

# **ECONOMICS AND INDUSTRY STANDING COMMITTEE**

**INQUIRY INTO WESTERN AUSTRALIA'S ECONOMIC  
RELATIONSHIP WITH THE REPUBLIC OF INDIA**



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
FRIDAY, 20 MARCH 2020**

**SESSION FOUR**

## **Members**

**Ms J.J. Shaw (Chair)  
Dr D.J. Honey  
Mr Y. Mubarakai  
Mr S.J. Price  
Mr D.T. Redman**

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**Hearing commenced at 2.06 pm****Mr PHILIP PAYNE****Chief Executive Officer, StudyPerth, examined:**

**The CHAIR:** Thank you, Philip, for joining us today. We do appreciate it. My name is Jessica Shaw. I am chair of the committee. I would like to thank you for agreeing to appear today to provide evidence in relation to our inquiry into Western Australia's economic relationship with the Republic of India. I would like to introduce the other members of the committee. To my right is Yaz Mubarakai, the member for Jandakot; to my left is the deputy chair, Terry Redman, the member for Warren–Blackwood; and David Honey, the member for Cottesloe. The member for Forrestfield, Stephen Price, is an apology for our meeting.

It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence is protected by parliamentary privilege. However, this privilege does not apply to anything you might say outside of today's proceedings.

Before we begin with our questions, do you have any questions about your attendance today?

**Mr PAYNE:** No, I do not. I think it is all pretty clear, and I thank you for the opportunity.

**The CHAIR:** Excellent. Do you have an opening statement you would like to make?

**Mr PAYNE:** No, thank you.

**The CHAIR:** Okay. Perhaps we will go straight into our questions. Could you just give us a bit of an overview of StudyPerth's role and what it is doing to promote education as an export into India?

**Mr PAYNE:** Yes, certainly. StudyPerth has three primary objectives. The first is to promote Perth as a study destination to prospective students overseas. The second is to enhance the student experience, which increasingly is about employability and skills and the opportunity to advance career and entrepreneurial aspirations. Thirdly, it is to promote and facilitate collaboration between our members, our members being all the public universities and the one private university, private colleges, English language colleges and schools.

**The CHAIR:** Excellent. Do you have a relationship with the School Curriculum and Standards Authority?

**Mr PAYNE:** Yes, we do. They are an associate member of ours. They joined a few months ago, and we were delighted to welcome them onboard. I also sit on the international education committee for SCSA, which oversees the rollout of the WACE to overseas schools.

**The CHAIR:** We just had a really interesting discussion with them about the opportunities that they perceive exporting the WACE or the primary and high school curriculums into India. One of the points that they made during that hearing was that they are seeing a lot of South Australian universities identifying graduates from their product and, basically, poaching Western Australian-educated kids into the South Australian tertiary education system. While we were off air, we were just wondering why it was; why are Western Australian universities not picking up those kids, because it would seem they perform very well? I just wondered whether you might be able to maybe give us a view on opportunities in that space.

[2.10 pm]

**Mr PAYNE:** Yes, certainly. They are perfectly correct to identify that as an opportunity. The licensing of the WACE to overseas schools has happened for quite a while and was probably seen almost as

an end in itself rather than as the pathway for these students to enter into further education or higher education in WA. Opportunistically and entrepreneurially, other states—not just South Australia; I think Victoria has been more successful—have seen it as an opportunity to take very highly capable students with a very well-regarded qualification, like the WACE, into their further and higher education, and they have been, as you were talking earlier, they have been very aggressive in the marketing of their universities to these cohorts. In a sense, we have made it easy for them because these students are congregated in single schools, everyone knows where they are, and the better universities—because it is generally the Go8 universities that have been most successful in attracting these students, and it has not been seen as a priority until very recently. The establishment of the International Education Committee and the invitation to me to join that is recognition of the fact that we need to carve out pathways for these students. My view is that before a school is licensed with the WACE, there should be a very strong connection nurtured between the school, the students, the career counsellors, the principal, the teachers' connection to them and the international education community in Western Australia. They should feel as if they are on a path to further education or higher education in Western Australia. Currently, they do not. I think the number of students coming over from WACE schools overseas into Western Australian universities is in the single digits. I think it is about three or four per cent, so we have done very badly in this regard.

To some extent, the existing WACE schools overseas are not a lost cause exactly, but the patterns of the movement of students from these schools is so well entrenched now to places like the University of Melbourne and University of Sydney, and overseas to the UK and the US, that it is going to be quite hard to turn that around, but we are going to try. We see greater opportunity in the new schools. There is a whole new batch of schools that SCSA is bringing on in a variety of different locations, including India, and we see these as a very great opportunity to increase the number of students coming into Western Australia.

**The CHAIR:** That is very interesting.

**Mr D.T. REDMAN:** From memory, there is reference in your submission to doing a digital marketing campaign into China, but you are still putting India as a priority market. Have you got a plan about rolling that out into India?

**Mr PAYNE:** Yes, we do. China was identified as the first priority last year, and we have already run phase 1 of the campaign in China. The main reason China was chosen is because we are underweight in China. We are the only state or territory where China is not the number one source market. The one small silver lining in the current situation is that Western Australia was not overexposed to China. Now it is a global problem. It is never something that we are going to gloat about, but it is nevertheless an advantage. But China was seen as a source market that we should be doing better in, hence that being the priority, and that will continue to be a priority. We have not pulled back in spite of the current pandemic.

The second wave of priority markets has already been identified by the board, and that is ASEAN markets where we think the growth potential is highest. So that is Vietnam, Philippines and Indonesia, followed by India. India is a priority market because it is our number one market, but we think the growth potential there is less than the growing economies of Indonesia, Philippines and Vietnam. But India will be the next cab off the rank. It depends on how the pandemic plays out, but probably towards the end of the year we will start preparing a campaign for India.

**Mr D.T. REDMAN:** Can you just give me a snapshot? The education space is not as tangible as commodity marketing. We know how much goes out and how much money we get for it. When we bring people in to be educated in Western Australia, can you just go through the list of payoffs for

the investment? I am assuming that a bum on a seat in a university is one payoff, right the way through to the potential links back to businesses that these people have with their parents who may be wealthy and want to invest in Western Australia. Can you summarise the kind of payoff that we get?

**Mr PAYNE:** Absolutely, yes. It is a great question. It is a question that we are not asked enough, to be honest. The multiplier effect of international education is probably under-recognised. You are right. So the fees are clearly the biggest revenue generator, but international students have to live somewhere, so there is accommodation. They buy food; they spend in retail; they spend in hospitality; they spend in tourism. So it is all the additional spend that they provide for the local economy. Then their parents come to visit, and they spend on accommodation and tourism et cetera. Then there are, as you said, business connections, investments. A large proportion, actually, of parents from places like Singapore and Hong Kong will buy property here for the students or for them to stay in when they visit their kids. So you are right. There is a whole range of different payoffs, as you call them, associated with international students. We are trying to facilitate that and emphasise this in the activities that we are holding. We have recently held two very successful welcome events, which we got in just before sentiment changed. We held the welcome event for 2 200 students and their families at Elizabeth Quay a month ago to promote what we hope is a lifelong association with these students and their families with Western Australia and also to welcome them and make them feel at home as part of the community. We followed that up with 1 200 students again, and their families, on a trip to Rottneest, emphasising the link between international education and tourism, and trying to facilitate that at the beginning of the students' relationship with Western Australia, in the hope and expectation that students' families and friends would then be more inclined to spend tourist dollars in the city and the state in coming years.

**Mr D.T. REDMAN:** Do you do any destination surveys to get an understanding of what they do post their qualifications, and can you give us a read out of what the Indian market might have for us in that space?

**Mr PAYNE:** We do not. That is something that institutions do. All institutions try to monitor the activities of their alumni, with varying degrees of success, to keep track of where their students go. It is a bit of a truism that international students from India and South Asia more generally may have a migration aspiration, so most of them will be looking to stay. That has been made more attractive by the recent migration designation.

**Dr D.J. HONEY:** In your submission, you talked about the absence of a whole-of-India strategy at a government level. I would really be interested—and I think, as something that we have talked here—for you to expand on that as an idea and how you see that manifesting itself, if you like, in your ideal world.

[2.20 pm]

**Mr PAYNE:** I do not recall saying that in the submission.

**Dr D.J. HONEY:** Okay, I was reading it in the —

**Mr PAYNE:** The absence of a whole-of-India strategy?

**Dr D.J. HONEY:** It might have been in another—I was putting it down to you. Do you think there is a value to that then? I definitely thought it was yours, but that is okay; I am happy.

**Mr PAYNE:** It may very well have been.

**Dr D.J. HONEY:** I have verbed you now and it is in *Hansard* too. Is your boss sensitive about this topic?

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**Mr PAYNE:** No; no, not at all. I think that India is such an important market that a whole-of-India strategy would be a good plan. The Asia engagement strategy is a very helpful starting point but I think some more differentiated strategies within an overall Asia engagement strategy would be very helpful. We feel we should be very much part of that, India being our number one source country.

**Dr D.J. HONEY:** On another topic not related to that but related to a general topic. There are the direct business opportunities, if you like, of education and all the spin-offs and multipliers, but the other one is improving the intellectual capacity of our nation. In India, you have well over a billion people—some outstanding minds there. Is there an opportunity to have a more targeted approach to attracting those minds here? You would probably have top of mind Boris Johnson's strategy in the UK where they are going out to the world and saying, "We want the best minds in the world here because that will ultimately drive our economy." Do you think there is scope for us to be more focused on that and perhaps offer more specific scholarships around attracting the most talented people here, recognising, okay, we may get a pay-off for it, but the state will get a pay-off because we are going to improve our intellectual capacity.

**Mr PAYNE:** The short answer is: yes, I think there is a huge opportunity there. I do not think it is one that we have really pursued as systematically as we perhaps should have done. The most successful and productive relationships in terms of student recruitment are those where there is a strong academic relationship and bonds between institutions in Western Australia and India, and those are the kind of relationships we should foster. Through those relationships you identify the talents, if you like, on both sides of the relationship that can work together to advance both economies. What I would not want to be seen to be doing is denuding India of its talents. I think we should approach this as a joint strategy. Definitely coordination at the government level would be welcome and I think advantageous but institution to institution I think is potentially the way to go too.

**Dr D.J. HONEY:** Thank you.

**Mr D.T. REDMAN:** The question I was going to go to was following David's question earlier on. One of the discussions on a previous hearing here was about the challenge with India is that if you go to other countries, there is team China, team Korea, team Indonesia, but there is kind of not team India. In terms of your direct interactions with India, first of all, how much of that do you have and, secondly, is that a challenge?

**Mr PAYNE:** Yes. It is extremely disparate. Most markets we deal with are fairly disparate but I think India takes the biscuit. You are quite right; it is a very heterogeneous kind of market, so my view is that you cannot treat it as a single market. In fact, our resources are quite limited so the last thing I want to do is spread them thinly over the whole country. When we develop our strategy for India, it will very likely be targeted at specific areas, specific disciplines, specific courses, where we feel we are strong and we feel there are particular demands and needs within those states or cities. It is most likely to be second-tier cities. The first-tier cities, Delhi and Mumbai, are pretty well orientated toward the UK and the US. We see greater opportunities for us in the second and third-tier cities where there are still very highly competent students and a lot of talent. We think that Western Australia has a lot to offer them. The emphasis of the campaign is very much likely to be around entrepreneurship, innovation, industry links et cetera because we think that is where we are probably misunderstood as a state. We are seen by many of our markets as not in the vanguard of technological progress. In many cases we are, when you actually list the activities and initiatives that we are involved in—it is all kind of disruptive technologies, sustainability, cybersecurity, biosecurity, water security, food security. They are all the really hot topics that most of our key markets are interested in but do not see WA as having a great deal to add, when in fact, we do. To answer your question, we need to identify the parts of the market—we do not know where they are yet

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specifically. To answer your question, we identify those parts of the market within India that resonate and align with that kind of value proposition for WA.

**Mr D.T. REDMAN:** When you make that assessment, quite rightly, everyone else pretty much says, “If you are going to go into India, you have to find a way to target your focus, because it is just too big, too large, too disparate.” There are strategies out of the Western Australian government, no doubt the federal government; we have a trade office in Mumbai; we have a sister-state relationship with a provincial government in India. Are any of those considerations? Do you try to platform on those relationships or are you going in a bit alone, chasing your own ends?

**Mr PAYNE:** I would be reluctant to go in on our own. One of the reasons we have selected Indonesia, Philippines and Vietnam as the next phase is because they are identified within the state government strategy as priorities for the state government. There is a very long list of priorities within the state government but that aligns with where we feel our strengths and opportunities lie as well. I would be reluctant to break away from that principle when going into India. Having said that, you can see why the trade office is in Mumbai. It makes a lot of sense but it is not a huge market for our members, with the exception of UWA. Most of our members will be looking elsewhere. The provincial sister-state relationship remains to be seen. We would certainly look at it because it potentially gives you a competitive advantage, but I would rather approach it with something like a blank slate to see where our best opportunities lie.

**The CHAIR:** We are running very short of time, so very quickly—I almost hate to introduce this topic at such a late stage—it is obviously early days. You did refer to the pandemic that we are experiencing. Have you got a bit of a sense of impact? What are your observations so far in the international education sector, if you like, on what sort of impacts the pandemic will have?

**Mr PAYNE:** Devastating. I am not prone to hyperbole and, in fact, I think the penny dropped for me later than most. I was quite complacent; I thought: “We will see this through, the restrictions will be lifted and we’ll get back to this relatively quickly.” But semester one has been decimated; semester two will not happen because of the restrictions announced yesterday as far as closing the borders entirely to non-Australian residents so that is a year’s worth of enrolments or commencements of students that will be lost and it takes a long time to build those again. Of greater concern, because I think the universities have sufficient reserves and resilience to weather this, and they will suffer, but many of the private providers within Western Australia will not survive. That is very clear. Otherwise viable, successful businesses will cease to exist within a matter of weeks. That is just a fact now.

[2.30 pm]

That in itself takes a huge chunk of our business, a lot of jobs and a lot of livelihoods. But also upstream, many of these provide very productive pathways into higher education, into TAFE. These pathways will just be broken and that will take years to re-form. It has had a devastating effect. It will have an even more devastating effect.

Even longer term, it may actually affect the global sentiment towards study overseas. It may have changed overseas students’ whole perception of the value and risk of studying overseas. A lot of international students, this week particularly, are seeking to return home. Many of their countries have requested that they come home. Many students are requesting release from their institutions and many are not even asking for a refund; they just want to get home, which is different. That is in the private sector. In the universities sector, many cannot afford not to get a refund. My sense is that our institutions, for humanitarian reasons, are not trying to make that difficult, and not trying to make it expensive. If students want to go home, they are trying to facilitate and accommodate that as best they can. Certainly, it is a very rapidly changing sentiment. To restore confidence in

overseas markets, students and their families may think, “Let’s keep our kids close.” That may change for good.

It may also be that the expertise and experience that is gained in the next months, years maybe, in online and blended learning may redefine how international education is delivered or recast how that is delivered, which may be a good thing, but it remains to be seen. If there is less travel for overseas education in Western Australia, that would be significant, whether that is because students do not come at all or they want at least a part of their education online. The irony here, I think, is that China has always had a low opinion of online learning. Digital learning is seen as a lesser kind of education. Parents and institutions and the government do not value it. That may change. We may end up doing it so well that it is seen as preferable. Given that there is a lot of very high quality online content and service out there already at a very competitive price, I can see that having a significant effect on revenues in years to come.

**The CHAIR:** But of course you deprive an economy of those multiplier effect benefits that come with the delivery of online education.

**Mr PAYNE:** Yes, exactly. I know we talk about economics, but there are so many other benefits that you have from having international students within our community and we deprive ourselves of those too.

**The CHAIR:** Definitely.

**Mr PAYNE:** We do have a wonderfully diverse international education community. We have a more diverse profile than pretty much any other state or territory. We are not dominated by one or two countries in the way that many cities are.

**The CHAIR:** Thank you so much for speaking with us today; we really do appreciate it, Philip. It is much appreciated. Today is the last day that we think we will be gathering evidence in a hearing context. We may, as we go on and prepare the report, identify gaps, in which case, we may get in touch just to ask for a bit more information. We may well do that.

Thank you for your evidence before the committee today. A transcript of this hearing will be emailed to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 working days of the date of the email attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee’s consideration when you return your corrected transcript of evidence. Thank you very much.

**Hearing concluded at 2.35 pm**

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