



**TAFE  
DIRECTORS  
AUSTRALIA**

## **SUBMISSION**

Senate Education & Employment Committee

### **EDUCATION SERVICES FOR OVERSEAS STUDENTS AMENDMENT (QUALITY & INTEGRITY) BILL 2024**

June 2024

#### **About TAFE Directors Australia (TDA)**

[TAFE Directors Australia \(TDA\)](#) is the national peak body that represents Australia's network of state and territory publicly owned Technical and Further Education (TAFE) institutes and dual sector universities. All TDA members are complex, large education entities ranging in size from TAFE NSW with over 400,000 enrolments, to regional TAFEs in Western Australia and Victoria with about 10,000 enrolments per year. While the primary business of TDA members is vocational education and training, over half of TDA members also deliver higher education.

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# Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024

TDA is the national peak body for TAFEs and TAFE divisions of dual sector universities in Australia, the majority of which deliver a range of vocational education and training (VET) and higher education (HE) courses to international students, both onshore and offshore. TDA has consulted with its members and provides the following feedback relating to Part 7 – Enrolment Limits of Schedule 1 of the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 (the Bill).

TAFEs, as trusted public providers, set the standard for quality and integrity in terms of their course delivery, student support and student experience for international students.

TDA and its members have welcomed the increased focus of government and regulators on integrity in the international education sector in both vocational education and training (VET) and in higher education (HE). The actions of a number of unscrupulous providers and actors in the international education sector, particularly in VET, have unfortunately tarnished the reputation of the entire sector<sup>1</sup>.

TAFEs have been disadvantaged by Commonwealth policies which include TAFEs in the same category as all RTOs, despite there only being 22 TAFEs and six TAFE divisions of dual sector universities and being owned by state and territory governments. For example, TAFE visa grant rates are the same as the other approximately 850 RTOs registered for CRICOS in the VET sector so their provider risk ratings are adversely affected which misrepresents their status as a public provider.

Public provision should be prioritised in the overall growth strategy for international students. This should include both universities and TAFE. It is a focus on public provision that will inherently remove the integrity issues impacting Australia's brand. For some years TDA has been calling for tighter controls that would protect TAFE. This has included requesting rules to prevent onshore poaching of TAFE students and proposing a separate visa category for new TAFE students. Neither of these proposals were supported in the past.

For TAFEs, ongoing engagement in international education is a long game, based on a quality educational experience for both domestic and international students. TDA has advocated previously for a TAFE visa category and for VET immigration data to disaggregate TAFE visa applications from other RTOs in the VET sector. This approach would recognise that TAFEs are government owned and operated institutions on par with universities and would mean that they could be better utilised to support and promote international education and training, particularly in occupations which are experiencing skills shortages.

In terms of enhancing quality and integrity in the international education sector, the focus of government and regulators should now be on enforcement and on implementing a risk-

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<sup>1</sup> The Guardian (2023), 'Labor to spend \$37.8m to weed out 'bottom feeders' among vocational education providers', 03/10/23. Available at: <https://www.theguardian.com/australia-news/2023/oct/03/labor-vocational-education-crackdown-compliance> (accessed 11/06/24)

based approach which recognises and supports public providers' genuine commitment to providing a quality experience for international students.

TDA is particularly supportive of the measures introduced to prevent onshore 'poaching' of students including the ban on onshore agent commissions and preventing students from holding concurrent enrolments prior to completing six months of their initial course. TDA would be supportive of returning this period to twelve months.

A focus on student support services and student experience is also crucial to maintaining the quality and integrity of the international education sector. International students need to be incentivised to choose a quality provider which generally does not mean the provider with the lowest tuition fees or shortest course duration.

TAFEs need to be better recognised for the quality of their program delivery to international students but also for the extensive, services, support and cultural experiences that they provide to their students throughout their education and training time in Australia. As government owned providers, TAFEs must operate to public sector codes of conduct ensuring individual gain and integrity is never an issue.

### **Proposed Enrolment Limits**

TDA and its members recognise the importance of managing international education and training to prioritise the welfare and outcomes for international students and to strengthen Australia's reputation for delivering quality education and skills training.

TDA and its members see the enrolment limits as an opportunity to deliberately elevate the public VET provider in Australia and to promote the TAFE brand internationally. Elevating the public provider would be a deliberate strategy for promoting quality and integrity in the VET sector and better utilising TAFEs to meet state/territory and national skills needs.

The TAFE footprint is vast. TAFEs operate in metro, regional, rural and remote areas. TAFE qualifications include workplace experiences, work integrated learning and TAFE graduates are job ready. TAFEs have state of the art facilities and strong relationships with industry. Currently, the TAFE market share of international VET is extremely low compared with the private international VET market. TDA and its members see the strategy for managed growth as an opportunity to re-balance this and to stamp out the exploitation and unscrupulous behaviours which have occurred in international VET.

TDA would welcome government applying a risk regime that recognises TAFEs' genuine commitment to providing a quality experience for international students, by providing TAFEs with the same benefits/recognition as universities under the Simplified Student Visa Framework (SSVF), with recognition of this distinction when determining enrolment limits and processing student visa applications from VET sector applicants.

This would mean that there would need to be better alignment between the ESOS Act and the SSVF, with the latter separating student visa streams by level of principal course and processing by evidentiary level of provider/country. Whereas the proposed new legislation allows the Minister with powers to make decisions based on class of providers e.g. public/private. The lack of alignment between ESOS Act and the Student Visa framework is currently not enabling the best outcomes for students, providers, or the nation.

The proposed system for managed growth within the sector also offers a unique opportunity for State Governments to identify and communicate to the Federal Government (the Minister, who will have increased powers of setting CRICOS caps for individual providers) the local skills requirements for their State and how they are tasking their Government-owned TAFEs to meet the skills development required for growing their economies and the respective communities in which these TAFEs service.

State Governments should be able to work collaboratively with the Minister to set CRICOS caps for their TAFE organisations in order to:

- address critical skills shortages in their State/Territory as determined by the State/Territory
- control overall numbers of international students within manageable levels and in quality programs which TAFE offer
- help TAFEs to grow international student revenue to reduce the amount of State Government financial support required

Conversely, if the enrolment limits are implemented without any regards to the public provider status of TAFE, there will be lower international student revenue, and many TAFEs will pull out of international student recruitment altogether. With reduced capability in international markets, TAFEs may also reduce their transnational capability and revenues.

Many VET and HE cohorts are not viable without the admission of international students. If TAFEs were adversely affected by enrolment limits, some courses may be discontinued on viability grounds. International students tend to study to Diploma or Advanced Diploma level, programs which are also attractive to Fee-free TAFE graduates who wish to advance their careers beyond their initial fee-free TAFE program.

While TDA would welcome a managed growth system which recognised the value of the public provider, TDA and its members are concerned that the legislative and policy changes in the international education sector may be happening too quickly with insufficient lead time for TAFEs to adjust and prepare to new policy directions.

Depending on the timing of their initial introduction, caps may create uncertainty in enrolment activity and revenue. Caps will require changes to systems, processes, and create potential additional administrative burden.

For example, if enrolment limits are expected to come into effect from 1 January 2025, international student recruitment for this period is already in train. Perhaps of more concern to some TAFEs is that if their international student numbers had to decrease as a result of the enrolment limits, they would also need to reduce their teaching workforce in the latter part of 2024.

It is also proposed that the Minister's powers should be time limited as the new policy settings adjust.

## Recommendations

TDA recommends different categories for TAFEs and other public providers in higher education, such as universities, to achieve managed growth targets. TDA supports that TAFEs are not subject to caps on enrolment due to their status as the vocational education and training public provider.