



# Economic Impact of Victorian Public Universities

Calculations on the impact of Victorian public universities on the economy

June 2024

Strictly private and confidential

# Introduction and context

- The higher education sector is operating in a financially constrained environment
- The Federal Government, in part in response to the trends of a handful of Universities, and also other economic priorities and concerns, is driving forward policy decisions that will further constrain all Universities
- These proposed policy changes are likely to adversely affect some universities
- There are 8 public universities in Victoria - The University of Melbourne, Monash University, RMIT University, Deakin University, La Trobe University, Swinburne University of Technology, Victoria University and Federation University
- Collectively, these Universities deliver higher education courses to over 399,000 students at over 35 campuses located across the state
- This report focuses on these Universities, as they are most likely to experience an adverse impact of the policy change
- To support Ministers make informed decisions, this report was commissioned to provide additional data points not readily available
- This report provides an independent, evidence-based perspective to clarify:
  - the overall contribution of Victorian Public Universities to economic activity in Victoria
  - the role that Victorian Public Universities play in the creation of jobs, directly and indirectly
  - the contribution to innovation through University investment in Research and Development
  - the specific contribution of Onshore International Students to the economy, and
  - the potential economic impact of a cap on international student enrolments
- This report focuses on an assessment of economic impact. The report has been prepared using 2023 data, unless stated otherwise
- This report should be read in conjunction with other, non-economic, analysis on the policy decisions

*This report has been prepared for, and with the assistance of, Monash University and the University of Melbourne*

# While this report emphasises economic impacts, it is important to acknowledge the broader contribution of International Students

The impact of international students on the quality of education has been well studied and documented.

## Benefits of international education (excluding economic impacts)

### Domestic

#### Equality and Diversity

- Recruiting students from diverse cultural ethnic, religious and socio-economic backgrounds can enhance inclusion and diversity<sup>1</sup>

#### Student Learning Experience

- International students contribute to a multicultural educational environment, which can lead to a more inclusive curriculum and diverse pedagogical approaches<sup>2</sup>

#### Cultural Assets

- Enhances cultural awareness and multicultural environment for Australian students
- Develops meaningful cultural capital, improving productivity and community contribution
- Fosters globally engaged citizens, boosting trade, investment, and international relations

### Abroad

#### Enhanced Geopolitical Stability & Cultural Linkages

- Following study, many international graduates hold leadership positions in industry and government in their home countries, particularly in Malaysia, Singapore and Indonesia
- Alumni maintain professional and personal connections to Australia, fostering opportunities in research, trade, investment, and foreign affairs

#### Cultural Assets

- Promotes Global Citizenship Education, empowering students as responsible global citizens
- Encourages diversity and multiculturalism, reducing social marginalisation and barriers to employment
- Strengthens international linkages and diplomatic relations, supporting Australia's globalisation efforts

# Executive Summary

# Executive Summary

## 1. IMPACT OF VICTORIAN PUBLIC UNIVERSITIES ON AUSTRALIAN AND VICTORIAN ECONOMY

Victoria's public universities contribute \$6.7bn in economic value added, representing 1.2% of Victorian GSP

- There are 399k students enrolled at Victorian Public Universities. These enrolments support the ongoing direct employment of over 36,000 academic and non-academic staff
- Students and staff at these universities generate c. \$15.4bn in spending on food, clothing and entertainment, indirectly supporting significant job creation for the economy
- Victorian Public Universities play a crucial role in regional development, often serving as hubs for urban regeneration
- Capital Expenditure on university infrastructure supported the creation of 11,500 jobs in construction and related sectors over the 3-years from 2021 to 2023

Victorian Public Universities lead R&D investment, contributing over \$3.6 billion – more than twice the state's second-largest sector

- Universities are at the forefront of research activities in Australia. The Victorian Public universities attract over \$1.7bn in funding to support R&D activity. This amount grows to over \$3.6bn when investment from Universities is included and represents a significant portion (32%) of Victoria's R&D efforts
- Research activity at Universities generates value in the private sector through cooperative research centres (CRCs), the publication of research findings, and graduates entering the labour market. A 2018 report estimated that for every \$1 spent on research at the Go8 Universities, approximately \$10 in benefits was realised by the private sector

## 2. IMPACT OF INTERNATIONAL STUDENTS TO AUSTRALIAN AND VICTORIAN ECONOMY

With over 130,000 international students studying in Victoria every year, international education generates \$10.0bn in economic value and is Victoria's largest export

- As full-fee paying students, international students make a significant contribution to university finances. Revenue from international students is crucial for university financial stability, enabling investments in research and research infrastructure, faculty, and projects, delivering benefits to domestic students over the long-term
- Revenue from full fee-paying international students is a significant source of the funds required to close the gap between government grant amounts and the full cost of undertaking the funded research
- International students also play a significant role in delivering a more diverse experience for domestic students, enriching Australia's cultural diversity, fostering international collaboration, and enhancing the global reputation of its educational institutions

At an estimated value of \$66k per student, a cap on international student enrolments at Victorian Public Universities will have a significant economic impact on the Victorian economy

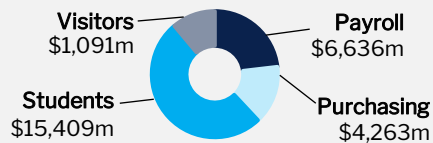
- It is estimated that for every international student, an additional \$44k value is generated over and above tuition fees, driven by student and visitor spend. Restrictions on the growth of international students would have significant economic impact for the state and for the local economies where University campuses are located
- Restricting international student enrolments by 10,000 students per annum would result in foregone revenue to the Victorian economy by \$2bn over 3-years
- Over the long-term, reduced funding for research and innovation through the universities will hinder productivity growth in Victoria. The ability for the state to attract and retain skilled talent will further hinder workforce development and productivity improvements

# Summary Report

# Victorian based public universities contributed \$27.4B to the Australian and Victorian economies in 2023

## Australian and Victorian Economic Contribution (2023)

**\$27.4B**



### Total Economic Impact

In 2023, Victorian public universities contributed significantly to Australia's economy, directly accounting for **\$27.4bn** in economic activity.

**\$6.6B**



### Direct Labour Employed

Victorian Public Universities invest **\$6.6bn** in academic and non-academic staff, which directly supports over **36,100** full-time roles.

**32%**



### Contribution to Victoria's Research Investment

Victorian Public Universities invested **\$3.6bn** in research activities in 2022<sup>1</sup>, representing **32%** of total R&D investment in the state

**\$10.0B**



### Contribution to Export Income

In 2023, Victorian Public Universities contributed **\$10.0bn** in exports, equivalent 1.5% and **16.2%** of Australian and Victorian export income respectively.

**3,131**

### Indirect Jobs Supported via International Visitor Spend

For every \$1m spent by visitors, 3 full-time jobs are created<sup>2</sup>. In 2023, visitor spending was **\$1.0bn**, supporting **over 3,000** jobs in hospitality, retail and tourism sectors.

**\$6.7B**



### Contribution to GDP

As measured by economic valued added, Victorian Public Universities direct contribution to GDP in 2023 was **\$6.69bn**, representing **0.3%** and **1.2%** of total economic activity in Australia and Victoria respectively.

**\$802M**



### Capital Expenditure

Victorian Public Universities help to build Australia, through **\$802m** in capital expenditure on their own campuses.

**4,067**

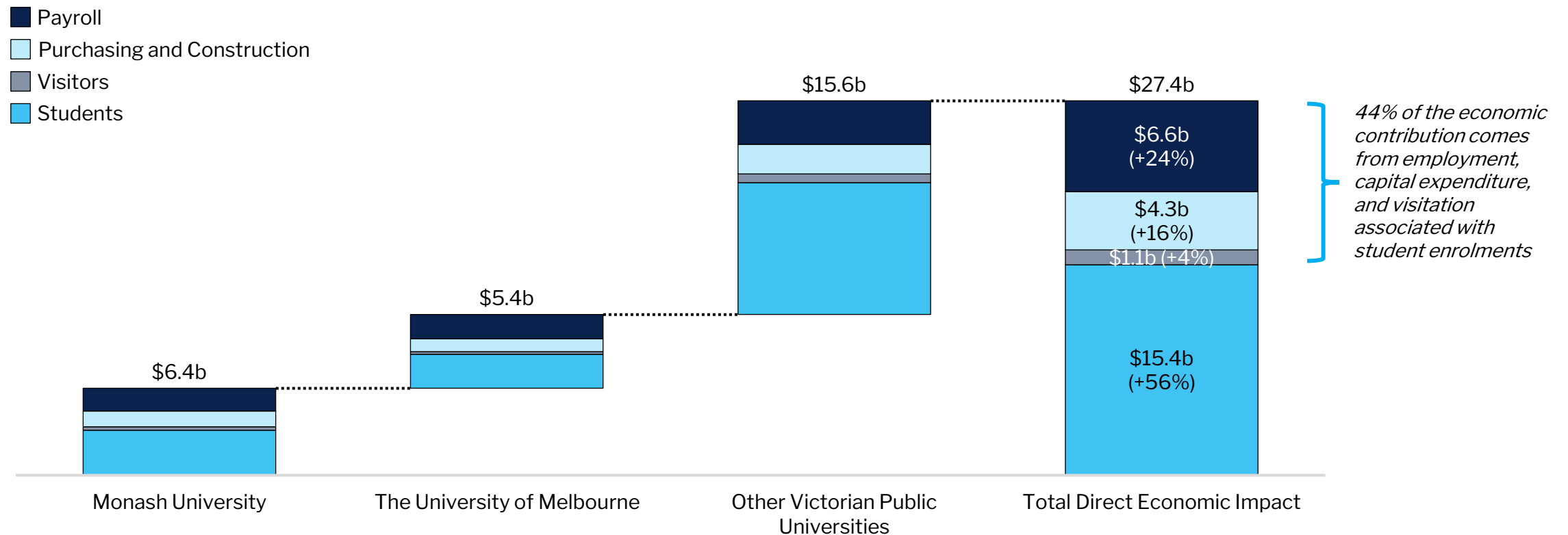
### Short-term construction jobs created

For every \$1m invested into infrastructure, 8 construction jobs are created<sup>3</sup>. In 2023, **\$506m** was invested into building and construction, supporting **over 4,000** jobs in the building & construction industry.

# The Universities generate \$27.4B of direct economic value, with nearly half from job creation, capital investment and visitation

Of the economic contribution from Universities, around 56% comes directly from tuition paid by students. The balance comes from the direct impact of those enrolments on university staff, university capital expenditure and visitation.

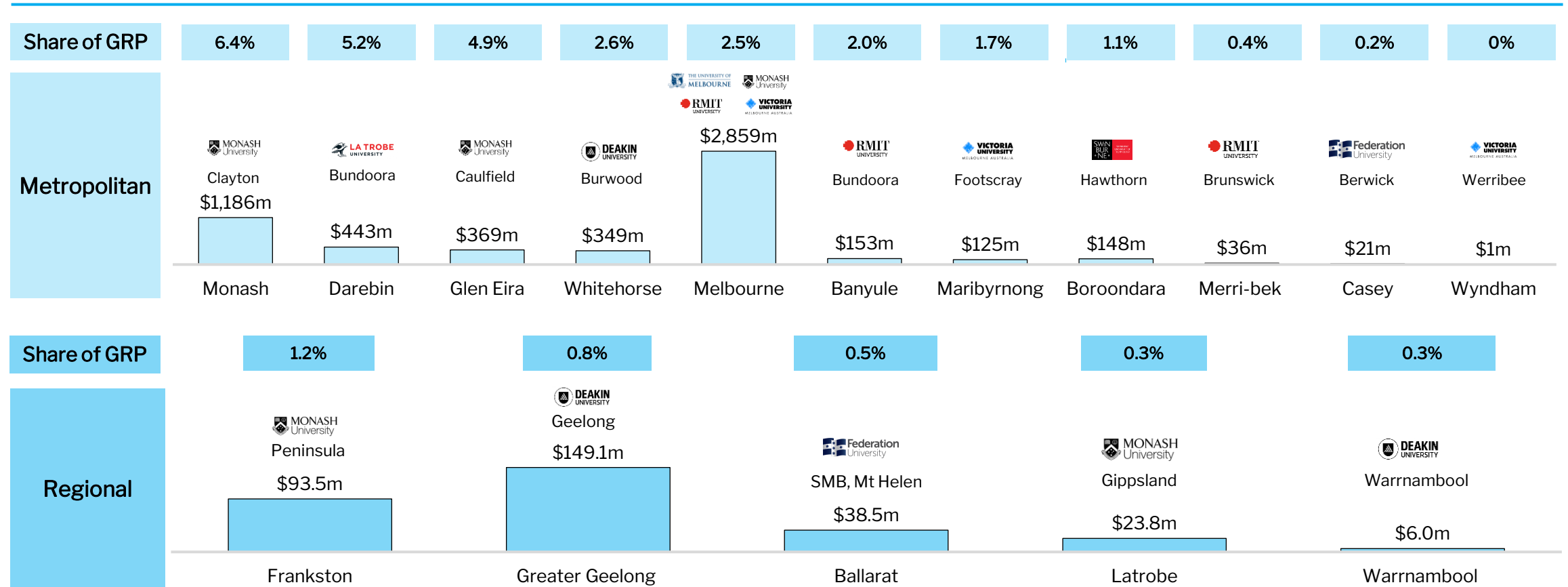
## Overall Direct Economic Impact of Victorian Public Universities (\$b, 2023)



# Victoria's public universities significantly impact local economies, with three LGAs deriving over 4% of GRP from universities

Student numbers were used as a proxy to model the relative economic contribution of Victorian public universities.

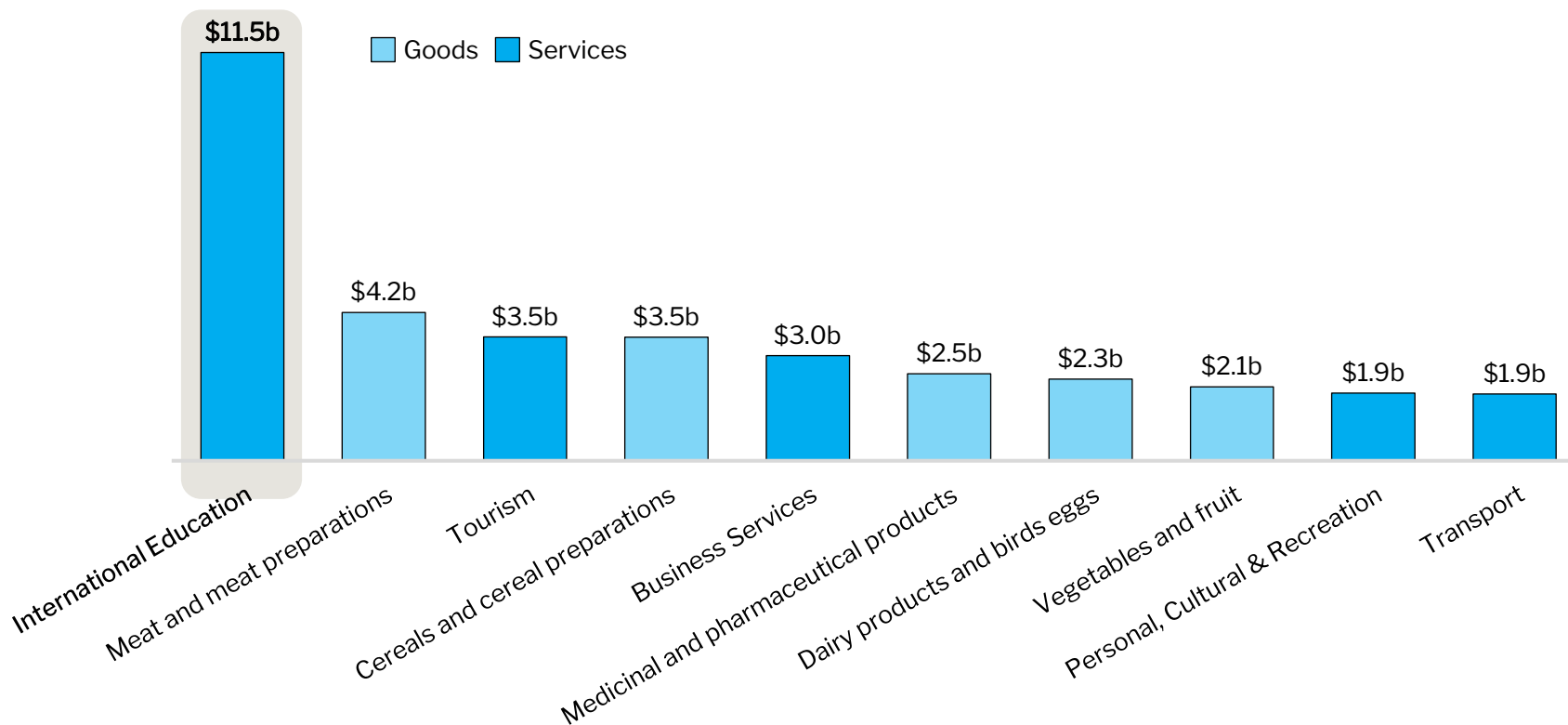
Local Government Areas by public Victorian university share of GRP (Victorian public university direct contribution to GRP by LGA, \$m)



# International Education is Victoria's largest export

International education, Victoria's largest export, accounted for 48% of services exports in FY 2022/23, encompassing higher education, VET, and private education providers.

Victoria's Top 10 Exports (\$b, FY2022/23)



## Commentary

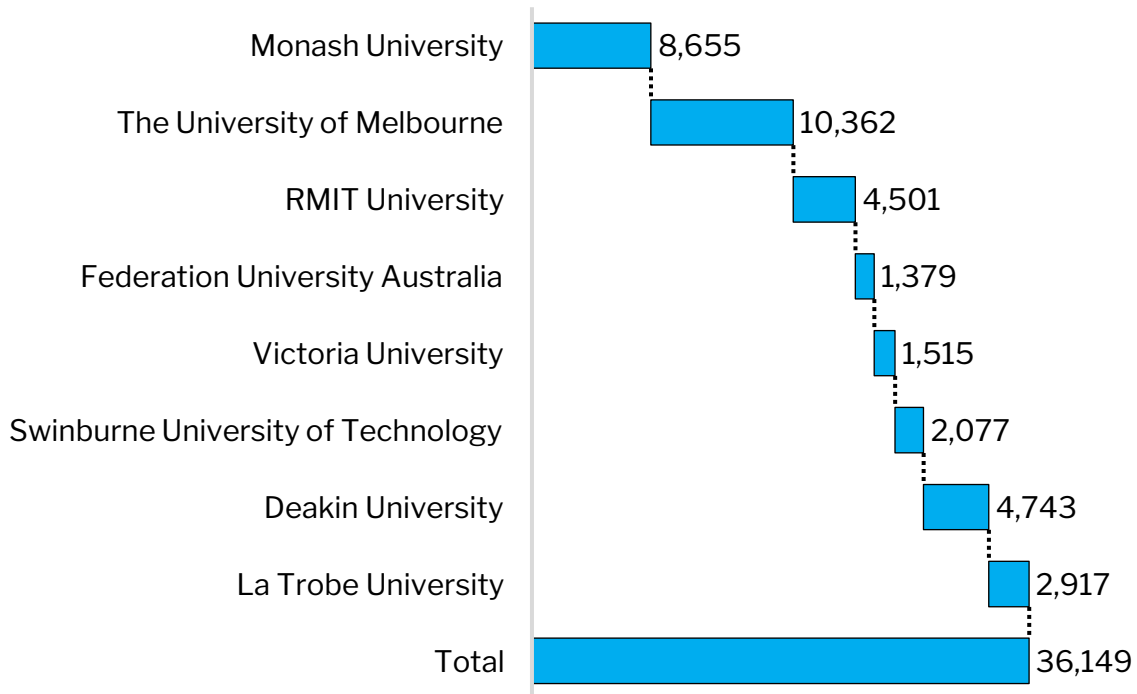
- International education generated **\$11.5bn** for the Victorian economy in FY23, of which a significant proportion is contributed to by international students enrolled at Victorian public universities
- International education accounted for **19% of total exports** and **48% of Victorian services exports**
- With **over 65%** of international students in Victoria enrolled at the public Universities, these 8 institutions make a significant contribution to these exports<sup>1</sup>

<sup>1</sup>The figures on this slide are based on ABS data for the 2022-23 Financial Year and includes all international students enrolled in Victoria. The calculated \$10.0bn (slide 7) of export income from international students refers only to international students enrolled in Victoria's public universities and is based on projected enrolments in the 2023 calendar year.

# Staff and international students play a vital role in our economy, indirectly supporting over 89,000 jobs

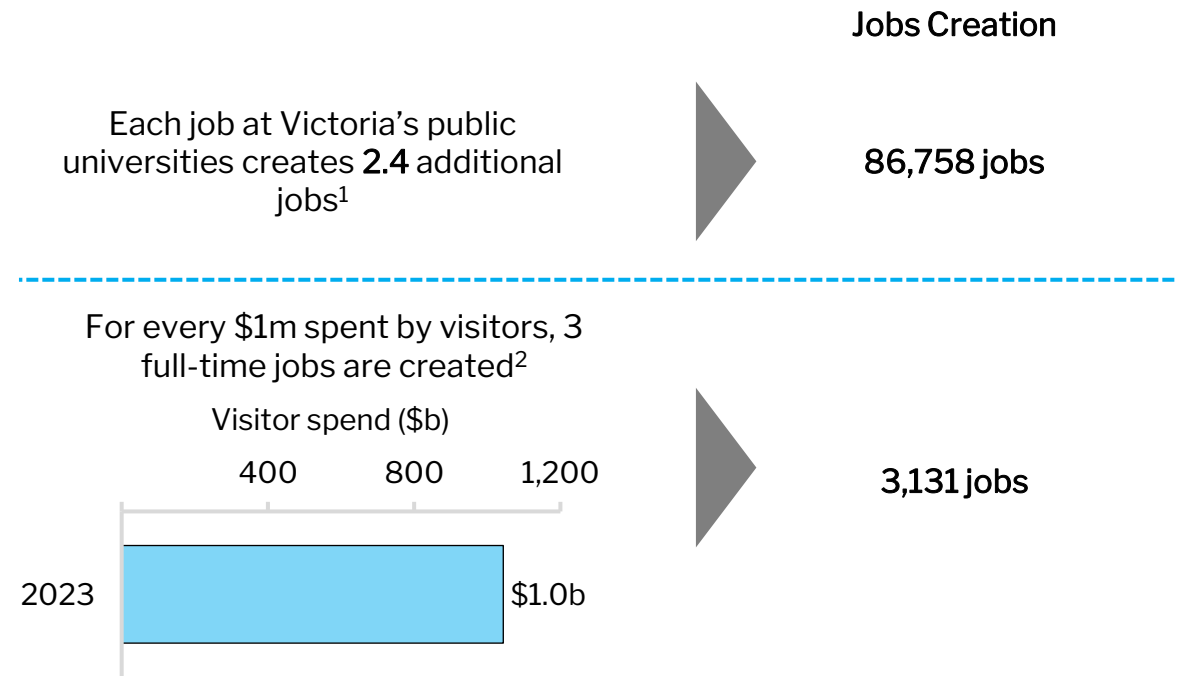
Indirect job creation is supported through staff employment and international visitor spend.

Number of staff employed at Victoria's public universities (number of staff, academic and non-academic, 2023)\*



\*Excludes casual staff

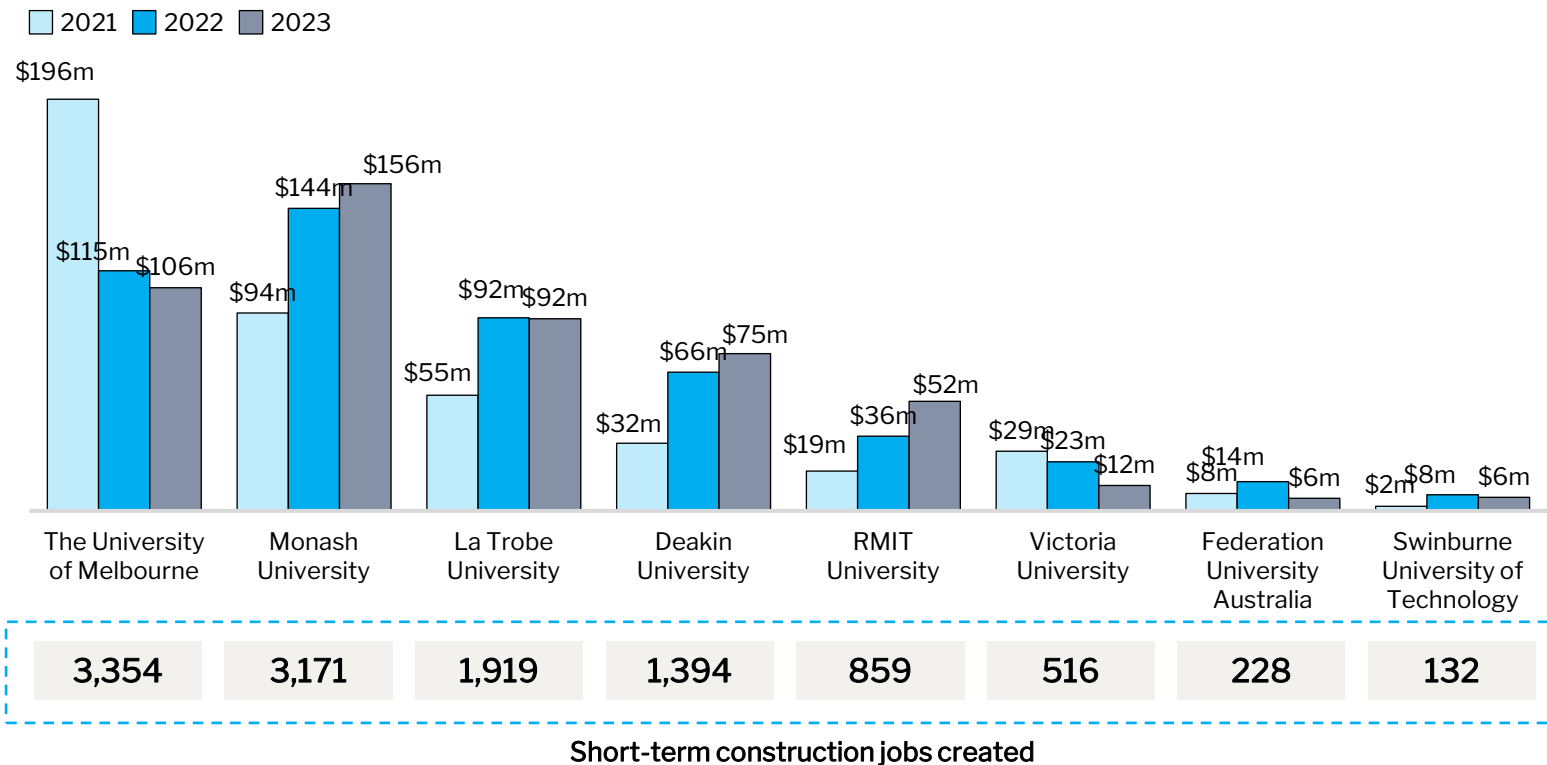
Students and staff at these universities support significant indirect job creation through investment in accommodation, food, clothing and entertainment



# Over the past 3 years, capital expenditure on building and construction at Victorian Universities has created 11,574 jobs

The sector's substantial investment in infrastructure (\$1.4bn between 2021 and 2023) provides jobs, stimulates economic growth and establish assets with long-term benefits to the quality of education and research delivered by the Universities.

**Victorian Public University Capital Expenditure (Building and Construction) and Job Creation**  
(\$m CAPEX Building & Construction, number of short-term construction jobs created, 2021-2023)



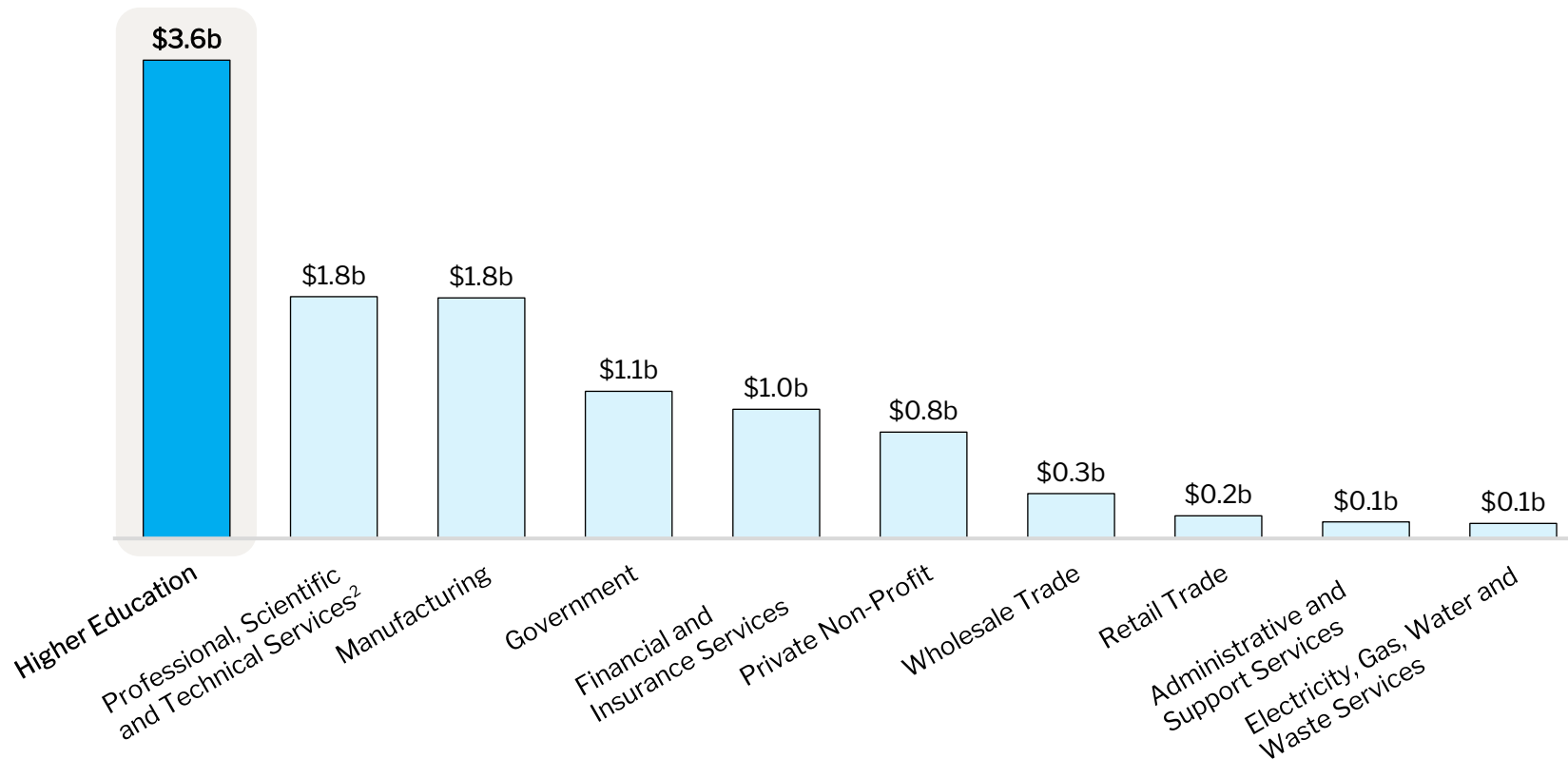
## Commentary

- Victoria's higher education sectors substantial investment in infrastructure (\$1.4bn between 2021 to 2023) has generated over **11,500** job opportunities in the construction industry, providing vital employment and stimulating economic growth
- Key projects include cutting-edge research infrastructure, such as Melbourne University's Institute for Infectious Diseases and Melbourne Connect, positioning Victoria as a leader in scientific innovation
- These investments create robust research ecosystems, fostering innovation and collaboration over the life of the assets

**Prioritising university infrastructure projects positions Victoria to move up the value chain, boosting global competitiveness and attracting further investment**

# Victorian Public Universities lead R&D investment, contributing over \$3.6 billion – more than twice the state's second-largest sector

Victorian R&D Investment – Top 10 Sectors (2022, \$b)



## Commentary

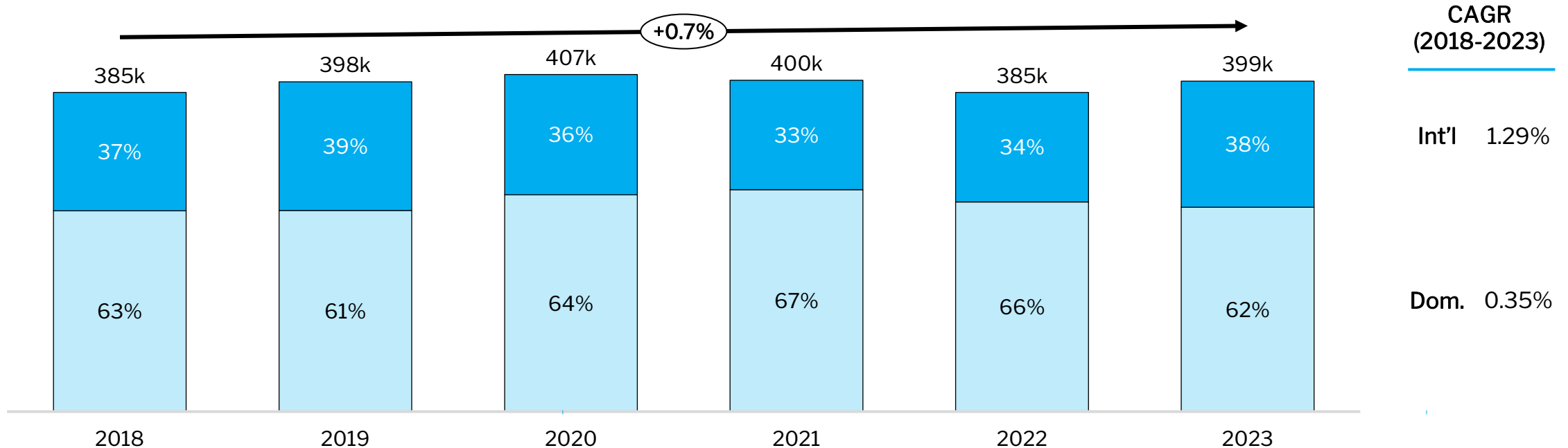
- The Victorian Public universities attract over **\$1.7bn** in funding to support R&D activity
- This amount grows to over **\$3.5bn** when investment from Universities is included and represents a significant portion (**32%**) of Victoria's R&D efforts
- Research at Victoria's public universities drives significant value by developing patents, medical devices, and new industries, enhancing international trade, boosting business competitiveness, and attracting top global talent
- A 2018 report estimated that for every **\$1** spent on research at the **Go8 Universities**, approximately **\$10** in benefits was realised by the private sector<sup>1</sup>

# International students comprise 38% of enrolments at Victorian public universities

## Victorian Public Universities – International Student Enrolments

Breakdown of Public University Enrolments in Victoria  
(Victorian Public University Enrolments, 2018-2023)

■ International ■ Domestic



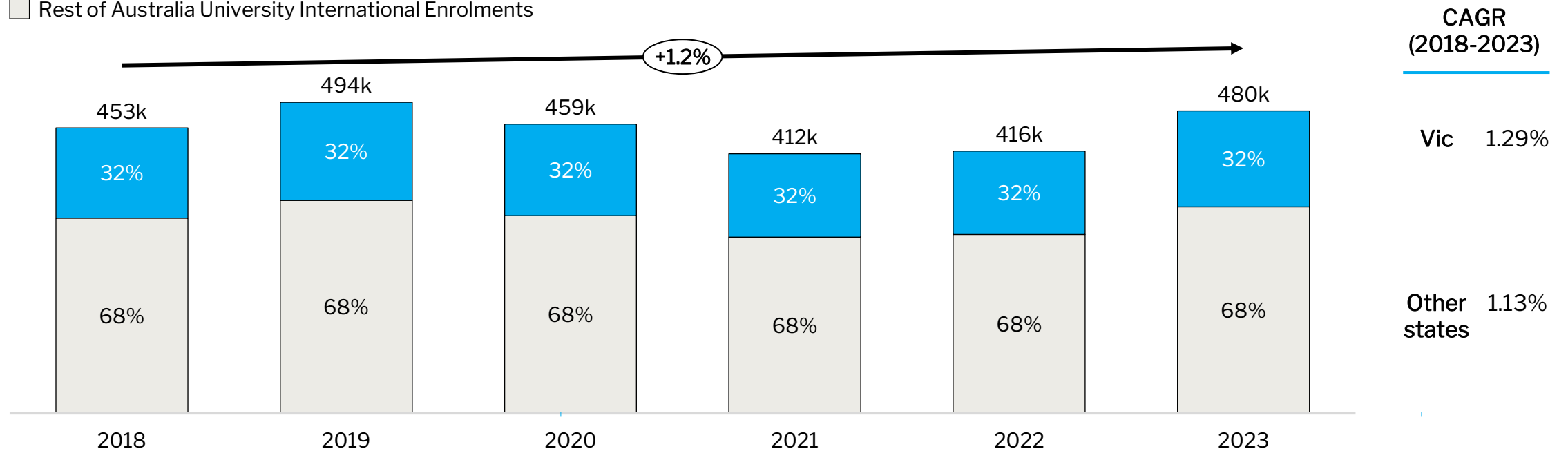
# One-third of international students in Australia choose to study in Victoria

Enrolments of international students declined in 2021 and 2022 due to COVID-19 related disruptions. The rebound of international students in 2023 is in-line with the long-term historical growth both in Victoria and nationally.

## Victorian Public Universities – International Student Enrolments

Victorian Public University Share of International Higher Education Enrolments in Australia  
(Australian University Enrolments, 2018-2023)

- Victoria Public University International Enrolments
- Rest of Australia University International Enrolments

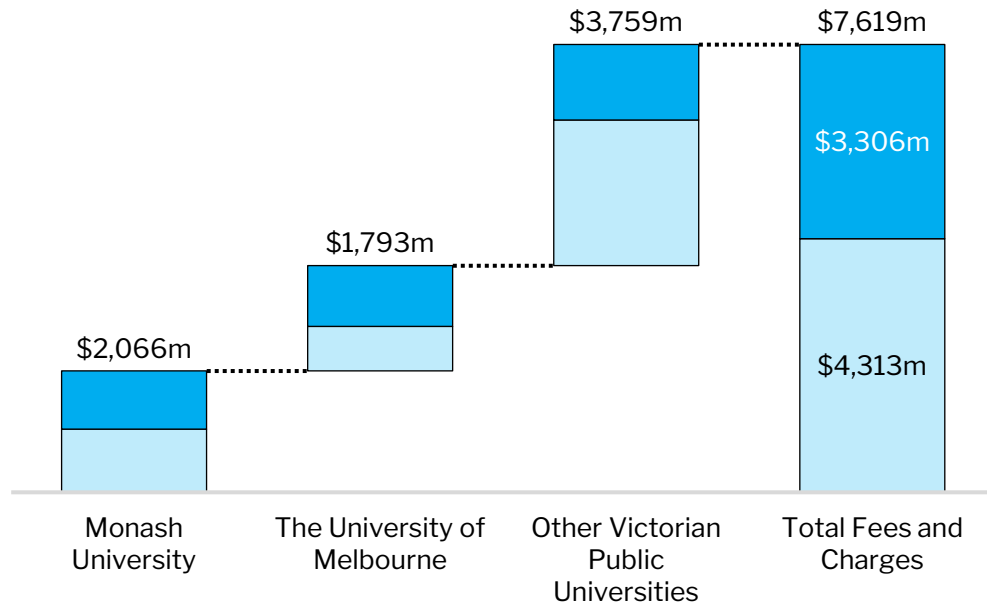


# As full-fee paying students, international student enrolments make a significant contribution to university finances

International students do not displace domestic students; they occupy additional places beyond those funded by government. Fees from international students enhance student services and fund impactful research that benefits the broader community.

Total fees and charges for Victorian Public Universities (\$m, 2023)

- Total fees and charges - international students (\$m)
- Total fees and charges - domestic students (\$m)



	Proportion of Revenue	Proportion of Enrolments	Fee per Student
<b>International Students</b>	43%	38%	\$21,700
<b>Domestic Students</b>	57%	62%	\$17,500

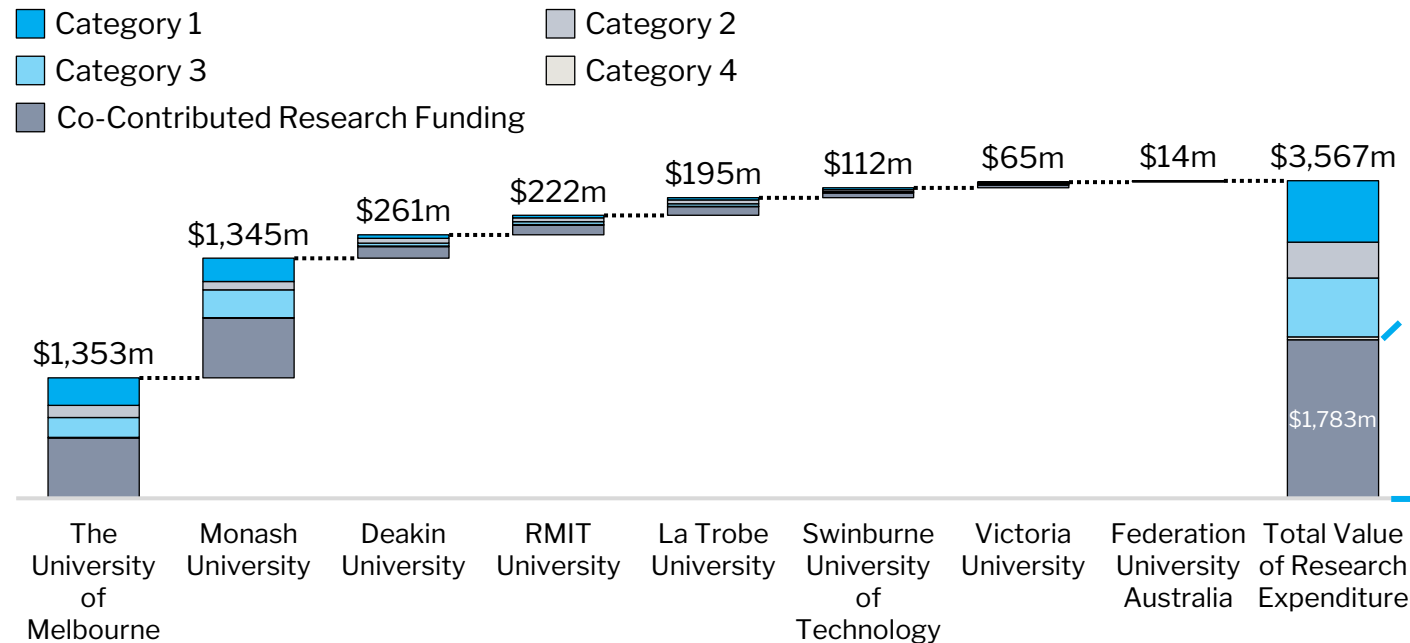
International students contribute over 43% of total tuition fees, which universities use to enhance the experience of all students through investments in infrastructure, innovations in teaching and learning, and supporting student equity through scholarships

# International student revenue plays an important role in supporting research activity at Victoria's universities

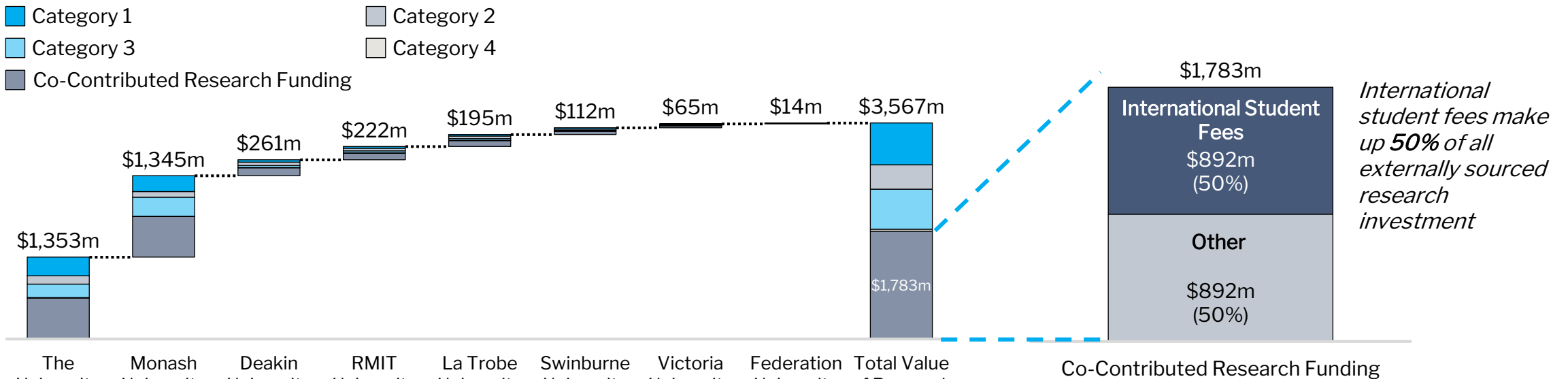
50% of the universities' own account contribution to research derives from international fee revenue. This helps to cover research costs that are not covered by national competitive grants or research support funding.

International student fees are vital for funding research and innovation, covering operating costs like energy, materials, researcher salaries, and the costs of translation and commercialisation.

**Economic Contribution of Direct Expenditure on Research by Victorian Public University (\$m, 2022)**



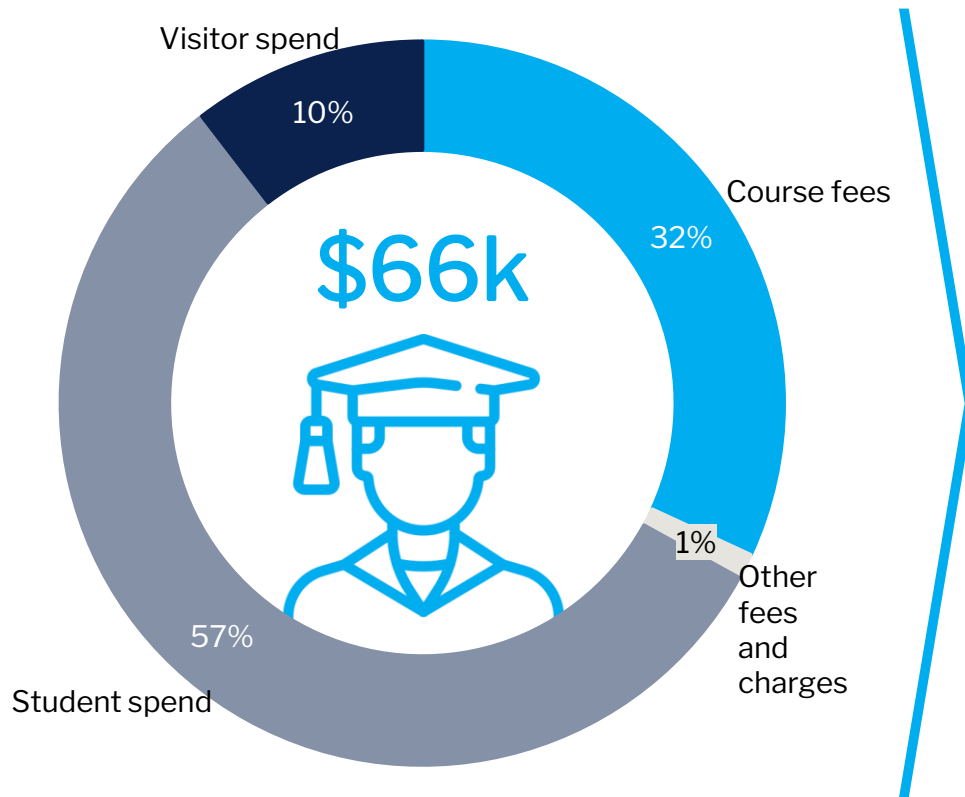
**Source of discretionary income used to fund research (\$m, 2022)**



# \$66k of economic benefit is generated per international student, with over two-thirds driven by non-tuition fee spending

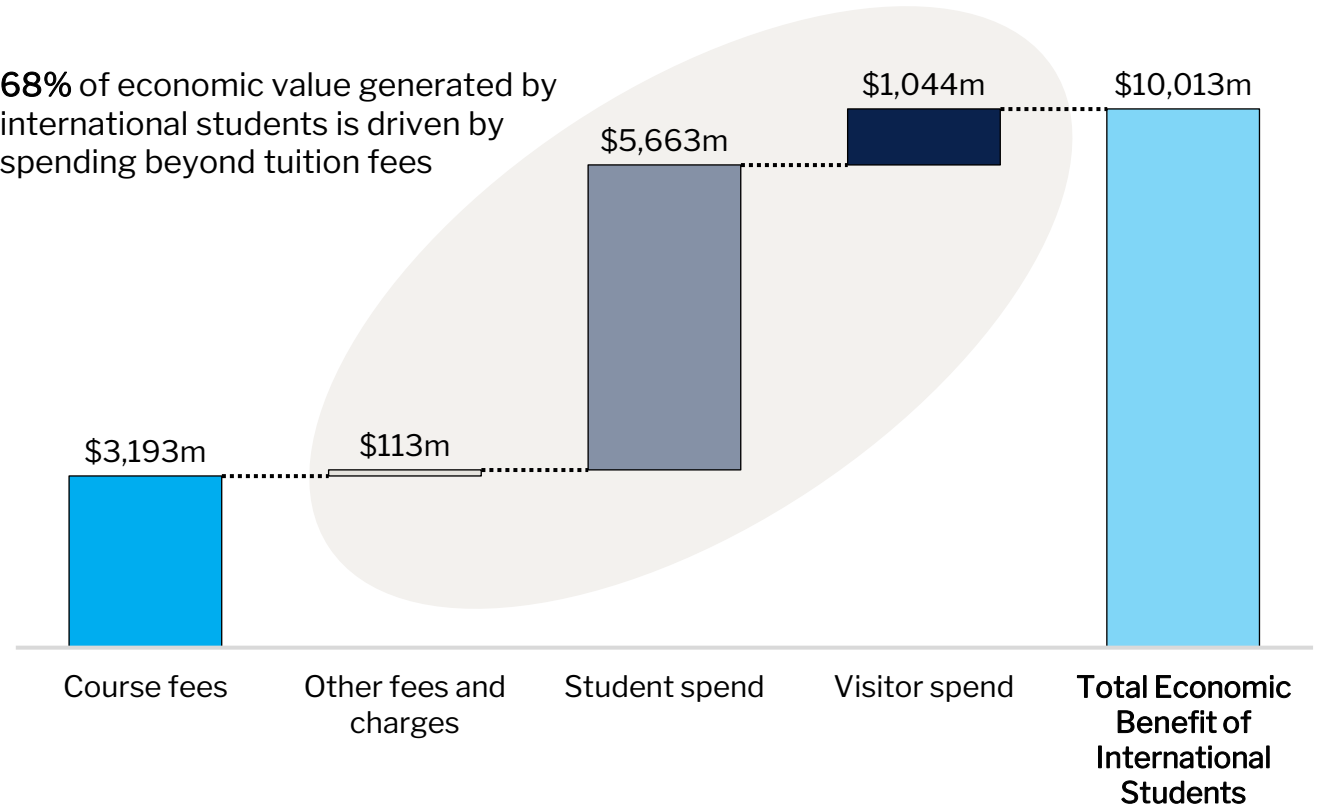
This economic benefit is spread throughout the Victorian economy, with spending on tourism services, hospitality, accommodation and entertainment.

On average, \$66k economic value is generated per international student










Victoria-wide, this benefit translates to \$10.0b total economic value

68% of economic value generated by international students is driven by spending beyond tuition fees



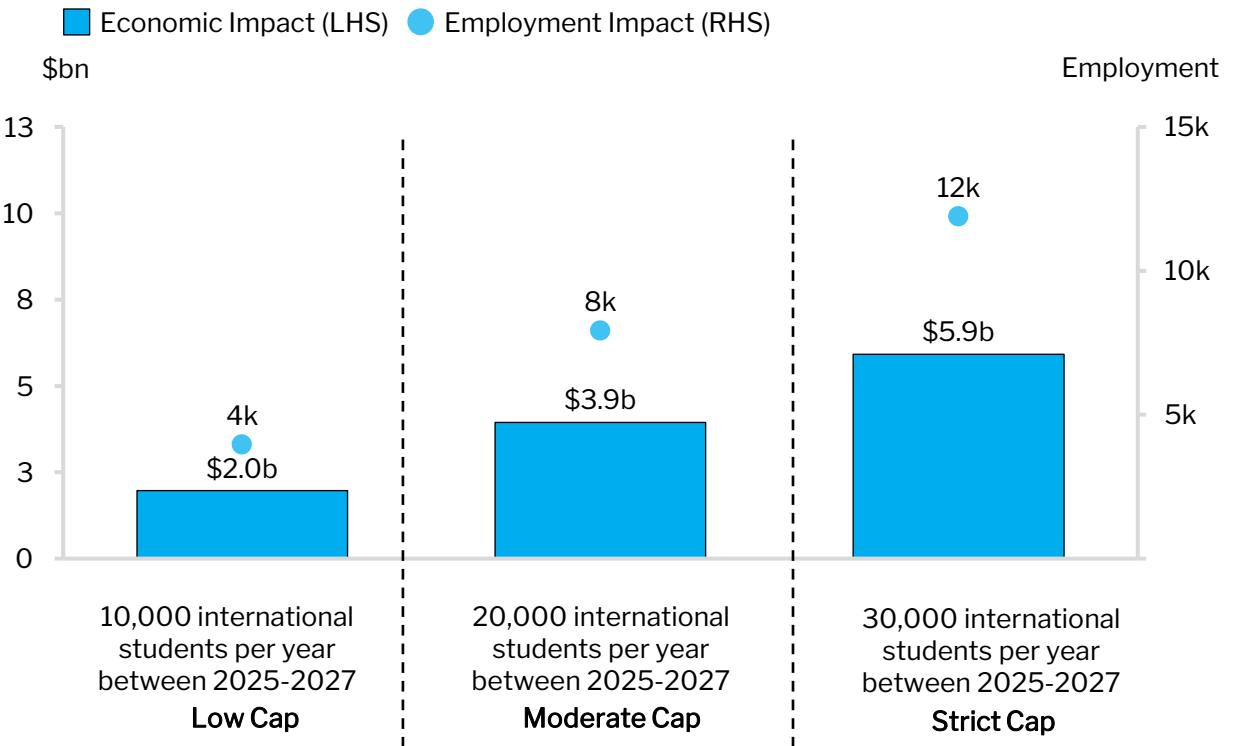
# Caps imposed on international student numbers could reduce economic contribution by up to \$5.9bn over 3 years

## Impacts of International Student Caps

	<b>Tuition Fees</b>	Reduced tuition fee revenue, limiting funding available for education and research activities
	<b>Job Losses</b>	Job losses across various sectors, including education, hospitality, retail, and services, as reduced student numbers decrease demand for local employment opportunities
	<b>Research Funding</b>	Caps on international students will reduce the ability of universities to cover research underfunding through discretionary income
	<b>Economic Impact</b>	Limiting international students could weaken the economic contribution made through spending on goods, services and accommodation
	<b>Regional Economies</b>	Regions reliant on universities as economic anchors would suffer from job losses, reduced local spending, and decreased demand for services
	<b>Global Competitiveness</b>	Caps may diminish global appeal, impacting talent attraction and international competitiveness in research and education
	<b>Industry Innovation</b>	Loss of discretionary funding via international student fees will impact the translation of research into Victoria's private sector

Caps will not only have an economic impact but will also result in lower employment

## Impacts of International Student Caps on Victorian Public Universities (Over 3 Years)



# Summary

- The 8 Victorian public universities deliver higher education courses to over 399,000 students at over 35 campuses located across the state
- These Universities are a significant contributor to Victorian state and regional economies, directly employing over 36,000 staff and indirectly supporting over 89,000 additional jobs across the state
- This report estimates the annual economic contribution of these Universities at over \$27 billion (2023)
- At approximately \$10.0 billion (2023), International Education is the state's largest export
- The \$3.5 billion in revenue from International full-fee paying students at Victoria's public universities plays an important role in supporting university R&D activities as well as investment in critical university infrastructure. These are benefits that are realised by all students, domestic and international
- International students have an impact across the Victorian economy. Each International student generates over \$44k in economic value additional to direct fees paid, through spending on accommodation, food, entertainment, travel and spending of international visitors.
- The proposal to cap international students will severely reduce the ability of Victorian Public Universities to invest in infrastructure, fund critical research and other important activities
- In the long-term, this will result in a decline in quality of education for domestic students and diminish the national and international competitiveness of Victoria's universities

# Appendix

# Notes & Assumptions

# Notes to the summary report (1/3)

#	Calculation	Methodology	Source
1	<b>Economic Impact of Payroll</b>	<ul style="list-style-type: none"> <li>Total employee related expenses</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> </ul>
2	<b>Economic Impact of Purchasing &amp; Construction</b>	<ul style="list-style-type: none"> <li>Procurement spend (Payments to suppliers and employees - employee payments)</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> </ul>
3	<b>Economic Impact of Students</b>	<ul style="list-style-type: none"> <li>(Onshore International Enrolments x Average Spend in Australia per Onshore International Student) + (Domestic Enrolments x Average Spend in Australia per Domestic Student)</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> <li>Department of Education Higher Education Statistics</li> <li>See assumption 1 and 2</li> </ul>
4	<b>Economic Impact of Visitors</b>	<ul style="list-style-type: none"> <li>(Onshore International Enrolments x Average Number of Visitors per Onshore International Student x Average Total Trip Spend per International Visitor) + (Number of Non-Student Visits x Average Spend Per Non-Student Visit)</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> <li>Department of Education Higher Education Statistics</li> <li>See note 5</li> <li>See assumption 3, 4, 5</li> </ul>
5	<b>Number of Non-Student Visits</b>	<ul style="list-style-type: none"> <li>This was derived from Monash university data</li> <li>It is assumed that the total number of non-student visitors is derived from non-student visits to Monash's sport centres, performing arts centres and graduations (graduates and guests)</li> <li>This is flexed for non-Monash universities using the relative size of domestic enrolments</li> </ul>	<ul style="list-style-type: none"> <li>Monash University Planning and Commercial Services</li> <li>See assumption 6</li> </ul>
6	<b>2022 Student Enrolments</b>	<ul style="list-style-type: none"> <li>SPP Proprietary data</li> </ul>	<ul style="list-style-type: none"> <li>Department of Education Higher Education Statistics</li> </ul>
7	<b>2023 Student Enrolments</b>	<ul style="list-style-type: none"> <li>In absence of 2023 DESE data, a growth rate was calculated for each public Victorian university based on the student enrolments published in the annual reports. This growth rate was applied to 2022 student enrolments</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> </ul>
8	<b>2024 International Enrolments</b>	<ul style="list-style-type: none"> <li>In the absence of 2024 DESE data or annual reports, a growth rate was calculated based on the international student numbers published in the monthly summary and data tables from the Department of Education</li> </ul>	<ul style="list-style-type: none"> <li><a href="https://www.education.gov.au/international-education-data-and-research/international-student-monthly-summary-and-data-tables">https://www.education.gov.au/international-education-data-and-research/international-student-monthly-summary-and-data-tables</a></li> <li>(YTD February 2024 (all international students, filtered by state))</li> </ul>
9	<b>Direct Contribution to GDP</b>	<ul style="list-style-type: none"> <li>Net result from continuing operations before income tax + Employee benefits and on costs</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> </ul>

# Notes to the summary report (2/3)

#	Calculation	Methodology	Source
10	Contribution to Export Income	<ul style="list-style-type: none"> <li>(Course fees and charges for Onshore International Students + (other fees and charges x % of Onshore International Students) + (Onshore International Enrolments x (Average Number of Visitors per Onshore International Student x Average Total Trip Spend per International Visitor) + Average Spend in Australia per Onshore International Student))</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> <li>See note 7</li> <li>See assumption 2, 4, 5</li> </ul>
11	Capital Expenditure	<ul style="list-style-type: none"> <li>From the cash flow statement in financial report</li> <li>Individual (not parent) Payments for property, plant, equipment, intangibles and investment properties</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> </ul>
12	Capital Expenditure (Buildings & Construction)	<ul style="list-style-type: none"> <li>From the cash flow statement in financial report (notes to the financial report)</li> <li>Individual (not parent) additions (Land, Buildings, Buildings under construction)</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> </ul>
13	Full-time jobs directly employed per additional \$1,000 in tourist expenditure	<ul style="list-style-type: none"> <li>\$180k in tourism expenditure directly employs 1 job</li> <li>In Sep'23, of all total direct jobs created from tourism, 50.3% are full-time (332,300 of 659,900)</li> <li>Applying this, the total number of full-time jobs created per additional \$1,000 in tourism expenditure is <math>(1 \times 50.3\%) / \\$180k = 0.003</math> jobs</li> </ul>	<ul style="list-style-type: none"> <li>South Australian Government, (2023), 'The Value of Tourism'</li> <li>ABS, (2023), Quarterly tourism labour statistics, Australia, experimental estimates</li> </ul>
14	Share of Gross Regional Product	<ul style="list-style-type: none"> <li>Total contribution to GDP for all universities in the LGA, calculated as proportion of total student enrolments / gross regional product of the LGA</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> <li>LGA Gross Regional Product sourced from.id State of the Regions Economic Indicators (<a href="https://content.id.com.au/state-of-the-regions-economic-indicators">https://content.id.com.au/state-of-the-regions-economic-indicators</a>)</li> </ul>
15	University Staff Job Creation	<ul style="list-style-type: none"> <li>London Economics produced a report in 2018 quantifying the economic impact of Go8 universities</li> <li>In the report it was found that for every person employed in Go8 universities, 2.4 jobs were created in the broader community ("<i>we assume that every 1,000 jobs directly created within a Group of Eight university supports a total of 2,430 jobs throughout the Australian economy</i>")</li> <li>This was applied to all Victorian public universities</li> </ul>	<ul style="list-style-type: none"> <li>Economic Impact of Go8 Universities', London Economics (2018) (<a href="https://www.go8.edu.au/Go8_London-Economics-Report.pdf">https://www.go8.edu.au/Go8_London-Economics-Report.pdf</a>)</li> </ul>
16	R&D investment spillover effects	<ul style="list-style-type: none"> <li>London Economics produced a report in 2018 quantifying the economic impact of Go8 universities</li> <li>In the report it was found that "<i>for every \$1 invested in Group of Eight university research, an additional annual economic output of \$9.76 is generated across the rest of the Australian economy.</i>"</li> </ul>	<ul style="list-style-type: none"> <li>Economic Impact of Go8 Universities', London Economics (2018) (<a href="https://www.go8.edu.au/Go8_London-Economics-Report.pdf">https://www.go8.edu.au/Go8_London-Economics-Report.pdf</a>)</li> </ul>

# Notes to the summary report (3/3)

#	Calculation	Methodology	Source
17	Economic Impact of International student caps	<ul style="list-style-type: none"> <li>International student cap x Economic value of an Onshore International Student</li> </ul>	<ul style="list-style-type: none"> <li>See note 8</li> <li>See assumption 8</li> </ul>
18	Employment impact of International student cap	<ul style="list-style-type: none"> <li>International student cap x (economic value of student spend on a per international student basis + economic value of visitor spend on a per international student basis) x Full-time jobs directly employed per additional \$1,000 in tourist expenditure</li> </ul>	<ul style="list-style-type: none"> <li>See note 8</li> <li>See assumption 8</li> <li>See note 13</li> </ul>
19	Professional, Scientific and Technical Services	<ul style="list-style-type: none"> <li>This sector includes scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography</li> <li>Excluded are units mainly engaged in providing health care and social assistance services.</li> </ul>	<ul style="list-style-type: none"> <li><a href="https://www.abs.gov.au/ausstats/abs@nsf/Latestproducts/8464D4BB38214E7DCA25711F00146E44?opendocument">https://www.abs.gov.au/ausstats/abs@nsf/Latestproducts/8464D4BB38214E7DCA25711F00146E44?opendocument</a></li> </ul>
20	Economic value of an Onshore International Student (2023 – 2027)	<ul style="list-style-type: none"> <li>(international student course fees + other fees and charges + international student spend + international visitor spend) / total number of Onshore International Enrolments</li> </ul>	<ul style="list-style-type: none"> <li>Victorian Public University Annual Reports</li> <li>See note 7</li> <li>See assumption 2, 5</li> </ul>

# Analysis was based on a number of assumptions (1/2)

#	Item	Assumption	Assumption / Calculation Logic
1	Average spend per domestic student	\$39,512	<ul style="list-style-type: none"> <li>This figure was based on our assumption in 2013 and was rolled forward year-on-year</li> <li>The figure was adjusted for based on the yearly CPI</li> </ul>
2	Average spend per international student	\$37,167	<ul style="list-style-type: none"> <li>Based on weekly expenditure per student cited in the 2018 Nous report <i>Regional Economic Benefits of International Students in Australia</i></li> <li>The figure in the report was adjusted for based on the yearly CPI</li> </ul>
3	Average spend per non-student visit	\$13.83	<ul style="list-style-type: none"> <li>This was based on the 2016 average entrance fee by visitor types to Monash's sports facilities</li> <li>The figure was adjusted for based on the yearly CPI</li> </ul>
4	Average number of visitors per international student	1	<ul style="list-style-type: none"> <li>Estimates for the number of friends and relatives visiting international students in Australia vary and are not well-researched. These estimates range from c. 0.64 (2018 Nous report: <i>Regional Economic Benefits of International Students in Australia</i>) to around 2 (Greenhill 2013). To be conservative, this analysis assumes 1 visit from a friend or family per year for each student studying at a university in Victoria</li> </ul>
5	Average total trip spend per international visitor	\$6,850	<ul style="list-style-type: none"> <li>This information was sourced from the ABS to get the average consumption by non-residents on inbound trip</li> </ul>
6	Number of guests per graduating student	2.5	<ul style="list-style-type: none"> <li>Each graduate is only allocated 2 guest tickets</li> <li>Extra tickers can only be bought if they are available</li> </ul>
7	FTE created per \$1M in infrastructure expenditure	8	<ul style="list-style-type: none"> <li>Construction industry employment / Construction industry gross value added</li> <li>This information was sourced from the ABS (5204.0, Series: A3348119F)</li> </ul>

## Analysis was based on a number of assumptions (2/2)

#	Item	Assumption	Assumption / Calculation Logic
8	Economic value of an Onshore International Student (2023 – 2027)	\$66k	<ul style="list-style-type: none"> <li>Assumed to remain at 66k per year for 2023 – 2027, based on calculation in note 20</li> </ul>
9	Discretionary research funding as a proportion of total university research investment	50%	<ul style="list-style-type: none"> <li>Assumed discretionary co-contribution to be the same as category 1-4 funding</li> <li>An article from <i>The Conversation</i> cited 2018 university R&amp;D spend of \$12.2bn, of which \$6bn was discretionary</li> <li>\$3.1bn of the \$6bn discretionary came from student fees</li> <li>This was cross checked with ABS data which validated the ratio of discretionary spend to category 1-4 income (51.4% of total R&amp;D spend was funded via discretionary funding)</li> </ul>
10	Proportion of discretionary university funding sourced from international student fees	50%	<ul style="list-style-type: none"> <li>An article from <i>The Conversation</i> stated that of the \$6bn discretionary spend on research from Australian universities in 2018, \$3bn (or 50%) came from international student fees</li> </ul>
11	Low International student cap	10k	<ul style="list-style-type: none"> <li>Reducing the number of international students (net international student migration) by 10,000 students per year between 2025 to 2027</li> </ul>
12	Moderate International student cap	20k	<ul style="list-style-type: none"> <li>Reducing the number of international students (net international student migration) by 20,000 students per year between 2025 to 2027</li> </ul>
13	Strict International student cap	30k	<ul style="list-style-type: none"> <li>Reducing the number of international students (net international student migration) by 30,000 students per year between 2025 to 2027</li> </ul>

# Methodology

# Victoria's public university sector is made up of 8 universities that deliver higher education and conduct research



Established	1853	1958	1887	1967	1974	1908	1916	1870
<b>Key Facts</b>	<ul style="list-style-type: none"> <li>Australia's second-oldest university</li> <li>Consistently ranked among the top universities globally</li> <li>Known for its research excellence</li> </ul>	<ul style="list-style-type: none"> <li>International outlook with campuses abroad</li> <li>Significant research output</li> <li>Large student population</li> <li>Strong focus on industry partnerships and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Strong industry connection</li> <li>Focus on practical and vocational education</li> <li>Extensive global network</li> <li>Leadership in technology and design disciplines</li> </ul>	<ul style="list-style-type: none"> <li>Strong research in humanities and social sciences</li> <li>Regional focus with multiple campuses</li> <li>Commitment to accessibility and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Online education pioneer</li> <li>strong community engagement</li> <li>Emphasis on employability and practical experience</li> <li>Notable research in health</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on practical learning</li> <li>Strong industry ties</li> <li>Leadership in technology and innovation</li> <li>Extensive online education offerings</li> </ul>	<ul style="list-style-type: none"> <li>Dual-sector university offering both TAFE and higher education</li> <li>Strong emphasis on sports and exercise science</li> <li>Commitment to social justice and community</li> </ul>	<ul style="list-style-type: none"> <li>Strong emphasis on regional education and community engagement</li> <li>Focus on applied research with significant contributions to regional development</li> </ul>
<b>Campuses</b>	Parkville (main), Southbank, Burnley, Creswick, Dookie, Shepparton, Werribee, Ballarat, Wangaratta	Clayton (main), Caulfield, Peninsula, Parkville  International: Malaysia, Italy, India, China	Melbourne City (main), Brunswick, Bundoora  International: Vietnam, Barcelona	Bundoora (main), Bendigo, Albury-Wodonga	Burwood (main), Geelong Waterfront, Geelong Waurr Ponds, Warrnambool	Hawthorn (main), Croydon, Wantirna  International: Malaysia	Footscray Park (main), Footscray Nicholson, City, St Albans, Sunshine, Werribee	Ballarat (main), Berwick, Gippsland, Wimmera
<b>Student Headcount<sup>1</sup> (% International)</b>	64k (43%)	85k (42%)	69k (49%)	35k (27%)	57k (22%)	44k (31%)	31k (46%)	12k (43%)
<b>Staff Full-Time Equivalent<sup>2</sup> (% Academic)</b>	9k (50%)	7.9k (44%)	3.7k (45%)	2.6k (42%)	4.3k (43%)	1.8k (43%)	1.3k (38%)	1.2k (33%)

# Key economic drivers include student enrolments, international fees, research funding, and infrastructure investments

**\$27.4B**

Total Economic Impact of Victorian Public Universities in 2023

## Direct Impacts



**Employment & Job Creation**



**Educational Export Income**



**Value of Research & Development**



**University Expenditure**

## Key Drivers

- Student enrolments
- Jobs supported by the university

- Onshore International student enrolments
- Tuition fees and living costs
- Spending by visiting family and friends

- Research funding
- Faculty expertise
- Research facilities

- Student enrolments
- Technological advancement
- Sustainability initiatives

## Indirect Impacts

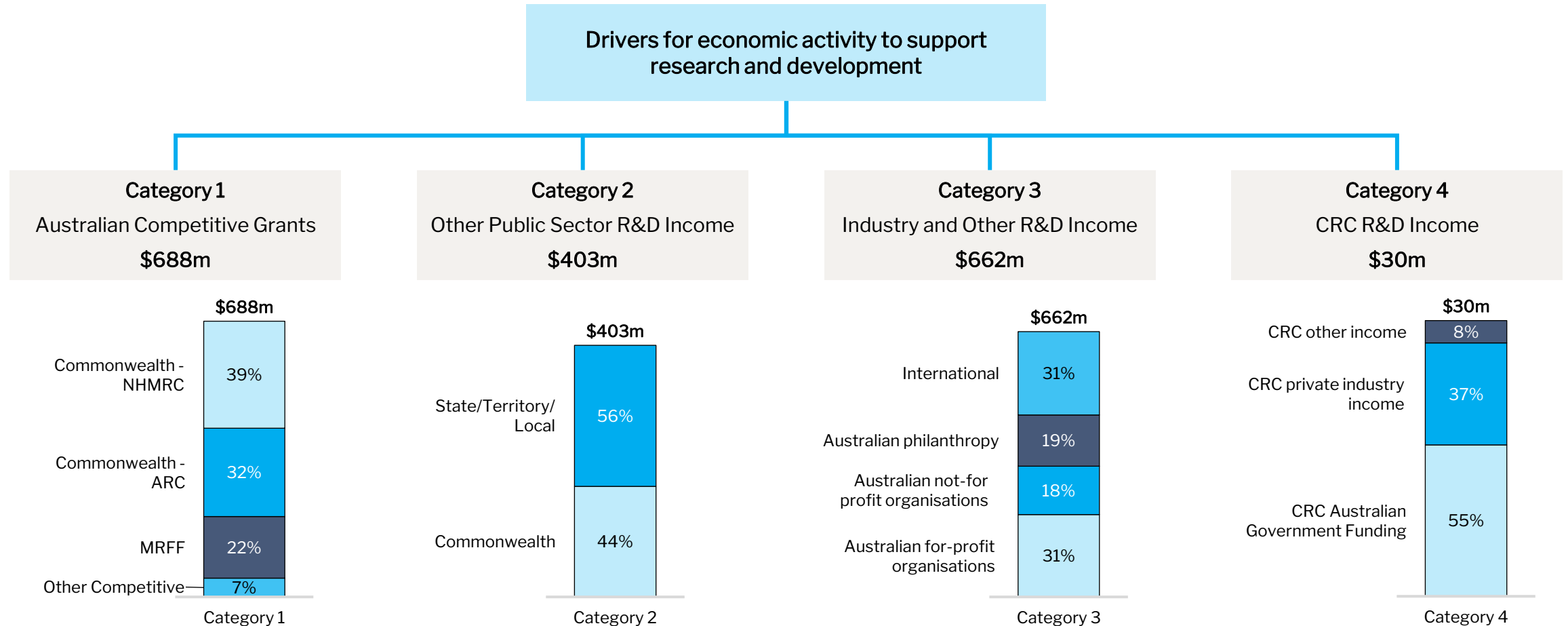
Increased Local Spending  
Support for Small Business  
Enhanced Public Services

Job Creation  
Tourism Revenue  
Contribution to employment

Job Creation  
Business Growth & Innovation  
Enhanced Productivity

Job Creation  
Local Business Growth  
Increased Consumer Spending

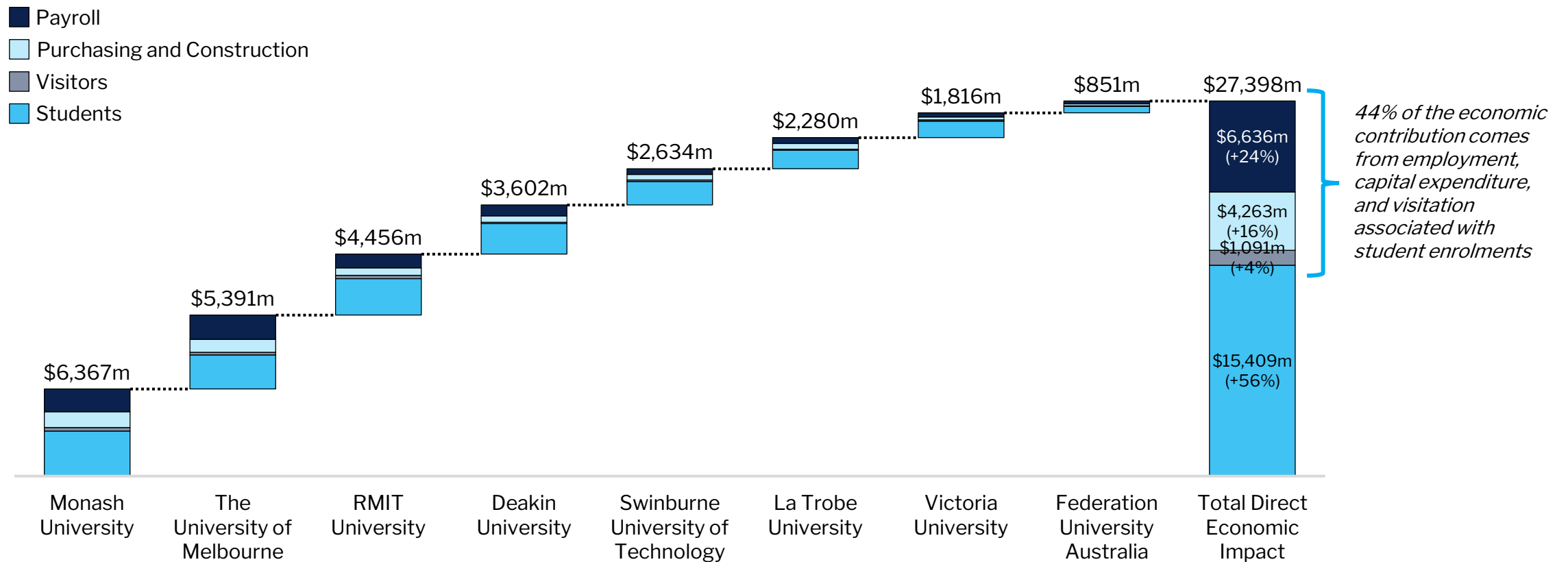
# Direct economic contribution supporting university research was driven by NHMRC grants and funding from Australian organisations



# The Universities generate \$27.4B of direct economic value, with nearly half from job creation, capital investment and visitation

Of the economic contribution from Universities, around 56% comes directly from tuition paid by students. The balance comes from the direct impact of those enrolments on university staff, university capital expenditure and visitation.

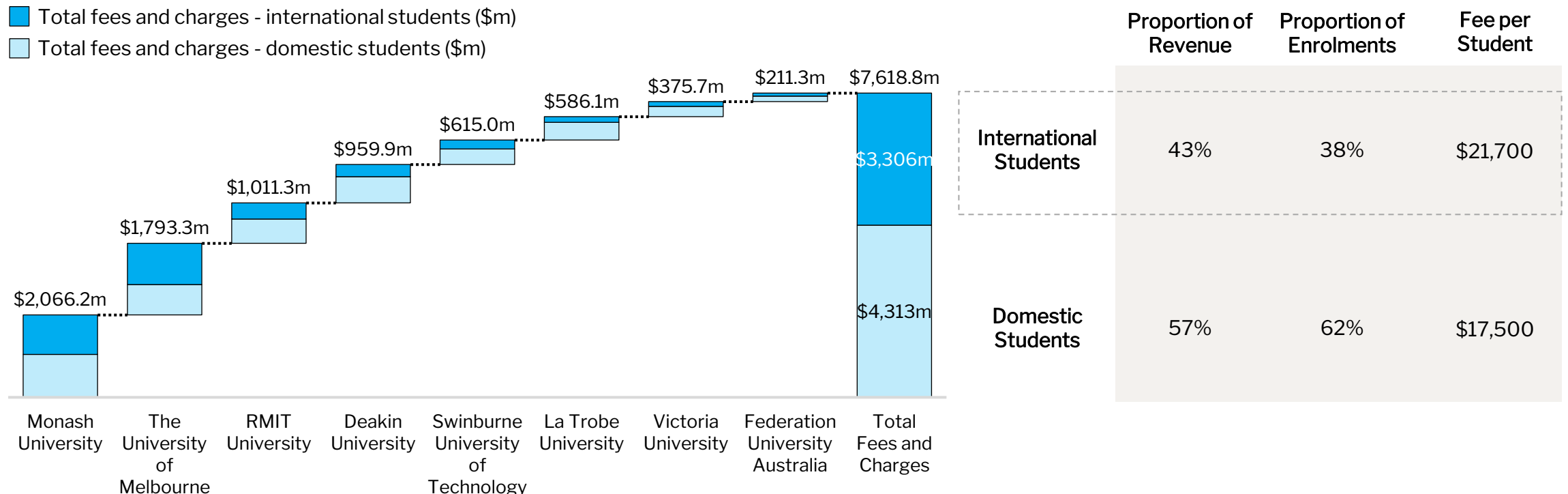
Overall Direct Economic Impact of Victorian Public Universities (\$m, 2023)



# As full-fee paying students, international student enrolments deliver a major contribution to university finances

Fees from international students enhance student services and fund impactful research that benefits the broader community.

Total fees and charges for Victorian Public Universities (\$m, 2023)



**International students, who represent 38% of Victorian public university enrolments, contribute over 43% of total tuition fees, and do not receive taxpayer subsidies like domestic students.**