



# The diversification of international education: what are the opportunities and risks?

IEAA National Symposium, Melbourne



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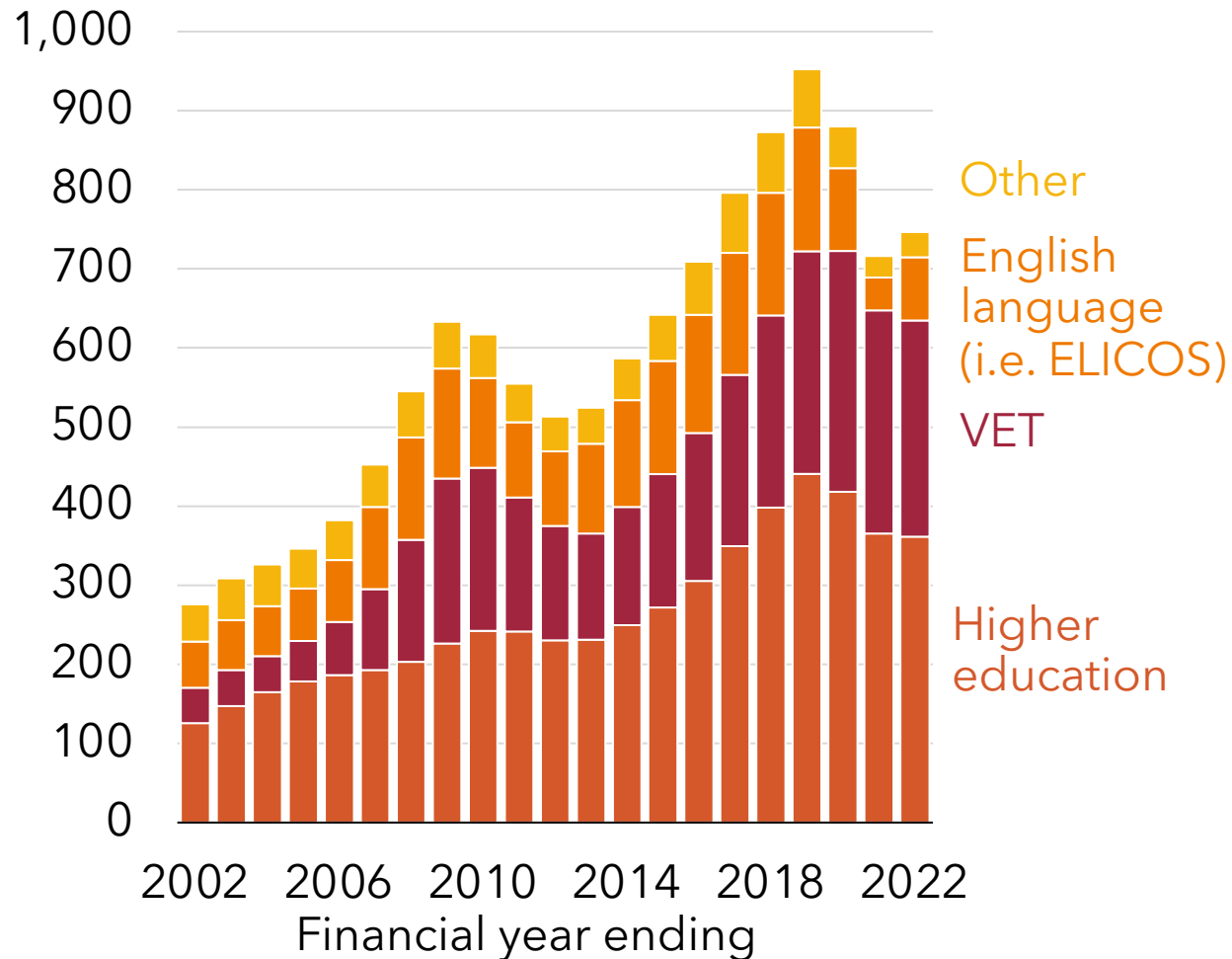


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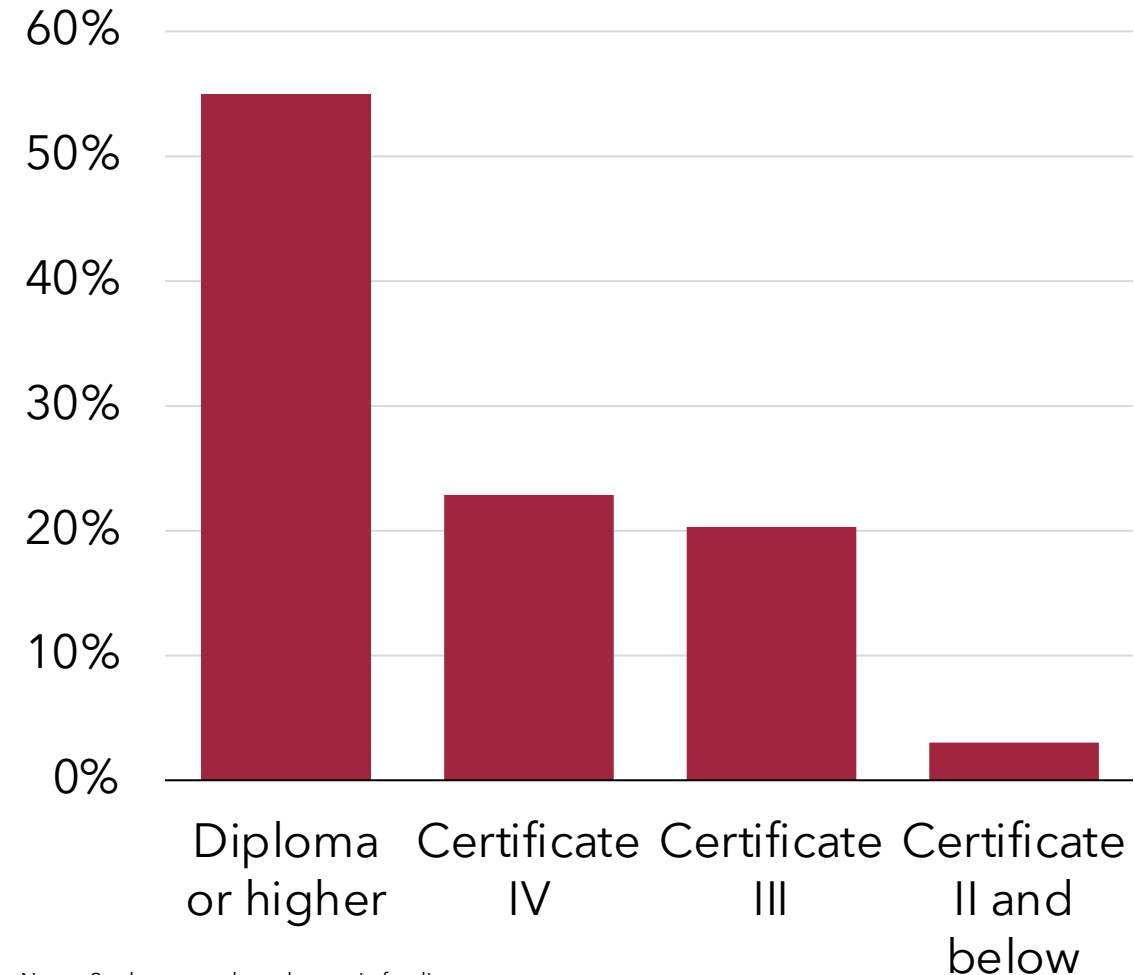
2 February 2024

# VET and English-language education account for a growing share of international enrolments

Student visa grants, by sector, 000s



Share of international VET enrolments by level of study



Notes: Higher education grants includes postgraduate research. Other includes: foreign affairs, non-award sector, schools.  
Source: Home Affairs

Notes: Student status based on main funding source.  
Source: Grattan analysis of NCVET VOCSTATS.

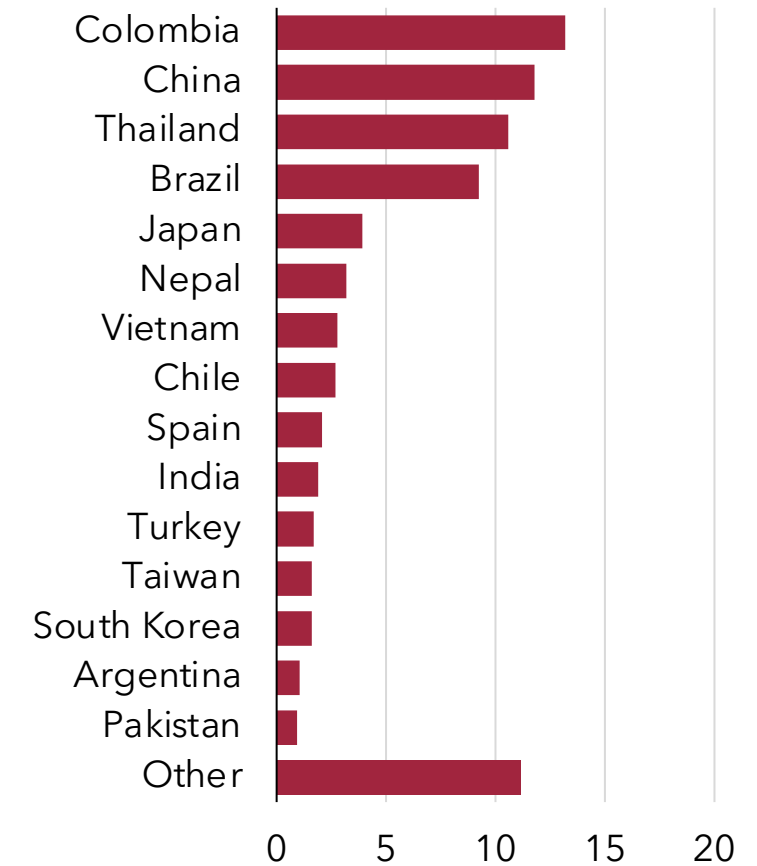
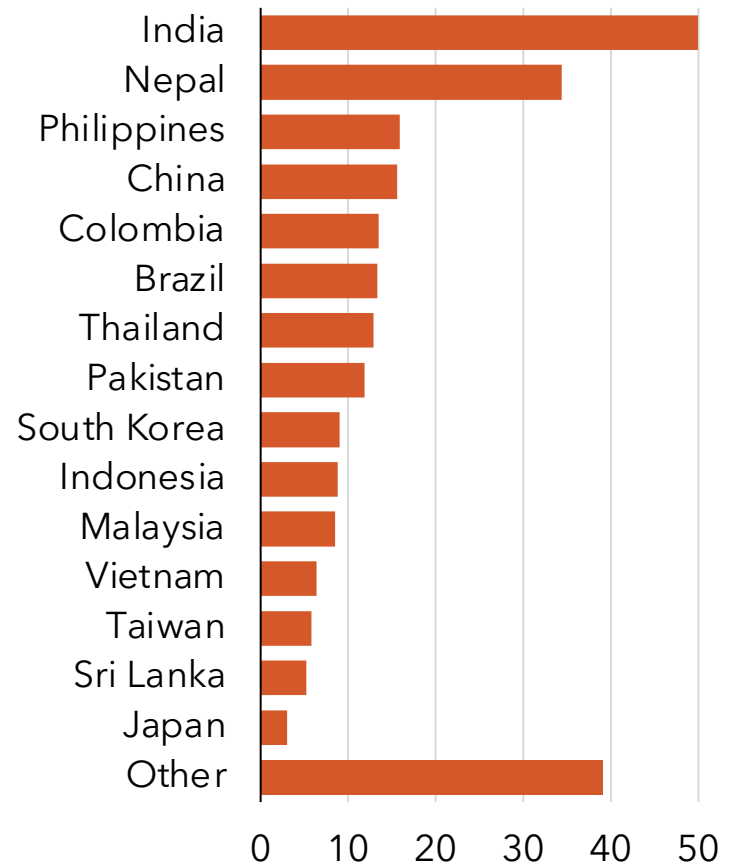
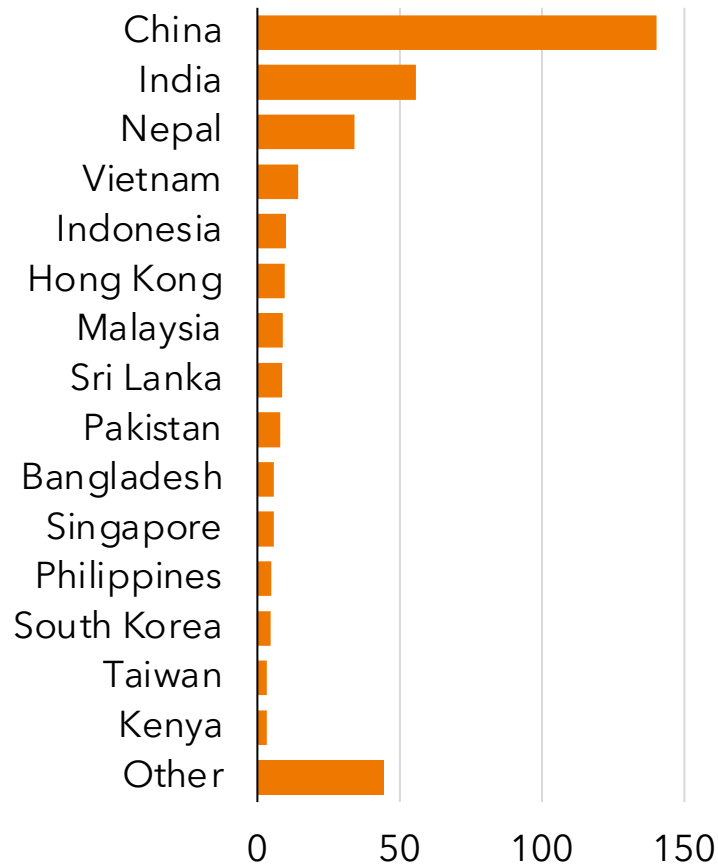
# VET & ELICOS students are drawn from many countries, reducing idiosyncratic country risk

Enrolled international students (thousands), 2022

Higher education  
(361,247 enrolled)

VET  
(273,838 enrolled)

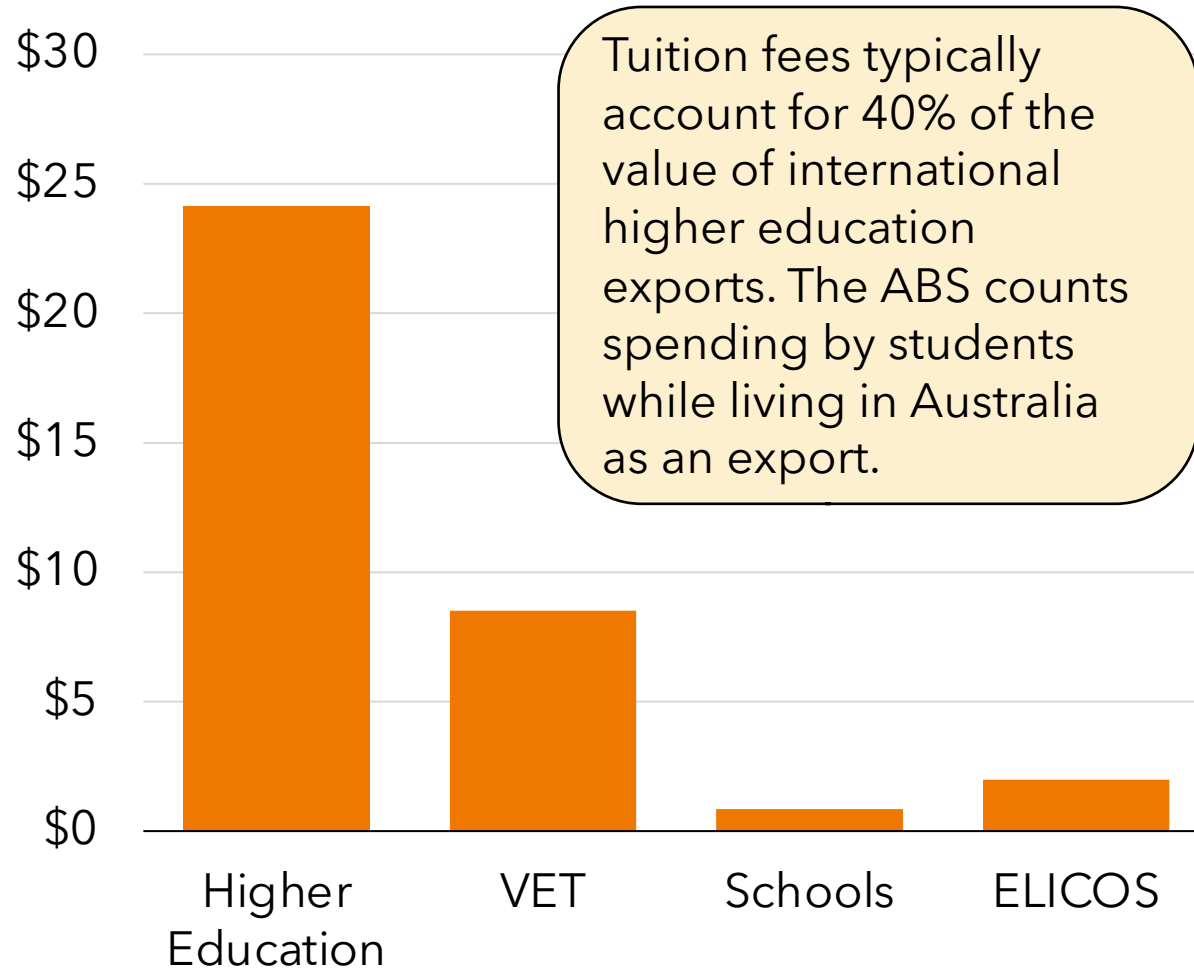
ELICOS  
(79,362 enrolled)



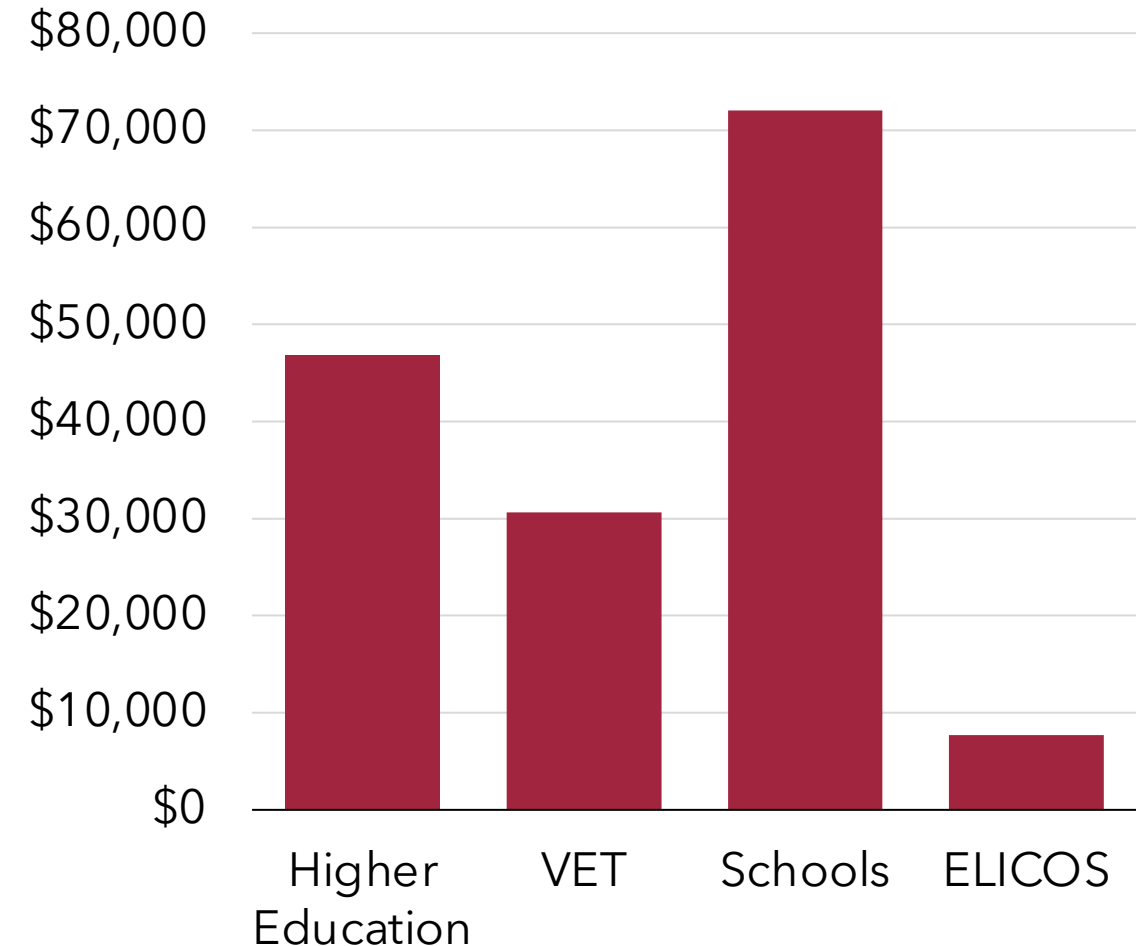
Notes: Higher education enrolments includes postgraduate research.  
Source: Grattan analysis of PRISM database.

# Our international VET and ELICOS sectors add to education exports, but offer less value per student

Annual export value by sector in 2022-23, \$b



Annual export value per enrolled student, 2022-23



Notes: Export value includes both spending on goods and services by students onshore as well as tuition fees paid to education providers.

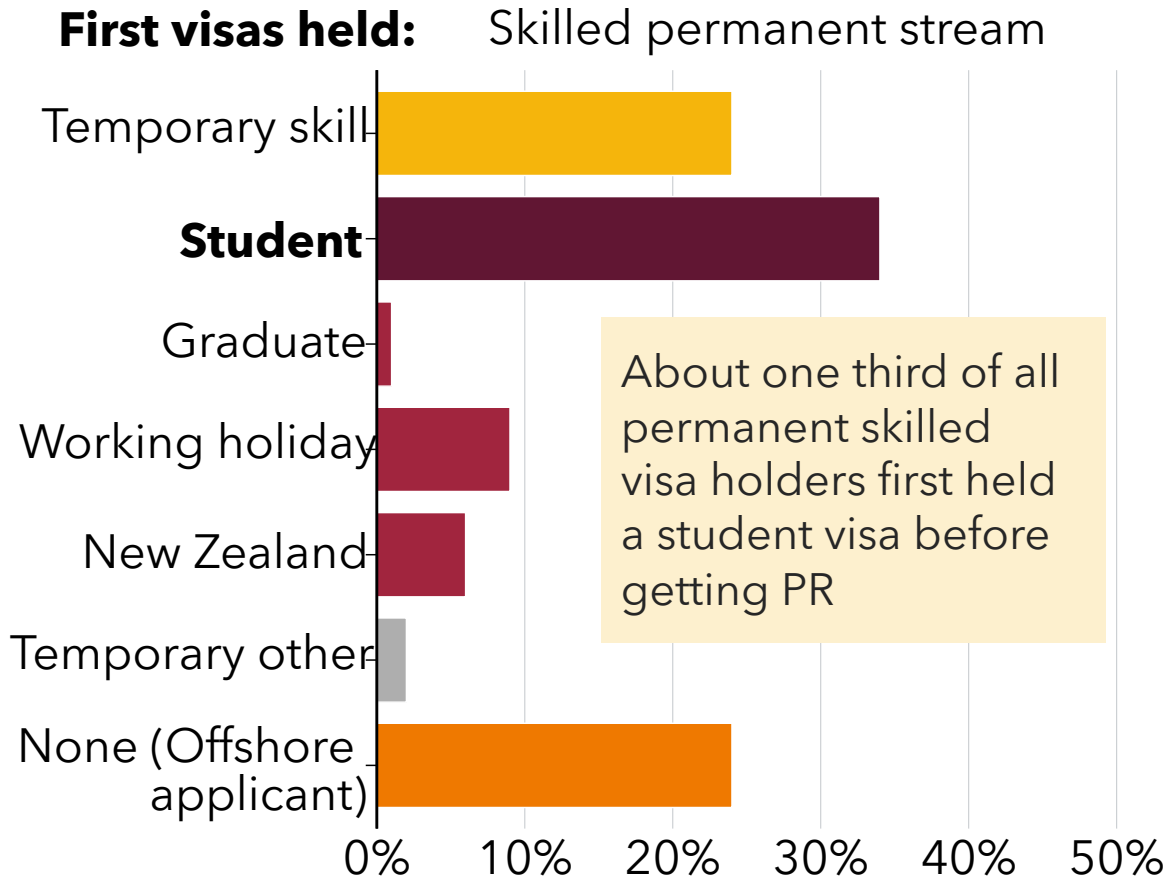
Source: Grattan analysis of Department of Employment and Home Affairs data.

Notes: Uses total enrolled students per sector as of December 2022 as the denominator. Export value includes both spending on goods and services by students onshore as well as tuition fees paid to education providers..

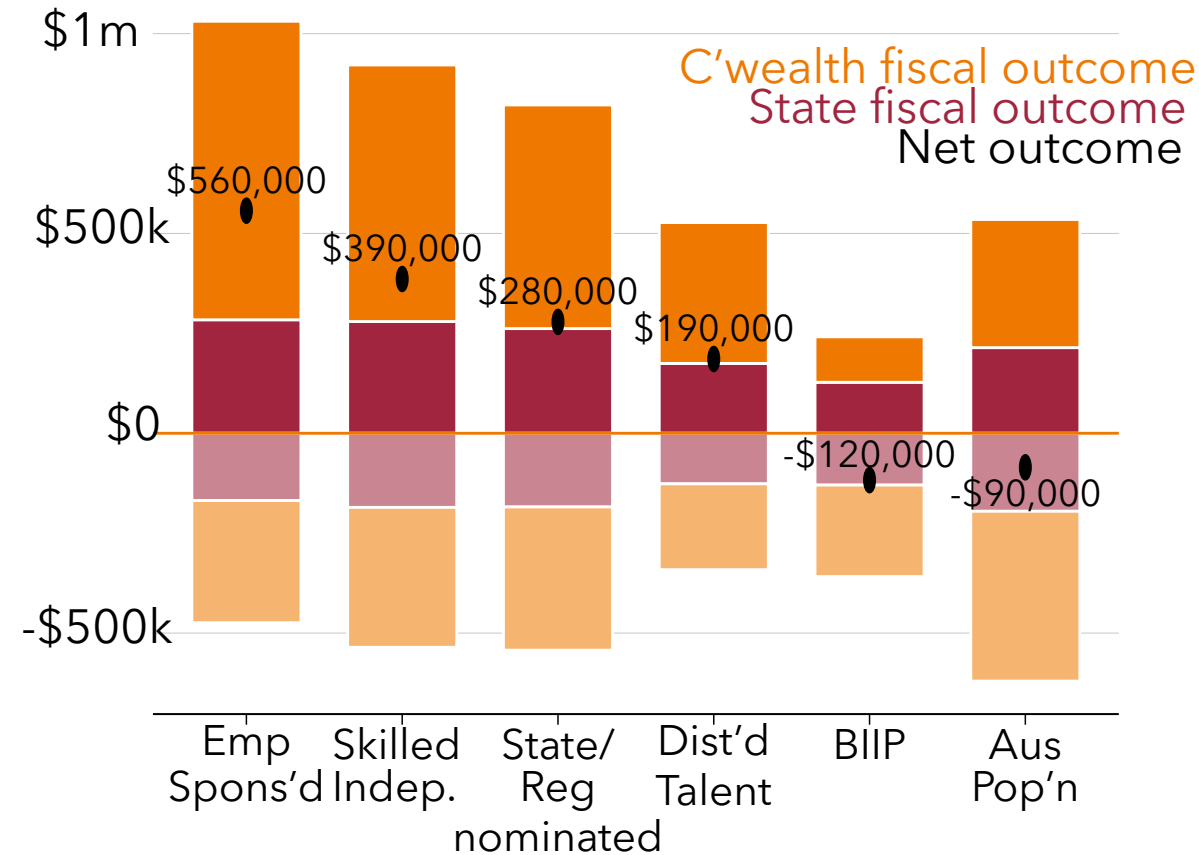
Source: Grattan analysis of Department of Employment and Home Affairs data.

# The biggest benefits from international education come from getting the best students to stay

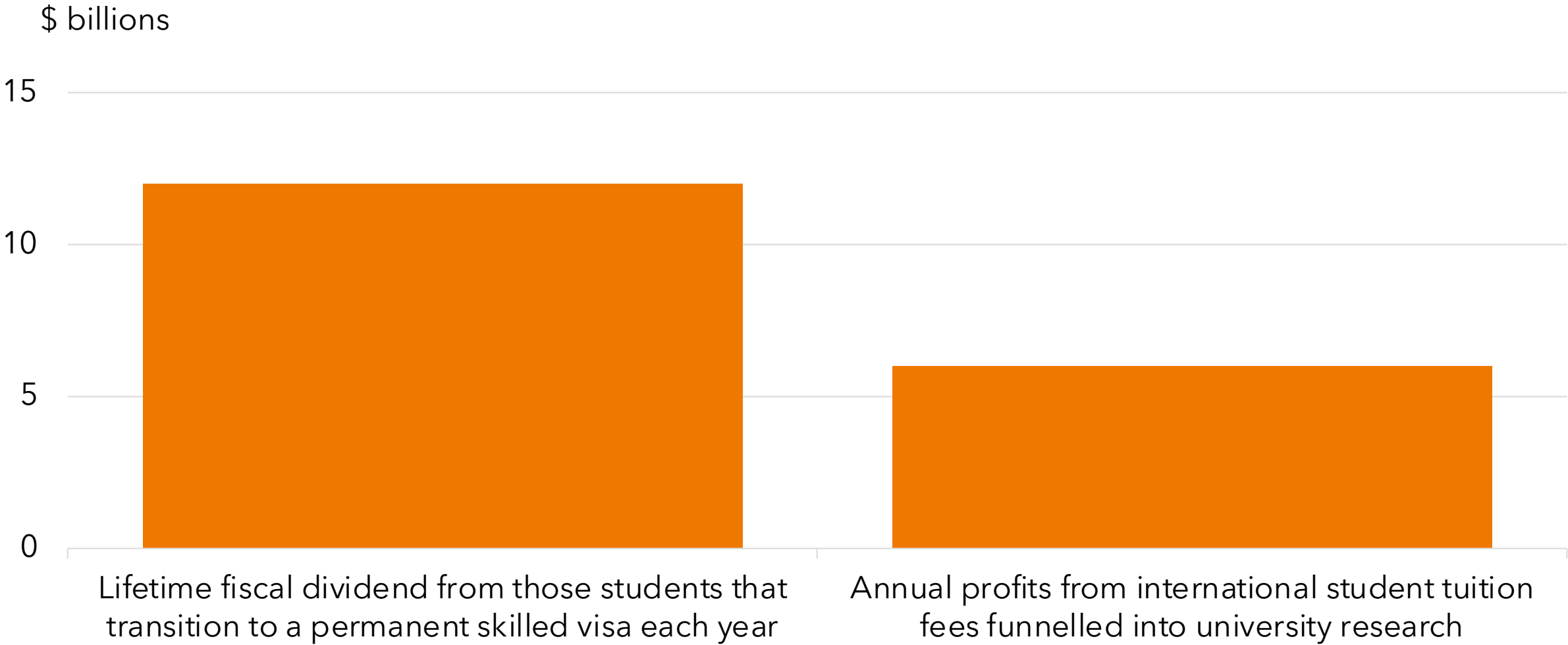
Share of skilled and family permanent streams by first visa held



Lifetime fiscal impact per person by permanent skilled visa subclass, primary applicants



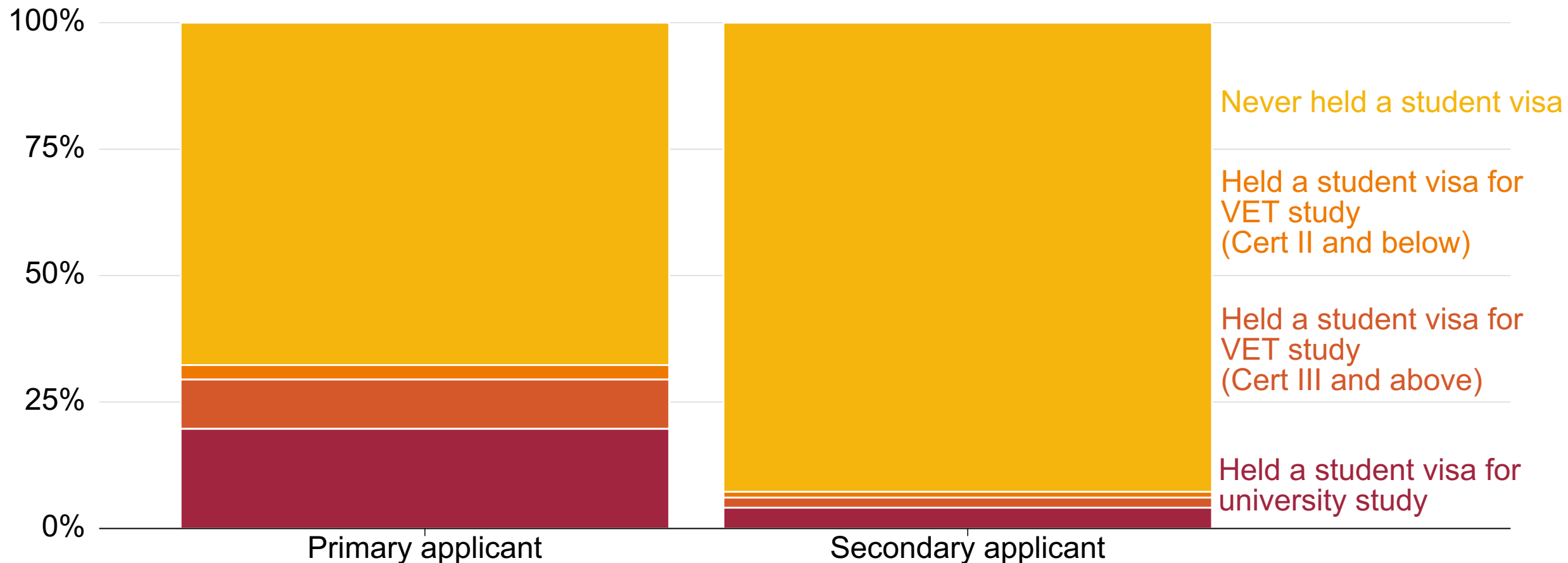
# The biggest benefits from international education come from getting the best students to stay permanently



Source: Lifetime fiscal dividend based on lifetime fiscal dividend of primary skilled migrants and the share of permanent skilled visas allocated via Varella et al (2021), applied to 2023-24 migration program planning levels from Department of Home Affairs (2023). Profits from international education that are channelled into university research are updated from Parkinson (2023) in line with growth in international student fee revenues to 2019.

# About 13 per cent of all primary skilled visa-holders once held a student visa for a VET course

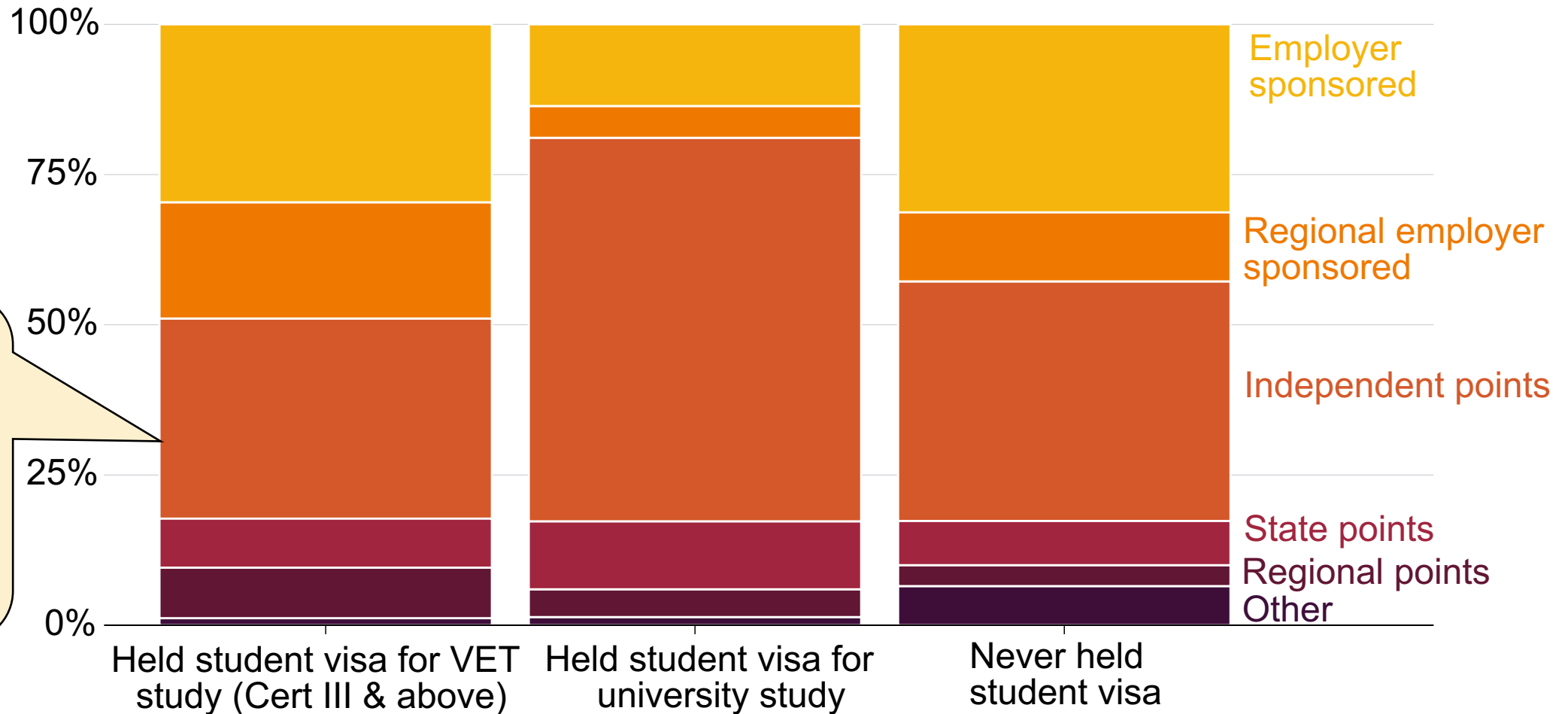
Share of permanent skilled visa-holders, by student visa history, and primary applicant status



Notes: Primary applicants only. Includes permanent skilled visa-holders who were granted a permanent visa after 2000. Visa is highest ever student visa granted in Australia. Student visas include those granted after 1990. Visa-holders may hold higher qualifications from outside Australia, or from inside Australia after they were granted a permanent visa.

# Half of all former VET students who secured PR did so via employer sponsorship

Shares of permanent primary skilled visa-holders in Australia, by highest level of Australian study and permanent visa stream



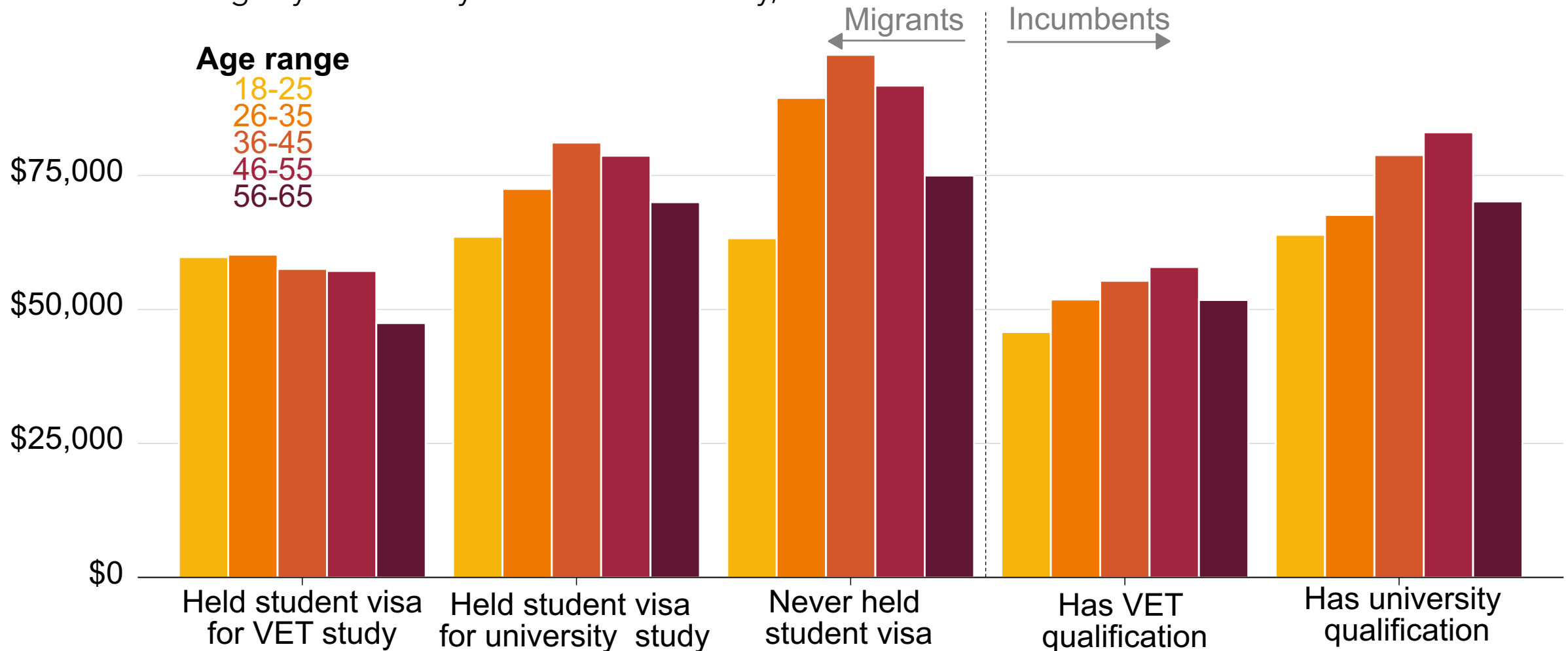
May include applicants who held a tertiary qual. abroad but undertook VET study (i.e. cooking, hairdressing pre-Knight Review) to secure a points-tested visa

Notes: Primary applicants only. Includes permanent skilled visa-holders who were granted a permanent visa after 2000. Visa is highest ever student visa granted in Australia. Student visas include those granted after 1990. Visa-holders may hold higher qualifications from outside Australia, or from inside Australia after they were granted a permanent visa.



# Former VET students earn much less than other skilled migrants & roughly the same as local VET graduates

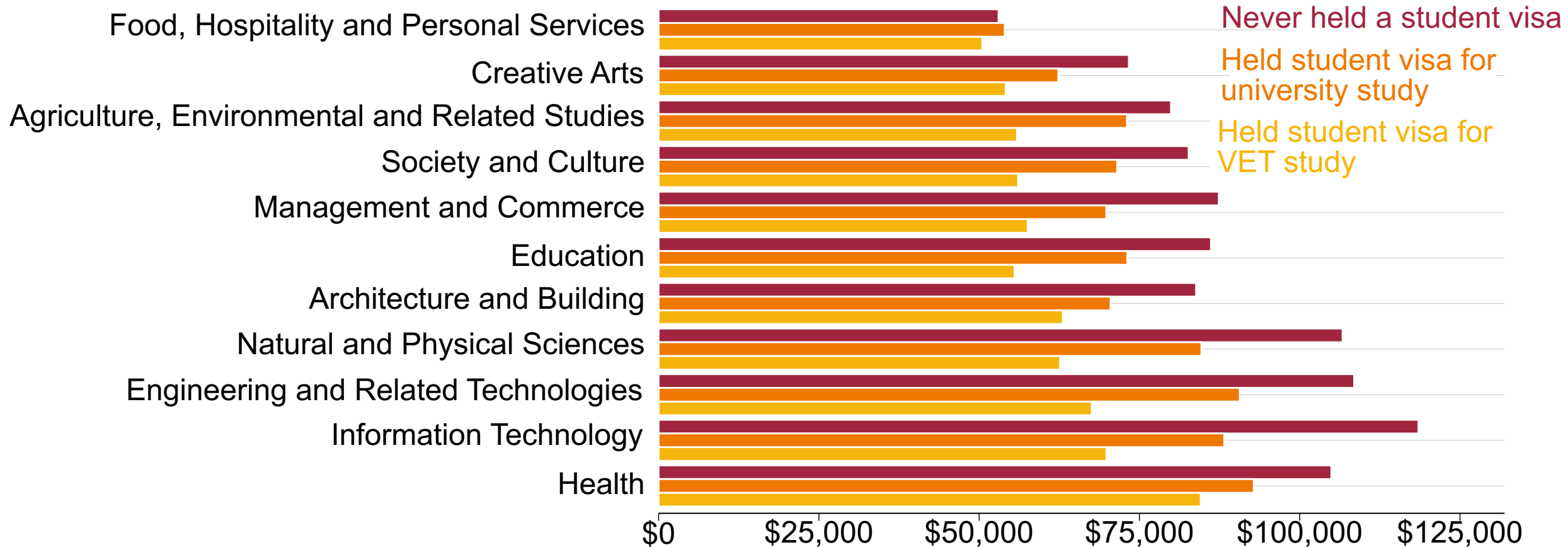
Median earnings by visa history and Australian study, 2021



Notes: Primary applicants only. Includes permanent skilled visa-holders who were granted a permanent visa after 2000. Visa is highest ever student visa granted in Australia. Student visas include those granted after 1990. Earnings are total income, based on 2021 tax returns and payment summaries. Visa-holders may hold higher qualifications from outside Australia, or from inside Australia after they were granted a permanent visa.

# Former VET students earn significantly less than other permanent skilled migrants in every field

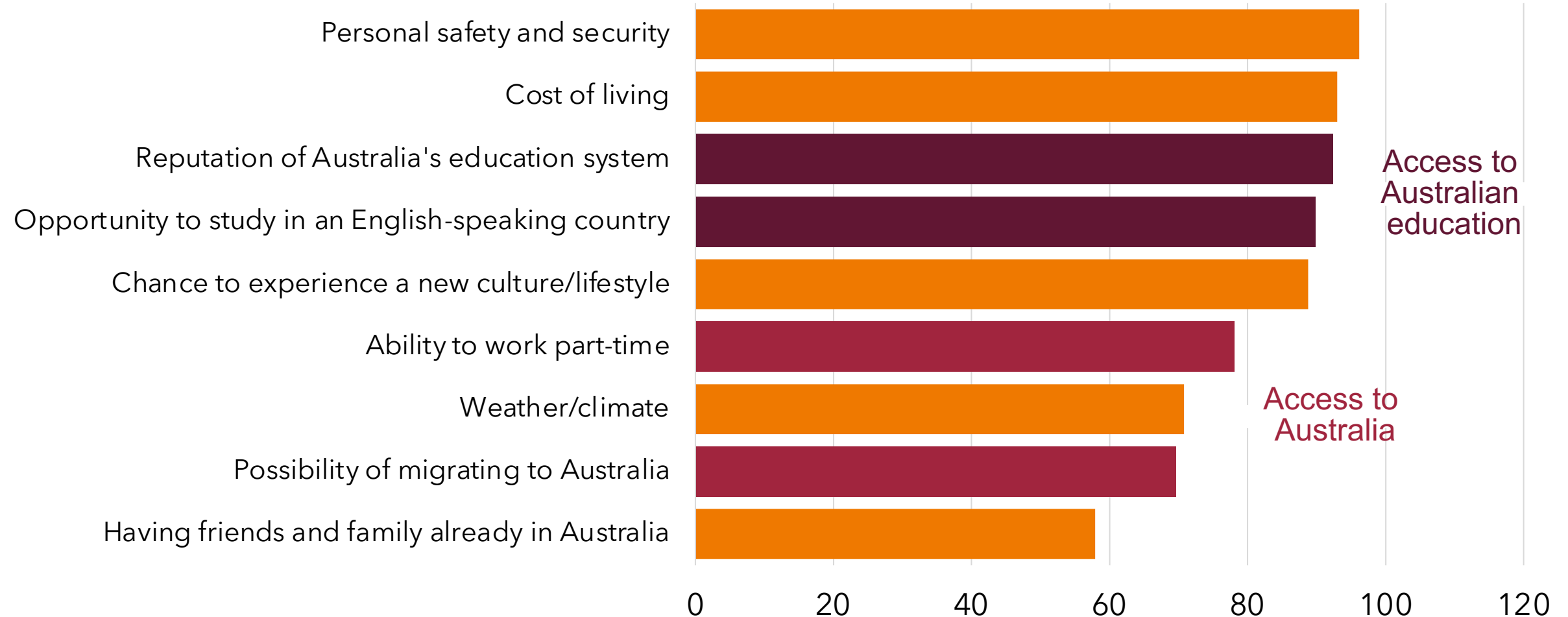
Median earnings, by field of highest study, and student visa history, 2021



Notes: Primary applicants only. Includes permanent skilled visa-holders who were granted a permanent visa after 2000. Visa is highest ever student visa granted in Australia. Student visas include those granted after 1990. Earnings are total income, based on 2021 tax returns and payment summaries. Visa-holders may hold higher qualifications from outside Australia, or from inside Australia after they were granted a permanent visa. Field of study relates to the individual's highest qualification, which may be a different field to what they studied on their student visa.

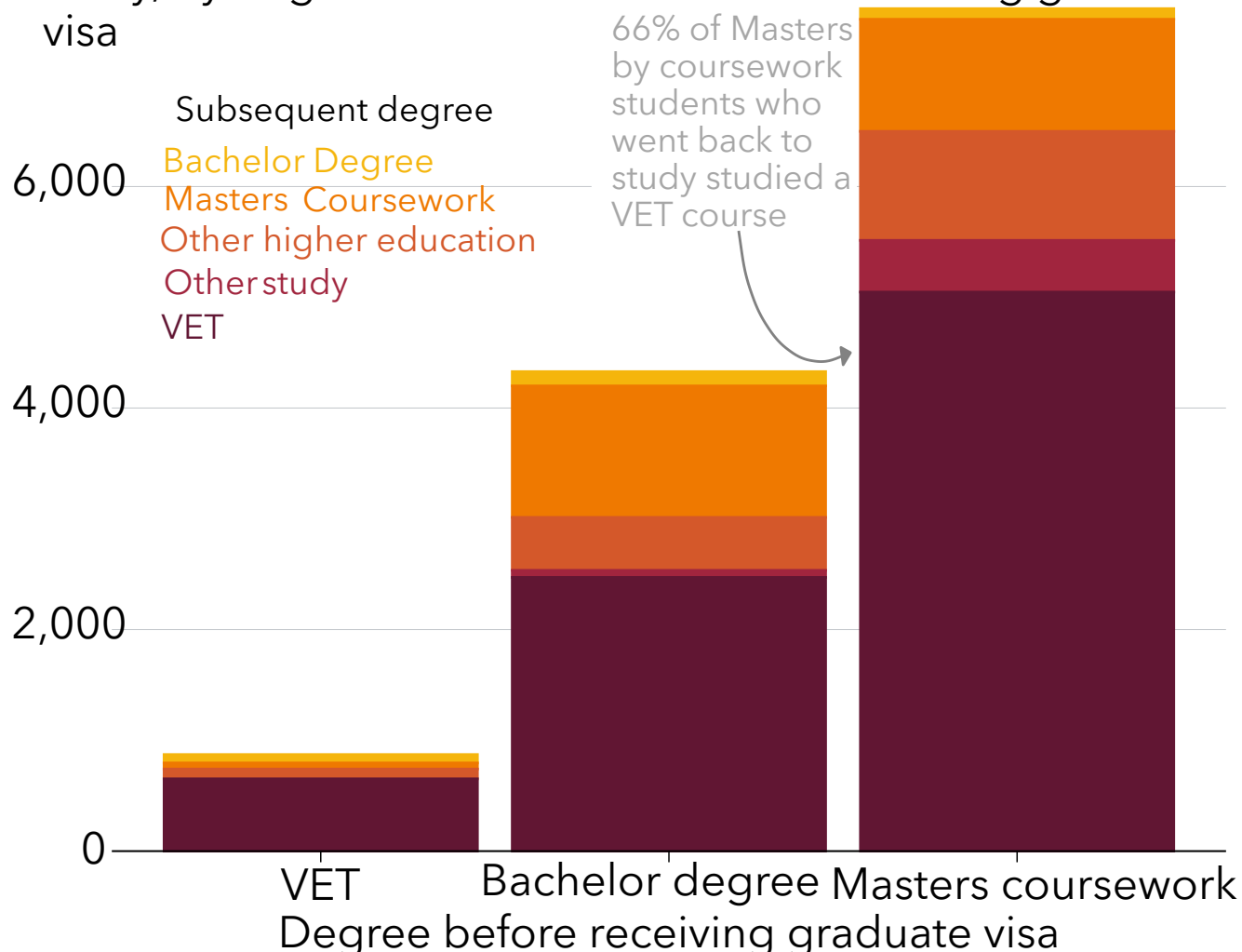
# What are we selling? Is it education; access to Australia's labour market; or the prospect of PR?

Reasons given by international students for coming to Australia, % citing reason as important, 2022



# There are growing concerns about visa integrity risks arising from the international VET sector

Temporary Graduate visa-holders who went on to further study, by degree level before and after receiving graduate visa



## 'Sold a dream': the international students lured to Australia with false promises

Students tell of being directed into substandard and unsuitable courses as attention turns to the unregulated world of foreign agents

**Rise of the ghost college:  
Thousands of students are  
enrolled in the city but they aren't  
in class**

**International education providers  
'gaming the system' undermine  
Australia's reputation, inquiry hears**

**Labor MP Julian Hill says behaviour of some providers is harming  
students and could 'destroy the social licence' of the sector**

# The government is acting to manage student visa integrity risks amid concerns over the pace of migration

## Changes introduced in 2023 in response to Nixon Review:

- Restricting concurrent Confirmations of Enrolments until a student has completed at least 6 months of their course.
- Increasing the amount of savings international students must have to get a student visa to \$24,505.
- Additional scrutiny on high-risk student cohorts.
- Possible use of powers to issue suspension certificates to high-risk education providers.<sup>1</sup>
- Strengthening the existing 'fit and proper provider' test to be registered as an education provider.
- Prohibiting agent commissions on student transfers between providers in Australia.
- Giving greater access to agent performance data such as student completion rates and visa rejection rates to education providers.
- More funding for ASQA (the national VET regulator).

## Additional changes announced in the government's Migration Strategy:

- Higher minimum English language requirements (from IELTS (or equivalent) 5.5 to 6.0).
- Replacing the 'Genuine Temporary Entrant' test with a new 'Genuine Student' test (and using this new test to restrict onshore visa hopping by international students)
- Prioritising student visa applications for lower risk providers.
- Bolstering the student visa integrity unit in the Department of Home Affairs (and more collaborating with ASQA).

1. Under the Education Services for Overseas Students Act (ESOS Act). The Government has identified more than 200 providers with visa refusal rates higher than 50%.

# Canada is a reminder that more dramatic migration policy changes are possible...

## Cap on new student visa applications

- Canada will cap new international student visa applications “to stabilize new growth” for a period of two years.
- For 2024, the cap is expected to result in approximately 360,000 approved study permits, a decrease of 35% from 2023
- Those pursuing master’s and doctoral degrees, and elementary and secondary education are not included in the cap.

## Limit post-study work rights for many VET-level courses

- From September 2024, international students who begin a study program that is part of a curriculum licensing arrangement will no longer be eligible for a postgraduation work permit upon graduation.
- Under curriculum licensing agreements, students physically attend a private college that has been licensed to deliver the curriculum of an associated public college.
- These programs have seen significant growth in attracting international students in recent years.

“Today, we are announcing additional measures **to protect a system that has become so lucrative that it has opened a path for its abuse. Enough is enough.**”



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