

AUSTRALIAN CONFERENCE OF ECONOMISTS  
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ECONOMICS FOR A CHANGING WORLD

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# Trade Liberalisation: The International Student Market

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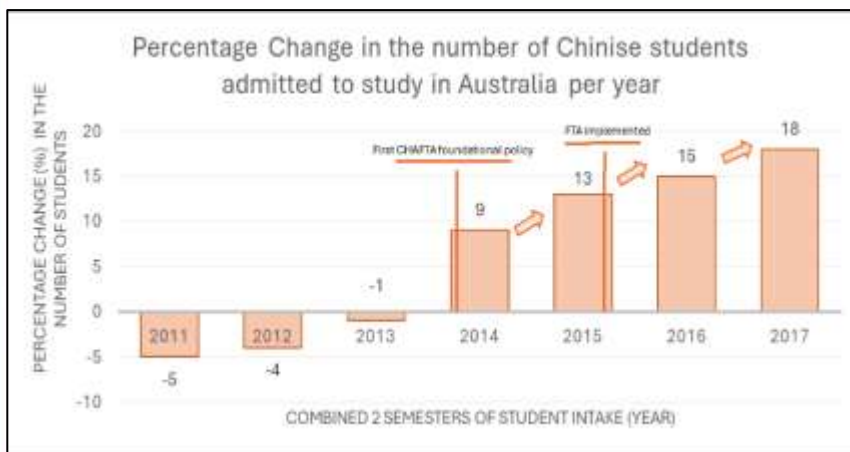


What to expect:

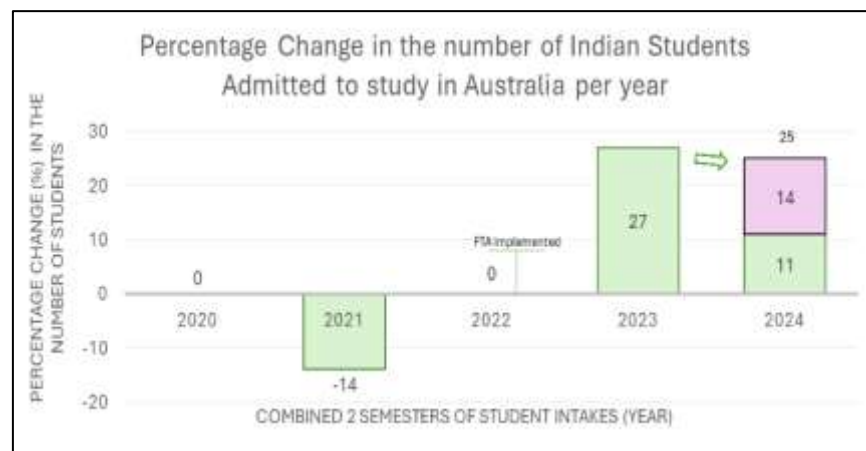
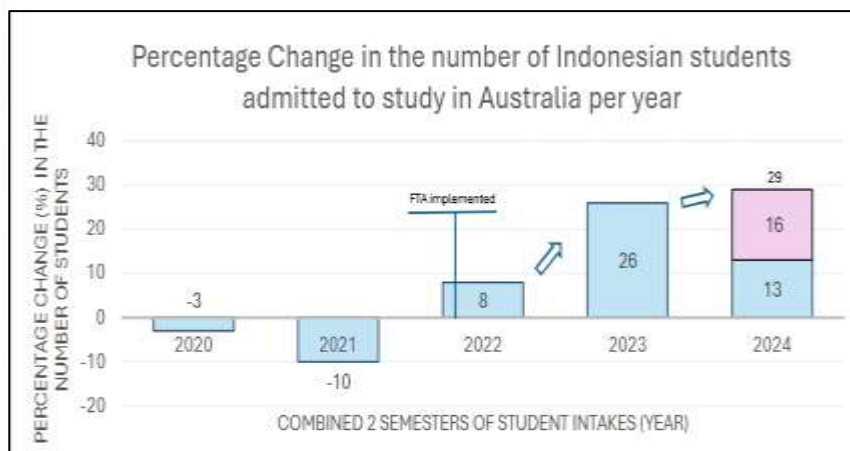
- Current Trade liberalisation policies enabling this shift – graphed
- Sectors and impact of the employment of international students
  - The flexibility of the international student workforce
- Cost of living impacts on households
- Evaluation through stakeholders

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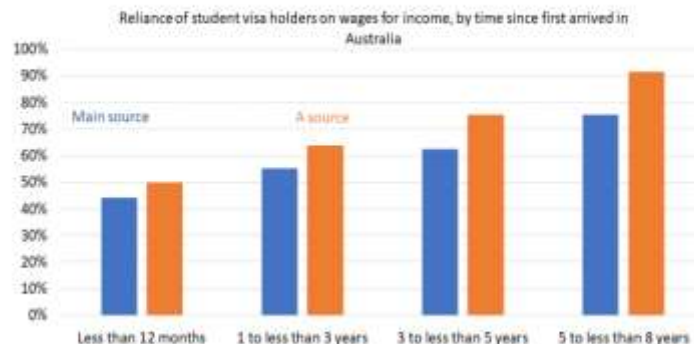


- FTAs increase student admissions seen across 3 scenarios across 3 timeframes:
  - CHAFTA resulted in a 33% student intake growth
  - IA-CEPTA: resulted in a 63% student intake growth
  - ECTA: resulted in a 52% student intake growth
- An agreement by Australia to increase international student intakes is considered a concession, allowing supplementary clauses to be added.





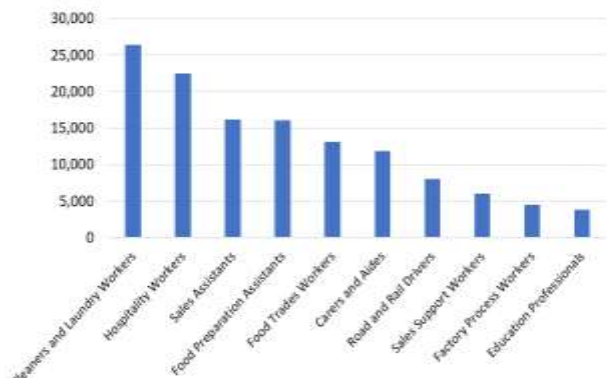
### Many student visa holders rely on wage income

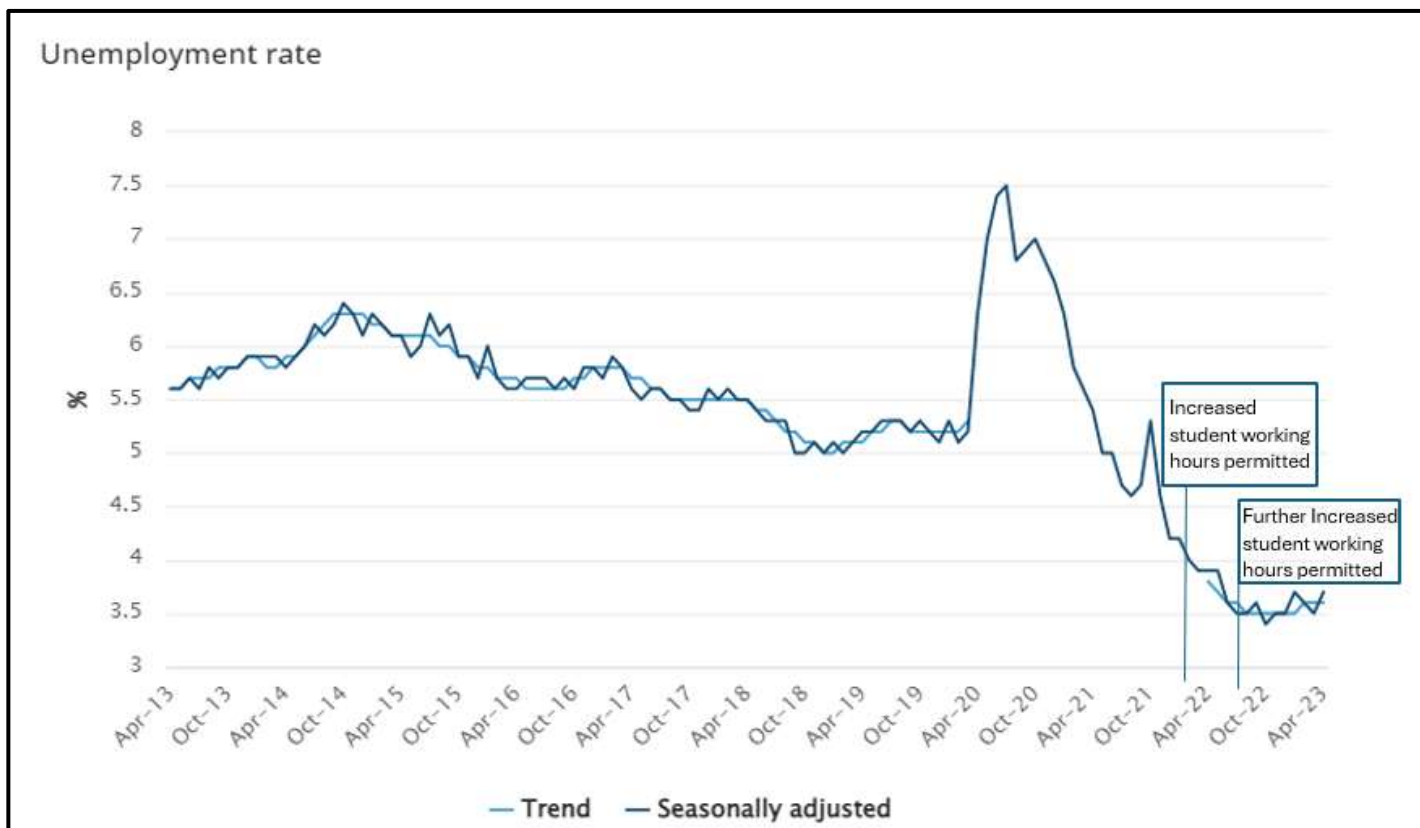


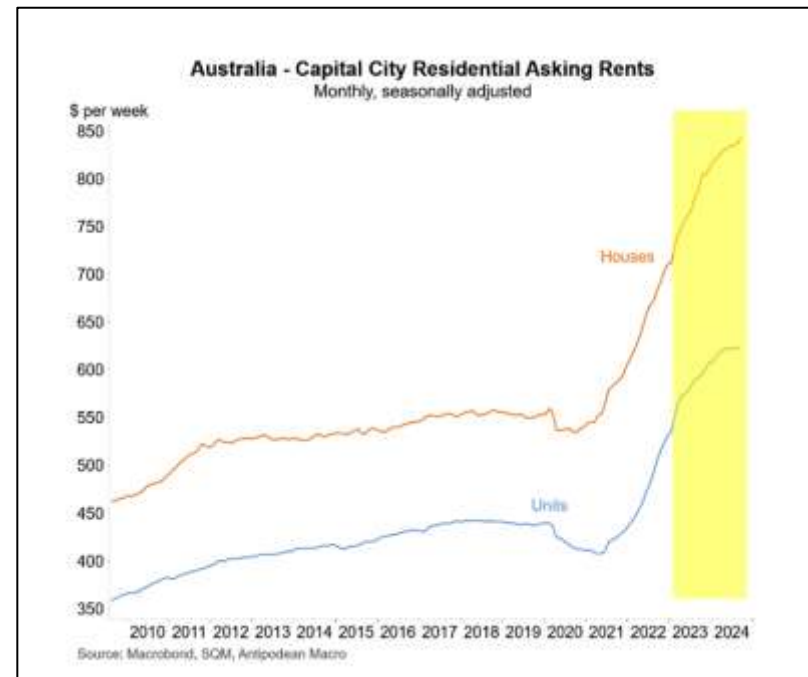
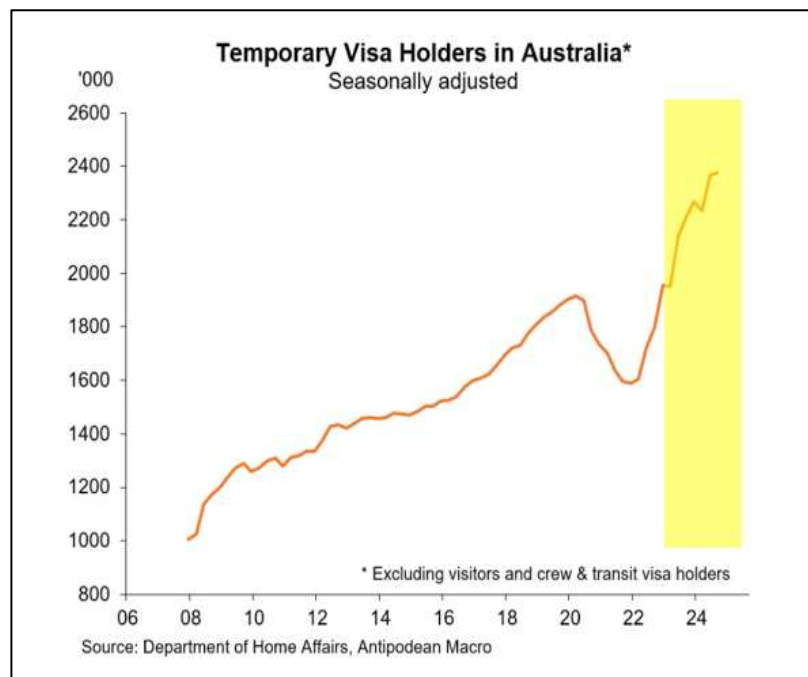
- International students are highly dependent on wages. Leading to high levels of employment.
- Student wages can be leaked overseas; however, the majority are spent domestically, increasing economic activity.
- Students typically invest and spend overseas savings in Australia, increasing the balance of payments.
- Furthermore, the long-term productive efficiency of international students within the labour force offsets this economic outflow.
- International students work within low competition sectors, with high skill shortages – thus not displacing domestic workers but supplementing labor shortages.

### Cleaning, hospitality and sales are the most common jobs for international students

Top ten jobs for international students







- Increased spending can contribute to overstimulation of the domestic market, which may have caused both imported and domestic inflation
- However, temporary visa holders have not caused but further contributing to increased rents (Khadem, 2023)

Stakeholders	Advantages:	Disadvantages:
<b>Governments:</b>	<ul style="list-style-type: none"> <li>- Increased diplomatic ties to trading partners</li> <li>- Diversifies GDP (seen in post mining boom)</li> <li>- Addresses labour shortages</li> <li>- Higher government revenue</li> </ul>	<ul style="list-style-type: none"> <li>- Increased government spending on processing</li> <li>- Increased capacity for public services (e.g. hospital capacities)</li> </ul>
<b>Firms:</b>	<ul style="list-style-type: none"> <li>- Increased domestic aggregate demand</li> <li>- Greater number of workers</li> <li>- Greater market access for services (universities)</li> </ul>	<ul style="list-style-type: none"> <li>- Increased competition for domestic firms. Due to overseas sectors (through FTA)</li> </ul>
<b>Households</b>	<ul style="list-style-type: none"> <li>- Job production (8.78 jobs per million spent students)</li> <li>- Higher national productivity.</li> <li>- Increased government investment into public services.</li> </ul>	<ul style="list-style-type: none"> <li>- Demand push inflation, increasing cost of living pressures.</li> </ul>