

Australia's high fees 'not viable' after pandemic

Slash costs or deal yourself out of the international education industry, universities warned

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Australia's international education trade may only be viable in the post-pandemic world if universities slash fees for foreign students.

Former University of Canberra (<https://www.timeshighereducation.com/world-university-rankings/university-canberra>) vice-chancellor Stephen Parker said universities had been "caught out like luxury brands have been caught out", with prices reflecting prestige names rather than the "intrinsic superiority of the product".



Source: Getty

He said Australia had priced itself out of most markets, ranking as the world's most expensive study destination early last decade when the country's dollar exceeded parity with the greenback. Allowing that to happen again, with local universities "caught flat-footed" while competitor countries dropped their fees, would be a serious mistake.

"This is going to be a much more discerning world," said Professor Parker, now national education sector leader with consultants KPMG Australia. "Chinese parents are not going to send their only child overseas to universities which deliver less than excellence. Excellence is not sitting in the same classroom as your countrymen, struggling with the language and getting a commodity product. The world is going to focus on value for money rather than indulgence for the sake of a brand."

The pandemic has stifled China's appetite for Australian higher education, with 29 per cent fewer visa applications lodged in February than 12 months earlier. But statistics suggest demand was already subdued.

While visa applications from China rose 7 per cent last year, this was largely driven by visitors reapplying for visas from within Australia. The number of fresh students applying from the Chinese mainland has changed little in the past four years.

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Some universities' international divisions have tightened their integrity measures, with no universities now rated as high immigration risks by the Department of Home Affairs. This may be limiting recruitment from Australia's second top market of India, exacerbating the impacts of the UK's reintroduction (<https://www.timeshighereducation.com/news/uk-reintroduce-two-year-post-study-work-visas>) of two-year post-study work visas.

Having climbed steadily for almost a decade and snowballed by 50 per cent last financial year, higher education visa applications from India have fallen 21 per cent since September.

Consultant Justin Bokor said Australia's government could help reboot international education, fostering broader economic recovery in the process, by granting overseas students an additional year of work rights.

However, the president of the Council of International Students Australia, Ahmed Ademoglu, questioned whether mimicking other countries' moves in "a global, volatile and competitive market" would be enough to shield the industry from serious reputational blows suffered during the pandemic.

"Australia is doing market matching instead of innovating," he said. "We're followers rather than pioneers. You have other countries really challenging the product and the market."

He highlighted the competitive threat posed by Canada, New Zealand and the UK, all of which have included international students in emergency income or employment support measures – the Canada Emergency Response Benefit (<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>), NZ's Wage Subsidy Scheme (<https://www.employment.govt.nz/leave-and-holidays/other-types-of-leave/coronavirus-workplace/wage-subsidy/>) and the UK's Job Retention Scheme (<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme#who-can-claim>) – giving foreign students access to benefits ranging between about £280 and £625 a week, depending on the country.

Australia, by comparison, has excluded foreign students from its income support programme JobSeeker (<https://www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment>) and its business support scheme JobKeeper (<https://treasury.gov.au/coronavirus/jobkeeper>), denying them weekly benefits of about £143 and £378 respectively. Education minister Dan Tehan reportedly said his higher education relief package was "unashamedly focused on domestic students", while prime

minister Scott Morrison triggered widespread outrage by suggesting (https://www.timeshighereducation.com/news/time-go-home-australian-pm-tells-foreign-students)that international students struggling to support themselves should simply go home.

Mr Ademoglu said such remarks had left international students feeling more than ever like cash cows. “When this crisis settles, people are going to look at what was done. If Australia wants to sustain its reputation, they need to do better in terms of supporting international students.”

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