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Joint Standing Committee on Treaties
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Go8 Submission to the Joint Standing Committee on Treaties Inquiry into the Peru-Australia Free Trade Agreement

The Group of Eight (Go8) thanks the Joint Standing Committee (JSCT) for the opportunity to contribute to this inquiry. Please note that this submission represents the views of the Go8 network. Member universities may also make their own, more detailed submissions.

Recommendation: The Go8 urges the JSCT to recommend that the Australian Parliament support legislation to secure the Peru-Australian Free Trade Agreement (PAFTA), as it contains important measures to support our international education industry that are not contained in the TPP-11.

The Go8 represents Australia's eight leading research-intensive universities. As a collective, we:[1]

- Are consistently the highest ranked Australian universities across the major international ranking systems (Academic Ranking of World Universities; the Times Higher Education World University Rankings; and the QS World University Rankings);
- Educate around one in three international students who choose to study onshore in Australia;
- Account for more than half of all Australian papers with international collaboration; and
- Attract industry funding for research that is twice that of the rest of the sector combined.

As such, our member institutions have extensive international collaborations and partnerships across both research and academic endeavours and are engaged in a fierce competition for global talent. Our international success and reputation depends on our capacity to recruit the best researchers, the best teachers, the best thought leaders across all disciplines. These efforts make a significant contribution to the Australian economy. For this reason, we are pleased to be able to contribute to this important discussion, as decisions made regarding Free Trade Agreements often have implications for this important export industry.

Australia's international export industry is one of the nation's major success stories. As noted by the Hon Simon Birmingham in his previous role as Minister for Education and Training, "International students are voting with their feet, making Australia the third most popular study destination in the world for tertiary students".[2] International education exports remain Australia's third largest export industry overall, and our largest services

[1] Go8 *Facts of Distinction*, https://go8.edu.au/sites/default/files/docs/page/facts-of-distinction_web.pdf
[2] https://ministers.education.gov.au/birmingham/students-flock-australia-around-world

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export industry, earning around A$28 billion in 2017.[3] And recent figures generated by an independent economic assessment from London Economics have shown that every three international students studying at a Go8 university generates $1m in economic impact for Australia.[4]

However, concerns have been expressed recently that the success of this sector could be at risk due to "market concentration",[5] leading to broader recognition of the need to diversify. Although Australia Education International (AEI) data indicates only small numbers of onshore enrolments from Peruvian nationals – around 1,700 across the sector in total in 2017 – there have been notable increases over recent years. Go8 universities have seen enrolments from Peruvian nationals rise by 61% between July 2013 and July 2018, while in the same period commencing enrolments increased by 72%,[6] albeit off a small base. This suggests there is considerable potential to grow this market into the future, particularly given the potential for increased interest in Australia among Latin American countries seeking an alternative provider to the US. This may be boosted further by the recent election of Jair Bolsonaro in Brazil, who has proposed eliminating the science ministry.[7]

However, without the PAFTA, it is unlikely that Australia will be able to capitalise on this potential. Current Peruvian law only permits recognition of foreign degrees with countries with which a bilateral agreement is in place. Due to its nature as a multilateral agreement, the TPP-11 will not meet this criterion. Therefore, unless the PAFTA comes into force, the Peruvian government cannot recognise any degrees issued by an Australian university. This significantly reduces the attractiveness of Australian offerings to foreign students, since any qualification gained in Australia will not advantage them once they return to their home country.

For example, one returning graduate of the University of Melbourne, whose study had been supported by a Peruvian government scholarship, was reportedly faced with a choice "between starting again at a local university or facing court action to recover the money".[8] This is despite the University of Melbourne being consistently ranked among the top 50 universities in the world by the highly prestigious Academic Ranking of World Universities.[9]

Fortunately, this situation can be easily rectified through the passage of the relevant enabling legislation, since the Go8 has been advised by DFAT that Peru has confirmed that it will recognise all Australian university degrees once the PAFTA enters into force.

The Go8 urges the JSCT to recommend that the Australian Parliament support legislation to secure the Peru-Australian Free Trade Agreement.

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[3] https://www.austrade.gov.au/News/Economic-analysis/australias-export-performance-in-fy2017
[4] https://www.go8.edu.au/economic-impact-go8-universities
[5] https://www.audit.nsw.gov.au/publications/latest-reports/universities-2017-audits
[6] Calculated using data provided by AEI, YTD as at July 2018.
[7] https://www.nature.com/articles/d41586-018-06917-w
[8] https://www.theaustralian.com.au/higher-education/australian-qualifications-leave-peru-scholars-at-a-loss/news-story/b3cfdf84030d378ca6b1c20cab69d0ad
[9] The University of Melbourne was given the following ranks by the highly prestigious Academic Ranking of World Universities: rank 38 (2018); 39 (2017); 40 (2016); 44 (2015).

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The Go8 understands that there are concerns among some committee members that FTAs could potentially result in more foreign workers travelling to Australia to work.

The Go8 is supportive of providing employment opportunities for Australians, and better utilizing the capabilities of our domestic workforce.

However, what is often not well understood is that, unlike many jobs, academic or high level professional roles at universities can require highly-specialised skills and experience that are not easily found within Australia. Such candidates are often in high demand internationally, and any unnecessary delay in the recruitment process could result in the loss of those candidates to competitor nations. While the volume of such appointments is likely to remain small, they tend to bring with them disproportionate value to Australia by providing capacity to build domestic capability in their field.

Often, the only realistic mechanism for attracting these applicants is direct contact by professional recruiters, and employment contracts that are tailored to their personal circumstances through a process of direct negotiation. The imposition of a labour market testing requirement for these highly specialised roles at universities would therefore reduce the ability of Australian universities to compete in the global marketplace for highly specialised talent.

The Go8 therefore urges the Committee to recommend the passage of PAFTA without the inclusion of LMT; or include provisions for exemption for highly skilled individuals.

I would be happy to elaborate on these issues should the Committee require further information.

Yours sincerely

VICKI THOMSON
CHIEF EXECUTIVE