

A photograph of the State Library of NSW building, a grand classical structure with tall columns and a pediment. In the foreground, four diverse students are walking towards the camera. A large, white, stylized sculpture of the words 'State Library of NSW' is positioned behind them. The scene is set on a paved plaza with a balustrade and benches. The lighting suggests a bright, sunny day.

**BUSINESS  
NSW**

# **Economic and Social Contributions of International Students to NSW**

September 2025

# About Business NSW

Business NSW is the peak business organisation for New South Wales representing the needs of 48,000 businesses across the state.

Our purpose is to create a better Australia by maximising the outcomes and potential of Australian businesses. We achieve this by working with businesses spanning all industry sectors including small, medium and large enterprises.

Operating through our network in metropolitan and regional NSW, and with our state chamber partners, Business NSW represents the needs of business at a local, state and federal level. This is why when we speak, the government listens.

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# Acknowledgement

**This report is supported by Study NSW.**

**The authors would like to acknowledge the case study providers and the contribution of data by the Australian Homestay Network.**

**The authors would like to especially thank Phil Honeywood (Chief Executive Officer, International Education Association of Australia) and Jon Chew (Chief Insights Officer, Navitas) for their early comments on the analysis.**

**The economic modelling was undertaken by Dr Sherman Chan.**





# International students part of the lifeblood of our economy and communities

First, it is important to acknowledge and thank the NSW Government, through Study NSW and key partners, for their longstanding commitment to fostering international education.

This detailed report now documents both the economic and social value of international education at a time when it is subject to serious constraints.

It has become all too easy for international students to be collaterally impacted when managing immigration targets.

This report makes the case for the international education sector by quantifying the benefits it delivers. We learn from this report that international education accounted for nearly 120,000 full time equivalent jobs in NSW in 2024.

As NSW's second biggest export earner, in 2024, it created and sustained nearly \$13 billion in employment activity and directly generated \$8.8 billion in spending on goods and services in the economy that year. The post-pandemic return of international students was a huge boost for the

economy, serving as a barometer of its recovery.

It is all too easy to forget the dire situation that existed during the lockdowns caused by Covid.

Why is it so important to separate international education from the immigration debate? It is because international students are part of the lifeblood of our economy and communities.

They fill so many vacancies in key workforce and skilled areas that are subject to acute labour shortages. Also, very importantly, the presence of international students builds close bonds in our region that last lifetimes and cross generations.

Again, well done to the NSW Government and Study NSW for supporting this vitally needed report and for keeping the spotlight on the benefits international students bring to our wonderful city and state.

**Paul Nicolaou**  
**Executive Director**  
**Business Sydney**





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# Executive summary

International education has been well recognised as NSW's second largest export. However, the full contribution of the international education sector to NSW communities and the economy is often undervalued, as conventional approaches to assessing its impact focus only on core expenditure such as tuition fees, food and accommodation. This report takes a comprehensive approach and highlights the multi-dimensional contributions of international students on both economic and social fronts.

Using 2024 as the reference year, findings from the analysis show that the largest benefit derived from international education is via the jobs created and sustained – with an estimated 119,534 full-time equivalent jobs in NSW and valued at \$12.8 billion a year.

Volunteer work undertaken by international students, which is not formally captured in the measurement of 'economic output', is valued at \$32.4 million each year.

In addition to examining the direct contributions of international students, this report also captures their long-term contributions in relation to the lasting impact of cultural exchange and alumni influence. The most significant long-term contribution is through alumni influence on future students' decision to study in NSW, valued at \$2.5 billion in 2024 alone.

## Economic and social contributions of international students to NSW in 2024

Direct contributions	\$ per year
Students' net consumption of everyday goods and services (i.e. net of income earned in Australia)	8,784,242,802
Value of jobs created and sustained by the international education sector	12,756,647,079
Volunteer work	32,360,629
Students' own recreational travel	193,156,173
Family and friends' visits	1,112,919,115
Tuition fees (net of cost) supporting research and facilities	3,720,183,437
Long-term contributions	\$ per year
Benefits of cultural exchange – learning environment	250,147,952
Benefits of cultural exchange – social setting	57,443,373
Alumni influence on future international students to NSW	2,482,620,862
Alumni returning as tourists	111,291,911

# Introduction

Australia hosted 853,045 international students in 2024 (January to December)<sup>1</sup>, which included 273,159 students who were new to Australia.<sup>2</sup> The majority of these international students pursued higher education (accounting for 45.6% of total international student enrolments), followed by vocational education and training (36.1%), English Language Intensive Courses for Overseas Students (13.2%), non-award courses (3.3%) and schools (1.8%).<sup>3</sup>

New South Wales (NSW) hosted 328,518 international students in 2024, which was 38.5% of the national total.<sup>4</sup> International education is NSW's second largest export, valued at \$19.5 billion in 2024.<sup>5</sup>

Conventional export calculations include only expenditure by international students while in Australia, e.g. tuition fees, food and accommodation.<sup>6</sup> In practice, the total contributions of international students to the NSW economy and society are likely to be far greater than the conventional estimates, as the values of activities such as volunteer work and cultural exchange are not captured.

The objective of this report is to highlight the full contributions of international students to NSW and provide a solid foundation to inform future policy debate. This includes quantifying the direct contributions of international students to various sectors and capturing the long-term benefits of having international students as future champions of NSW.

As this has been an under-researched topic, inevitably there are data gaps where assumptions need to be made. All research limitations and assumptions are specified in the appendix of this report. To avoid overstating the contributions of international students, a conservative approach is adopted whenever assumptions are made.

- 1 Department of Education, '[International student numbers by country, by state and territory](#)', website last accessed 25 June 2025.
- 2 Department of Education, 'Commencements – New to Australia', [International Students Monthly Summary](#), dashboard last accessed 25 June 2025.
- 3 Department of Education, 'Enrolments by Sector', [International Students Monthly Summary](#), dashboard last accessed 25 June 2025.
- 4 Department of Education, '[International student numbers by country, by state and territory](#)', website last accessed 25 June 2025.
- 5 Department of Education, '[Education Export Income by State and Territory](#)', website last accessed 25 June 2025.
- 6 Australian Bureau of Statistics (2024) '[Recording of international students in the balance of payments](#)', website last accessed 25 June 2025.

# Overview of the economic and social contributions of international students

A framework that captures the multi-dimensional contributions of international students to the economy and society is illustrated on the next page.

To NSW, the direct contributions of international students are realised in four key sectors:



## Business sector

Through international students' everyday consumption of goods and services, the jobs created and sustained due to international students studying in NSW, and international students filling job vacancies and lifting productivity;



## Society and culture

Through the volunteer work undertaken by international students;



## Visitor economy

Through international students' own recreational travel and visits by family and friends; and



## Education sector

Through tuition fees that support research and facilities.

International students also make a direct contribution to the **Commonwealth Government** via visa fees. However, as the focus of this report is on NSW, this component is excluded in the calculation of the total contributions of international students. It is included in the diagram on the next page and explained in a later sub-section only for completeness.

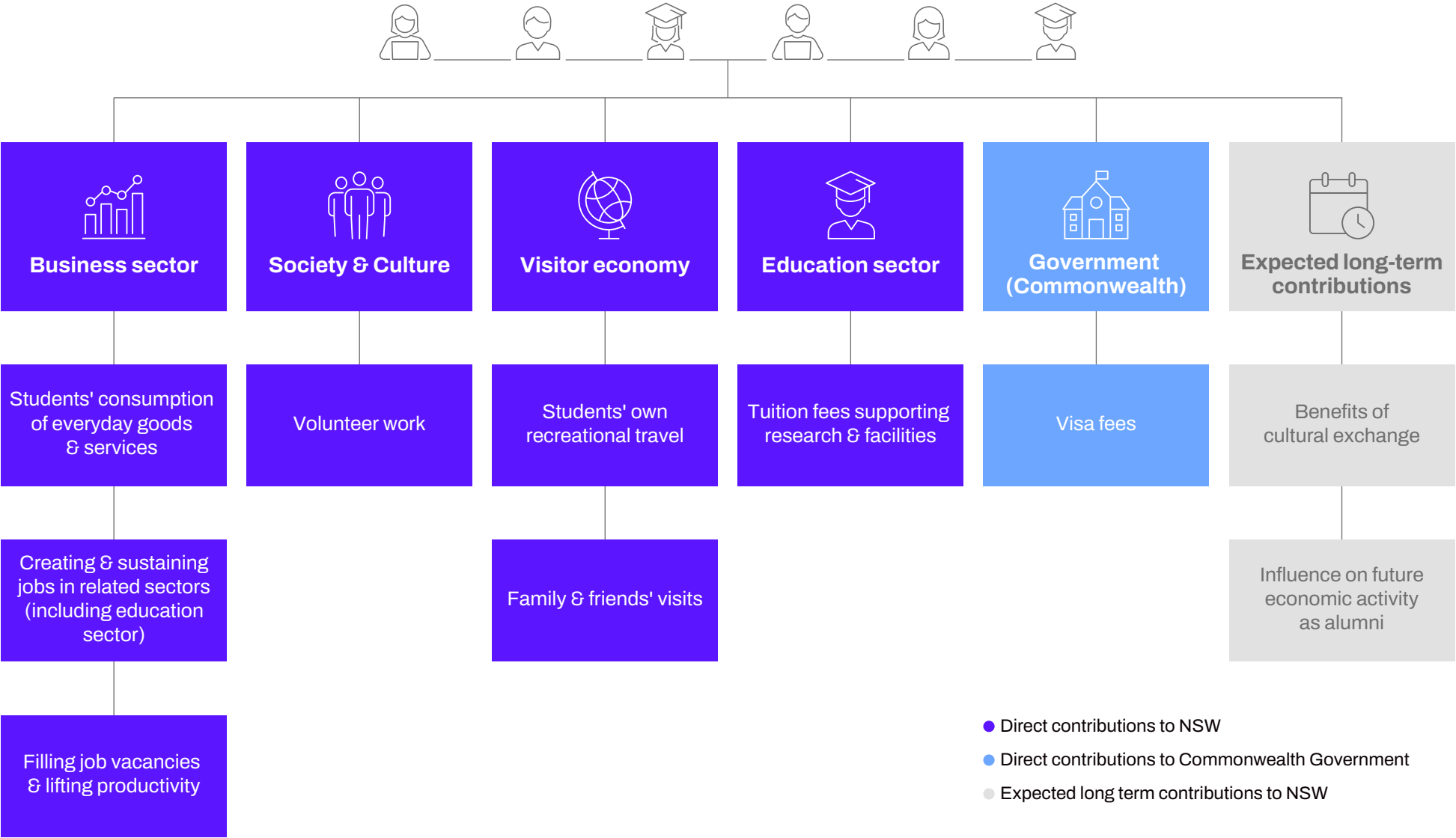
In terms of expected long-term contributions of international students, the two key channels are the **benefits of cultural exchange** and the **influence on future economic activity as alumni**.

Each of these components will be further explored in the following sub-sections.



The contributions framework

Economic & social contributions of international students





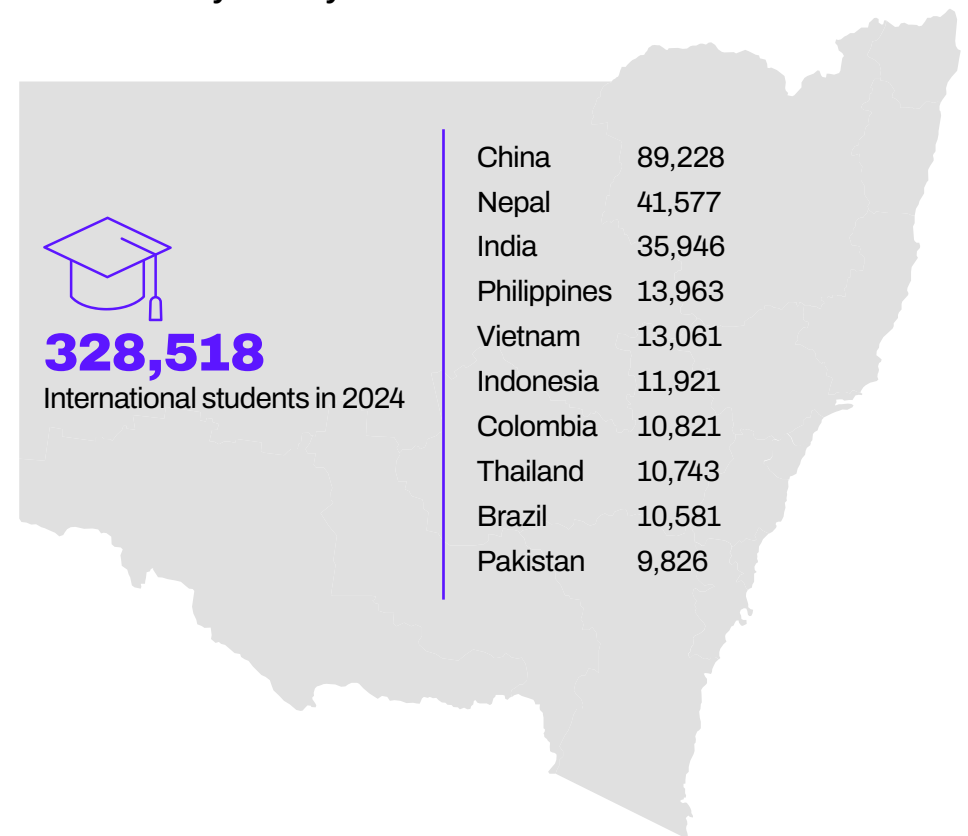
Manly Food Co | My Business member

# Direct contributions

This report defines 'direct contributions' as contributions that are realised while the international students are studying in NSW. There are clear direct links, or links that have been established by government or past research.

The estimates presented in the following sub-sections are based on 328,518 international students studying in NSW in 2024.<sup>7</sup>

## International student head count for students studying on a student visa by country in NSW




<sup>7</sup> Department of Education, '[International student numbers by country, by state and territory](#)', website last accessed 25 June 2025.



# Business sector


Students' consumption of everyday goods and services (net of income generated in NSW):

 **\$ 8.8 billion**

This amount is estimated based on the following parameters:

- \$29,710 as minimum living expenses per year (benchmarked by the financial capacity requirement for student visas<sup>8</sup>)
- A buffer of 20% is added to account for extra expenses, taking the estimated living expenses to \$35,652 per year (which is broadly consistent with guidance provided by some universities<sup>9</sup>)
- A quarter of the expenditure (\$2.9 billion) is funded by international students working in NSW<sup>10</sup>, which is therefore subtracted from the contributions of international students for the purpose of this analysis.

Creating and sustaining jobs in related sectors:

 **\$ 12.8 billion**

This amount is estimated based on the following parameters:

- 119,534 full-time equivalent jobs in NSW are supported by the international education sector (a 2018 figure provided by the Department of Education and Training has been used as the basis<sup>11</sup>, which is then adjusted for the growth in international student enrolments<sup>12</sup>)
- NSW full-time adult average weekly total earnings of \$2052.30.<sup>13</sup>

8 Department of Home Affairs (2024) '[Increase to the Financial Capacity Requirement for Student and Student Guardian visas](#)', dated 10 May 2024.

9 UNSW, '[Weekly living expenses in Sydney for international students 2023](#)', last accessed 25 June 2025; UTS, '[Cost of living in Sydney](#)', last accessed 25 June 2025.

10 Australian Bureau of Statistics (2024) '[Recording of international students in the balance of payments](#)', last accessed 25 June 2025.

11 Department of Education and Training (2018) '[Jobs supported by international students studying in Australia](#)', Research Snapshot March 2019.

12 Department of Education, 'Enrolments by State/Territory, [International Students Monthly Summary](#)', dashboard last accessed 25 June 2025.

13 Australian Bureau of Statistics (2025) '[Average Weekly Earnings, November 2024](#)', Table 12a, last accessed 25 June 2025.

## Filling job vacancies and lifting productivity

Available data are insufficient to estimate the value of international students filling job vacancies and lifting productivity for the business sector. The [Business Conditions Survey](#) conducted by Business NSW in late-2024 generated some unique insights into businesses' perception of international students. Apart from 44% of respondents validating that international students are 'valuable consumers of goods and services', 48% acknowledged international students' role in helping to fill job vacancies. Sydney-based businesses (presumably with greater exposure to international students) are more likely than their regional counterparts to observe benefits in having international students.

Economic benefits of having international students	NSW (n=789)	Sydney (n=265)	Rest of NSW (n=524)
They help to fill job vacancies	48%	50%	47%
They are valuable consumers of goods and services	44%	48%	43%
They help to promote NSW in their home countries	26%	27%	26%
They enable the local workforce to learn about different cultures and improve product/service offerings	24%	23%	24%

Source: Business NSW Business Conditions Survey (December 2024)

# Society and culture

## Volunteer work:

**\$ 32.4 million**

This amount is estimated based on the following parameters:

- 9.3% of NSW international students undertake volunteer work each year (this figure is derived from the 2021 Census data for the NSW population aged 15 to 24, non-Australian citizens, having done voluntary work for an organisation or group<sup>14</sup>)
- Each international student volunteer undertakes an average of 44 hours of voluntary work per year (this figure is derived from the Australian Bureau of Statistics' General Social Survey which collected data on the number of hours of voluntary work by age group; the age group 15 to 24 is used as reference<sup>15</sup>)
- The output is valued at the national minimum wage of \$24.10 per hour.<sup>16</sup>

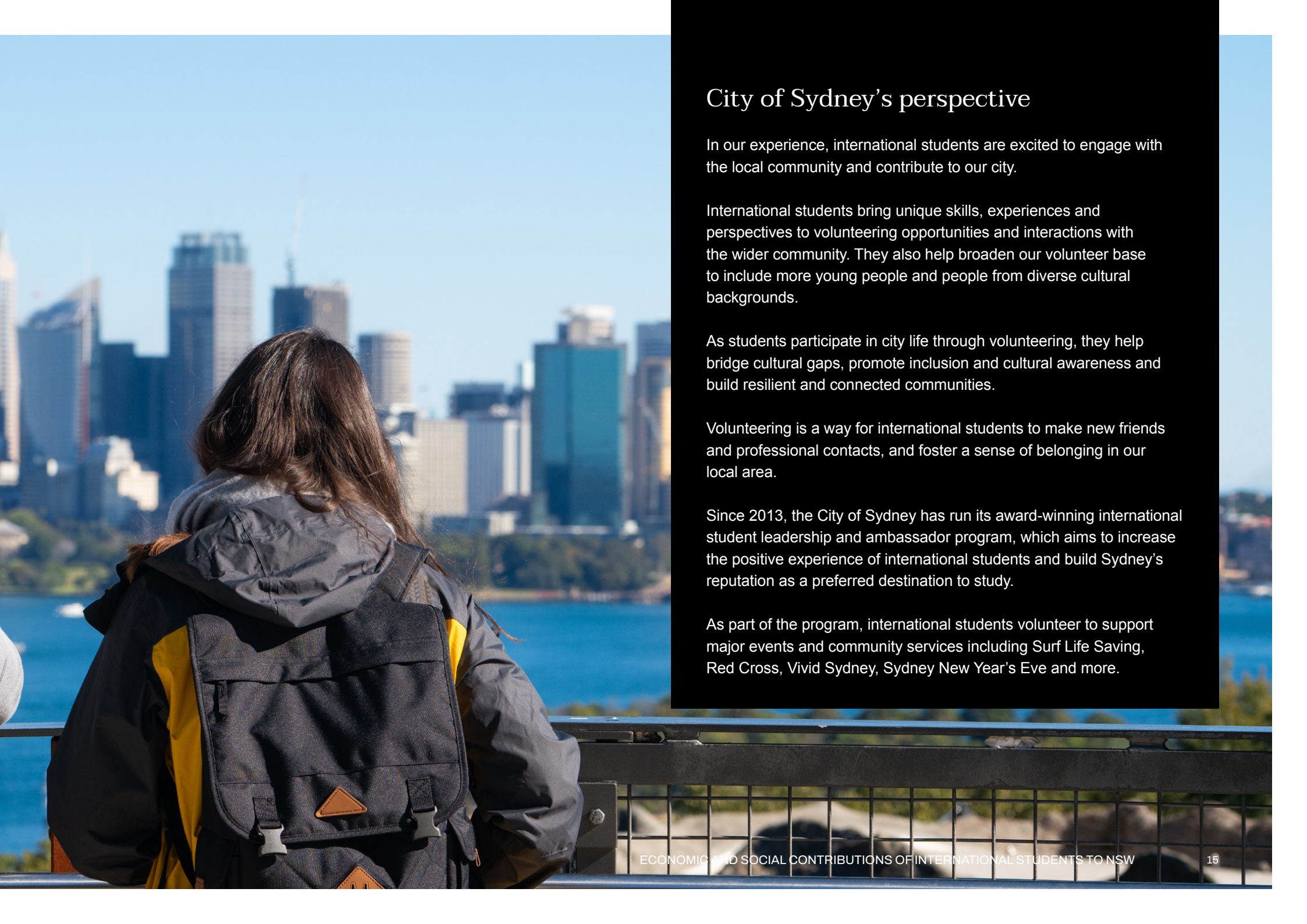
<sup>14</sup> Australian Bureau of Statistics (2021) '[TableBuilder: Census 2021](#)', last accessed 13 June 2025.

<sup>15</sup> Australian Bureau of Statistics (2021) '[General Social Survey: Summary Results](#)', Table 11.3, last accessed 25 June 2025.

<sup>16</sup> Fair Work Ombudsman (2024) '[Minimum wages](#)', last updated July 2024.







## City of Sydney's perspective

In our experience, international students are excited to engage with the local community and contribute to our city.

International students bring unique skills, experiences and perspectives to volunteering opportunities and interactions with the wider community. They also help broaden our volunteer base to include more young people and people from diverse cultural backgrounds.

As students participate in city life through volunteering, they help bridge cultural gaps, promote inclusion and cultural awareness and build resilient and connected communities.

Volunteering is a way for international students to make new friends and professional contacts, and foster a sense of belonging in our local area.

Since 2013, the City of Sydney has run its award-winning international student leadership and ambassador program, which aims to increase the positive experience of international students and build Sydney's reputation as a preferred destination to study.

As part of the program, international students volunteer to support major events and community services including Surf Life Saving, Red Cross, Vivid Sydney, Sydney New Year's Eve and more.

# Visitor economy

## Students' own recreational travel:

 **\$ 193.1 million**

This amount is estimated based on the following parameters:

- 86% of international students travel domestically, 23% of which are day trips and 77% are overnight trips<sup>17</sup>
- Each of the above international students undertake only one trip per year
- \$160 of average spend per NSW domestic day trip<sup>18</sup>
- \$840 of average spend per NSW domestic overnight trip<sup>19</sup>

## Family and friends' visits:

 **\$ 1.1 billion**

This amount is estimated based on the following parameters:

- 78% of international students host visitors from their home country<sup>20</sup>
- International students hosting two visitors at a time (assumption)
- International students hosting visitors every 1.5 years (assumption)
- \$3,257 of average spend per visitor per trip<sup>21</sup>

17 Gardiner, S. King, B. and Wilkins, H. (2013) '[The travel behaviours of international students](#)', Journal of Vacation Marketing, vol.19, no.4, pp.287-299.

18 Destination NSW (2024) '[Travel to New South Wales, year ended September 2024](#)', last accessed 25 June 2025.

19 Destination NSW (2024) '[Travel to New South Wales, year ended September 2024](#)', (average length of stay of 3.1 nights multiplied by spend per visitor per night of \$271), last accessed 25 June 2025.

20 Weaver, D. (2003) '[The contribution of international students to tourism beyond core education experience: Evidence from Australia](#)', Tourism Review International, vol.7, no.2, pp.95-105.

21 Destination NSW (2024) '[Travel to New South Wales, year ended September 2024](#)', (international visitor average length of stay of 26.7 nights multiplied by spend per visitor per night of \$122) last accessed 25 June 2025.

# Education sector

While some education providers operate solely for commercial purposes, some – especially universities – rely on the higher fees paid by international students to fund their research activity or teaching facilities that also benefit domestic students. The latest official data (for the year ended 31 December 2023) show that international students accounted for 56% of NSW universities' revenue from student fees and charges.<sup>22</sup>

## Tuition fees supporting research and facilities:

 **\$ 3.7 billion**

This amount is estimated based on the following parameters:

- \$21.7 billion of tuition fees received as education export income for Australia in 2024<sup>23</sup>
- NSW's 38.5% share of total international students in 2024<sup>24</sup>
- Surplus ratio of 44.5% of tuition fees from international students (i.e. net of the cost of providing tuition to international students).<sup>25</sup>

22 Audit Office of NSW (2024) '[Universities 2023](#)', published 12 June 2024.

23 Department of Education, '[Education export income – Calendar Year](#)', website last accessed 25 June 2025.

24 Department of Education, '[International student numbers by country, by state and territory](#)', website last accessed 25 June 2025.

25 Norton, A. (2020) '[How profitable is university teaching?](#)', published 19 May 2020.



# Government

## Visa fees for Commonwealth Government:

💰 **\$228.8 million**

This amount is estimated based on the following parameters:

- 214,515 of international student commencements in NSW in 2024<sup>26</sup>
- Visa fee of \$1,600<sup>27</sup>
- Average duration of enrolment being 1.5 years (assumption)

*Note: This value is not included in the overall calculation of international students' contributions to NSW, as this amount is accrued to the Commonwealth Government*

<sup>26</sup> Department of Education, 'Commencements by State/Territory, [International Students Monthly Summary](#), dashboard last accessed 25 June 2025.

<sup>27</sup> Department of Home Affairs, '[Student visa, subclass 500](#)', last accessed 25 June 2025.





# Expected long-term contributions

The economic and social contributions of international students continue even when they have finished their studies. While the nature of their contributions becomes less direct, it also becomes more long-term.

One concept to reference is 'soft power'. The International Monetary Fund describes soft power as "the ability to obtain preferred outcomes by attraction rather than coercion or payment."<sup>28</sup> The IMF's Global Soft Power Index captures this concept through six dimensions: commercial prowess, culture, digital footprint, education, global reach and institutions.

This section captures two ways through which international students continue to contribute positively to NSW over the longer term (most aligned with the dimensions of 'culture' and 'global reach'):

- Benefits of the cultural exchange while they are in NSW
- Their influence on future economic activity as alumni.

<sup>28</sup> International Monetary Fund (2024) '[Measuring Soft Power: A New Global Index](#)', IMF Working Paper No.2024/12.

# Benefits of cultural exchange

The average value of travel grants provided by universities to each student going overseas on exchange is used as proxy for the value of cultural exchange. The rationale is that universities price these grants according to the expected benefits of the overseas exchange. Comparing the values of travel grants offered by universities across NSW, the average is \$1,457.14.<sup>29</sup>

## Benefits of cultural exchange – learning environment:

 **\$ 250.1 million**

This amount is estimated based on the following parameters:

- 343,341 of domestic students studying alongside international students<sup>30</sup>
- Domestic students are expected to realise 50% of the benefits of overseas exchange through interacting with international students in a domestic learning environment (assumption).

## Benefits of cultural exchange – social settings:

 **\$ 57.4 million**

This amount is estimated based on the following parameters:

- 19,711 of students in homestay in NSW (data provided by the Australian Homestay Network)
- Two people per host family benefiting from the cultural exchange (assumption)
- Homestay hosts are expected to realise the equivalent full benefits of overseas exchange due to frequent day-to-day interactions with international students (assumption).

<sup>29</sup> This amount is estimated based on Business NSW research on travel grants offered by universities across NSW.

<sup>30</sup> Department of Education, '[Selected Higher Education Statistics – 2023 Student data](#)', Section 2 – All students, Table 2.10, last accessed 9 July 2025.





## A homestay host's perspective

Bern Foley's family has hosted 14 international students since 2022.

With two of her three children having moved out, Bern and her partner contemplated downsizing but decided to try hosting international students based on recommendation from her partner's parents.

The first placement was a 13-year-old girl from Japan, visiting Australia for a short stay of 3 weeks. The homestay student connected with Bern's daughter Ruby who had been learning Japanese at school. Having a Japanese native speaker as a friend was beneficial for Ruby.

Bern's family has had similar positive experiences with subsequent homestay students, many of whom they now consider as "life-long family friends". The host family has also visited past homestay students in their home country and was immersed in local culture that would not be possible for tourists.

Bern has acknowledged "cultural hurdles" in some cases, but her family has treated this as a learning experience – to be open-minded and approach cultural differences with kindness. They see "cultural enhancement" as a benefit from hosting homestay students from different parts of the world.

# Influence on future economic activity

## Alumni influence on future international students to NSW:

 **\$ 2.5 billion**

This amount is estimated based on the following parameters:

- Former international students' influence accounts for 6.2% of prospective students' decision-making (using 'friends and family living in Australia' as proxy)<sup>31</sup>
- Direct contribution of each subsequent international student being \$140,373 (estimate based on results from the earlier part of this research (\$93,582 per annum) multiplied by the assumed average duration of enrolment of 1.5 years)
- Each former international student influences one person from their home country to study in NSW but is not responsible for subsequent 'generations' of international students (assumption).

## Alumni returning as tourists:

 **\$ 111.3 million**

This amount is estimated based on the following parameters:

- 52% of former international students making a return trip to NSW<sup>32</sup>
- \$3,257 of average spend per visitor per trip<sup>33</sup>
- Each former international student travels with one other person (assumption)
- International students return to NSW on average once every 10 years (assumption)

31 Estimated based on data from Study Australia (2023) '[2023 International Student Sentiment Survey](#)', November 2023 – Onshore and Offshore.

32 Weaver, D. (2003) '[The contribution of international students to tourism beyond core education experience: Evidence from Australia](#)', Tourism Review International, vol.7, no.2, pp.95-105.

33 Destination NSW (2024) '[Travel to New South Wales, year ended September 2024](#)', (international visitor average length of stay of 26.7 nights multiplied by spend per visitor per night of \$122) last accessed 25 June 2025.





#### CASE STUDY 1

### An employer's perspective

80% of our hires are former international students. They typically start as graduates and grow into senior roles.

International students bring different perspectives to the workplace. Many have exposure to different technology (for example, China and Singapore's innovation) and construction and design (where Australia has more regulatory restrictions). With their understanding of both their home countries and Australia, international students are ambassadors of Australia.

Employers who are open to hiring international students can reap great benefits. There are stories in the architecture industry about some international students using their home-country connections to help their employers set up offices overseas. Their language and cultural familiarity are also helpful when working with foreign clients.

While international students may not be as well-equipped as local students when it comes to the Australian workplace culture, employers who can be a bit more open-minded to involve international students are likely to see a net advantage overall.

#### **Wah Hoe Goh**

Principal at Tropman & Tropman Architects



## CASE STUDY 2

### An employer's perspective

EzyRemit is an Australian Fintech company that specialises in cross-border payments. Its head office is in Sydney and it has five offices around the world. The founder believes in giving opportunities to international students and providing them hands-on experience and internship positions, with many trained to eventually take on full-time roles. About two-thirds of the current team are current or former international students.

Hiring international students comes with many advantages:

1. their multi-lingual background helps to communicate with clients;
2. staff members can learn from international students about different cultures, and such insights are helpful when tapping into new customer markets;
3. international students are often determined to work hard to prove themselves and show their resilience as they believe they do not have the privilege of the locals;
4. a fintech business requires creativity and a global mindset, and international students typically have a natural advantage for the latter.

**Christine Vu**

Senior Global Partnerships Manager at EzyRemit







# Conclusion – A Call to Action

As this paper demonstrates, the contribution of international education to our economy – national, state and Sydney – is immense in both human and financial terms. It is a sector that must be encouraged, sustained and, above all, valued.

This paper also represents a golden opportunity to celebrate the life-changing opportunities for international students to study in our state and city and how they continue to be lifetime ambassadors for NSW beyond their time as students in our state.

All sections of the community play a part in making international education an even greater success story. We can do this by making international students feel welcome and by educating our colleagues and associates about their contribution, as portrayed in this report.

There is also no hesitation in acknowledging the NSW Government's role, through Study NSW, in its nurturing international education in our state over the past decade.

It is also encouraging that the Commonwealth Government has highlighted the importance of the sector and has appointed an Assistant Minister for International Education in 2025.

International education is not without its challenges, but greater awareness of its contribution will provide a pathway to a bright future. The aim of this paper is to help define that pathway.

# Appendix:

## Research limitations and assumptions

### Research limitations

- There is very limited research on international students' behavioural patterns. Data identified or obtained during this research may be dated or non-representative.
- The timeframe of the analysis is calendar year 2024.

### Recurring assumptions

- International students staying on average 1.5 years in NSW.





Photo by Destination NSW





Photo by Destination NSW

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