

Victorian TAFE Association response Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into Australia's tourism and international education sectors

About the Victorian TAFE Association

The Victorian TAFE Association (VTA) is the peak body for the Victorian TAFE sector, including Victoria's 12 TAFE institutes, four dual sector universities and AMES Australia.

The VTA proudly champions the interests of public vocational education providers with a focus on sustainability, quality, and outcomes for industry, community and learners.

Victoria's TAFEs and dual sector universities provide the highest quality education to hundreds of thousands of domestic and international students each year:

- 90+ campuses delivering education to students across Victoria
- 200,000+ local students each year
- 7,000+ on-shore and 15,000+ off-shore international students (pre-COVID)
- 35,000+ apprentices enrolled in TAFE
- Pathways to degree and post-graduate qualifications
- Students of all ages and abilities.

Our response to this inquiry focuses on the issues impacting on international education.

Introduction

International education is a critical part of Victoria's economy, as well as being an important tool to help create global citizens, facilitate diplomacy and encourage partnerships. This is true whether it is students studying at TAFE institutes in Victoria, undertaking their qualifications at one of many offshore programs offered by Victorian TAFEs, or when providing capacity building projects or industry relevant training with partner countries.

The reputation of TAFE as a world leader in vocational education and training is high, with demand from governments, donor organisations, education institutions and students across the world, particularly in Asia. Of equal importance is TAFE's role in supporting Australian students and businesses to engage with other countries through outbound mobility programs and industry-led training programs. Increasingly, TAFE through the national body TAFE Directors Australia is viewed as a key partner in global networks, including in the World Federation of Colleges and Polytechnics.

It is a critical juncture for international VET in Australia, with competition from countries such as Germany, Canada and Singapore increasing rapidly. To maintain and increase our global footprint, continued effort from TAFEs and coordinated policy from all levels of Government is required. A whole-of-government approach, which supports and promotes activities, strengthens networks and adopts sensible, inclusive policies is required to support TAFE continue our reputation as a world leader in international education.

Summary of Recommendations:

- *Simplify work rights options to provide equal post study work visa eligibility, duration and conditions to both Higher Education and TAFE graduates in areas of occupational shortages.*

- *Prioritise and differentiate visa applications for international students who choose to study at TAFEs.*
- *Disaggregate VET immigration data so that TAFE applications are reported separately.*
- *Support the Department of Home Affairs to apply 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 SSVF.*
- *Cap work hours for all new international students who commence in Semester 1 2023 and phase out uncapped hours for existing students by July 1 2023.*
- *Coordinated approach to government policy settings and messaging as it relates to international students and employment.*
- *Provide funding to further develop non-accredited content to enable vocational education providers to expand their international footprint and provide alternative sources of revenue.*
- *Continue to support Destination Australia Scholarships for international students studying at regional providers and expand the scholarships to cover the full duration of a package of courses from Certificate III through to Advanced Diploma rather than only one course at Certificate IV or above.*
- *The Australian Government develop a comprehensive strategy for international education as public diplomacy which includes all sectors.*
- *Mobility funding is made available to all Australian students studying in post-secondary environments.*

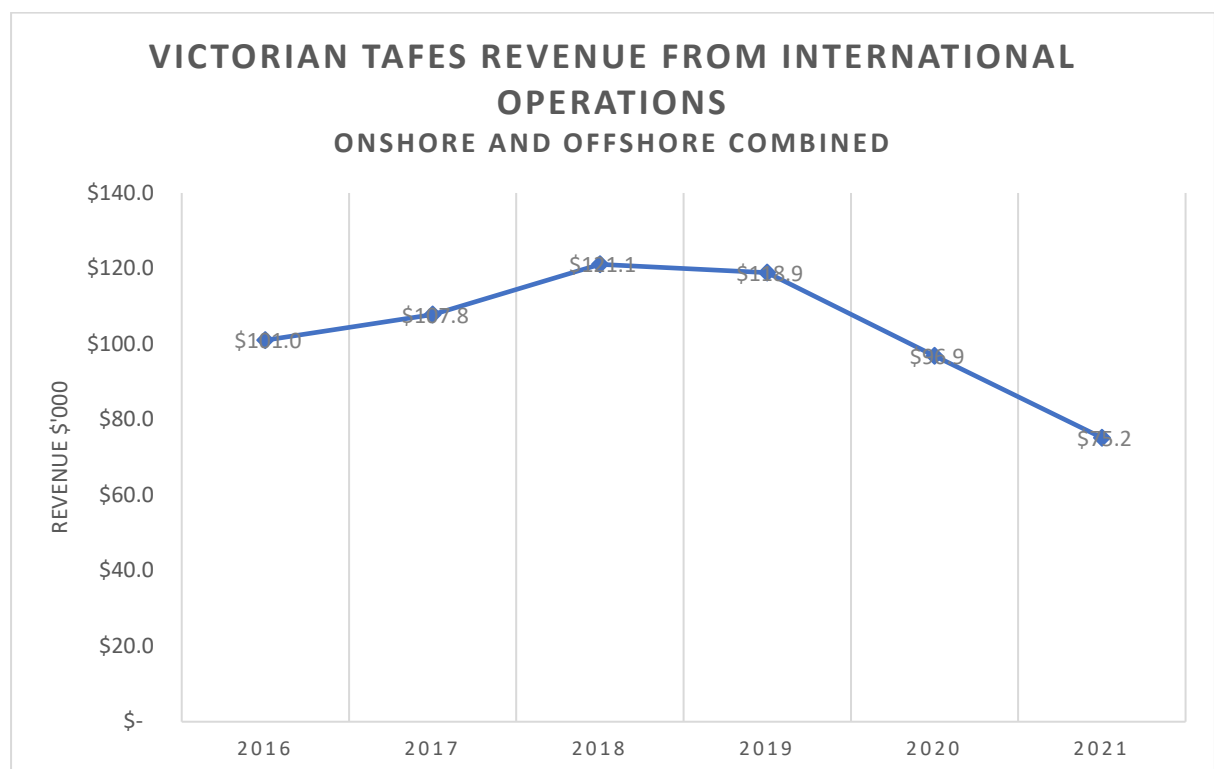
1. **Challenges associated with the loss of international student numbers as a result of the significant disruption caused by the COVID-19 pandemic and effective measures to attract and retain students to Australia.**

International education is Australia’s third largest export and Victoria’s largest services export industry¹ and Victoria’s largest services export industry generating \$6.9 billion in revenue in 2021². The pandemic created major disruption across the sector and there is still uncertainty about the long-term effect of the pandemic and closure of Australia’s international borders.

For Victorian TAFE institutes, this impact will be felt over multiple years. Unlike short-term travel associated with tourism, education for international education operates in a pipeline model, in which commencing students translate into multiple years of future enrolments. The missing cohorts from 2020, 2021 and 2022 will continue to have an ongoing future impact that cannot be filled by subsequent student intakes.

Revenue from international students cannot be easily replaced and there have been different levels of exposure to members depending on delivery models (including pre-COVID investment in transnational education offshore). Overall, significant falls in revenue have been experienced across the Victorian TAFEs involved in international education. The chart (1) below shows the revenue earned from international operations (both from international students studying both onshore and offshore and international projects offshore).

Chart 1



¹ <https://djpr.vic.gov.au/priorities-and-initiatives/economic-value-of-victorias-international-education#:~:text=International%20education%20has%20been%20Victoria's,the%20Victorian%20economy%20in%202021.>

² <https://global.vic.gov.au/our-programs-and-services/international-education/international-education-overview>

TAFEs have reported significant structural challenges with impacts in terms of volume, and with challenges in adjusting costs to match falls in revenue, with large, full-time and permanent workforces as their major expense. TAFEs are public organisations owned by the States and Territories, they are large organisations with, on average, 900 staff. That compares to the average size of private for-profit institution, being 12 training staff.³

Most private for-profit training institutions have been able to respond to changing enrolment patterns, with lower cost structures and more flexible work conditions these institutions have been able to secure enrolments from domestic students, existing on-shore international students, and exploring novel delivery models. Recent media attention has exposed the role some private for-profit institutions are playing in facilitating exploitation of students – charging low student fees and turning a blind eye to student non-attendance at classes. This behaviour has been fuelled by uncapping of work hours for international students.

Australian Government policy settings impacting on the TAFEs pipeline of international students

Post Study Work rights vs Graduate Work Stream

Eligibility for work rights and potential pathways to residency and employment provide attractive options for many students considering study in Australia. TAFE diploma and trade graduates have access to post study work rights through the Graduate Work Stream program whilst Bachelor's, Master and PhDs students can use the Post Study Work Rights program.

The Graduate Work Stream program, has longer visa processing times and the length of stay is shorter, offering - 18 – 24 months of further stay versus 24 – 48 months of higher education graduates in the Post Study Work stream.

The National Skills Commission's - *2022 Skills Priority List Key Findings Report* found occupation shortages were most acute in Professional occupations, requiring higher level qualifications and experience, and Skill Level 3 occupations among Technicians and Trades Workers⁴ yet recent changes to post study work rights which extended the length of the visa apply only to higher education graduates in the Post Study Work Rights program.

Recommendations:

- *Simplify work rights options to provide equal post study work visa eligibility, duration and conditions to both Higher Education and TAFE graduates in areas of occupational shortages.*

Visa processing and visa grants

When the Australian borders opened there was a strong demand for visa applications from potential students, resulting in a significant backlog and prompting a blowout in waiting times particularly for vocational education and training applicants.

³ <https://tda.edu.au/newsletters/a-quality-vet-system-is-this-possible-with-3829-rtos-comment-by-ceo-jenny-dodd/>

⁴ <https://www.nationalskillscommission.gov.au/reports/2022-skills-priority-list-key-findings-report>

Processing times for Subclass 500 Vocational Education and Training Sector visa

| | | | | |
|---------------|--------------------------------|----------------------------|----------------------------|----------------|
| 25% > 42 Days | 25% between 42 Days & 3 Months | 25% between 3 and 5 Months | 15% between 5 and 9 Months | 10% < 9 Months |
|---------------|--------------------------------|----------------------------|----------------------------|----------------|

Source: DOHA Website August 2022

Note: The median average processing time for Subclass 500 Vocational Education and Training Sector visas, that were finalised in August 2022, was 3 Months

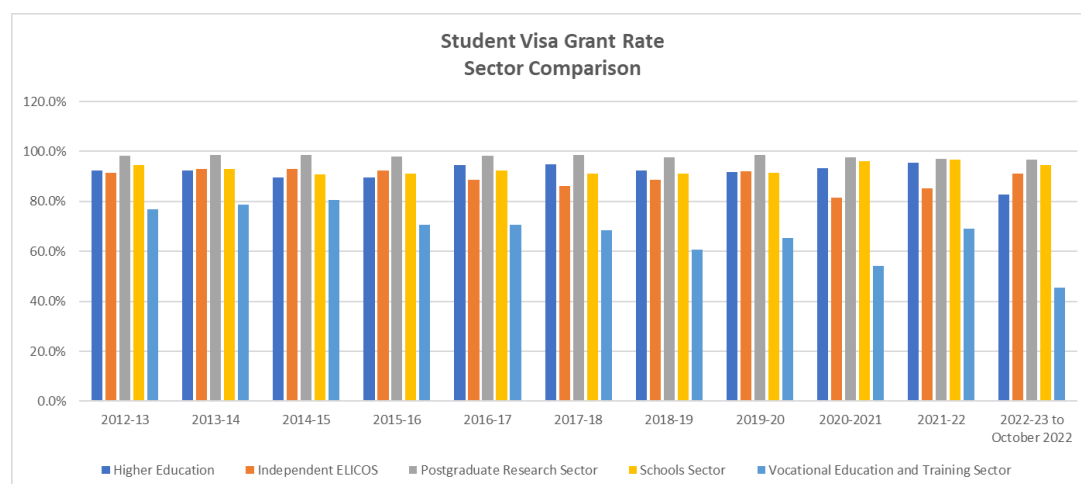
Twelve weeks to process a visa application is a significant timeframe for a potential vocational student particularly when processing times for Higher Education students is 35 days for the same reporting period.

The Department of Home Affairs have attempted to redress the backlog in visa processing by recruiting additional staff, but this has seen a significant rise in visa application rejections. The Times Higher Education recently reported that in South Asia, for example, grant rates for vocational education visa applicants from India and Pakistan are currently 50 per cent and for Nepal, applicants for visas in VET in September were 15 per cent.⁵

Victorian TAFE members are reporting, through their agents, that there is interest from students to study in Australia from two distinct groups – committed and genuine students who had been waiting for months or years to come to Australia, sometimes beginning their courses online from home, and a “different type of student” attracted by Australia’s relaxed employment rules for international students.

Chart 2 shows a times series comparison of visa grant rates for the Higher Education, ELICOS, Post Graduate Research, Schools and Vocational Education and Training. Grant rates for the vocational education and training sector is the lowest level in 10 years. State and Territory data would indicate that international students studying at TAFEs across Australia is around 5% of the total number of students studying in vocational education and training.

Chart 2



Department of Home Affairs 2022-23 to 31 October comparison with previous years Commonwealth of Australia 2022⁶

Recently Minister for Trade and Tourism Don Farrell and Minister for Education Jason Clare met with International Education and Training finalists at Parliament House, ahead of the 60th Australian Export Awards tonight and warmly welcomed all international students studying or planning to study with Australia.⁷ This statement would appear to be

⁵ <https://www.timeshighereducation.com/news/australian-visa-grants-indian-subcontinent-students-plummet>

⁶ <https://www.homeaffairs.gov.au/research-and-statistics/statistics/visa-statistics/study>

⁷ <https://ministers.education.gov.au/farrell/warm-welcome-international-students>

out of step with visa grant rates for vocational educational and training students planning to study in Australia.

In TAFEs throughout Australia, international students are often integrated into existing classes with domestic students, whilst in many for-profit registered training organisations (RTOs) international students are the primary source of both students and income.

TAFEs are government owned and operated institutions on par with universities and consideration should be given to differentiating and prioritising visa applications from international students who choose to study at TAFEs rather than private for-profit RTOs. TAFEs provide genuine international student experiences and are owned by their respective State and Territory government who are resourced to comply with regulations.

Victorian TAFEs have been at the heart of global engagement in both onshore and offshore delivery since the early 1990s when internationalisation of the curriculum was an aspirational goal for education and training systems. For Victorian TAFEs, ongoing engagement in international education is a long game, based on a quality educational experience for both domestic and international students.

Recommendation:

- *Prioritise and differentiate visa applications for international students who choose to study at TAFEs.*
- *Disaggregate VET immigration data so that TAFE applications are reported separately.*
- *Support the Department of Home Affairs to apply 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 SSVF.*

Unlimited work hours for international students

In January 2022, the Australian Government announced uncapping of work hours for international students in Australia. Whilst businesses have welcomed the development, Victorian TAFE members are concerned that extending the number of hours full-time international students can work from 20 hours is impacting on course completion rates. Some

Australia's international education sector has always been very cleverly and neatly entwined with its labour market needs and the pandemic has highlighted to Australia the essential role that temporary migrants play in our labour force and our economy. However, it is critical that such a decision does not end up de-valuing the potential for international students to contribute to Australia's long-term skilled workforce in the eyes <https://ministers.education.gov.au/farrell/warm-welcome-international-studentworkforce> for low paid jobs.

A challenge is that current Australian Government policy decouples education and employment through the stringent checks applied at the visa processing stage, which, it could be argued, punishes both the provider and the potential student if the Australian Government Department of Home Affairs suspect applicants for a student visa are focused on getting a job. This gives students mixed messages about employment, and when coupled with the current Australian Government policy which has uncapped working hours, must be confusing for newly arrived students.

Linking international education and employment in Australia raises the question of how it will interact with the Genuine Temporary Entrant (GTE) requirement, which is currently the cornerstone of immigration assessment of applicants for an Australian student visa. If uncoordinated with the immigration policies, there is a risk of high levels of student visa rejections and a dichotomy between Australia's messaging to

prospective students and the reality. Any decision in this area should be taken in a coordinated way by the Department of Education, Department of Foreign Affairs and Trade and the Department of Home Affairs. ASQA should also be closely involved in ensuring the quality and integrity of delivery in these migration pathway courses and avoid past, well-documented, issues faced by the sector in the past.

Recommendations:

- *Cap work hours for all new international students who commence in Semester 1 2023 and phase out uncapped hours for existing students by July 1 2023.*
- *Coordinated approach to government policy settings and messaging as it relates to international students and employment.*

2. Online innovations in education delivery and potential opportunities to strengthen the sector's resilience.

A key lesson from the pandemic for Victorian TAFEs has been there is still a large market for onshore delivery and whilst there has been significant investment in online learning material, vocational education and training's key value proposition is that it provides hands on practical training. However, there is an opportunity for international students to undertake a greater proportion of their course online (hybrid mode) whilst ensuring that both the quality of delivery and of the student experience are maintained.

In their feedback, Victorian TAFE members highlighted the clear benefits to international students studying in person on campus from both an academic and wellbeing perspective; this is further overlaid with the advice from members that international students have shown limited appetite for a purely online delivery of VET courses.

Offshore delivery or transnational delivery during COVID presented its own set of challenges and accelerated the move towards the delivery of non-accredited (non-AQF) courses and building a pipeline of new opportunities whilst borders were closed was almost impossible.

Full qualifications specially targeted at an international market are almost non-existent, with the only product currently available being the Australian Government owned International Skills Training program. Examples of in-demand courses include full qualifications in early childhood education or aged care, however, the Australian qualifications in these two disciplines cannot be delivered offshore due to specific assessment and domestic work placement requirements. The removal of Australian specific content, such as regulatory requirements, would allow contextualisation and customisation for the local market, which would create greater relevance and broader appeal while maintaining the quality of an Australian award.

During 2021, the Victorian Government supported the Victoria TAFEs through the Association to develop 30 non-accredited micro-credentials. These fully online short courses have provided much needed content for offshore delivery.

Recommendation:

- *Provide funding to further develop non-accredited content to enable vocational education providers to expand their international footprint and provide alternative sources of revenue.*

3. Initiatives to ensure positive international student experience and support pathways to build their skills and contribute to Australia's prosperity.

International education can be a life-changing experience. It can create opportunities for establishing long-lasting connections at community, institutional, industry and government levels. While the reputation of the institution and quality of the qualification may be the main factors that influence students' study choices in Australia, the overall student experience contributes to the retention of current, and cultivation of future, international students.

Some of the key factors that contribute to a positive and rewarding student experience include high quality learning outcomes, safe and welcoming living environments and relevant workplace opportunities. Deciding where to study is undoubtedly one of the biggest decisions in a student's life. Accurate, comprehensive and reliable pre-arrival information is crucial in managing student expectations and ensuring students choose an institution and destination that is right for them. The Commonwealth and State and Territory governments as well as agents and institutions have a responsibility to provide this.

A key challenge for all stakeholders in Australian international education is to facilitate meaningful engagement between domestic and international students, and promote integration within institutions, the community and industry sectors. Feedback from international students shows that they do not always have the level of interaction that they would like with Australian students and the community. In some cases, students may study, work and live almost exclusively with other students of their own language or even own country, which may lessen the cultural value of their experience in Australia. Additionally, this may result in a decrease in English language skills over the period of study.

Many institutions and state and local governments take an active role in facilitating interaction between international students and the wider community. While there may be opportunities through national conferences to share examples of best practice, specific forums focused on the integration of international students into institutions and communities would be a valuable exercise.

Best practice examples from Victorian TAFEs of initiatives that provide a positive international student experience and support pathways to build their skills include the following:

Case Study - Melbourne Polytechnic

Melbourne Polytechnic guarantee industry placements in a range of their most popular Higher Education programs, such as Engineering, Agriculture and IT. Graduates are finding work in industry and contributing to alleviating the skills demand in Victoria.

Meanwhile, Melbourne Polytechnic runs an international student association with dedicated staff to build a positive campus experience for international students, including mentoring and ambassadorial programs.

Although there is no government funding to support student mobility for TAFE, Melbourne Polytechnic reinvests some of the proceeds of their transnational programs to build an internationalised experience for local students with study tours internationally to our offshore partners.

Case Study – Chisholm Institute and Work Placement

TAFEs have a long history of working closely with industry so that students can succeed in the workplace. Vocational programs provide practical hands-on experience; however, many Victorian TAFE institutes offer compulsory work placement to international students undertaking degrees. At Chisholm Institute for example work placements are

included in Bachelor of Engineering Technology and Bachelor of Community, Mental Health, Alcohol and Other Drugs. This ensures graduates are work ready.

Case Study - Holmesglen recognised as a leader for Student Voice and Partnership

Holmesglen are committed to embedding a culture of student partnership across all services and functions and have established student representation programs at both course and institute levels.

In 2022, Holmesglen was recognised as a leader within the TAFE sector in relation to student voice and partnership. Holmesglen published “*A toolkit for establishing student representation in TAFE*” via Student Voice Australia. Holmesglen has been approached by the other institutes across the TAFE sector for advice on establishing student representative programs.

Holmesglen recently presented their work at the TAFE Directors Australia conference in Adelaide and was once again recognised by colleagues in the sector as a leader of student partnership programs in TAFE.

International Students in Regional areas

International education in regional areas expands the reach of the economic benefit the sector makes and helps regional businesses to find skilled and dedicated employees to fill job vacancies where it can be particularly difficult to attract a skilled workforce who have settled in capital cities. The Australian Government’s *Destination Australia Scholarship Program* aims to attract international students to study in regional areas of Australia. These scholarships provide an incentive to students who move to the regions where there are many opportunities to contribute to the growth of regional economies, but also for international students to connect and engage with the community through sporting pursuits, part-time work and other activities.

Recommendation:

- *Continue to support Destination Australia Scholarships for international students studying at regional providers and expand the scholarships to cover the full duration of a package of courses from Certificate III through to Advanced Diploma rather than only one course at Certificate IV or above.*

4. Opportunities for international education to support strategic and foreign policy objectives.

The commercial value of international education pre-COVID was significant and as the sector continues to recover so too will the revenue. However, international education is much more than its commercial value. In considering ways in which Australia’s reputation and attractiveness can be improved internationally, the Australian Government must consider the intangible value of soft power that occurs through the exchange, interactions and collaboration opportunities offered by international education that positions international education as an effective vehicle to support Australia’s foreign policy objectives.

When leveraged successfully, international education is a prime vehicle to contribute to a nation’s foreign policy priorities and interests, including its soft power profile. Within the Australian context, international education, delivered through schools, TAFE institutes, private colleges and universities, takes many and varied forms including outbound student mobility, transnational education, aid and development capacity building

programs, research collaboration, skills development and the overall people to people linkages that are enabled through international education. Australia's international education presents as an effective and enduring model of public diplomacy, well suited to today's globalised and hyper-connected world.

TAFEs have been at the heart of global engagement and Victorian TAFEs led the initial engagement with China in the early 1990s with transnational diploma programs that pathway to Australian degrees, this Australian Government initiative paved the way for the development the massive international education industry and relationship with China.

Victorian TAFEs are currently working with Katalis, which was established under the Indonesia-Australia Comprehensive Economic Partnership Agreement Economic Cooperation Program (IA-CEPA ECP) to assist the Indonesians to provide skills training to both corporate clients and individuals.

There is currently a lack of public diplomacy leadership and policy coherence, and fragmentation of activity within the sector continues to undermine the soft power potential of international education in Australia.

The Australian Government's Australian Strategy for International Education - 2022 – 2030 touches on alumni and global mobility programs such as the New Colombo Plan (NCP) Scholarships and the New Colombo Plan Mobility Program. However, these programs are limited to students studying at university (or, "exclude (or more strongly "discriminate against" all Australian TAFE students, amongst others, in favour of those studying at universities". The strategy does not pay significant attention to the cultivation of soft power, recognising that education, research, science, skills, culture and language are all aspects of this. Australia's approach to public diplomacy needs a holistic approach and Victorian TAFEs have much to offer in this conversation.

Recommendation:

- *The Australian Government develop a comprehensive strategy for international education as public diplomacy which includes all sectors.*
- *Mobility funding is made available to all Australian students studying in post-secondary environments.*