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International Education

International Education: Overview

Australia is a world-leading international education destination. It enjoys an excellent global reputation with the vast majority of international students satisfied or very satisfied with their experience of learning and living in Australia.

The International education sector is Australia's largest service-based export. It contributed \$37.6 billion to the national economy and supported 240,000 jobs nationally in 2018-2019. It was the fifth year of double-digit growth, highlighting the sector's growing contribution to the country's prosperity. The indirect benefits that flow to other economic sectors are substantial.

Beyond the economic and financial benefits of the international education sector, Australia's cities and regions are fortunate in so many other ways. International students bring a vibrancy to our cities and regions, and provide the country with deep and long-lasting global ties.

The impact of COVID-19

The outbreak of COVID-19 is primarily a public health issue, but its impact on the economy and the financial system has been significant. Australia's international education sector has not been immune. Closure of national borders and the subsequent loss of international students has hit many universities hard - the ramifications will be felt for years.

With sizable cash reserves and investments, most of Australia's universities can handle the downturn in international student revenue in the short-term. However, sustainability for some over the long-term will be difficult.

The degree of disruption felt by each university across Australia is different; some universities are exposed to this crisis more than others. Overall, it is estimated that the sector could lose \$16 billion by 2023. Up to 21,000 jobs, including 7,000 research-related academic positions, are at risk.

With so many research positions under threat, Australia's capacity to solve complex problems and innovate will be compromised. In 2017-2018 universities undertook 34% of Australia's research. Calls will grow louder for more government investment into research capabilities.

Melbourne and Victoria

Melbourne is a world-leading international student destination. Ranking third in the 2019 QS Student Cities Index, the city's high-quality education, research and training sector has been a magnet for students and researchers from around the world.

Mirroring the national economy, international education was a critical component of Victoria's growing prosperity. It is the state's largest services export industry – it generated \$12.6 billion in export revenue for Victoria and supported 79,000 full time local jobs in 2018-2019. Other sectors of the local economy including tourism, hospitality, real estate, financial and professional services, reap significant financial benefits, while the benefits to our society broadly is incalculable.

There is a large concentration of higher education providers in Greater Melbourne. The following chart highlights their total income levels in 2018, including how much income is generated through international student fees. Their level of exposure to the COVID-19 disruption and the loss of anticipated international student fees varies.

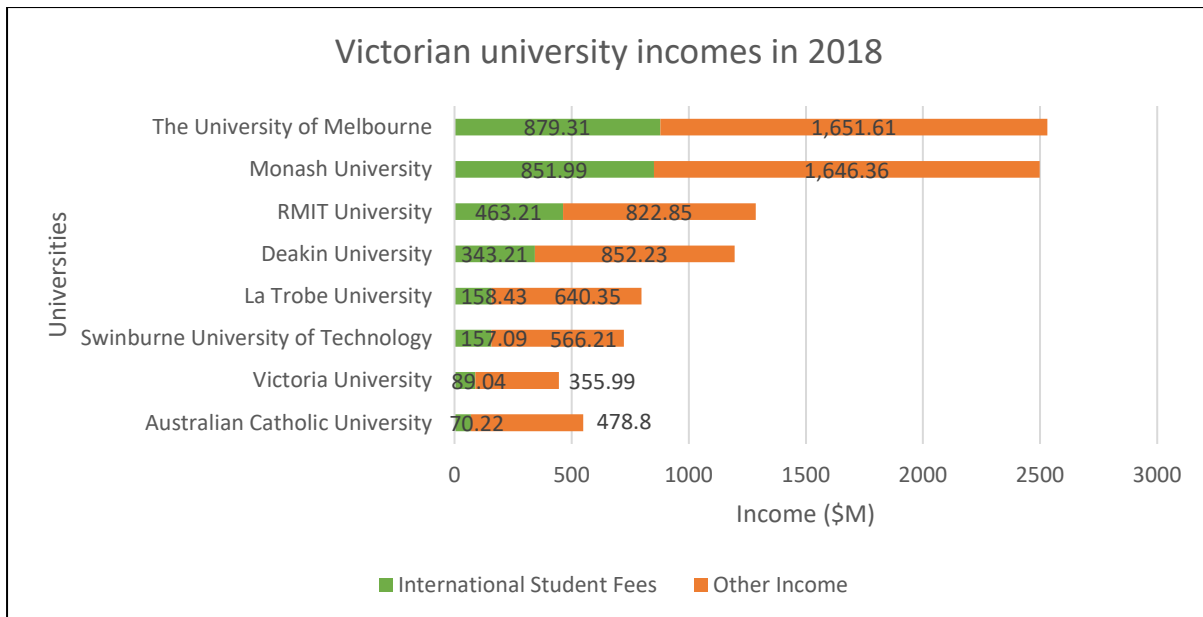


Chart: Department of Education, Skills and Employment

International students contributed to Melbourne's transformation into a truly global city. They will play a significant role in helping Melbourne maintain such status as we emerge from the COVID-19 crisis.

In 2015, Committee for Melbourne released its strategy paper *Melbourne – a prosperous future: World-leading international student city*. The paper emphasised the importance of the international education sector to Melbourne's economy and society, and explored three key themes to help increase Melbourne's share of the international education market: attracting international students, providing a quality education, and providing a quality experience.

These themes remain as relevant now as they did in 2015, if not more so. COVID-19 has disrupted the status quo. The cities and countries that recover most quickly and successfully, and which can offer a quality education in a safe and welcoming environment for international students following the crisis, will attract strong market share.

Melbourne is well-positioned as we emerge from the crisis. Its inherent strengths have not changed; it offers a world-class education system, an enviable lifestyle, a multicultural society, and lies in proximity to burgeoning Asia. However, local international education providers and policy-makers will need to address a range of issues if we want to rebound strongly.

One critical issue which, if addressed successfully, would enhance the competitive value proposition for Melbourne's higher education providers; demonstrating strong links between students' studies and employment outcomes, both in Australia and in students' home countries. Maintaining and building internship and graduate programs within large Australian-based organisations for international students, as well as creating pathways into foreign-based organisations for students, will be vital to that end. It will require collaboration, coordination and support from governments and industry.

Another major issue requiring attention will be the need to strengthen Melbourne's brand. The competition for international students will be fierce following the current crisis; Melbourne must position itself well in the minds of prospective students and their families. Ensuring that Melbourne offers a safe environment, security, a quality education and experience will be key.

Committee for Melbourne looks forward to working with its members to help support and strengthen the international education sector as we recover from the COVID-19 crisis.

Please contact the Committee Secretariat for references to statistics cited in this paper.