

12 June 2020

### **Further COVID-19 Government Support Required: International Education Industry – ELICOS**

Submission to the Economics and Governance Committee RE: Inquiry into the Queensland Government's economic response to COVID-19

Dear Committee,

We urge you to seriously consider this letter and ask for your assistance to allow international students to safely study with Australian ELICOS providers and for consideration on more government support for our industry.

Since the borders closed to all international visitors in March 2020, the International Education Industry has suffered immensely, particularly private ELICOS providers whose business relies 100% on international students.

#### **Background**

The [International Education Industry](#) supports more than 250,000 jobs in the Australian economy and is made up of several sectors:

- University & Higher Education
- Vocational Education & Training (VET)
- Schools
- [ELICOS \(English Language Intensive Courses for Overseas Students\)](#)

According to the annual English Australia [National ELICOS Market Report 2018](#), there were a total of 179,342 ELICOS students in Australia (on all visa types) and the economic impact to the Australian economy was \$2.35 billion. (The 2019 statistics will be released later this year.)

Additionally, of all provider types, stand-alone private colleges make up 39% of the ELICOS market, followed by 27% VET colleges and 24% university colleges.

It is generally well known that the ELICOS sector plays a pivotal role to in the International Education Industry as the first step for many international students in Australia. Students from the ELICOS sector progress through to higher education, VET, Schools sectors for their further study. Therefore, ELICOS has a vital role to play in the International Education industry.

It is also important to note, that the ELICOS industry in Australia not only relies on student visa enrolments (67%), but also students studying on working holiday visas (6%) and on short-term holiday programs on visitor visas (23%).

The employment in the ELICOS industry is valuable due to the regulation of small class sizes, which is proportionate to student numbers; therefore, a high number of jobs per student are generated by the ELICOS market (ie. 1 teacher for every 18 students + administration staff).

All ELICOS providers recruit students through Education Agencies around the world. This network of agencies are representatives of our schools and sell our courses for commissions. The agents take between 25-40% commission from schools.

## Challenges

The difficulties our industry now faces are:

- Loss of revenue and very few / zero sales from future students (international borders are closed)
- Temporary challenge of online teaching
- High cost of operations including rent
- Social distancing within our colleges (when we move back to face to face teaching)
- High number of cancellations and refund requests

Providers have gratefully received some government support (Job Keeper and 'cash flow boost') along with many other businesses, but operating costs are much higher than this and until borders reopen, the ELICOS industry has no income.

## Our colleges

This letter is supported by:

- Langports English Language College (Brisbane & Gold Coast)
- Impact English College (Brisbane)
- Inforum Education Australia (Gold Coast)
- Cairns College of English and Business (Cairns)
- Lexis English (Brisbane, Noosa & Maroochydore, Sunshine Coast)
- EC English Language Centres (Brisbane & Gold Coast)
- IH Brisbane – ALS (Brisbane)
- ILSC (Brisbane)
- BROWNS English Language School (Brisbane & Gold Coast)
- Shafston International College (Brisbane)

Many of our colleges have been around for 15+ years in Queensland. We currently represent 15 schools across Queensland and have been providing approx. 750 jobs to the state (pre-COVID).

Since the pandemic of COVID-19, on average across our schools over 50% of our student population has returned home and we have no further source of business with the borders currently closed. Some students chose to stay in Australia but each week we see them graduate and move on. Unless borders re-open, many of our English schools will have no students left by the Oct-Dec 2020.

Our schools have all tried to go online and have done during lock down, but English language learning is an experience for students and sales for online classes are minimal as students prefer the face to face language learning in an English speaking environment. Our industry has been built on the "Australian Education experience".

Usually competitors, we are coming together to seek support from government in this difficult time.

## Requests/Recommendations

Opening borders:

We strongly believe that Scott Morrison's plan to help open the borders to international students is a positive move for the International Education Industry. We must ask however, that the ELICOS industry is involved in this plan and that we allow international students back to Australia to start their ELICOS programs. It is understood that the universities are working with government to trial a program, but this will only benefit the universities involved and not the entire sector.

Without ELICOS providers being part of the solution in order to kick-start the industry, numbers for Universities and Vocational Education provider's intakes in the future will also fall flat.

As a safety measure, ELICOS providers could work with accommodation providers (from the tourism sector or student accommodation sector) and the governments to ensure a strict 14-day quarantine is enforced for any new arrivals. In addition, needs of schools in regional areas of Queensland must be considered when opening borders.

The Queensland government could further support the International Education industry by helping to fund or subsidise the accommodation costs of quarantining international students in Brisbane, Gold Coast and in regional centres. This would put Queensland in a favourable position and could further increase the international student population for our state.

We also agree that opening borders (domestic and international) to all visitors as soon as possible is completely necessary to save our industry. Once travel bubbles can be established with NZ and Pacific Islands as a trial, then further non-English speaking countries can be looked at safely which will be necessary for our industry to survive.

Job keeper:

Finally, while the international borders are closed and even when they slowly re-open the numbers of students will be extremely low. The cost of teaching them is high due to salaries and rent costs. Many schools are currently open due to the current Job Keeper payments. We understand that the Job Keeper payments are only temporary while the Australian economy recovers. However, the International Education Industry (especially ELICOS) will take much longer to recover even after the borders open. We would also request that the government consider extending the Job Keeper scheme for the International Education industry until our industry recovers (likely to be at least 3 months after international borders re-open).

We thank you for taking the time to read this letter. We would be more than happy to have a meeting to discuss any of the points above.

Yours sincerely,



Anna France  
CEO – Langports



Simon Craft  
Managing Director - Inforum



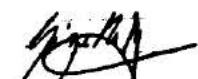
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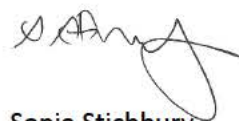
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## Sources

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<https://www.austrade.gov.au/australian/education/education-data/current-data/summaries-and-news/summaries-and-news>

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