



From the Rt Hon Chris Skidmore
Chair, International Higher Education Commission
17 Grosvenor Street
London
W1K 4QG

23rd April 2024

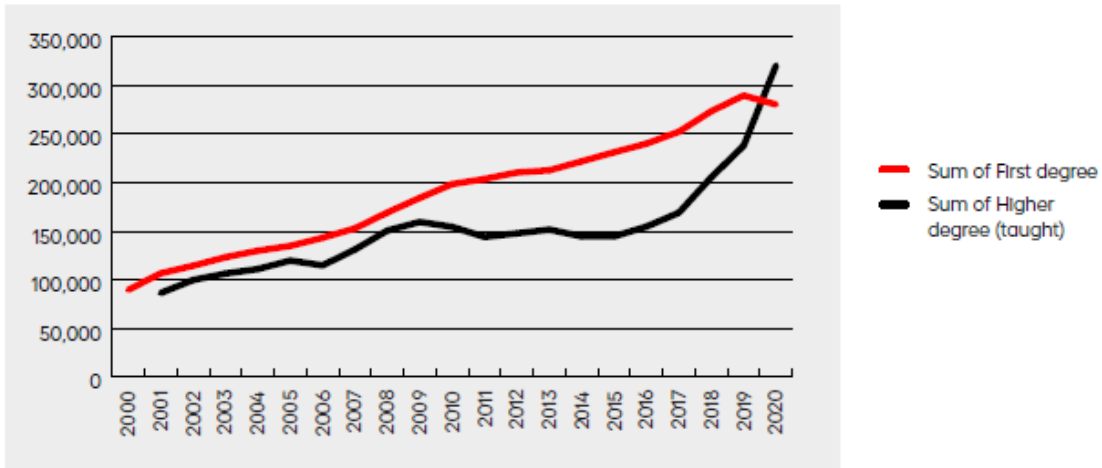
Re: IHEC Submission to the Migration Advisory Committee Rapid Review of the Graduate Route

Dear Professor Bell

As the Chair of the International Higher Education Commission (IHEC), I am delighted to make a submission from IHEC to the MAC Rapid Review of the Graduate Route to supplement the individual input that you have already received from a number of Commissioners who have been part of your roundtable discussions. The main body of this document addresses the core issues you have been asked to address whilst Annex A contains supporting material relating to overseas recruitment dynamics, deficiencies in UK HE data ecosystem and a brief summary of a recent Australian review of Graduates Outcomes, including post-graduation salary levels, for overseas students. Annexes B and C contain, respectively, the first IHEC report from May 2023 and the most recent report from March 2024 which contain further supporting information and relevant analysis.

As you may know IHEC is unique in being an independent source of robust data and evidence that benefits from the insight of a diverse range of experienced stakeholders from across and outwith the sector, that is apolitical, and which has the student voice at its centre. It was established at the end of 2022 to review of the basis on which the UK could define and implement an appropriate future International Education Strategy recognising the difference in context to when, as Universities Minister, I oversaw the publication of the 2019 Government strategy. We have undertaken a series of roundtables, run a number of open webinars to engage the wider community, commissioned new research and published 5 reports on a variety of topics including the interrelationship between migration policy and overseas student recruitment. Further details can be found at <https://ihecommission.uk/>

In the first IHEC report published in May 2023, attached at Annex B, we pointed out, in response to the somewhat hubristic sentiment in the sector, that the recent significant growth in international student numbers was largely the result of a particular set of circumstances and unlikely to be sustainable long term. Data for competitor countries showed a strong rebound in 2021 commencement figures. We also identified for the first time the extent to which growth in UK overseas enrolments was driven by Master's students, primarily from South Asia. A figure extracted from our analysis in that report is shown below.



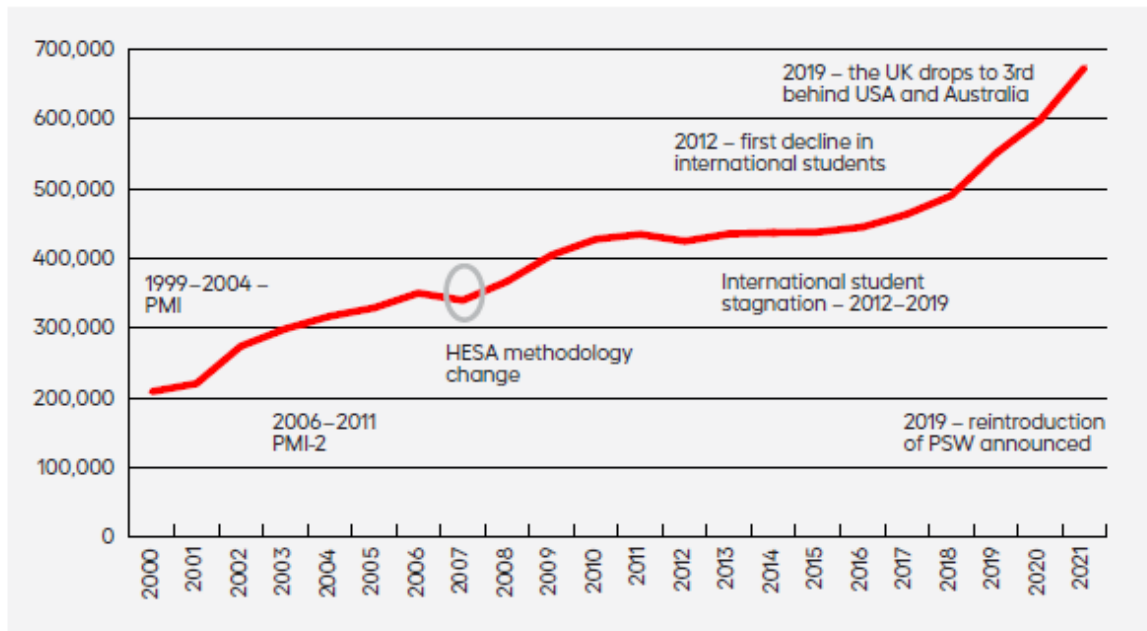
Source: This data is from www.hesa.ac.uk and is published under the Creative Commons Attribution 4.0 International (CC BY 4.0) licence.

We also noted that a number of different Government policies have been developed overtime as part of an effort to influence overseas student enrolments beginning with the Prime Ministers Initiative in 1997, we show an extract of our summary of these developments in the table below, a fuller account was provided in the appendix to our report.

Table 1: Summary policy timeline

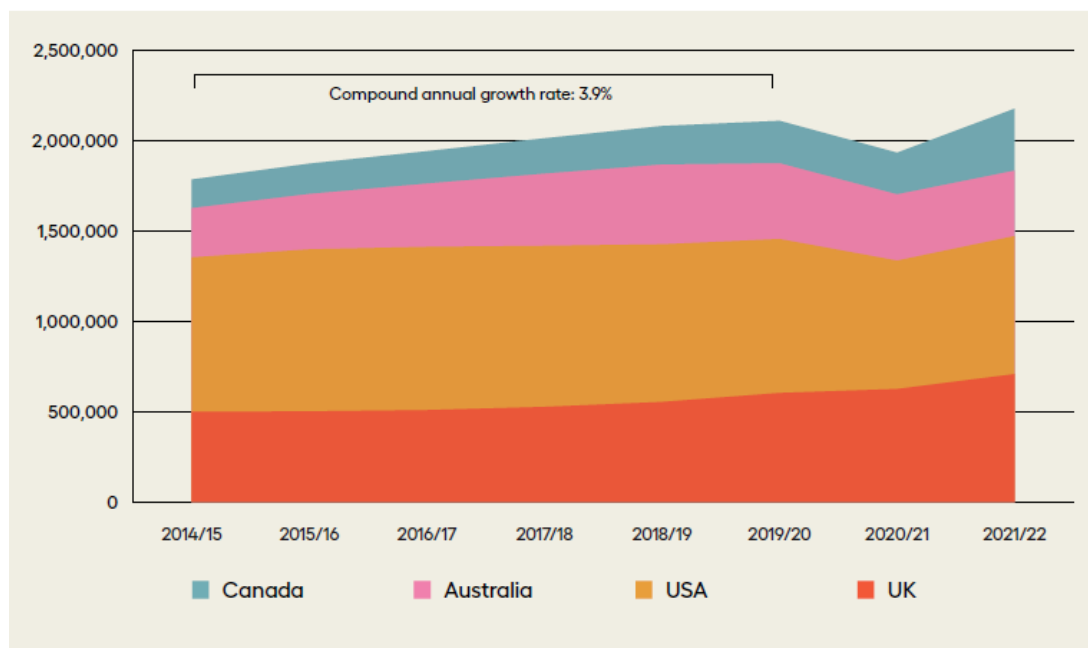
1999	2005	2006–2010	2011	2012	2013	2014	2019	2022
National marketing campaign under the PMI. Strong focus on China	The Fresh Talent Initiative in Scotland created considerable interest among Indian students in Scottish higher education institutions	Second PMI Post-study work opportunities extended to the rest of the UK devolved nations Launch of the UK India Education and Research Initiative	Significant tightening of the student visa system. The end of the PSW route was announced ⁴	Highly Trusted Sponsors' refusal rate set at 20%	New strategy. 'International Education: Global Growth and Prosperity' published ⁵	Highly Trusted Sponsors' refusal rate set at 10%	International Education Strategy: global potential, global growth Cross-party support for the two-year post-study work visa. The two-year PSW visa announced The UK drops to third place as an international study destination	International Education Strategy – 2022 update (May 2022)
Labour			Conservative / Liberal Democrat			Conservative		

However, we noted the particular influence of post-study work rights on international student numbers. As you know, in 2012 the UK saw its first decline in international student numbers, followed by seven years without growth as a result of the decision to terminate post-study work rights. As you also know, the UK's drop to third place in the volume of international students recruited, behind the USA and Australia, was the major spur for the re-introduction of PSW linked to political context at that time of post-brexite trade focus and efforts to drive educational exports (although students are of course the "export that is "imported"). We then saw the first peak in numbers in 2019 - in response to the announcement about PSW reintroduction in April 2019 with the route opening in July 2021. The relationship between the policy timeline and the numbers of overseas students recruited to the UK is shown below.



Source: HESA Student Record for the relevant years.
 Note: A methodological change by HESA in 2007-08 led to fewer students being reported. The change relates to the exclusion of students who are on sabbatical or writing up³.

We recognise that the primary remit of the MAC is to advise on migration issues not HE policy nor on the financial sustainability of the UK HE sector, but as David Pilsbury noted in your roundtable on 26th March almost all the changes in numbers of students recruited by the 4 major English speaking destinations is due to variations in the market share driven by national HE policy changes, as the overall growth rate has remained essentially constant at 3.9%, and the major factor driving changes in market share is the relative attractiveness of the PSW offer. This is clearly illustrated in the figure below.



Source: Nous from StatCan, HEIMS, IIE Open Doors, HESA

We are also aware that MAC has asked why the growth in students following the re-introduction of PSW has primarily been from South Asia and Sub-saharan Africa. Sanam Aurora, who is a IHEC Commissioner, has given the MAC a clear answer that whilst representing the view of Indian students also reflects the dynamics for SSA students (unlike for East and South East Asian students,

where fees are generally paid out of family savings), students from South Asia and SSA are often funding their studies through loans which means they are looking to work part time whilst they are here and to take advantage of PSW to both further pay down their loans and use that experience as a means to secure a higher paying job on return to their own country. A recent study by the British Council shows that 32 per cent of the surveyed Indian students in the UK funded their education through a bank loan.¹ This varies from state to state, with the highest levels of borrowing noted in Maharashtra (43 per cent)².

Sanam Arora rightly noted that if we don't recognise the different financial dynamics of major sending countries then we will not attract the diverse student cohort we aspire to, and in those cost sensitive markets where students use loans we will not attract the "best and brightest" but the 'rich and richest' – who can afford not to take loans. As she further noted, 70% of Indian students believe PSW it is critical and that this is a key factor in their decision of where to study.

This dependence is reiterated if we look at the change in student flows over time. As we noted in our most recent report: "Evidence versus Emotion: The facts about international student recruitment and what they mean", attached at Annex C, the UK is suffering a worrying fall in the diversity of its sending markets with just 7 markets responsible for 70% of recruitment and, of these, 3 – China, India and Nigeria – responsible for 56% of total overseas recruitment and the focus of students from 2 of these markets - Indian and Nigeria - on PSW therefore has largely defined the performance of the UK system as these policies have changed over time.

Geographical diversity of international students significantly deteriorated after Brexit. The end of the transition period marked collapse in student mobility flows from all EU states except Ireland. This has significantly increased the prominence of the aforementioned 3 markets.

We understand that there are concerns about whether there is evidence that the students being attracted since the reintroduction of PSW are "good" students, whether they are abusing the Graduate Route as a "back door" into employment, and whether they are overstaying.

The most recent IHEC report specifically and directly addressed a number of the issues detailed in your review, as it explored the evidence base for 11 commonly made assertions about UK higher education.

- There are too many international students in the UK
- International students are abusing PSW rights as a route to employment when a Tier 4 visa should be a study route
- Universities are recruiting international students simply to plug funding gaps and this is reducing the places available for home students
- UK higher education attracts non-genuine students
- The UK is recruiting too many Master's students, and should be focussed on recruiting more UG students
- UK universities recruit too many students from too few countries and need to focus on increasing diversity
- The recruitment of international students places an unsustainable burden on public services
- Universities are offering places to low-quality students who want entry through a back door
- Unscrupulous agents are helping unqualified international students to access UK universities
- The UK's excellence, particularly for research, will always appeal to global talent irrespective of visa policies, scholarships and earning thresholds
- TNE is a distraction from the issues that UK HE is facing

¹ British Council (2023), Mapping international student mobility from India at the state and city level. <https://opportunities-insight.britishcouncil.org/sites/siem/files/field/file/news/India%20outbound%20student%20mobility%20mapping%20at%20state%20and%20city%20level%202023.pdf>

² Ibid.

As David Pilsbury noted at your roundtable on 26th March, we found no evidence to support the majority of these assertions. Picking up the most relevant assertions:

International students are abusing PSW rights as a route to employment when a Tier 4 visa should be a study route

The MAC's Annual Report (2023) concluded that "the rise in student visa numbers is the largest single factor accounting for the rise in net migration over this period [2019-2022]". However, as the IHEC report notes, what is not generally appreciated is that much of the growth in the number of visas is due to the change in mix i.e. the disproportionate growth in demand for Master's programmes: undergraduate students generally stay in the UK for at least three years on one visa, whereas the visas for one-year Masters students need to be replenished annually. So, the switch from UG to PG students will see three times as many visas issued for any given number of students enrolled per year over any given period. This growth in visas as a result of the change in mix was compounded by the fact that these Master's students were at the time able to bring dependants.

We also noted the error in methodology that means, at present, the UK net migration statistics do not exclude those master's students who complete their studies within a year and leave the UK without accessing the PSW route.

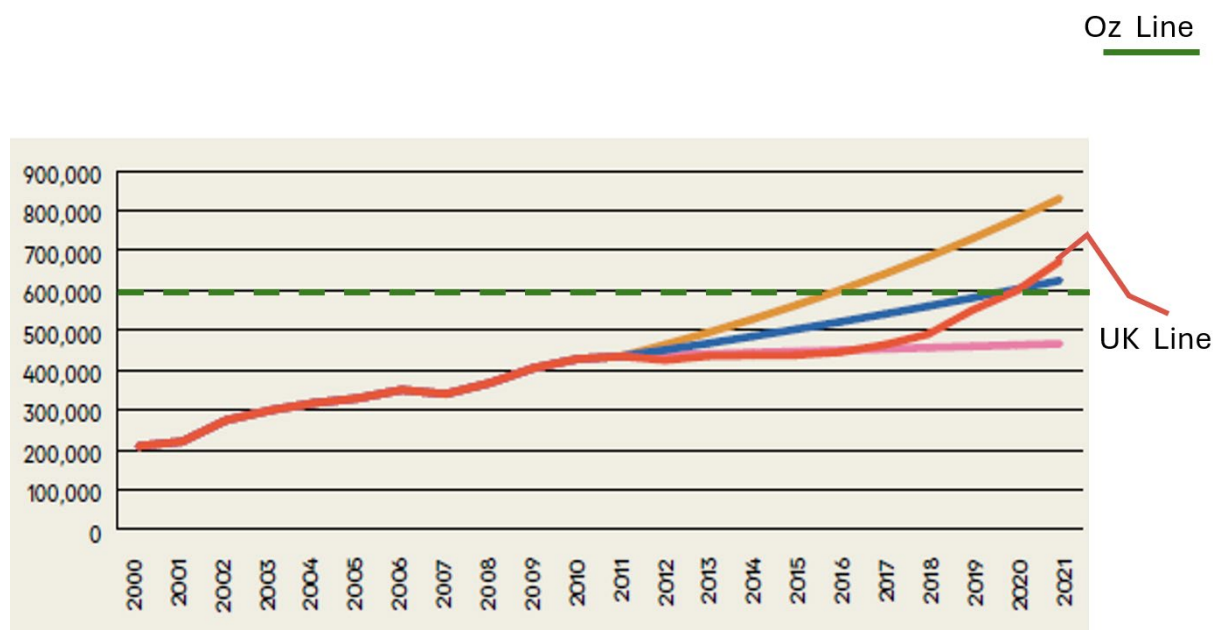
We reviewed another assertion that has gained some credence - that the UK's PSW route has encouraged non-genuine students to seek university places so that they can switch to working in the UK. The opportunity to switch routes whilst studying has been closed, but it has left the concern that overseas students complete a master's and then move to the graduate route and remain in the country thereafter. As you know, the conditions attached to the PSW route are stringent. It is only open to students who have successfully completed their HE course of study. As such, students who have dropped out do not qualify to access post-study work. The route is deliberately only aimed at graduates.

The IHEC report goes on to recognise that anxieties around the post-Covid pace of growth in international student numbers has led to policy tightening in UK, Australia and Canada. In the UK, as well as a ban on visa switching whilst studying, the most decisive step was to restrict dependant visas to research degree candidates. The impact of this tightening is amplifying a slow-down in international demand for UK HE as key markets like Australia bounce back following the end of the pandemic. It is clear the UK is undergoing a correction in 2023/24 and there is evidence that this is going to continue in 2024/25 given data from institutional surveys and from private providers that offer services to institutions. We have tried to estimate this impact, illustrated in the figure below, which we believe will see enrolled students fall to below the 600,000 implicit "cap" that the current Government appears to be implementing. In doing this we have shown where the currently estimated number of students sits relative to forecasts that David Willets as Minister for Universities and Science oversaw the development of in 2013 as part of the HMG document: "International Education: Global Growth and Prosperity" – before the elimination of PSW. This document can be found here:

<https://assets.publishing.service.gov.uk/media/5a7d8ecced915d497af70288/bis-13-1081-international-education-global-growth-and-prosperity-revised.pdf>

- The red line records HESA student overseas numbers where available, followed by the IHEC estimation of the changes since HESA numbers were last reported
- The blue line is the "central" case forecast in the 2013 report
- The pink line is the low case forecast in the 2013 report
- The yellow line is the high case forecast in the 2013 report

We also calculated what the number of overseas students in the UK would be if they represented a similar proportion of the population as they do in Australia, which is well over 1 million, again shown in the figure below.



There is potential for this UK decline to continue even further into 2025/26 and beyond given the likely increase in the skilled worker salary threshold and ongoing anxiety about the future of the Graduate Route. As noted above, the UK’s medium-term performance is likely to be dependent on PSW outlook and how it compares to the other major English-speaking destinations. Taking a long-term view of the international mobility flows to the UK, enrolment growth can be expected to stabilise at comparable growth trajectories to the other major destinations, but if PSW in the UK were significantly restricted or discontinued our relative share would decline.

Any future international education strategy will need to consider the contribution students make to the workforce whilst they are studying and/or after they have graduated as part of the Graduate Route, or when they move onto other visa routes, noting that the majority return home or to other nations to work in skilled occupations. As you know, but which often gets lost in discussion of net migration, when students return home they are recorded as emigrants – so if total overseas student numbers are not changing then student flows make no contribution to net migration (although a changing pattern of switching to other routes by the main applicant or dependant could have a material impact on net migration numbers). The challenge is that the growth in master’s students who brought large numbers of dependants has not yet “worked through”, in part because many intend to take advantage of the graduate route – so they have not yet reached the point where, under the agreed framework, they would be expected to leave. This is an entirely predictable outcome of how the agreed policy framework was meant to work – it is not abuse of the system.

As UUK have noted, it is hard to identify abuse beyond overstaying, since the Graduate Route did not set parameters for success in terms of the nature of employment for those participating in the route. This is something that may now be done retrospectively. Jo Johnson, also a member of IHEC, in his recent FT article suggested establishing a system that reflects the fact that overseas students, whether in the net migration targets or not, are temporary migrants when studying. When students move into work, through better policies and systems, depending on the desired outcome, we can better manage students’ contribution to the workforce immediately post-graduation and longer term. This notion was promoted in the MAC Report (2018) on the impact of international students, “What is unusual about the UK is not how it calculates net migration, but the fact that net migration is the measure of migration that politicians focus on. If there is a desire to bring the UK approach to migration targets in line with other countries, it would not involve dropping students from the IPS figures but rather using a different data source, such as grants of settlement, to develop political or

operational targets". IHEC concurs that this would appear to be a much more sensible approach which would adopt a long-term view on the impact of immigration in contrast to the development of policies on the back quarterly statistical releases of immigration statistics.

UK higher education attracts non-genuine students

As Pilsbury noted at the 26th of March roundtable, one of the measures monitored by the Office for Students as part of the "Teaching Excellence Framework" is students' continuation rates. The table below shows the continuation rates for full-time first-degree students by domicile. Non-EU international students have the lowest non-continuation rate. While non-continuation increased during the pandemic, when many students switched to online learning, non-EU students continued to perform better than their UK (and EU) counterparts.

As Pilsbury also noted at the meeting, OECD analysis backs this up. It shows the UK has one of the highest higher education completion rates across the OECD. Their findings show that 85 percent of UK bachelor's students graduated within three years of the end of the programme duration, which was also the highest among OECD countries with data. This compares with an average across the OECD of 68% of bachelor's students graduating within three years of the end of the programme duration. Clearly this data is for the sector as a whole not specifically for overseas students but given the number of international students in the UK, if there was a significant deleterious impact we would not see this exemplary level of performance against peers. Therefore, we contend that our analysis provides no evidence that international students are academically less able than their UK counterparts or that they had a higher drop-out (non-continuation) rate. Rather, the evidence points to the reverse.

Students' domicile	2017–18	2018–19	2019–20	2020–21
UK	6.8%	7.7%	6.6%	7.7%
EU	5.1%	6.5%	6.5%	8.2%
Non-EU	3.0%	3.9%	4.9%	6.4%

Source: HESA Student Record: calculations for full-time first-degree entry cohorts, various years

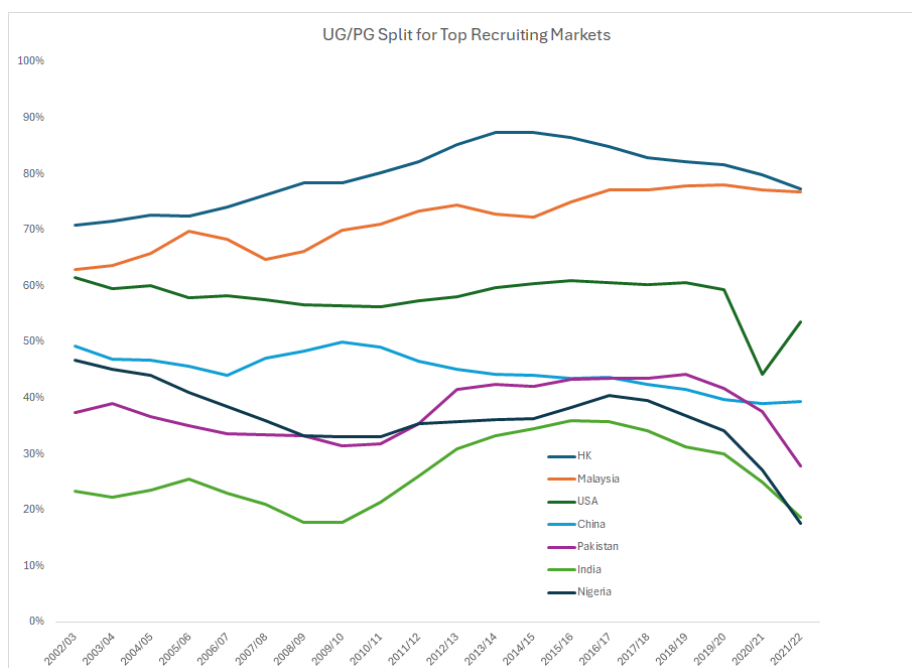
The UK is recruiting too many Master's students, and should be focussed on recruiting more UG students

It is clear that the recent increase in Masters students, particularly from South Asia, means that the portfolio of students has become unbalanced and that there is a need for new mechanisms to drive diversity – again a point Pilsbury raised at the 26th of March roundtable where he noted the particular role of pathway providers in delivering this.

The decrease in diversity over time is stark. If measured as the number of countries responsible for the overwhelming majority of overseas recruitment, we identified this level to be 70%, then diversity has halved to only 7 countries over the past 3 years and the change against 2005 is stark, when around 40 countries made up 70% of our recruitment portfolio.

Pre-2005		2018/19	2021/22
Oman	China	China	China
Russia	United States	United States	India
Turkey	India	India	Nigeria
Australia	Malaysia	Hong Kong	United States
Mauritius	Hong Kong	Malaysia	Pakistan
Bangladesh	Japan	Nigeria	Hong Kong
Israel	Taiwan	Saudi Arabia	Malaysia
Switzerland	Nigeria	Canada	
UAE	Singapore	Singapore	
Libya	Canada	Thailand	
South Africa	Thailand	Pakistan	
Iran	Pakistan	South Korea	
Brazil	South Korea	UAE	
Indonesia	Kenya		
Jordan	Zimbabwe		
Tanzania	Ghana		
Jamaica	Sri Lanka		
Egypt	Mexico		
Uganda	Saudi Arabia		

Returning to the issue of the growth in PG students, if we look at the behaviour of these particular 7 markets accounting for the majority of current recruitment over time we can see that there are significant differences. So whilst HK, Malaysia, USA and China can be argued to show some relative stability on the proportions of UG versus PG students recruited to the UK, the proportion of PG students from the other 3 top recruiting markets - India, Pakistan and Nigeria - have shown more substantial variance and have all evidenced a very significant move to a greater proportion of PG students over the recent past, from a position that already saw them with the highest levels of PG students over the period (apart from a short period when Pakistan saw a modest uptick in the proportion of UG students).



The reason for this is the particular benefits for bright graduates in these countries of undertaking Master’s studies when PSW rights accrue. It has been argued that post-graduate students who may only spend 9 months in the Country should perhaps not be eligible for the full 2 years PSW. However, in the context of the relative newness of the PSW route, and the absence of any evidence of abuse, we argue for a period of policy stability and implementation of measures to better monitor and manage the system in better pursuit of the twin aims of an effective migration policy and a sustainable higher education system. Further, in the light of the reduction in enrolments following the recent changes in policy, we believe that in order to consider a change that would have such a potentially dramatic impact on the sector one would need a much better evidence base and the development of mitigating measures to ensure that the sector is not entirely destabilised. We are currently dealing with the consequences of the ill-thought through basis on which the Graduate Route was reintroduced, we absolutely do not want to compound the problem through the ill

thought through termination of current PSW rights for a significant segment of the overseas student community. We believe that providing the time for a full and systematic review of the Graduate Route, in its wider context, would bring forward solutions that effectively reconcile the requirements of students and the needs of the UK, for example, requiring students to demonstrate an “appropriate” job offer/proof of future employment at some reasonable point after graduation, in the absence of which PSW rights are waived.

In this context of reviewing policy on a considered and purposeful basis, we wish to restate the finding in the first IHEC report that overseas students are essential to the academic, operational and financial viability of most of the PG programmes offered by UK universities and any significant reduction in recruitment numbers will see these programmes become unviable and eliminate opportunities for domestic students.

However, ultimately, what is required is a sophisticated oversight system i.e. a solution that properly monitors and manages the process, not simply a policy - that ensures that students do indeed return home after they have satisfied the basis on which their visa was granted. We address below the numerous data deficiencies in the HE ecosystem and make some recommendations that we hope are helpful in advance of more substantive suggestions to be included in our final report to be published at the end of May.

Policy Effectiveness

We recognise that one of the areas of focus of the MAC Rapid Review is the low salaries being achieved by individuals on the graduate route – we believe this reflects the short time that the scheme has been in operation which means there is a lack of an infrastructure to enable students to access higher paying jobs – along with limitations on the options available because GR route opportunities have not been properly communicated to potential employers –this was a major finding of the recent APPG on International Students
<https://internationalstudents.org.uk/publications/appg-report-graduate-visa-inquiry-2023/>

The potential of the Graduate Route when properly embedded and operationalised is shown by a recent Australian review as David Pilsbury noted at your 26th March roundtable [Graduate Outcomes Survey \(qilt.edu.au\)](https://qilt.edu.au) For example, the median salary for overseas UG and PG students 4 to 6 months after graduation was approximately Aus\$60k, (See Annex A)

The MAC has rightly questioned whether Australia is the right exemplar to compare ourselves with and it was suggested at one roundtable that comparing and contrasting with the USA might be more appropriate. We do not believe the USA is the right comparator - the dynamics of USA international higher education are fundamentally different to that in the 3 other major English-speaking destinations. Whereas the UK and Australia have many similarities and it is likely that, over time, Canadian HE policy will increasingly resemble that in the UK and Australia, the brand proposition, structural makeup and policy framework for the USA are entirely distinct. As you know, the UK stands apart from these other countries in not seeking to acquire citizens through a HE migration route because of the levels of population growth by other means (though as you also know, this may change in the USA as it faces a demographic cliff).

We would echo collectively the view of Anne Marie Graham, an IHEC Commissioner, to the MAC Rapid Review which reiterated the need for policy stability, better efforts on the part of the sector to communicate to employers and students, and a commitment to collect data beyond the take-up of visas in order to evaluate the Graduate Route.

PSW Comparisons

IHEC does not subscribe to the ill-informed view that our PSW offer is deficient, it was benchmarked against the competition when it was re-introduced – and indeed Australia extended the PSW for

certain in-demand occupations. Both Australia and Canada have subsequently pulled back.³⁴ However, the tighter student immigration is mainly affecting the pre-HE sector in Canada. All STEM graduates in the USA are entitled to 36 months of PSW, and we recognise that there are “less generous” terms in some countries.

We do not, in general, compete directly against EU countries in the important sending markets for the UK, though we recognise that overseas recruitment to Germany is growing strongly. After graduating from a German university, graduates have the right to stay in Germany for 1.5 years to find work and to become employed. After working for two years, they might be eligible to apply for a settlement permit (permanent residence). Many HEIs in the EU offer free or low tuition fees, and students can work across the bloc. This makes competition difficult, especially in the context of EU-wide labour market, and subsidised HE provision, but fundamentally the EU is a different market segment.

At the 26th March roundtable the question was raised as to whether it was changes in Government policy or changes in market dynamics that were driving UK outcomes ie was the fall in UK recruitment recorded in the Enrolly data and the UUKI survey a result of the changes on UK visa policy or a resurgent recruitment effort in our major competitors, particularly Australia. What is clear is that students are making decisions about where to study much later in the recruitment cycle and keeping their study options open by applying for student visas to multiple countries. A study for the British Council shows that 18% of the surveyed Indian students in the UK had applied for a study visa to another country. The most frequently cited second choice was the USA⁵.

The evidence for it being due to policy changes is the fact that whilst G8 universities in Australia are showing continued growth, lower ranked “recruiting” universities are not seeing increased enrolments, nor indeed increased interest – the record levels of enrolment in Australia reflect increasing disparities across the sector that would not be expected if students were abandoning a wide range of universities in the UK in order to simply switch to their counterparts in Australia because of changes in UK HE policy. IHEC has commissioned research to try and disentangle these 2 effects which we will be delighted to share with the MAC

Data Deficiencies driving poor policy

We have noted above the issues around the inability of policy makers and HE providers to know what is actually happening in the sector because of the absence of an appropriate data ecosystem. Addressing this absence will be one of the major recommendations of the IHEC Final Report to be published in May. The most significant data deficiencies are listed below (a more detailed list is provided in in Annex A.

³ Australia have cut the post-study visa by two years (just after making it more liberal for a short while) and they have increased English language test requirements <https://www.timeshighereducation.com/student/news/australia-cuts-post-study-work-visa-two-years-and-increases-english-language-test-requirements>

⁴ Canada’s offer of 3 year Postgraduation Work Permit is just for masters’ students <https://www.educanada.ca/live-work-vivre-travailler/work-travail/apres.aspx?lang=eng#>

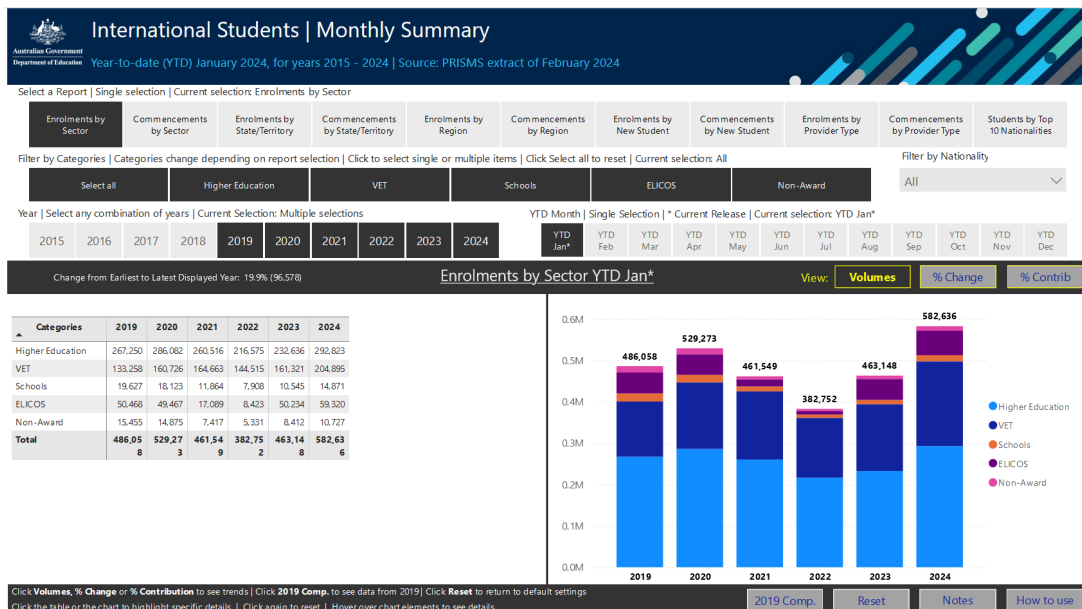
⁵ British Council (2023), Mapping international student mobility from India at the state and city level. <https://opportunities-insight.britishcouncil.org/sites/siem/files/field/file/news/India%20outbound%20student%20mobility%20mapping%20at%20state%20and%20city%20level%202023.pdf>

- Net migration figures use issued visas, which do not reflect accurately who is in the UK. We recommend the following measures to improve the current statistics:
 - the student visas statistics should only include students who have enrolled on UK courses, and discount students who have been issued visas but do not enrol or withdraw and are required to return home after a short period of study
 - Master’s students who in the UK for less than a year should be excluded, given they are in the UK for less than 1 year. Unless they switched their visa to utilise the PSW route
 - students who have dropped out from their course and therefore required to return home should be excluded from the immigration statistics
- Significantly out of date HESA data
- Continued failure of the Data Futures project
- Declining ability to predict enrolments based on visa numbers (because of the change in mix and increase in students applying and paying for visas to multiple countries in order to ensure they can complete their learning journey in at least one location)
- Unwillingness of Home office to share data or to respond appropriately to FOI requests

We recognise that is naïve to simply look to replicate policies and processes in other countries on a “lift and shift” basis, however, it is clear that the Australian system has many advantages over the currently fragmented and deficient UK approach where systems reflect historic needs to report on how Government grant funding was being spent rather than to provide the information and insight that will permit effective future policy development and management of their portfolios by UK universities.

An example of the timelier reporting of Australian HE data can be found at:

<https://www.education.gov.au/international-education-data-and-research/international-student-monthly-summary-and-data-tables>

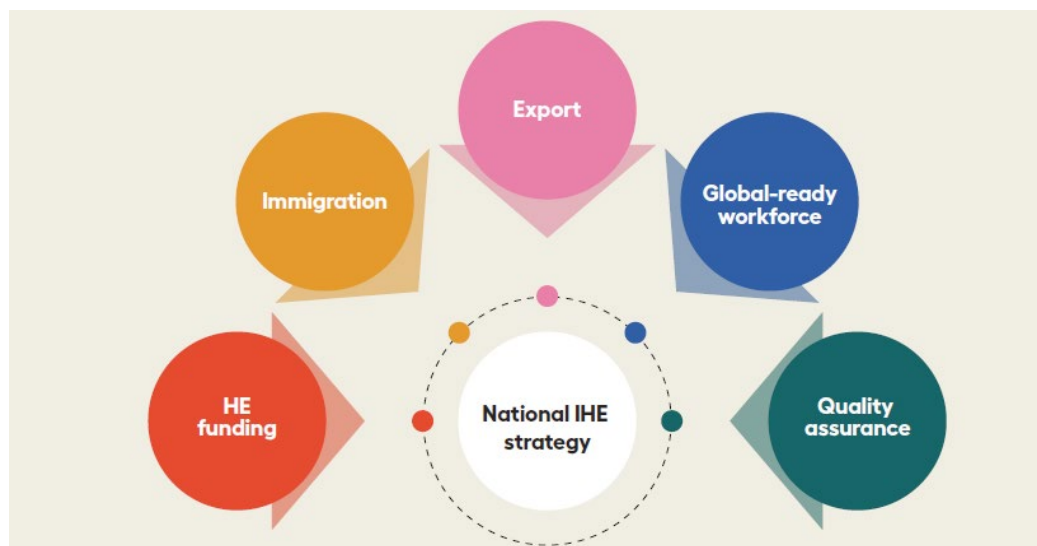


However, it is clear that data provided by Governments is not going to be sufficient for the effective management of such a substantial and significant activity and IHEC will be recommending that private sector sources of data are systematically captured to inform policy and monitor and manage sector and institutional performance

Recommendations

We recognise that the context for the current political approach is to have separate policy streams for work-related migration and study and that there is concern about the conflating the two, which we share.

However, an appropriate international HE strategy must address the needs of ensuring we have a global-ready workforce, including preparing UK students as well as leveraging the potential of overseas students through their knowledge, expertise and contribution within the curriculum and as part of PSW opportunities – we outline a potential framework below



Clearly immigration strategies need to be a central part of this new more sophisticated and sustainable approach, but where there is a recognition of the reality of student mobility, as you noted in your 2018 report “If there is a desire to bring the UK approach to migration targets in line with other countries, it would not involve dropping students from the IPS figures but rather using a different data source, such as grants of settlement, to develop political or operational targets”. This would appear to be a much more sensible approach which would adopt a long-term view on the impact of immigration in contrast to the development of policies on the back quarterly statistical releases of immigration statistics” – IHEC whole-heartedly endorses this approach.

In order to effectively monitor and have an informed view of what is happening, we need to address the significant data deficiencies that have been identified in this submission:

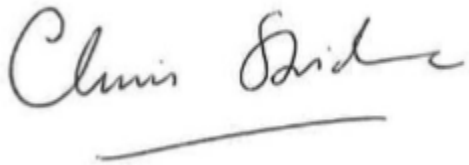
- HESA data must be made available on a timelier basis
- The Data Futures Project has to be properly implemented
- A mechanism must be developed to provide coherent access to relevant data drawn systematically from across all relevant Government departments and approved private sector sources in order to permit effective monitoring and management of UK HE at the system and individual provider level

Specifically net migration figures use issued visas, which do not accurately reflect who is in the UK. We recommend the following measures to improve the current statistics:

- the student visa statistics should only include students who have enrolled on UK courses and discount students who have been issued visas but did not enrol
- master’s students who in the UK for less than a year should be excluded, given they are in the UK for less than 1 year. Unless they switched their visa to utilise the PSW route

- students who have dropped out from their course and required to return home should be excluded from the immigration statistics

Yours sincerely

A handwritten signature in black ink that reads "Chris Skidmore". The signature is written in a cursive style. Below the signature is a horizontal line that starts under the first name and extends to the right, ending under the last name.

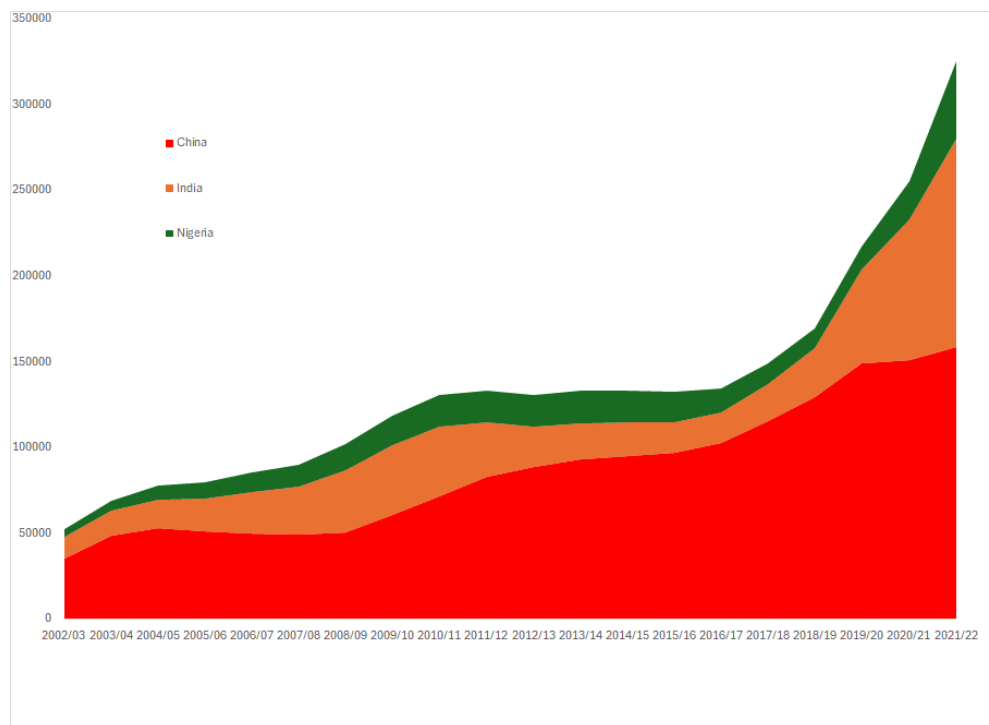
Rt Hon Chris Skidmore

Chair, International Higher Education Commission

Annex A: Supporting Information

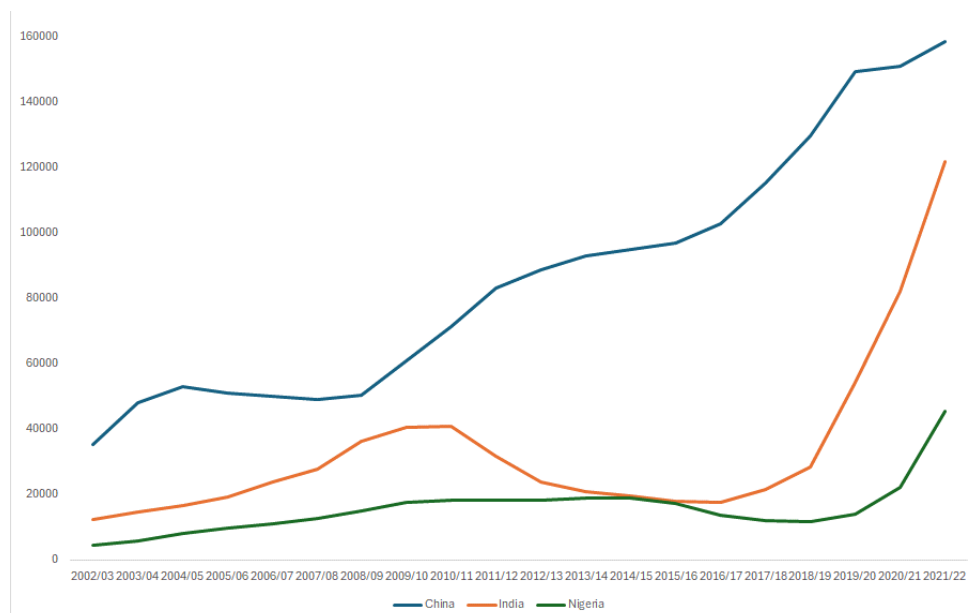
1. Changes in UK overseas recruitment profile in top 3 markets over time

The changes in just 3 markets, currently responsible for 56% of all overseas recruitment, are responsible for defining the performance of the UK over time – as shown below where the profile mirrors that of the sector as a whole detailed in the report above.



What is clear from the analysis of these 3 markets is that it was declines in the number of Indian students from 2011/12, related to the withdrawal of PSW rights and, to a lesser and extent and at a later date, the reduction in the number of SSA students, which was responsible for the plateauing of the overall recruitment to the UK despite the year-on-year growth of students from China.

The individual profiles of recruitment from these three markets are shown below to better illustrate the point.



This demonstrates the long-known fact in the sector that PSW is not, in general, crucial for the recruitment of East Asian students whereas it is central for the recruitment of Indian/South Asian and Nigerian/SSA students.

2. Deficiencies in the UK Overseas Student Data Architecture

The current UK HE data ecosystem is entirely unfit for purpose, with major deficiencies being:

- Significantly out of date HESA data
- Continued failure of the Data Futures project
- Declining ability to predict enrolments based on visa numbers (because of the change in mix and increase in students applying and paying for visas to multiple countries in order to ensure they can complete their learning journey in at least one location)
- Unwillingness of Home office to share data or to respond appropriately to FOI requests
- The absence of any sense in any part of government that this data is needed nor means to derive it or make any single body responsible
- The inability to systematically report data, and reliance on periodic manual efforts to create ad hoc reports
- The conflation of IHE export earning with tourism data so the financial value is not systematically reported
- Lack of clarity of where DFE and BEIS sit in this
- The need to harness the potential of private sector data from Enrolly, IDP. Study portals to provide a current and forward-looking data set to complement the historic government data
- The benefits of setting up a public-private sector user group
- The benefits of a digitally enabled management and monitoring immigration/overseas student recruitment process such as the Australians have
- The need for the data revamp to include better and more systematic reporting of TNE
- The need to include online so all mechanisms of delivery are included to provide a coherent picture

3. Australian PSW review

The Australian International HE policy environment has not been static, but they have not removed PSW rights and so there is a consistent context in which students have become confident. The environment in relation to migration between 2007 and 2015 is defined here https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1516/OverseasStudents#_Toc427230083

two particular decisions are key:

“From July 2001 overseas students with key skills that were needed in the economy who successfully completed their course of study at an Australian institution, and met other general eligibility requirements, were able to make an onshore application for permanent residency through the Skilled-Independent (and related) visa categories of the GSM program (previously they had to leave Australia and apply offshore).”

“In November 2011 the Government announced that post-study work rights, which were introduced for university graduates following the Knight Review, would be extended to Bachelor or higher degree graduates (who completed their degrees after at least two academic years’ study in Australia) from other education providers accredited to offer degree level programs as of 2013. The new arrangements extended the stay for Bachelor students from 18 months to two years and

allowed for Masters by research and PhD students to stay for three and four years respectively following completion of their studies.”

This relative policy stability has contributed to the exemplary graduate outcomes the country evidences.

Table 1 Graduate employment and study outcomes by level of study, international and domestic graduates, 2021-2022

	International		Domestic	
	2021	2022	2021	2022
Full-time employment (%)				
Undergraduate	43.0	57.7	68.9	78.5
Postgraduate coursework	43.9	57.9	84.9	89.4
Postgraduate research	69.4	76.0	77.7	84.7
Overall employed (%)				
Undergraduate	64.6	71.5	84.8	88.3
Postgraduate coursework	70.1	75.9	90.8	93.3
Postgraduate research	82.2	85.6	88.1	91.9
Labour force participation rate (%)				
Undergraduate	80.8	81.4	92.0	92.4
Postgraduate coursework	91.9	92.5	95.4	95.6
Postgraduate research	94.4	95.1	94.8	94.8
Median salary, employed full-time (\$)				
Undergraduate	54,300	60,000	65,000	68,000