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The importance of international education to the Northern Territory

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RESEARCH AIM

This paper seeks to provide some background to the importance of international students to the Northern Territory and highlights key findings from research and consultancies undertaken by researchers from the Northern Institute. Suggestions for future research in order to maximise the economic and social benefits they bring to the Northern Territory are presented.

KEY POINTS

- International education and training in the Northern Territory (NT) makes a substantial contribution to the local economy. In 2015-16 the NT received \$81m from this industry, a 11% increase in comparison to the year before. Unlike some other industries affected by seasonal fluctuations or dependent on the fluctuations in the resources sector, it provides a predictable contribution to the economy.
- International students in the NT translate into employment opportunities for locals. It is estimated that in 2013 and 2014-15, they generated 530 and 444 full-time equivalent (FTE) jobs, respectively.
- International education and training also makes an indirect contribution to the NT economy through the tourism dollars of visiting friends and relatives.
- Overall, evidence on the earnings from international education in Australia is fragmented. Studies/ datasets measure different aspects. Consequently, policy development and evaluation are hindered.
- The NT climate, welcoming multicultural communities, local family and/or broader social connections or past experience as well as proximity to the home country are all important attractors for international students.
- Students are warmly welcomed to the NT who appreciate the support they receive from their respective cultural communities. Social media are the key platform to seek, share and receive information with both students and the organisations active users.
- Students actively seek and value the employment opportunities they can access locally. They believe jobs are easy to find and give an opportunity to practice English, which in turn helps them in their studies. As these part-time jobs are usually in hospitality and food services and often late at night, transport is reported to be the biggest problem.
- The temporary graduate visa (485 subclass) permits international graduates to work temporarily in Australia. More students looking at obtaining this visa may benefit from exposure to work in their field of study or professional field. Some of the options include work experience embedded in their course of studies and/or work integrated learning. Employers who take on international students on job placements that are already embedded in some courses find them excellent value and they bring diversity, enthusiasm and fresh thinking to the roles.
- To formulate smart attraction strategies for international students and to maximise the economic and social benefits they can bring to the NT in the future, we propose the research priorities:
 - (a) Understand the “how many, when, for how long, and where” international students receive visitors from home to enhance their experience and contributions to the NT economy.
 - (b) Explore the role of social media students and cultural communities already use as another means to further promote study and training opportunities in the NT.
 - (c) Consider, in collaboration with employers, how to offer interested students an employment opportunity to engage with their professional field.



Introduction

The *Northern Territory International Education and Training Strategy 2014-2024* (Northern Territory Government 2014) provides a plan to strengthen the Territory's position as a gateway between Australia and Asia through education. International education is one of five industry pillars that play to Australia's strength and have the most potential for growth. The Australian Government's White Paper on Developing Northern Australia (2015, p. 58) suggests that 'based on growing demand for international education across the world, the number of international student enrolments in northern Australian education institutions could more than double by 2035'. Australia's national strategy for international education (Australian Government Department of Education and Training 2016b) further recognises the role of international education in extending cultural and economic relationships and driving economic growth in regional hubs.

Financial benefits

International education in Australia (and the Northern Territory) embraces all levels of the education system, Higher Education (HE), research (university), Vocational Education and Training (VET), English Language Intensive Courses for Overseas Students (ELICOS), schools, and non-award students. International education activity arising from international students studying and living in Australia contributed \$19.9 billion to the economy in 2015-2016 and a further \$456 million from offshore earnings and royalties (Australian Government Department of Education and Training, 2017). Education is Australia's third largest export earner after iron ore and coal and the largest services export (29.1% of total services exports) ahead of personal travel services and professional and management consulting services. The Northern Territory (NT) was the recipient of \$81 million of export income from education and training in the financial year 2015-2016 (Australian Government Department of Education and Training, 2016a) and whilst the lowest of all states and territories with Tasmania and the Australian Capital Territory receiving \$211 million and \$508 million respectively, and the NT experiencing a year-on-year increase of 11% (Northern Territory Government, 2017), there is every reason to be optimistic about the continued growth of international education in the NT. A further advantage of the growth in income from international education is it is not dependent on the ebbs and flows of the resource extraction industries, nor does it follow the seasonal peaks and troughs of the tourism sector and in so doing, provides a more predictable contribution to the NT economy (Gerritsen, 2014).

Enrolments

International student enrolment data as at August 2016 (YTD) (Northern Territory Government, 2017) indicates there were 1,424 HE students, 360 VET students, 275 ELICOS students, 107 school students and 53 non-award enrolments in the NT. The Australian Government Department of Education (2016c; 2016d) reported in 2015 Charles Darwin University (CDU) was host to 2,471 onshore higher education international students (1,294 of those being commencing students), a number representing over 20% of its student enrolment. The economic contribution of international education and training to the NT economy in 2012 was valued at \$43 million, with that expenditure converting to 445 full-time equivalent (FTE) jobs (Flanagan & Mitchell, 2014). A follow-up report replicating the methodology but accessing 2013 data, calculated international education exports were at least \$51.5 million, creating 530 FTE jobs in the NT (Gerritsen, 2014). Deloitte Access Economics (2015) reported the contribution of international education to employment 2014-2015 in the NT was 444 FTE jobs or 0.4% of employment (noting the figures included the contribution associated with tourists visiting friends and relatives). It should be noted however, that a percentage of HE enrolments attributed to the NT are students enrolled at CDU but studying at their Sydney or Melbourne campuses, hence it is prominently the fee component only of the income that is retained in the NT.

Between 2012 and 2014, Tourism Research Australia included supplementary questions in the International Visitor Survey asking respondents whether or not they visited an overseas student studying in Australia during their trip.



The contribution (both direct and indirect) of friends and relatives (VFR) visiting international students in the NT 2014-2015 was \$2 million and converted to 10 direct and 5 indirect FTE jobs (Deloitte Access Economics, 2015). If international student numbers continue to grow as expected in the NT, the current inquiry into Opportunities and Methods for Stimulating the Tourism Industry in Northern Australia (Parliament of Australia, 2016) will need to consider the importance of the contribution of the VFR tourist market and mechanisms to enhance its contribution to the NT economy.

All reports however note that obtaining complete and accurate data for international earnings remains difficult and the overall evidence base is fragmented with different datasets measuring different aspects of the international education sector. As a result, until there is further data collaboration, policy development and evaluation remain difficult.

Enhancing the attractiveness of the Northern Territory (NT) as an education and training destination

Various economic, demographic and social factors drive the mobility of students globally. For international students primarily seeking an educational outcome rather than permanent migration, a number of key factors influence where students choose to study. These include the reputation of the education provider, tuition fees, the cost of living, the value of the Australian dollar, lifestyle, the presence of support networks, positive student experiences, visa policy settings, availability of scholarships and associated work rights (Commonwealth of Australia, 2015, Australian Government Department of Immigration and Border Protection, 2015).

The NT's multi-ethnic, multi-religious and multicultural community provides a warm welcome for international students, with over 100 resident nationalities and some 100 social, cultural and religious organisations with which to engage (Northern Territory Government StudyNT, 2016a). A recent pioneering study by the CDU Northern Institute (2015) shed some light on the experiences of international students, in particular, their interactions with multicultural organisations and other information sources and support networks that contribute to positive experiences as students. Proximity to their home country, similar climates, space, prior family member or peer experience and/or local resident and a strong cultural presence were all important reasons students chose to study in Darwin. Welcome meet and greet functions such as those organised by the NT Government at Parliament House are important opportunities for international students to network and identify key information sources. Cultural occasions and events facilitated by the many multicultural organisations and Consulates in Darwin are much sought after by students, allowing them to maintain a strong connection to their country of birth through food, language and dance. These organisations have an increasing social media presence which is highly valued by students for timely information related to not only events, but to other activities and outings (such as the popular weekly markets), religious services, and volunteer and paid work opportunities. Other important networks offering support are the international student associations at CDU¹ and Multicultural Youth NT² Organisation and Consular websites and social media sites are principal communication mechanisms for distributing information to their members and constituents, both in the NT and the countries they represent. These present an outlet for further promoting the NT and the international education opportunities offered as do the international students themselves sharing their experiences through photos with their own networks.

During their Australian education experience, the majority of international students undertake study in more than one educational sector. The English Language Intensive Courses for Overseas Students (ELICOS) sector is the first

¹ <http://www.cdu.edu.au/strategicservices-governance/services/affiliations>

² <http://www.mynt.org.au>



step in an Australian study pathway for nearly two-thirds of the international students. Forty-two per cent of international students in Australian schools go onto further study in the tertiary sector and 46 per cent of international students in higher education had studied in one of the other sectors previously (Australian Government Department of Education 2015). These figures suggest that any increase in HE numbers (where the greatest per student income is earned) will also see a substantial increase in enrolments in ELICOS, a finding reiterated by Gerritsen in relation to international student numbers in the NT (2014).

Streamlined visa processing (SVP) was initially introduced for Australian universities in March 2012 to support the sustainable growth of the international education sector. Under SVP, students benefit from lower evidence requirements, regardless of their country of citizenship and generally receive simpler and quicker visa processing. The student visa program aims to support the growth of the international education sector, while maintaining high levels of immigration integrity that is ensuring international students are genuine in their intention to complete a course of study and not using the program primarily as a de facto migration entry point. Nonetheless, the prospect of post study work opportunities and the potential of permanent migration to Australia is a further primary driver of student demand for Australian international education (Deloitte Access Economics, 2015).

A second pioneering report by the CDU Northern Institute (2016) investigated the employment experiences of international students in Darwin, both current and alumni students. Generally, students are able to work for 40 hours per fortnight during study and examination periods, and unlimited hours during the extended semester and year end break. Some programs of study require students to undertake compulsory internship/professional work placement some of which is paid, although most is not. Employers find these international students on placement invaluable, bringing diversity, fresh thinking, new skills, different languages and enthusiasm to both the workplace and the job role. The report forwarded the recommendation of offering a greater suite of scholarships to international students, and, in 2017 the Northern Territory Government StudyNT is offering 34 scholarships across the HE, VET, ELICOS and school sectors (Northern Territory Government StudyNT, 2016b).

Students themselves value the employment opportunities they can access in the NT during their studies. These jobs are relatively easy to find and they believe the practical experience and the improvement gained in their English language proficiency was beneficial to their studies. Transport however is the biggest concern as many of the casual jobs filled by international students are in hospitality and food retailing, jobs that require them to work late at night when there is more limited access to public transport.

Migration opportunities for international students also help to grow skilled workforces and help to address skills shortages, many which are acutely felt in the NT. The Temporary Graduate visa (subclass 485) allows graduates to work in Australia temporarily after they finish their studies. It has two streams, the Graduate Work stream – for international graduates who graduate with skills and qualifications that relate to an occupation considered in demand in the Australian labour market as indicated in the Skilled Occupation List, and the Post-Study Work stream which offers extended options (two to four years depending on the highest level qualification obtained) for working in Australia to eligible graduates of a higher education degree or post-graduate qualification. Darwin, with its low unemployment rates is well poised to offer skilled graduates work opportunities that enable them to become further accustomed to the lifestyle and opportunities the Territory affords (Manicaros, 2016). Students seeking Temporary Graduate visas would benefit from increasing exposure and connection with their fields of work or professional fields. Embedded work experience and/or work integrated learning increases students' exposure to an Australian 'world of work', their networking opportunities, their vocational/professional English and potential employment opportunities (Northern Institute, 2016). Given the benefits of learning at work identified by both students and employers, new models of engagement with workplaces need to be explored, so more students are afforded the opportunity. The Productivity Commission (2015) found, as of August 2015, just under one third of those international student graduates with a student visa expiring between 1 July 2006 and 30 June 2011 had gone on to get a permanent or provisional visa and subsequently reside and are afforded work rights in Australia. Based on that figure, Deloitte Access Economics (2015) estimated that Australia's current stock of international students



would contribute 130,000 skilled migrants to the Australian workforce when they graduate, representing a 3% increase in the share of Australia's current workforce with a tertiary education. They note that additional benefits are likely to follow such as increased international collaboration and trade and investment links, improved cultural literacy, stronger cultural linkages and enhanced cultural capital.

Summary & Conclusions

This paper has presented recent evidence from the NT and Australia about the benefits of international education and training. In the NT context, this industry is particularly valuable because it is not tied to the seasonal or macroeconomic fluctuations other industries experience and thus can provide a predictable contribution. International students benefit the NT through their student fees, local job creation and additional contributions through visiting relatives and/or friends from home. They are embraced by local cultural communities with whom they communicate largely through social media. These media platforms are also means to share their NT experiences with networks at home. As students typically work while they study, they appreciate the opportunity to gain Australian work experience and practice English, which in turn helps with their studies. Employers who take on international students on work placements that are embedded in their course of studies find them excellent value. With more research in the NT on better harnessing the power of social media, how to offer more students exposure to work placements in their professional fields and gathering and using the new intelligence on the student-driven tourism market, there is scope to substantially enhance and increase contributions made by international students to the Territory economy.

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