinguish between these unscrupulous providers and public institutions, such as UNSW, who have significant regulatory oversight already and are long-established, reputable institutions.

Promoting soft diplomacy that supports strategic and foreign policy objectives

7. The Government should consider not only how the proposed measures impact inbound international student intake but also how it will negatively affect our reputation and soft power diplomacy particularly in the Indo-Pacific and future outbound opportunities for Australian students, and as education providers roll out transnational education opportunities. In this context, the Government should also consider an exemption from the proposed international student caps for TNE and related offshore student programs.

Expectations management with consistent messaging is important for the international education sector's stability

8. The Government should work together with universities and industry to effectively manage sustainable growth including institution and student expectations and provide consistent messaging around its migration policy intentions and proposed settings to further improve the Australian university experience for domestic and international students.
9. International students, the overwhelming majority of whom are not long-term participants in the Australian labour market, should be free to take courses from the broad range of excellent opportunities and offerings in Australia as they build their own career plans, drive productivity and build resilience by helping to address the skills required in their home countries, in our region and beyond. The Government should reflect this by not implementing caps at the course level.
10. The Government should consider more effective ways to incentivise business to develop paid internship programs for international students to address critical skills shortages.

Challenges in delivering student accommodation

11. The Government should implement a transition period before any student caps are implemented to allow universities to plan and deliver additional student accommodation without causing irreparable damage to their international student market reputation and catastrophic damage to the model of the universities. The uncertainty in international student caps will also create a disincentive for private investment due to the potential risk of oversupply, which we think is another important consideration for the Government in finalising the Draft Framework.
12. We recommend that any assessment of additional student accommodation that has been 'made available' should include all supply created within a reasonable proximity of the relevant university, regardless of ownership and control.
13. We suggest that all analysis of student accommodation supply and demand should consider appropriate propensity levels of students to prefer student accommodation as only a proportion of students in any category will choose student accommodation.

Effectively operationalising the Draft Framework and ESOS Act Amendment Bill

Further planning and coordination with the higher education sector is necessary before implementation

While we acknowledge the efforts made to address challenges associated with unscrupulous actors, the implementation of a hard cap to support a managed growth system has the potential to bring about widespread and long-lasting consequences for both Australian and international students.

Nature of the government-university relationship: We urge the Government to extend its consultation so that the country's internationally recognised and ranked higher education sector can seek certainty, stability and growth through this significant period of change. This will also enable universities and the Government to work in concert to implement recommendations of the *Australian Universities Accord Final Report*. We want to work constructively with the Government to ensure a coordinated and efficient approach, given the many policy changes over the last few years, including from the Universities Accord and COVID-19 pandemic.

It is important for the Government to place the ESOS Act Amendment Bill in context of the broader, longstanding government-university relationship. This will help ensure the proposed changes are not solely focussed on achieving strategic immigration objectives, but also considers other possible outcomes that may come from changes to the nature of this relationship and the diverse education providers that operate within the sector.

The ESOS Act Amendment Bill also takes the higher education sector into new legal territory. The level of Ministerial discretion is unprecedented for any sector in Australia. While the ESOS Act Amendment Bill's Explanatory Memorandum offers reassuring statements about how some of these powers are to be used, the mere possibility of their use changes the government-university relationship. This is particularly important given that the proposed permanent Ministerial powers can be used by future governments.

Transitional arrangements: The Final Framework is proposed to be released later this year³¹, supported by the ESOS Act Amendment Bill which is also currently under consultation. We strongly encourage the Government to consider pushing out the date the ESOS Amendment Bill comes into effect and implementing a transitional period to help the sector and students prepare and make arrangements, given the magnitude of change in the last 12 months. This would also better align with the implementation of the proposed ATEC and funding model of the *Australian Universities Accord Final Report*, which are not yet finalised nor in operation and which would play a key role in facilitating the outcomes of the proposed strategy.

Alignment with the sector's international student planning, recruitment and budget processes: The legislation requires any caps to be issued by September the year before (and by 31 December for the 2025 cap), which does not align with the enrolment timeline followed by education providers to coordinate budgeting, student load and workforce planning. Students make decisions on their study destination anywhere between 6 to 18 months in advance. We suggest that any cap be issued no later than 30 June the year prior to allow providers additional time to make arrangements and put in place any communications needed to prospective students. A shorter notice risks stifling cohort diversity in that application timing and behaviour varies significantly by nationality within that timeframe.

The proposed caps do not take into account those students studying pathway programs such as English language, Foundation and Diploma programs either in-country or by Transnational Education. Students commence these programs approximately 18 months in advance of their chosen primary degree program. For example, most onshore pathway students are on a package which includes having a Confirmation of Enrolment (CoE) for the subsequent program at UNSW and have a visa for the duration of the programs they intend to study. Caps on pathway programs or pathway providers would cut off a major pipeline of high quality and well-prepared students for university degree programs, while caps on the ensuing university degree program or provider would leave pathway students unable to complete their studies at Australian universities.

As outlined in the Draft Framework, the Government will consider settings for postgraduate research enrolments, schools, short courses, non-packaged short English courses, and non-award courses, and the appropriateness of excluding these from new settings to manage growth. We support the Government in considering an exemption from the managed growth strategy for these offerings.

Implementation and foreseeable practical challenges

Achieving the policy objectives of both the Draft Framework and associated ESOS Act Amendment Bill will come at great cost, which is not currently reflected in the Regulatory Impact Assessment of the Bill. We expect there would be a range of challenges that will likely arise if both the Draft Framework and associated ESOS Act Amendment Bill are implemented in their current form.

Proposed managed growth strategy: Recognising the Government's desire to manage the growth of international students as expressed in the Draft Framework, the managed growth trajectory of public institutions should initially be individually negotiated over the next two months as part of a compact process to enable some early traction on the Government's temporary migration agenda. This will enable trajectory setting based on individual institutional circumstances and prevent the need for the development of a single arbitrary 'baseline'. Baselines are, and should be, specific to each institution.

³¹ Department of Education, Australian Government (2024) Draft International Education and Skills Strategic Framework: www.education.gov.au/international-education/draft-international-education-and-skills-strategic-framework

This would align the process with that already undertaken for domestic students funded under the Commonwealth Grant Scheme. The powers proposed for the Minister under the ESOS Act Amendment Bill should be sunsetted with the establishment of the ATEC. All powers to manage domestic and international student numbers should then rest with ATEC and be stipulated in its act of establishment.

After the legislation is enacted, and post this initial individual compact discussion, the managed growth trajectory of each institution should be individually negotiated with the proposed ATEC.

Factors that could be taken into account as part of the negotiation could include:

- The business model of the education provider;
- Provider risk rating as determined by the Department of Home Affairs;
- The student discipline mix (e.g. proportion of high-cost disciplines such as engineering and health) of the education provider;
- The courses international students enrol in;
- The quality of the educational offerings;
- The employability of students graduating from the education provider;
- The infrastructure of the education provider;
- The provision of bespoke student accommodation by institutions, and external providers in close proximity to campus, as well as the propensity of international students to stay in designated student accommodation;
- Previous and forecast growth, averaged over a five-year period;
- The reliance of the education provider on international student revenue to meet important national policy objectives, such as the growth of places for under-represented domestic student cohorts; and/or
- The ability to attract international student enrolment interest.

The Government should consider the effects of the proposed strategy that might play out in practice and how they will be managed – for example:

- As higher education expert Andrew Norton points out, hard caps would require actual offers and hence there would likely be a decrease in enrolments to well below the capped level³².
- Capping international student numbers by provider and course could lead to the ‘stranded places problem’ – student places that are theoretically available but cannot in practice be used. Every condition added to the use of a student place reduces the chance that a student can be found who meets all the criteria.
- Part of building an efficient process to set the caps should include working closely with universities to determine a base-line number of students at the provider-level rather than at the sector level to allow for flexibility across institutions and adaptability to the new strategy.
- How the Government will be able to confirm the number of international enrolments against the set caps will require further consultation with the sector to align with key timelines for international student recruitment and enrolment. This is also important to minimise the increasing regulatory burden on the sector. Canada is already experiencing challenges implementing their temporary two-year cap and we recommend that the Government incorporate lessons learned where relevant to establish an efficient process with the sector. We recommend that caps be based on CoE numbers, rather than EFTSL or enrolled headcount, in alignment with the current management of CoE Capacity limits. This would minimise the

³² Norton, Andrew (2024) ‘A cap-and-trade system for international student places’: <https://andrewnorton.net.au/2024/05/27/a-cap-and-trade-system-for-international-student-places/>

additional workload, utilising existing monitoring and reporting functionality across the sector, as well as minimising the potential for enrolment cap breaches.

- Under the proposed changes, an institution that breaches its total enrolment cap for a year by even one student would have its registration to operate as an international education provider automatically suspended for all courses for all locations for that year. The Government should consider alternatives to give broader transitional support for the sector relating to breaches, such as cautioning institutions for their first breach and imposing penalties for further breaches; offer a small percentage of flexibility or buffer to allow for the imprecise nature of offers translating to enrolments, visas being granted, etc; and/or implementing a reduced cap in following years as a consequence of a breach. These alternatives are important given that it is difficult for universities to predict what percentage of individuals will accept or defer offers for any given year, course, or location.
- The proposed changes would see the closure of a program for a year due to ESOS registration suspension. However, any suspension of ESOS registration would have long-term impacts - for example, relating to student demand, agent behaviour, and, concerningly, could create institutional reputational damage. Rebuilding interest for re-opened programs, or for a re-registered institution, is costly and time consuming (at least 18 months).

Notices and legislative instruments: Notices and legislative instruments imposing limits on enrolment numbers for a specific year should have regard to the number of *accepted students* of the provider for that year. This will avoid a situation where a provider such as UNSW can have a limit imposed which is less than the number of overseas students that have already been *accepted* (and confirmation of enrolments issued) for that year. A provider given a limit below the number of 'accepted students' for the year would be left in a situation where:

- The provider cannot deliver the program to all the accepted overseas students – which would constitute provider default under clause 46 of the ESOS Act;
- Students themselves may already have applied for visas based on the Confirmation of Enrolment issued on acceptance;
- Pathway students may not be able to progress to universities.

Penalty provisions: We propose that the penalty provisions (96 & 96A) be updated as follows to ensure that institutions maintain some flexibility and autonomy:

- The decision of the Minister to make a legislative instrument or give notice regarding enrolment limits is open to Merit Review.
- Amendments made to remove automatic suspension for breach of the limit.
- The decision to suspend for breach could sit with the Secretary or the ATEC Commissioner, depending on where the power will reside. The Secretary or ATEC Commissioner should be required to take into account the costs of any such suspension.
- The Secretary must allow for, and consider, submissions from the provider.
- The decision to suspend is a full merits reviewable decision.

Recommendations

Further planning and coordination with the higher education sector is necessary before implementation

14. Recognising the Government's desire to manage the growth of international students as expressed in the Draft Framework, the managed growth trajectory of public institutions

should initially be individually negotiated over the next two months as part of a compact process to enable some early traction on the Government's temporary migration agenda. This will enable trajectory setting based on individual institutional circumstances and prevent the need for the development of a single arbitrary 'baseline'. Baselines are, and should be, specific to each institution.

15. The Government should extend its consultation for the ESOS Act Amendment Bill so the country's internationally recognised and ranked higher education sector can seek certainty, stability and growth through this significant period of change. This will also enable universities and the Government to work in concert to implement recommendations from the *Australian Universities Accord Final Report*. UNSW wants to work constructively with the Government to ensure a coordinated and efficient approach.
16. The Government should consider pushing out the date the ESOS Act Amendment Bill comes into effect to 2026. To support this, the Government should implement a transitional period to help the higher education sector and students prepare and make arrangements, given the magnitude of change in the last 12 months. Taking these steps is also recommended as the proposed ATEC and funding model of the *Australian Universities Accord Final Report* are not yet finalised nor in operation, which would play a key role in driving the outcomes of this proposed strategy.
17. The legislation requires any caps to be issued by September the year before (and 31 December 2024 for 2025), which would not align with the enrolment timeline followed by education providers to coordinate budgeting, student load and workforce planning timelines. The Government should provide additional lead-in time so that providers and students can make arrangements and put in place any communications needed to prospective students.
18. After the legislation is enacted, and post this initial individual compact discussion outlined in *Recommendation 14*, the managed growth trajectory of each institution should be individually negotiated with the proposed ATEC. Consideration should be given to the circumstances of each institution, including their business model, student discipline mix (e.g. proportion of high-cost disciplines such as engineering and health), infrastructure, and ability to attract international student enrolment interest.
19. As outlined in the Draft Framework, the Government will consider settings for postgraduate research enrolments, schools, short courses, non-packaged short English courses, and non-award courses, and the appropriateness of excluding these from new settings to manage growth. We support the Government in considering an exemption from the broader managed growth strategy for these offerings.

Implementation and foreseeable practical challenges

20. The powers proposed for the Minister under the ESOS Act Amendment Bill should be sunsetted with the establishment of the ATEC. All powers to manage domestic and international student numbers should then rest with ATEC and be stipulated in its act of establishment.
21. The Government should carefully consider the effects of the proposed managed growth strategy that might play out in practice and how they will be managed:
 - a. Hard caps would require actual offers and hence there would likely be a decrease in enrolments to well below the capped level.

- b. Capping international student numbers by provider and course could lead to the 'stranded places problem' – student places that are theoretically available but cannot in practice be used.
- c. Part of building an efficient process to set caps must include working closely with universities to determine a baseline at the provider-level rather than at the sector level. This would allow for flexibility across institutions and adaptability to the new proposed strategy.
- d. How the number of international enrolments will be assessed and confirmed against the set caps, which will require further consultation with the higher education sector to align with key timelines for international student recruitment and enrolment. This is also important to minimise the increasing regulatory burden on the sector. We strongly recommend that the Government incorporate any international lessons learned where relevant to establish an efficient process.
- e. We recommend that caps be based on Confirmation of Enrolment (CoE) numbers, rather than EFTSL or enrolled headcount, in alignment with the current management of CoE Capacity limits. This would minimise the additional workload, utilising existing monitoring and reporting functionality across the higher education sector, as well as minimising the potential for enrolment cap breaches.
- f. Consider options to give broader transitional support for the higher education sector relating to breaches, such as cautioning institutions for their first breach and imposing penalties for further breaches rather than losing registration; offering a small percentage of flexibility or buffer to allow for the imprecise nature of offers translating to enrolments; and/or implementing a reduced cap in following years as a consequence of a breach. These alternatives are important as it is difficult for universities to predict what percentage of individuals will accept or defer offers for any given year, course, or location.
- g. The proposed changes would see the closure of a program for a year due to ESOS registration suspension. However, any suspension of ESOS registration would have long-term impacts - for example, relating to student demand, agent behaviour, and, concerningly, could create institutional reputational damage. Rebuilding interest for re-opened programs, or for a re-registered institution, is costly and time consuming (at least 18 months).

22. The Government should clarify how the strategy would operate in practice in relation to legislative instruments, notices, and penalty provisions.

Conclusion

UNSW has a long and proud history of pioneering and supporting Australia's international education sector to be globally competitive. International students enrich our communities and are a critical part of Australia's social, multicultural and economic fabric. The global reputation of Australia as a top education destination is at stake, and careful consideration and wider consultation is crucial to prevent lasting and potentially undesired consequences.

Should you wish to discuss any issue raised in this submission, please do not hesitate to contact our Head of Government Relations, Mr Robin Schuck, on 0411 124 258 or r.schuck@unsw.edu.au.