



# An Introduction to Navitas

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## MEET OUR PARTNERS



# Navitas

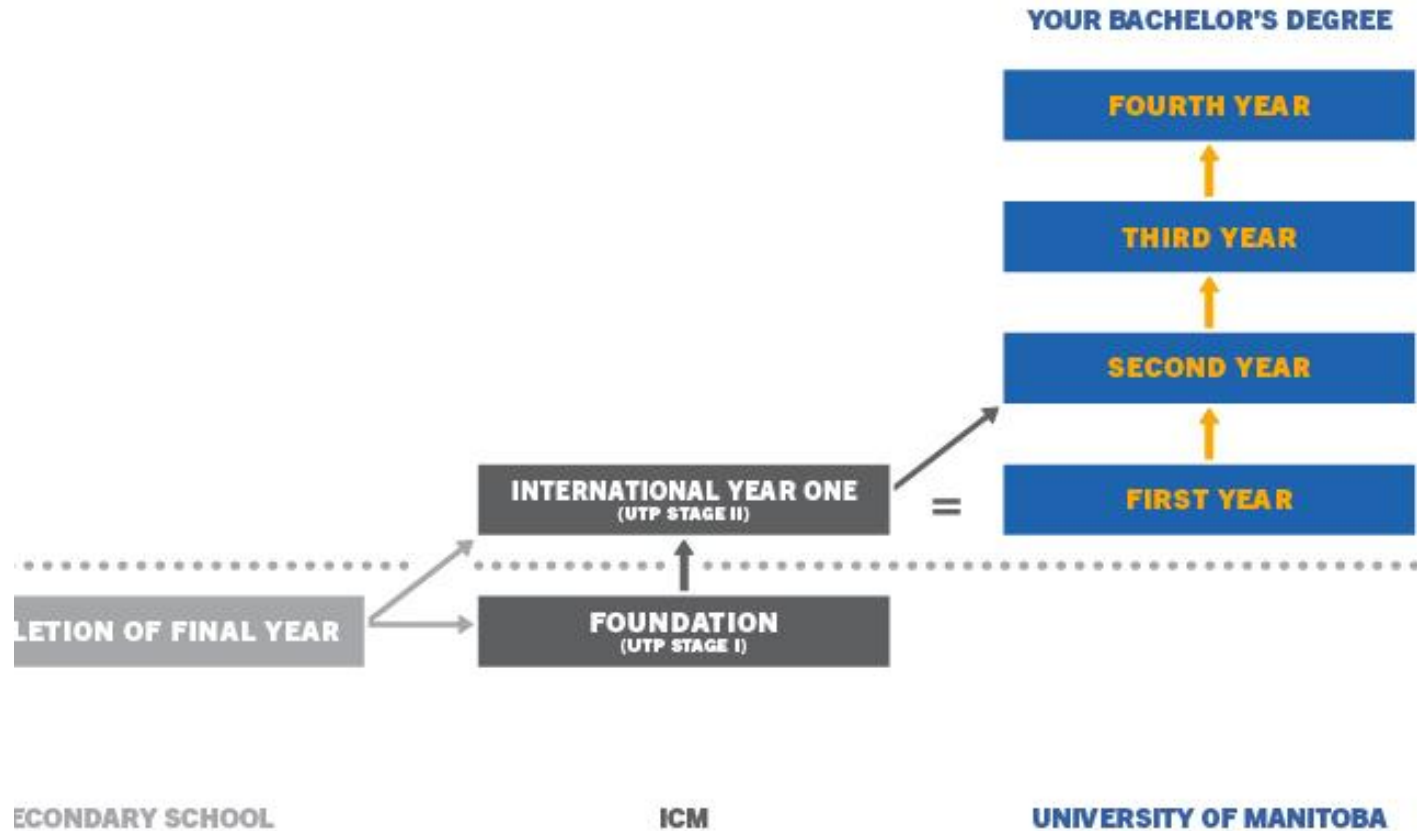
Founded in Perth, Australia (1994)

Operates 120+ pathway colleges across 31 countries

Markets itself as “equivalent to the first year of a Bachelor’s degree”

- Language resources
- Wraparound social and academic support systems

# Pathway College



## Partners with a University

- Offers first-year University-equivalent courses
- Aims to transition students into the partner University

Students cannot meet admission criteria, such as:

- English proficiency
- Academic foundations

*\* One (UTP Stage II) is dependent upon successful completion of Foundation (UTP Stage I) or satisfactory completion of Year 1 2 or equivalent.*

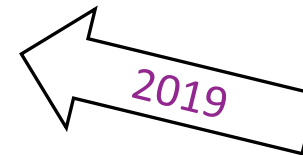
*\* Upon completion of International Year One (UTP Stage II), if you satisfy university admission requirements and deadlines and achieve the specified minimum GPA for admission, you will be able to transfer and progress to the second year of your degree at the University of Manitoba. Admission to some degree programs will be on a competitive basis and the minimum GPA does not guarantee admission. Students who meet the International Year One (UTP Stage II) completion requirements but who do not meet the minimum competitive GPA of some degree programs will be eligible to apply to either the Faculty of Arts or the Faculty of Science, subject to UMF's admissions regulations.*

# Canadian Partnerships

Partner University	Navitas College	Year Founded
Simon Fraser University	Fraser International College	2006
University of Manitoba	International College of Manitoba	2007
Toronto Metropolitan University	Ryerson University International College	2020
Wilfrid Laurier University	Wilfrid Laurier International College	2021
University of Lethbridge	ULethbridge International College Calgary	2023

## Unrealized Proposed Partnerships:

- Western (2020)
- Memorial University of Newfoundland (2021)
- Guelph (2023)



Navitas is purchased by BGH Capital

# BGH Capital



## Private equity firms:

- Invest in businesses that can be made more profitable
- Typically sell their investments after a few years (*Strip & Flip*)

BGH is relatively new (2017)

Investment	Year acquired	Description
Navitas	2019	Global education provider
CyberCX	2019	Australian cyber security provider
ForHealth	2020	Australian primary services care provider
Abano Healthcare	2020	One of the largest dental networks in Australia and New Zealand
Village Roadshow	2020	Entertainment and leisure business
Laurent	2021	Melbourne-based wholesale and retail artisan bakery
Hazeldene's	2021	Australian Poultry producer
Virtus Health	2022	Provider of assisted reproductive services
Pushpay	2023	Software and payments provider to faith-based sector
Fusion5	2024	Australasian business applications technology specialist

# Private Equity in Higher Education

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Private equity firms increase profitability by:

- Increasing revenue
- Decreasing expenditures

In higher education, this means:

- Higher tuition
- Less money spent on education

Research shows that private equity firms in higher education are associated with:

- Lower graduation rates (-6%)
- Lower loan repayment rates (-9%)
- Lower earnings among graduates

# BGH's Buyout of Navitas

Part of a larger trend of private equity in private higher education

Initial offer (2018) was rejected

Navitas was purchased for \$2.3 Billion AUD in May 2019

Purchase involved Rod Jones

- Founder and CEO of Navitas until 2017
- Re-joined Navitas as a non-executive chairperson after the deal was made

# Benefits for Navitas Partners

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## Increasing international enrolment

- Financially beneficial, especially in Ontario
- Creates a globally-connected student body
- Navitas colleges get their own DLI numbers

Could diversify international students' country of origin

Burden of international recruitment falls to Navitas



# Poor Reputation

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## **Why do you oppose Navitas?**

They would establish a for-profit college on our campus. The people they hire would not be members of UWOFA, so they wouldn't have the protections that our members have under our collective agreement, meaning no academic freedom or the job security that contract faculty members have here. Navitas would admit students who do not meet our entrance standards. Also, we are concerned that there's going to be lots of pressure on these teachers to relax their academic standards.

## **What would be the consequences?**

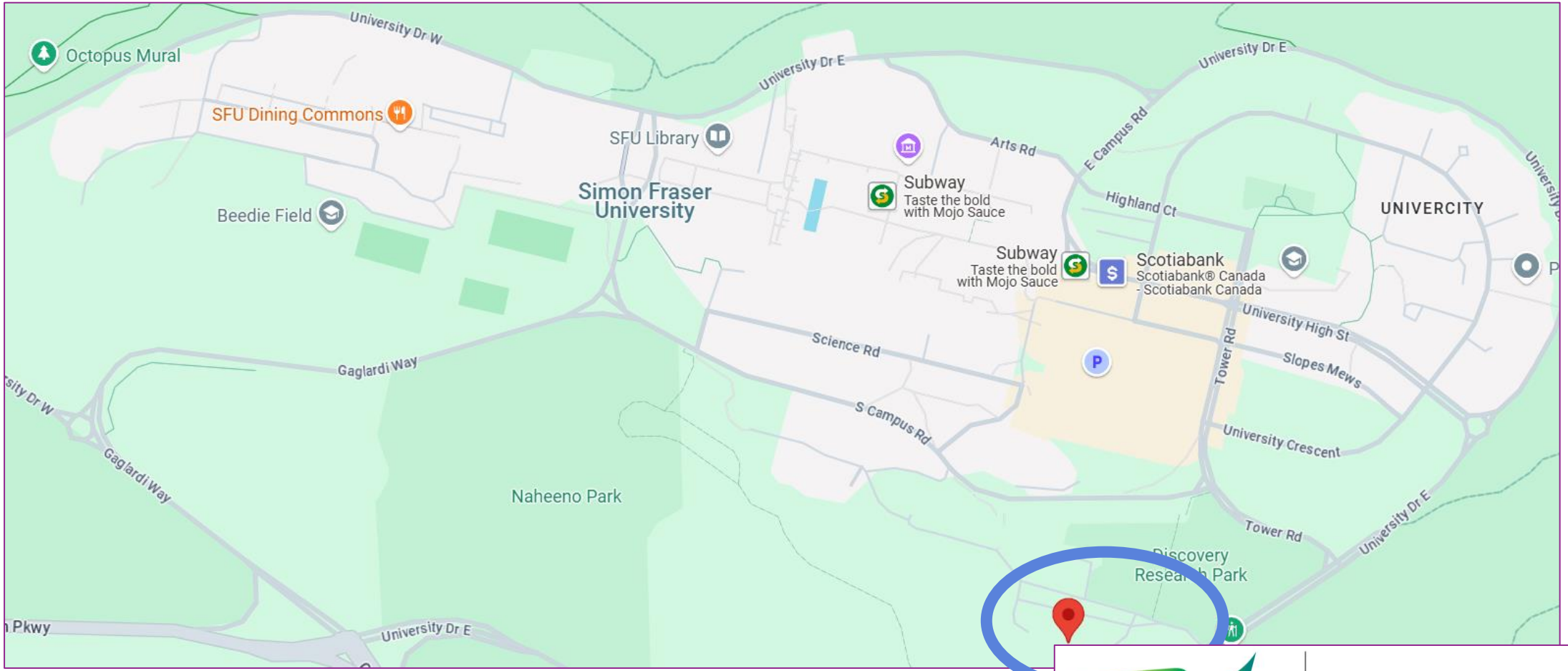
It's not fair to other students if there's a "pay-to-play" scenario where some students can jump the queue simply because they can afford an exorbitant international commission, and it doesn't serve the second and third year cohorts well after Navitas students are integrated into Western's main campus. It does a disservice to international students as well. We question the ethics of recruiting people in this way.

News | Jun 1 2022

# Faculty, students fight to hold post-secondary privatization at bay

Australian company Navitas doubled its presence in Canada during the COVID pandemic

*by Justin Brake*



There is currently no evidence that Navitas pathway colleges successfully increase international enrollment.

# Negative Impact on Students

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Exploitation of international students

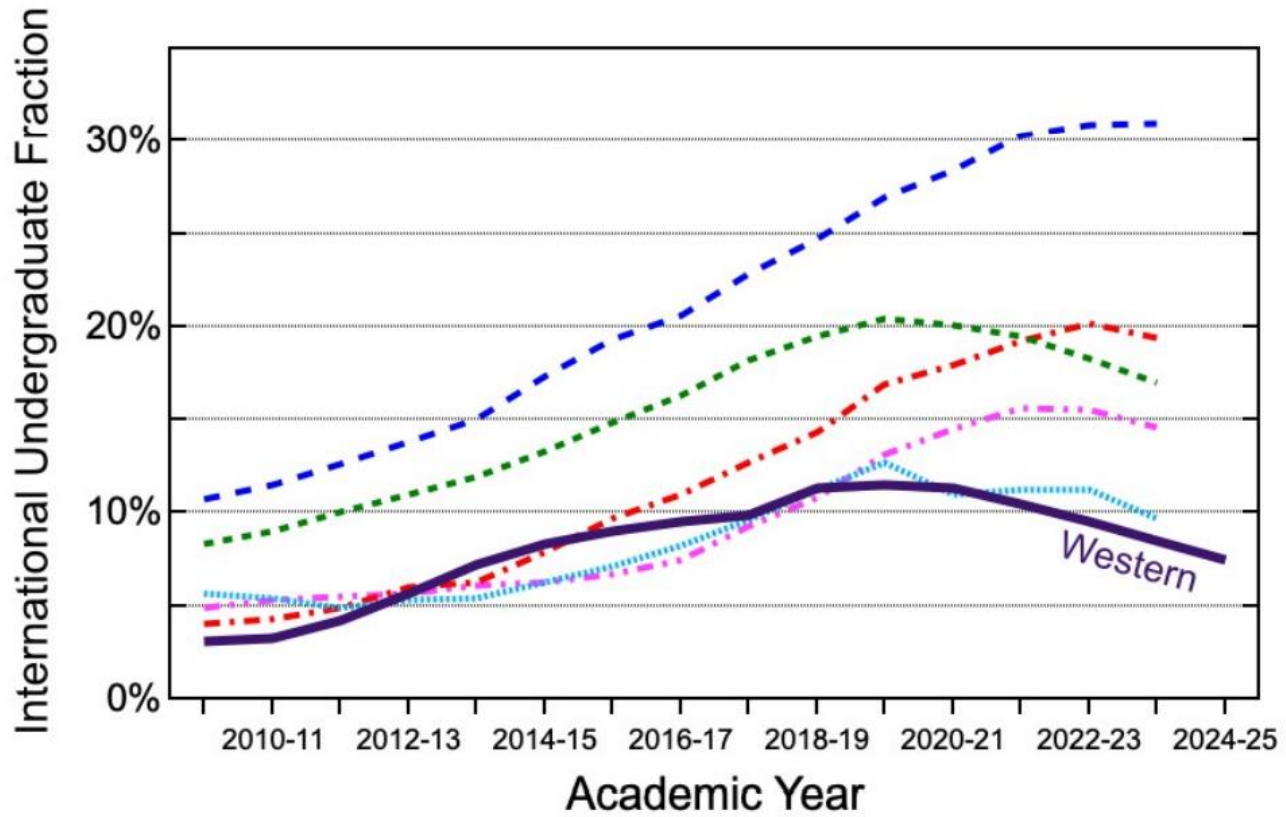
Segregation of international students

- More difficult transition into second year
- Possible discrimination by peers

Declining academic standards

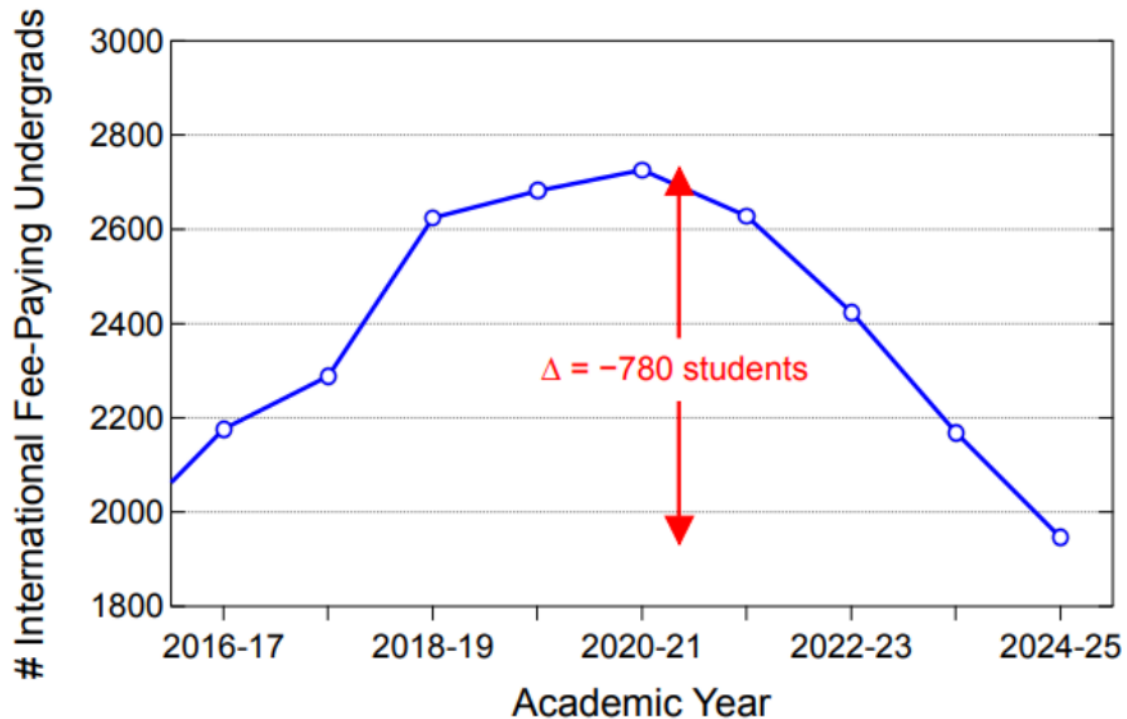
- Admission criteria are less rigorous
- Profit incentivizes student advancement, perhaps when students aren't ready
- Navitas comes with a “degree mill” reputation

Profit is incentivized over student welfare



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Decreasing  
International  
Enrollment



## Fewer Fee-Paying International Students

International students are an important source of revenue for Western.

- Domestic tuition is capped at 2018 levels.
- University budget becomes increasingly tight year after year.
- Drop represents \$40 million in lost revenue.

Decreases in international enrollment due to:

- COVID
- Fewer study permits

Western is below its international student cap

# Western's Potential Partnership

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Western would be 2<sup>nd</sup> U15 to partner with Navitas

Western would be the first Canadian University to offer professional masters programs

Would possibly use space at Brescia

Several things remain unclear, such as:

- Will students be part of SOGS?  
SOGS provides services like the bus pass and health plan.
- Will there be teaching assistants for first-year courses?  
If so, will they be PSAC 610 members?
- Will instructors be members of UWOFA?

# Alternative Solutions

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## UBC's Vantage College

- Offers pathway *programs*
- Owned and run by UBC
- Offers language support
- Does *not* lower admissions standards

External recruitment companies



# Conclusion

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Navitas operates pathway colleges with partner Universities.

- Students do not meet admission criteria for partner University.
- Navitas fills in the gaps.

Navitas was acquired by BGH Capital in 2019.

BGH is a private equity firm that likely wants to:

- Increase Navitas' profitability.
- Resell it.

Concerns include:

- Declining academic standards.
- Poor treatment of international students.

