



The Group of Eight Limited
ABN 98 089 687 990

GPO Box 139
Canberra ACT 2601
Level 4, 10 Moore Street
Canberra ACT 2600
Australia

t: +61 (0)2 5123 6700
www.go8.edu.au

8 December 2022

Committee Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021, Parliament House
Canberra ACT 2600

Go8 submission to the Inquiry into Australia's Tourism and International Education Sectors

The Go8 is pleased to provide this submission to the Committee's Inquiry into Australia's Tourism and International Education Sectors. Please note that this submission represents the views of the Go8 Directorate and member universities may choose to make their own submissions.

Please note we are more than happy for the submission to be published.

As the Committee is aware, the Go8 represents Australia's leading research-intensive universities, with seven of our eight members ranked in the world's top 100 universities by all three of the major international ranking systems.¹ This is an important global standing for Australia.

For that reason, the Go8 is pleased to use this submission to promote our long-standing belief that international education is critical, especially in the current complex geopolitical situation, to supporting our nation's strategic and foreign policy objectives.

International education foster a vital two-way "trade" in understanding and knowledge and in keeping dialogue open between nations, as well as delivering the essential benefits that come from world-leading global teams of researchers. The Go8 has always stated that research knows no borders and this has never been more important.

The Go8's outstanding research performance has always rested on deep and extensive international connections, both through our student cohorts and global partnerships. This is reflected in the fact that, pre-COVID, one in three international students who chose to study higher education in Australia did so at Go8 university.

Many were enrolled at an advanced level, with over half (54 per cent) studying a postgraduate or research course in 2019.² In addition to our university-to-university partnerships, the Go8 (standing apart from all other Australian university groups) has at all times maintained strong links into our counterpart organisations around the world.

These include the UK (Russell Group of universities), US (Association of American Universities), Canada (Universities 15), Europe (League of Research Universities), Japan (Research Universities 11) and Germany (Universities 15). This keeps the Go8 totally connected to higher education and research developments occurring overseas. We also have established essential relationships with important regional groupings, such as the ASEAN Heads of Missions.

¹ QS World University Rankings 2023; Times Higher Education World University Rankings 2023; and the Academic Ranking of World Universities 2022.

² Department of Education higher education statistics collection, 2019.



These international connections help Go8 universities remain at the leading edge of global knowledge and contribute to economic growth and social prosperity through the workforce and research capabilities we provide.

The Go8 therefore welcomes this review into how best to maximise the effectiveness of this valuable national asset – international education.

The value of Australia's International education sector

Prior to COVID-19, Australia's international education sector represented our nation's fourth largest export industry, with revenues in 2019 at around \$40 billion.

By 2021 this had almost halved to \$22 billion. Current figures show that increased enrolments following the re-opening of national borders have yet to be reflected in export figures, with revenues for the first two quarters of 2022 (\$10.7 billion) falling significantly short of that for the same pre-COVID period (\$19.6 billion).³

The COVID years also laid bare how much Australia relies on international talent. Department of Education data shows that pre-pandemic (2019), international students made up:

- 65 per cent of higher education enrolments in Information Technology
- 46 per cent in Engineering and Related Technologies
- 33 per cent in Architecture and Building
- International Higher Degree by Research (HDR) students or those studying for a PhD or masters by research – made up 61 per cent in Engineering and Related Technologies
- 57 per cent in Information Technology
- 46 per cent in Agriculture and Environmental Studies
- 42 per cent in Natural and Physical Sciences

4

Connection to this global talent pool is fundamental to Australia remaining competitive in a global economy that is increasingly technology and knowledge driven.

This point was emphasised at two recent Go8 industry summits: one focused on Information Technology and the other on Engineering.

Both discussions centred on the need to expand domestic supply to boost Australia's sovereign capability. However, it was equally clear that neither industry considered that this alone would be sufficient to meet growing demands. The value of international graduates was recognised, including the need to maintaining access to international teaching staff to keep courses up to date with the latest developments overseas.

International connections build sovereign capability by fostering connections to knowledge developed offshore. The AUKUS agreement presents an example of where expertise housed in the US and UK is being leveraged to create a new Australian industry to mutual benefit.

³ Australia's top 20 exports 2019-20 taken from DFAT (<https://www.dfat.gov.au/sites/default/files/trade-and-investment-glance-2021.pdf>). Export figures taken from <https://www.abs.gov.au/statistics/economy/international-trade/balance-payments-and-international-investment-position-australia/latest-release#data-download>

⁴ Department of Education, Higher Education Statistics Collection, 2019 year.



As stated before, it must never be ignored or forgotten that international education is an extremely powerful tool of Australia's soft power. Students graduate not just with a qualification, but with first-hand experience of our culture and having built friendships and connections that can continue to foster deeper links over time.

Whether they choose to pursue an opportunity to remain here, or leave to pursue careers offshore, they become ambassadors for our nation. The importance of which should not be overlooked in an era of geostrategic competition.

The terms of reference for this review also acknowledge the role of international education in supporting the Government's strategic and foreign policy objectives. As noted above, education engagement which includes the Go8's world-class research, can assist to forge relationships with key regional partners, such as ASEAN, to build the people-to people connections that can ensure Australia remains an engaged and informed member of the Indo-Pacific.

Go8 alumni who have helped to cement Australia's relationships throughout the Indo-Pacific include Dr Mari Elka Pangestu, Indonesia's Minister for Trade (2004-2011) and Minister of Tourism and Creative Economy (2011-2014), and Datuk Dr Paul Chan, Co-Founder, Vice Chancellor and President of Higher Education Learning Philosophy University in Malaysia, both of whom studied at the Australian National University; and Mr S. Iswaran, Minister in Charge of Trade Relations, Singapore, who studied at the University of Adelaide.

Further, the Go8 plays a central role in strengthening cooperation with ASEAN by working together on shared regional challenges and building capability. For example, the University of Sydney hosts the Sydney Southeast Asia Centre⁵, which is supporting the university's researchers to apply their disciplinary expertise to a broad range of real-world issues in Southeast Asia.

This includes anti-microbial resistance in Cambodia; disaster risk resilience in the Philippines; and social justice in Indonesia. The Centre also offers leadership programs to cultivate high-impact leaders across Southeast Asia and build capacity in the region. This engagement offers significant social benefits as well as helping to build a more resilient region, which is central to Australia's prosperity. Vitally, it also assists with regional security concerns. All of this demonstrates that the international education sector is far more integral to national success and wellbeing and security than is often recognised.

Australia has traditionally focused on one dimension of the sector: export revenue. While this is unarguably important and represents a key pillar of Australia's higher education funding model, this review presents an opportunity to advocate for the broader benefits of international education engagement that go well beyond just monetary value.

Frankly, this is more than a nice-to-have.

It goes to the heart of the sector's social license to operate, which is built on community understanding and support. In past years, elements of the media have focused on narratives of crowded public transport, pressures on rental accommodation or the incorrect assumption that international student places reduce opportunities for domestic students.

⁵ <https://www.sydney.edu.au/sydney-southeast-asia-centre/>



The Government and the sector should instead work with community groups to emphasise the benefits that a healthy international education sector bring, not least of which are the opportunities they provide to Australian students to develop their own inter-cultural understanding and knowledge.

This is a foundation benefit to Australia's strategic and foreign policy objectives.,

Recommendation 1: That Government and the sector work together to promote the value of our international education sector to the broader community, including the benefits to the economy and foreign policy objectives.

Terms of Reference:

1. The challenges associated with the loss of international student numbers as a result of the significant disruption caused by the pandemic and effective measures to attract and retain students to Australia.

A number of factors will influence the trajectory of Australia's international education sector as we continue to recover from the pandemic.

Positive trends include significant numbers of students returning onshore following the re-opening of borders in December 2021, and upticks in primary higher education visa lodgements compared to 2021.⁶ A recent IDP survey of 11,000 prospective students, applicants and current students indicated that Australia is currently viewed very favourably as a study destination, rating second only to Canada and ahead of the US and UK.⁷

However, countering factors include barriers to travel following China's continued pursuit of a COVID-zero policy (though there have been recent signs the Chinese Communist Party may be slowly moving away from this); the potential for a post-pandemic global recession (as suggested by the World Bank);⁸ and increased costs of airline travel compared to pre-pandemic conditions.

Indeed, the same IDP study that indicated increased interest in studying in Australia also noted that many prospective students expressed concerns as to whether they will have sufficient funds to do so: "Global economic contraction and/or currency devaluations are affecting the finances of students and their families".⁹ While the relaxation of caps on working hours was identified by IDP as a key attractor, this has the potential to distract students from their studies and has been linked to a rise in non-genuine student visa applications. It is also critical that Australia actively works to maintain its enviable reputation for quality and not allow international student talent to become perceived as a proxy migrant workforce. **The Go8 therefore strongly supports the Government's decision to restore working hour caps next year as an important quality and reputational safeguard.**

In total, this indicates that Australia should not be complacent about the rebuilding process nor be diverted from its core purpose of supporting Australian prosperity and soft power as outlined above.

Instead, the Go8 suggests the following measures to support the sector, support foreign policy, and help navigate challenges ahead:

⁶ Home Affairs, Student Visa Program data, released 27 October 2022. Primary applications are from the potential student themselves, minus any dependents.

⁷ <https://monitor.icef.com/2022/10/survey-says-australia-a-top-choice-among-prospective-international-students/>

⁸ <https://www.worldbank.org/en/news/press-release/2022/09/15/risk-of-global-recession-in-2023-rises-amid-simultaneous-rate-hikes>

⁹ <https://monitor.icef.com/2022/10/survey-says-australia-a-top-choice-among-prospective-international-students/>



- **Stronger alignment between Australia's visa settings and research and education policy.** For example, the *Australian Strategy for International Education 2021-2030* has diversification of the sector at its core. However, past efforts by the Go8 to attract high quality students from diverse countries have sometimes resulted in either substantial visa processing delays or unacceptable refusals for opaque or contestable reasons. While the Go8 accepts and supports the Government's role of screening applicants for safety and security issues, it is equally important that the tools used to make these assessments are appropriately calibrated. The Go8 is aware of one example where an existing honors student at a member university – who was researching the use of spider venom to treat chronic pain – was refused a visa to undertake a PhD due to WMD concerns, which are strongly refuted by her academic supervisor. The student has now taken her studies – and any resultant benefits and IP – offshore. A proper assessment of the risks of this project by someone who was appropriately qualified to do so could have resolved any concerns and potentially avoided the loss of this valuable work – and avoided damage to Australia's international education reputation.¹⁰
- **Developing an Australian High Potential Individual visa.** As outlined in the Go8 submission to the Five Year Productivity Inquiry, attracting and retaining international talent brings an influx of skills, ideas and innovation, all of which contribute to productivity.¹¹ Introducing a High Potential Individual (HPI) visa, aimed at attracting and retaining world leading university researchers and educators, including high performing international PhD graduates, would not only assist Australia to attract and retain talent, it also sends an important global signal that we value high level skills and expertise and welcome those willing and able to contribute to Australia's future prosperity and success. Creating a simple pathway to permanence in areas of critical shortage could give Australia a strong advantage over our competitors for talent.
- **Consideration of a dedicated innovation chapter in future Free Trade Agreements.** The recently finalised Australia-United Kingdom Free Trade Agreement (AU-UK FTA) included a first of its kind, dedicated innovation chapter to provide a mechanism to discuss the impact of innovation on trade, commercialisation of new technologies and supply chain resilience, and help to keep the agreement fit for purpose for the future. The Go8 suggests that the inclusion of such a chapter should be considered for future Free Trade Agreements, to help drive innovation and commercialisation, with flow-on benefits to increased productivity and growth.

Recommendation 2: That the Government pursue:

- Greater alignment between Australia's visa settings and research and education policy to support Australian prosperity, sovereign capability and strategic and foreign policy objectives.
- The development of an Australian High Potential Individual visa.
- Consideration of a dedicated innovation chapter in future Free Trade Agreements; again assisting strategic and foreign policy objectives through world class innovation such as that within the Go8.

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

International education is a highly competitive market and this has only increased during the pandemic. As the Go8 has argued previously, measures Government could take to help support the sector's recovery include:

¹⁰ For more information, see the upcoming Debate@Go8 podcast involving Professor Glenn King.

¹¹ <https://go8.edu.au/submission-productivity-commission-5-year-productivity-inquiry>



- **Establishing a program of global scholarships in areas of national priority.** These could be targeted towards known areas of workforce need, such as engineering, information technology, quantum technologies, etc. Scholarships to support high quality students to study in Australia would send a strong signal that we value international talent and are willing to support its development to mutual benefit. This could also be targeted towards key partner nations, including members of ASEAN. This measure should be viewed against the backdrop of supporting Australia's strategic and foreign policy objectives.
- **Ensure visa and policy settings to encourage the long-term retention of key talent.** As explored elsewhere in this paper.
- **Fund strong and effective in-country engagement** to promote Australia as a destination, signal our willingness to re-engage globally, and reposition our messaging from international students as an economic benefit to welcoming them as a valuable talent resource. The \$4.25 million to deliver critical skills courses is a start, but clearly insufficient if implemented alone to achieve significant change. Additional measures should include investing in Austrade to boost its capacity to assist in sector expansion by facilitating in-country engagement wherever it is located around the world.
- **Review the layers of red tape that may be restricting the sector's ability to compete with less regulated competitors.** The Tertiary Education Quality and Assurance Agency (TEQSA) plays a key role in helping to ensure consistency and quality across Australian offerings and already considers on-campus factors as part of its activities. Regulation must exist in a calibrated balance with free market factors or Australia risks limiting its own competitiveness by overly burdensome red tape. More than ever Australia needs the soft power mutual benefit of international students and researchers. The above measures would help signal to prospective markets that Australia is, as always, there to engage, and values the skills and experience that international students can bring; as well as facilitating the flow of skills into the Australian and global workforce. As a global identity, this would promote understanding of Australian democratic values to the benefit of foreign policy.

Recommendation 3: That the Government consider the following measures to support our international education system:

- Global scholarships in areas of national priority;
- Ensure alignment between visa and policy settings to encourage long term retention of key talent;
- Fund strong and effective in-country engagement;
- Reduce red tape.

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

The Go8 supports the need to consider these important aspects. The international student experience is at the core of their perceptions of value for money and capacity to continue as ambassadors for Australia throughout their careers. It is also important to maintain pathways to both temporary and permanent migration for those graduates with the capacity and desire to contribute to Australia's economy and prosperity.



This submission has already addressed a number of aspects important to the international student experience:

- **Messaging.** Australia has historically focused mainly on the economic value of international students, positioning them largely as an economic resource. This ignores the broader benefits as outlined in the first section of this submission. As noted in Recommendation 1, the Government should work with the sector to reframe the public discourse, promoting the broader benefits of this important sector both domestically and internationally.
- **Restore the caps on working hours.** This is an important measure to maintain the quality and reputation of Australia's sector.
- **Stronger alignment between visa settings and research and education policy.** As noted above, streamlining the visa application process with properly calibrated security measures that minimise negative impacts on quality applicants will help reinforce that international students are welcome and valued in Australia, and reduce inconsistencies and mixed messaging.

It would be beneficial to identify the barriers to international students finding meaningful employment following graduation. This will help to target intervention strategies to the area of greatest need, whether this is visa settings, employer perceptions, duration of post study work rights for temporary migration outcomes, or other factors.

4. Opportunities for international education to support strategic and foreign policy objectives. * This is considered by the Go8 to be critical for the nation.

The Go8 asserts that international education is not only *able* to support strategic and foreign policy objectives, but that it can and *must* be viewed as a key supporting pillar in helping to build and maintain multi-lateral alliances across the globe and importantly in the Indo-Pacific region, including ASEAN and Island nations.

It is critical to promote Australia as a trusted and trustworthy regional partner. In doing so, it assists with the complex geopolitical issues confronting our nation.

Some of the ways in which this is achieved, such as the fostering of soft power through our international alumni and development of people to people links and cross-cultural competencies are outlined in the first section of this submission.

However, the Go8 asserts that it is not just international education but university-driven international engagement more broadly that should be recognised as performing this role. For example:

- **The New Colombo Plan** is a long running and respected program that has proven to be a major success in encouraging young Australians to actively engage and participate in programs across our region. It contributes to the people to people links and cross-cultural understanding that is critical to navigating safely through times of heightened geostrategic tensions.
- **The Go8's deep links with our counterpart organisations in the US and UK** provide access to the top universities and the talent in both countries. This has obvious implications for major strategic initiatives such as AUKUS. By leveraging these relationships and mechanisms such as the dedicated innovation chapter in the AU-UK FTA, the Go8 and Government could partner to streamline the exchange of critical expertise around areas of strategic or sovereign capability need.



- Go8 universities also participate in **community engagement activities across ASEAN and the South Pacific**, helping to build soft power and reinforce Australia's reputation as a responsible regional partner. For example, in 2018 the University of Queensland worked with partner organisations to design a customised leadership and management training program for fisheries leaders in the Pacific.¹²
- Go8 universities also house **considerable world-class expertise** on a wide range of subjects and areas that is always available to assist inform Government strategies and initiatives.

Australia's universities – especially leading research-intensive universities like the Go8 – are sometimes perceived as an expense to be managed. In reality they are a national resource, an invaluable asset, which can and should be leveraged to work in partnership with Government to strengthen and progress national prosperity.

Recommendation 4: That the Government recognise its high quality, research-intensive universities – such as the Go8 – represent a national resource which can work in partnership with Government to strengthen and progress national prosperity.

Thank you for the opportunity to provide this submission. The Go8 would welcome the opportunity to further explore these issues with you, given the extent of our deep international engagements and expertise.

Yours sincerely

VICKI THOMSON
CHIEF EXECUTIVE

¹² <https://global-partnerships.uq.edu.au/blog/2020/03/uq-strengthen-leadership-capabilities-pacific-fisheries-leaders>