Dear Taskforce Members,

The University of Sydney welcomes the opportunity to make this submission to the Visitor Economy Taskforce. The University commends the NSW Government for developing Industry Action Plans as strategic roadmaps in key industry sectors in NSW and in particular, the focus on supporting and developing a tourism and events strategy that will include the positioning of Sydney and NSW as a destination of choice for international students.

The University is keen to emphasise the significance of the international student market to the visitor economy. The provision of educational services to international students in Australian schools, colleges, vocational education institutions and universities has grown by an average annual rate of 14% compared with 6% for other service industries, to become Australia’s largest services export industry and third largest export industry overall behind iron ore and coal:

- In 2009 international education generated $18 billion in export income and has grown by 94% since 2004;
- In Victoria and NSW international education is the largest and second largest export industry respectively;
- Higher education is the most economically significant part of the international education sector. In 2009 it had 32% of the total student market (630,000 students) and generated 57% of revenues ($10.3 billion);
- On average, each international higher education student generates over $50,000 annually for the Australian economy. Just over a third (36%) of this is spent on tuition fees. The rest is spent on goods and services – generating additional jobs and income;
- The economic activity resulting from international higher education students has recently been estimated to support an additional 100,000 jobs in Australia in 2009, with 80,000 of these occurring outside the education sector; and
- It has been estimated that for every two international students enrolled in an Australian university, one extra job is created somewhere in the economy.¹

However, international education is much more than an industry. The relationships formed through international education underpin Australia’s engagement with the world, helping to sustain goodwill, trade, investment and forming the basis for future personal, business and research collaborations as part of the global knowledge economy.

**Current challenges**
The expansion of the international higher education sector has been actively encouraged by successive Australian governments through measures such as the deliberate linking of the education sector to the migration system by providing visa applicants with credits for studies completed in Australia; the active promotion of Australian higher education through Australian Education International (AEI) and the Department of Foreign Affairs and Trade; and public funding austerity designed to encourage efficiency and entrepreneurialism.

All Australian universities (and particularly some regional universities) now rely heavily on income from international students to support their core teaching and research activities. Income from international student fees now makes up between 7% and 44% of the total operating income of Australian universities. All are vulnerable to sharp declines in revenues from international students. For example, in 2009 the University of Sydney received $241 million in income from international student fees. This represented 17.4% of its total revenues and 18.4% of its operating costs. International students, and the tuition fees they pay, are now embedded as fundamental parts of most Australian universities. Indeed, as was recognised by both the Bradley and Cutler Reviews of 2008, many higher education providers now rely heavily on income from international students to support their research as well as overall teaching activities. Moreover, strong growth in revenues earned from international students has eased pressure on the Commonwealth to increase the level of public funding provided to support the core teaching and research activities of our universities.

Internationalisation is now simply fundamental to the University of Sydney’s mission of producing global citizens, as well as to its continued international competitiveness. From education and research, to alumni and community engagement, we seek to maximise opportunities for domestic students and staff to engage with colleagues outside Australia. We also seek to ensure that staff and students who come to the University from overseas find an environment that is safe, welcoming, and which values the contribution that they make.

The dilemma the sector faces is that unless the quality of the overall educational experience for all students can be sustained and, ideally, improved, international students will simply go elsewhere, thus compounding the funding challenges we face. International higher education in Australia is now under severe pressure as a result of several recent domestic and global developments. These include:

- the stronger Australian dollar; (means that the cost of Higher Education courses relative to the US, for example, has increased);
- the continuing impact of world financial instability;
- increased competition from other countries (especially from US, UK and Canada)
- Increased investment in higher education in key Asian source countries; while the developed world has traditionally dominated the market, developing nations are now increasing their share of the market. Countries like China and, in particular Malaysia, are pushing hard to attract international students;
- reputational damage caused by high profile attacks on international (especially Indian) students and the collapse of some private colleges;
the fall-out from the major changes to student visa and skilled migration requirements, subsequently reviewed and in the process of changing following the recently released Knight Review recommendations;

- the reluctance of some state governments to provide travel and other concessions to international students; and
- accommodation challenges.

**Action needed**

Australia must demonstrate in Asia, in particular, that Australia is an open and tolerant nation that values international education for the social, cultural and economic benefits that it brings. Australia’s international students continue to be predominantly from the Asian region – particularly China (27%), Singapore (10%) and Malaysia (10%). The Asian market however, is increasingly establishing itself as a competitor to the Australian market with universities in Hong Kong and Malaysia providing alternate places of study. Key drivers of growth in international student enrolments will include:

- General improvement in the quality and growth in the capacity of Australian universities
- General improvement in the overall student experience including, but not limited to:
  - Improving accommodation options for international students
  - Introduction of transport concessions for international students, and aligning them with the transport policies for domestic students
  - Support for the Airport reception program

**Accommodation challenges for students**

We are keenly aware of the difficulties students face in Sydney in seeking and finding appropriate, affordable accommodation. The University provides close to $1.8 million each year in loans and bursaries to students, independent of scholarships schemes, to assist students to meet daily living and study costs. In 2010, more than 65% of these funds were allocated to students to meet bond and rental payments, and to cover basic living costs. In this light, the University is using considerable resources to assist students bridge the gap between their resources and the accommodation price point in and around the University campuses. The University is keen to find local solutions as the further students must live away from the University, the longer the travel time, the higher their travel costs and the less time they have to engage with their studies and peers, work or participate in co-curricular activities.

Our views have been informed by a review of international students’ perception of and satisfaction with their current accommodation during 2009 and 2010. Over 1850 students completed a survey. A summary of results are as follows:

- Over 86% of students were living in the private rental market, (7% in housing owned by their family, 9% in on-campus accommodation);
- More than 40% of these students reported that their current costs for accommodation were not within their budget and 36% of students reported that they did not feel that they were “getting value for money”;
- More than 11% required in excess of one month to find permanent accommodation.
- In choosing accommodation, 90% of students reported that cost of accommodation, and location (close to Uni or public transport) were the most important factors;
- While a small minority of students reported that living with students from their culture was an important factor in selecting accommodation (13%), the reality was that the majority of
students in the survey were living with students from their own language group (65%), thus diminishing their international education experience;

- High churn through beds with more than half reporting they had moved more than once in 12 months, particularly to find cheaper accommodation closer to study. More than one fifth were living more than 12 kilometres from the campus;
- Where accommodation had a lounge room, more than one fifth of these residences were using this room as an extra bedroom;
- There is questionable awareness within the international student body of their rights and responsibilities. In the 2010 survey, 40% of students had no signed tenancy agreement, 18% had not paid bond, 17% had not received a receipt for their bond. In addition two fifths of students did not know if their bond had been registered with the Rental Bond Board. Of particular concern, over 50% of students did not receive receipts for their rental payments; and
- In cases of dispute or dissatisfaction with a landlord, the most frequent path for resolution for the student was to leave the residence.

In the University of Sydney White Paper and Strategic Direction 2011-2015, the University has identified a need to increase the available beds in and around the campus to 6000 from a current base of 2500 in recognition of the key role suitable accommodation plays in ensuring overall student satisfaction and success with their tertiary studies. We are currently undertaking a major review of student accommodation and looking at how to increase the available beds within close proximity of the University. There are significant funding challenges for the University in seeking to address this issue.

**Transport concessions**

An important finding from the survey conducted of international students during 2009 and 2010 was the significance of the lack of transport concessions for international students. We are aware that students will accept more affordable rental accommodation further from the University, however this increases travel times. While International students are required to pay full fare for public transport, this increases the overall living costs. When students are required to travel, the lack of transport concessions add to their sense of isolation.

The University supports the recommendation of the Social Policy Committee of the NSW Legislative Assembly in their report, *Inquiry into International Student Accommodation in New South Wales*, released last week, that the NSW Government consider introducing travel concessions for all international students (Recommendation 3). We note the Committee’s views set out in paragraph 2.74:

*The Committee is conscious of the $6.5 billion value of the international education sector to NSW and regards the extension of travel concessions to all international students as an important element in securing the State’s position as the largest provider of international education.*

**Airport Reception Program**

International students arriving at Sydney's international airport to commence higher education courses at some universities have had the benefit of a specialised welcome service for over ten years due to the joint commitment established by a number of NSW universities. While the welcome desk has experienced a degree of success, it could be used more effectively to meet the needs of incoming international students and connect them to the broader Sydney community.
Welcoming students on arrival is very important, as for some students this is their first sojourn abroad and for others it may be the first time to Sydney or Australia. Being received with a warm welcome is an essential quality addition to the arrival and overall experience. It is a useful point to distribute essential information about safety, accommodation, transport and community engagement initiatives. By providing this information the student experience is enhanced at the outset and likely to be more positive in the longer term. Given that word of mouth remains a strong marketing tool, the opportunity to provide a warm welcome and facilitate smooth transition can have a significant impact on the market. By taking the opportunity to link students with community activities the contribution they make to the community and the benefits they receive from this involvement will increase. By providing information on accommodation, transport and safety, duty of care responsibilities and risk management are addressed.

Why the current arrangements need to be changed

1. **Limited access.** The current desk only services a limited number of arriving students attending UTS, UNSW, University of Sydney, UWS and Macquarie. Other higher education students coming to a range of universities, VET providers, ELICOS colleges and secondary students are not included. This group of students represent a significant part of the student cohort, and arguably need even greater support because of their average age. Last semester, the desk serviced 544 students. Given the University of Sydney alone accepted around 2000 students in that semester, we are clearly not providing an adequate reach to students of the participating universities, let alone the education providers not included in the current program.

2. **Inconsistent delivery by education providers.** The Education Services for Overseas Students does not stipulate the provision of an airport welcome as a requirement. Therefore efforts by education providers are varied and uncoordinated. A central point of contact to provide a welcome that is initially Sydney and NSW orientated and then focused on each academic institution’s requirements is lacking.

3. **The location of the desk.** This has changed several times over the last few years under the direction of the Airport Authority. This makes promotion and marketing in pre-departure information problematic. The Airport Authority does not see the desk as a priority, and perhaps not even of benefit.

4. **Visibility to students.** Lack of prominent signage has become a problem because of the temporary location of this facility and the lack of commitment from the Airport Authority.

5. **Operational costs.** The Airport Authority introduced a rental cost of around $8000 per year, adding to the financial burden of the limited number of consortium members.

By providing a more comprehensive and better coordinated welcome, an opportunity is open to:

- deliver a worthwhile and comprehensive welcome to a broad cohort of newly arriving students
- promote the NSW Government website and portal to include information on safety, travel, cost of living, accommodation, volunteering opportunities, community services and events, and health insurance together with the information specific to the academic institution the student will attend
- link those students who have arrived without accommodation to available providers
- minimise risk to newly arriving students ensuring duty of care is provided and demonstrated
- develop links between Commonwealth, State and Local Governments and education providers and demonstrate the interest these levels of government and providers have in international students
improve word-of-mouth marketing, a fundamental marketing tool, by providing a positive first experience.

- develop an important relationship with international students that goes beyond the academic arena and adds to the social capital and fabric of Sydney and NSW.

**Recommended considerations:**

- Establish a ‘whole of community’ approach with local and state governments principally coordinating and managing the project.
- Provide a prominent well signed desk with a more generic welcome, which focuses firstly on Sydney and NSW, and then on each participating academic institution.
- Seek funding from a variety of sources including local and state governments, education providers from all sectors, other international education organisations and interested corporate entities.
- Continue with the current hours of operation. Currently the desk operates for six weeks in January/February and for five weeks in July/August each year. Hours of operation are 0600 to 1200 and 1730 to 2330.
- Staffing to include a paid coordinator to set up and manage the ongoing project and two desk staff each shift. Currently, it is staffed by one paid staff at each shift. The great majority of arriving international students pass through the airport over this period.
- Use of volunteers as advisors to arriving students.
- An estimate on the above proposal would be in the vicinity of $64000 per semester.

This costing is based on a part-time coordinator, two desk staff, rental of desk, training of volunteers and some travel and other administration costs. Variations on this model could be considered. Once a model is agreed a more detailed costing is required.

Melbourne runs an effective welcome desk program and information can be located at: http://www.melbourne.vic.gov.au/okc/Pages/StudentWelcomeDesk.aspx

**University aims**

As mentioned above, international students are now a fundamental and important component of universities, bringing with them both a cultural richness and economic benefits to both the universities and communities in which they live. However, while embracing international students, we recognise the difficulties and challenges many face in settling into a foreign country and maximising the full educational experience. The University is keen to ensure the overall student satisfaction of international students. This includes success with their tertiary studies, and their active participation in the community. However, this desire and vision requires government and community support and engagement in addressing the challenges faced by international students to ensure that NSW remains competitive in the international student market.

The University would be pleased to have the opportunity to address the Taskforce or provide additional information in regard to any issues concerning the international student market. I may be contacted directly on 9351 3517 or at derrick.armstrong@sydney.edu.au and would be delighted to hear from the Taskforce.

Yours sincerely,

Derrick Armstrong