



COMMITTEE FOR
ADELAIDE

Shaping the future of Adelaide, South Australia

**Position on the Education Services for
Overseas Students Amendment
(Quality and Integrity) Bill 2024**

JULY 2024



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About the Committee for Adelaide

The Committee for Adelaide is an independent, non-partisan and sector agnostic organisation that brings together businesses, industry bodies, academia, community, and government to help shape the future of Adelaide, South Australia.

Importance of the International Education Sector

International education is an important and valuable asset that delivers significant economic and social benefits for the community. The sector contributes \$48 billion to the Australian economy and is Australia's largest export services industry. While studying in Australia, international students contribute two-thirds of international tourism spend (\$40 billion of \$59 billion).

In South Australia, international education is the state's top export earner, contributing \$3.15 billion to the state's economy, with a record 54,000 international student enrolments in 2023. International students and graduates play a vital role in meeting South Australia's current and future workforce needs and stimulate the local economy, spending money with local businesses, providing a significant boost to the local tourism industry, and supporting part-time and casual workforce needs across a range of sectors.

Draft Framework and the Education Services for Overseas Students (ESOS) Amendment Bill 2024

The Committee for Adelaide welcomes efforts to ensure the quality, integrity and long-term sustainability of the international education sector and acknowledges the need to respond to opportunities and challenges that have emerged within the sector in recent years, in line with the Australian Universities Accord.

The Committee supports the emphasis in the Draft International Education and Skills Strategic Framework (the Draft Framework) on reducing the concentration of international students in Sydney, Melbourne and Brisbane and growing demand for regional providers. As a smaller capital city than its eastern states counterparts, Adelaide offers a unique experience to students and it is important that Adelaide continues to be recognised as a regional location, in line with its current migration status.

However, the proposed levers set out in the Draft Framework and associated legislative amendments to the ESOS Bill to cap the number of students at provider and course level for all universities poses an unjustifiable economic and social risk to the sector and the nation.

The proposed cap appears to be founded on a false conflation of international students and Australia's housing crisis. Adelaide currently has a 10% vacancy rate for purpose-built student accommodation, with the Adelaide City Council area home to the highest concentration of international student renters in the country, compromising one in four renters in the Adelaide CBD. With many recent international student arrivals embarking on lengthy 3+ year courses, capping international students will not provide a 'quick fix' to the housing crisis in South Australia but will have detrimental consequences to the South Australian economy.

There is significant risk that the proposed reforms will create instability and uncertainty, undermining Australia's global reputation as a provider of high-quality higher education. Global competition for talent is fierce and prospective students are likely to turn away from Australia as a study destination if there is a risk that their study plans could be interrupted by enrolment limits. Attracting international students and retaining their expertise in critical sectors, including energy and resources and health, will be key to achieving the State's growth agenda and future prosperity.

Careful consideration is needed with regard to the proposed alignment between course offerings and Australia's skills and training needs outlined in the Draft Framework and ESOS Bill. In South Australia, some of the major workforce shortages are in areas of study that require placements (e.g. nursing) and as a state we do not have enough placements to be able to expand course numbers.

Furthermore, capping international student numbers will further and significantly weaken the financial position of many Australian universities. For many universities, who are not for profit organisations in which all revenue is invested back into teaching and research activities, almost a third or more of their revenue was sourced from fee-paying overseas students in 2022. Cutting this revenue stream will have irreversible impacts to the viability and sustainability of Australia's valued universities.

Any notion of capping Australia's international student intake poses serious reputational consequences for Australia's international education industry. At a time when South Australia is embarking on the creation of Adelaide University, representing the nations largest change to higher education in more than three decades, it sends the wrong message to prospective international students, and visiting friends and family, that they are not welcome in Australia. It also undoes all the work by the sector to rebuild Australia's reputation following border closures as a result of the COVID-19 pandemic.

The Committee for Adelaide echoes calls from across the higher-education sector to:

- Delay the introduction of the ESOS Bill to enable proper and meaningful consultation on the Draft Framework to enable a more balanced outcome to sustainable growth of the sector.
- Not introduce caps on new international student numbers at public providers, universities or TAFEs or course level.
- Take an evidenced-based consideration of international students and housing, and for the Government to work with the international education sector and the student accommodation sector to undertake a detailed audit of the current and future provision of purpose build student accommodation in Australia to support sustainable growth of the sector.