

Income Security of International Students in Australia

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Abstract

Growth in the number of international students studying in English language countries has slowed in recent years and this development has generated extended debate amongst university managers and policy makers. In these discussions much attention has focussed on whether the slow down is to be explained by currency realignments, visa requirements, the quality of education, or the increasing competitiveness of the international education market. But what has attracted little attention is the fact that when parents and students choose in which country they will purchase a foreign education their choice is commonly influenced by the level of security that is perceived to characterise the range of options. What security means can take many forms and in this paper we focus on income security. Drawing on interview data from 9 Australian universities, we clarify the sources of international student income, the extent to which these students experience income security/insecurity, how they cope with income difficulties and/or ensure finances do not become a serious problem, and whether the nature of the information provided by governments and universities helps explain the extent of income insecurity manifest amongst international students in Australia. We argue that a significant proportion of international students studying in Australia do experience income insecurity and suggest that for both moral and economic reasons the government and the university sector should pay increased attention to this aspect of student need.

Key Words

International students, education, finances, income, security, poverty

Introduction

An important factor that helps explain the large number of international students studying in Australia is the widely held perception that Australia is 'safe, secure [and] relatively tolerant' (Marginson 2002). International students who choose Australia as their place of study tend to emphasise the quality of the education provided and the security that is made possible by the possibility of part-time employment, an environment that is non-violent and Australia's close geographic proximity to Asia. In short, Australia along with New Zealand, are widely perceived to be 'safe countries that provide a studious environment' (Mazzoral, Soutar et al. 2001). In this paper we focus on the income security of international students studying in Australia. This is a topic that became a cause celebre in 2006 when the New South Wales Administrative Appeals Tribunal ruled that the government's refusal to allow international students travel to access travel concessions available to domestic students was racially discriminatory. Commenting on this decision, postgraduate student, Shehbaz Singh, who spends \$9 a day on train fares, observed that the decision was of importance to international students because 'travel concessions are not so much a concession but a basic necessity' (Kelly 2006). That student income security is a problem for many students has been recognised by the Australian Vice-Chancellors Committee (AVCC) which in 2006 called for a nation wide investigation of this issue. This is an important development but as with the last such study the new examination will focus only on domestic students and consequently will not clarify if there are income difficulties specific to international students that require a policy response from the state and/or from university administrators. In this paper we respond to the current paucity of knowledge on the income security of international students by identifying which students tend to experience income insecurity and how these individuals cope with the need to remain income secure. The paper begins by discussing the Australasian literature on student income security and then proceeds to draw on in-depth interviews undertaken with 200 international students across 9 Australian universities in 2005. We clarify the source of

international student income, the extent and nature of income insecurity, which students have difficulties, the strategies international students utilise to cope with financial problems and/or ensure finances do not become a serious problem, and whether immigration department financial requirements and cost of living estimations that are provided to international students helps explain why a large minority of students experience income insecurity.

Student income security in Australasia

A number of enquiries have investigated the income security of Australian higher education students, the most recent being in 2000. The latter study focused on domestic students' debt profiles income, expenditure, and the impact financial circumstances have on their studies (Long and Hayden 2001:1). It was found 38.7 per cent of students require and receive income assistance with the most common forms of support being Youth Allowance¹ (23.3%) and Austudy² (10.3%). It was also found that a minority of students (10.7%) had taken loans to continue their studies with the average amount borrowed being nearly \$4,000. The authors of the report noted with concern that the financial circumstances of a minority of students had influenced their choice of course (11.1%), university (17.4%) and mode of study (23.3%). Also of concern was the apparent deterioration of students' income situation as was indicated by the increased proportion of full-time students in paid employment during semester. This proportion had increased from 50 per cent in 1984 to more than 70 per cent in 2000 and was accompanied by a sharp increase in the number of paid work hours which jumped from an average of five hours in 1984 to 14.4 hours in 2000. That these developments are a matter of concern was confirmed by the fact that 20 per cent of students reported that paid employment adversely affected their study 'a great deal'. Indeed, Long and Hayden (2001:1) concluded from the foregoing results that there is 'strong evidence to support concerns that students' financial circumstances are having substantial impact on students' studies such that they, and the public that funds them, are not gaining optimum value from their enrolment'.

Given the 2000 survey revealed that a large number of domestic students suffer financial difficulties and that this experience impacts negatively on their emotional wellbeing, academic success, and their assessment of the university experience it is reasonable to assume many of the problems identified may be shared by international students. If so, there are moral and sound fiscal reasons why the Australian government and university sector should be concerned about the income security of the latter. Whether international students do experience income insecurity has remained largely unknown as the study of international student needs, both within Australia and internationally, has tended to focus on their capacity to adjust to their new cultural and learning environment. Studies undertaken by the Australian government's Department of Education, Science and Training (DEST), for example, have explored in detail the first year experience of international students but have accorded only marginal attention to the income needs of these students. As a result, the most recent study reported that the financial situation of international students remains 'unclear' and added that what little that is known suggests that relative to domestic students a far larger proportion of internationals report their families are their main source of income, fewer find money worries make it difficult to study, fewer work part-time, and a greater proportion feel pressured by financial need (40% compared with 23%) (Krause, Hartley et al. 2005:77).

In 2006, the limited research on the income needs of international students studying in Australia was supplemented by a comprehensive study that evaluated the health and well-being of international students at the University of Melbourne. Rosenthal, Russell and Thomson (2006:46) found a large minority (28.7%) of these students experience an inadequacy of financial support. Whilst 'more students worry about their finances than believe their finances to be insufficient', 101 students (n=344) held their financial circumstances were 'completely or nearly inadequate'. It was also found that 68.2 per cent of students worried (to varying degrees) about having enough money to live on. This finding was deemed to be of particular concern since 'worrying about finances is positively and significantly related to students' levels of depression, anxiety and stress' (Rosenthal, Russell et al. 2006:46). For most of Melbourne University's international students (84.6 per cent) family resources provide support but many students also draw on other income sources such as savings (22.2 per cent), work (27.2 per cent), home country scholarship (7.3 per cent), Australian scholarships (13.3 per cent), organisation scholarship (0.9 per cent), and other (1.1 per

¹ Youth Allowance is an Australian Federal Government payment that provides financial assistance for full-time students under the age of 25 and for unemployed people under the age of 21. It is based on how much a student or their family earns. It was introduced 1 July 1998.

² Austudy provides financial assistance to people aged 25 and over who are studying or training full-time. The scheme was introduced by the Australian Federal Government on 1 July 1998.

cent). A small number (86) were found to rely solely on family resources but those who did reported a greater need to succeed academically.

The paucity of studies on the income security of international students in Australia is replicated internationally though New Zealand is a partial exception to this general observation. New Zealand is an exception probably because its government has enacted legislation that provides for the pastoral needs of international students and the government and universities highlight the country's safe environment when seeking to expand their share of the international education market. Research has shown eighty per cent of international tertiary students in New Zealand are supported by parents, 15 per cent are self- or partially self-supported, 4 per cent receive support from other family members, 3 per cent have scholarships and less than 1 per cent have loans or financial support from their own government or employer (Ward and Masgoret 2004). In 2002, Ward (2002) found 51 per cent of New Zealand international students believed they did not have enough money³. This finding must be viewed cautiously given that perceptions of what is 'enough' money can vary enormously depending on individual expectations and circumstances. An observation that provides greater insight was provided by a subsequent study that found 13 per cent of international students indicated financial issues were the most difficult aspect of living in New Zealand (Ward and Masgoret 2004). The latter result was derived from an open-ended survey relating to difficulties experienced by international students and the consequent spontaneity adds credence to the finding, and suggests the lesser figure may be more representative of those in serious financial difficulty. Nonetheless, even if the latter figure is accepted as accurate it indicates that between 1,500 and 2,000 international students in New Zealand are experiencing acute income difficulties. This is a situation that Butcher and McGrath (2004:547) fear may be accentuated by recent changes to New Zealand immigration requirement that have increased the minimum funds students can access from \$7,000 to \$10,000 per year. They suggest international students financially at risk include: poor budgeters; gamblers and affected associates; immigration circumventors; family dependents and those affected by altered family circumstances; and those facing unexpected needs, such as theft, accidents, fines, or tenancy requirements (Butcher and McGrath 2004:547)

While the Australian and New Zealand literature has generated important insights on the income security needs of international students and how these students strive to ensure income insecurity does not become a major source of concern but, as DEST noted, the situation remains unclear. Hence, in the next section we present data gathered by undertaking detailed interviews with 200 international students studying in Australia in order to determine whether income security is a serious problem and what might be done to ensure this aspect of security does not undermine the education and cultural experience of international students who choose to study in Australia.

Research method

The research project owes much of its significance to the method utilised. Unlike previous studies, which have tended to be survey based, the data was collected by qualitative interviews. Obtained via structured, in-depth, face-to-face conversations with 200 international students (99 females and 101 males) from 9 universities (Melbourne, Ballarat, Sydney, New South Wales, Deakin, Victoria, Swinburne, Royal Melbourne Institute of Technology and Central Queensland). The interviews were conducted on a one-to-one basis in quiet locations for typically 30-50 minutes and covered a range of areas touching on the social and economic security of international students, from finances, accommodation and work; to languages, networks and family; to relations with authority; to intercultural experiences and personal safety. Summative data from the study were released in April 2005 (Deumert et al, 2005a; 2005b). ⁴This paper focuses on income security and other papers are being prepared on student loneliness, work, finances, language use, cross-cultural relations including experiences of racism and discrimination, and dealing with government and university authorities.

The universities named above cooperated in the selection and self-selection of student interviewees, and provided facilities (normally a room centrally located on the main campus site) in which the interviews took

³ It should be noted that Ward (2002) and Ward & Masgoret (2004) included students from secondary and private language schools as well as tertiary students.

⁴ This data release generated considerable public interest in Australia, and led to the development and funding of a further research project on 'The social and economic protection of cross-border students in the global education market' (Nyland, Marginson, Ramia and Michael Gallagher Australian Research Council 2005-2007).

place. Each vice-chancellor granted permission for the conduct of the research on the grounds that the interviewees would together constitute a single pool of data that would not be disaggregated by institution, or otherwise used for the purposes of comparing the performance of, and/or services of, each university to those of the others. In a highly sensitive market, in which comparative judgments have commercial implications, we would not have been able to gain access to student interviewees within the boundaries of the normal requirement for permission to research, unless we had given this condition. Consequently the researchers did not study closely the particular mix of services provided by each institution, or seek to relate the comments made in interviewees with the particular circumstances of the universities in question. No doubt this has led to some under-identification of the universities' services, including particular problems and weakness in those services.

The interactive nature of the qualitative method employed provides a meaningful picture of the international student experience in Australia. The interviews were designed to gain knowledge of basic demographic information and responses to 8 clusters of questions. The demographic information obtained included student name, university, degree, and gender. The clusters of questions sought information concerning particular topics. Specifically, Cluster 1: The interviewee and the interviewee's prior assumptions about studying abroad; Cluster 2: living arrangements; Cluster 3: financial arrangements; Cluster 4: language and language use; Cluster 5: networks, organizations and support systems; Cluster 6: financial problems and work issues; Cluster 7: dealing with authorities; and Cluster 8: Social risks and social protection. Students were asked each question and elaborated answers were encouraged. The interviews were audio taped and transcribed prior to analysis. For the purposes of this paper, data was drawn mainly from Clusters 1, 3 and 6. However, as is the nature of qualitative interviews, relevant information was found in a number of other clusters. Both quantitative and qualitative methods were utilised to analyse the data.

Sources of international student income

International students draw on a variety of income sources while in Australia. Table 1 identifies the interviewees' main sources of income as family, scholarships and paid work - a number of minor circumstances we label 'other'. Many students indicated that they draw on more than one income source.

Table 1. Numbers of Students Receiving Income by Source (n=200)

Income Source	Family resources	Scholarship	Work	Other
Numbers drawing on resource	122 (61.0%)	69 (34.5%)	65 (32.5%)	14 (7.0%)

Family financial support provided income for the largest group (61%). Contributing family consisted mainly of parents but included spouse, parents-in-law, grandparents, uncles, aunts and siblings. One student explained that his father provided income security as part of a family arrangement based on obligations of care:

It used to be my father, still is my father, because back in my society, in my culture, your parents look after you and then you look after your parents. (S10 male 19, commerce, Pakistan)

The following account was a typical response:

Actually my whole education is funded by my parents, so they are providing for the tuition and accommodation, but I do work part-time ... (S102 female, commerce, 22, India)

Another student explained that his parents originally contributed to his and his immediate family's income but the responsibility had now been shifted to his wife:

...as an international student it's not always easy. I have two children. They are nine and six and when we came here there was no support so my savings from the previous jobs and also thanks to my parents - that was the first year how I was funded to stay. But I was pretty precarious because the fund ran out all the time. As you know the international [students] don't have concession card with the kids, have to pay fees as international students, we don't have a car, public transport we try to avoid as much [as possible]. My wife then find a job... for one and half years she has been [the] sole supporter but it means if we are sent back home there is no savings - basically her earnings go towards either my fees or kids fees ... (S199 male, 40, education, Germany)

Having family financial support, however, does not necessarily mean having income security, as indicated by the following example which demonstrates the psychological effects that students can suffer when experiencing a lack of income security.

I'm still really, really struggling. ... my parents don't want me to work, no, because I'm in my final year. And they say you're there as a student, it says so in your visa, it's a student visa, so that's your job... I've had long arguments about that, because it's really difficult financially. It's a really tight budget, \$16 a day, not including rent... it all sort of started happening last year and I had a lot of periods of crying about it, feeling a bit down and really just struggling hard and doing... It is still very hard and I still sometimes feel a bit down about it but I've come to accept it a bit better. And the way I see it, when I start working, it'll change and the best thing to do for the moment is to have a good attitude about it. (S166 female, 28, communication, Singapore)

Scholarships are the second major source of funding (34.5%). This finding compares with Rosenthal et al (2006) who found 21.5 per cent were funded by scholarships and reflects the relatively high number of doctoral students in our population. In the current study, a variety of scholarships were identified, including Australian government scholarships (e.g. AusAid), university postgraduate research scholarships, government scholarships from the students' home country, international organisation scholarships (e.g. World Health Organisation), scholarships from employers and private entities. Some students derive income from a combination of two scholarships, for example:

I'm on a scholarship, just a scholarship.Actually I have two scholarships. One scholarship is from the university. It's \$15,000 per year and another scholarship it covers my course fees and my medical insurance for Medibank Private from the government. (S3 female, 26, technology, Russia)

Others explain that their income support is from their home country. For example, the following account identifies a less well known form of government funding:

Actually not really scholarship like the formal one like AusAid, I was supported by the local government because Banten province is now trying to develop the human resources, then I tried to approach the key person and some of the key persons kindly supported me. (S168 male, 45, literacy, Indonesia)

A Thai student indicated that she had support from her home country and also support in the form of accommodation in Australia:

I got scholarship for the tuition fees from my government but the accommodation from my work place. (S201 female, 40, education, Thailand)

Whilst scholarships are an important source of income that in many cases makes tertiary education possible, some scholarship holders struggle to make ends meet. This is particularly the case with mature age students who have dependent families, some two thirds of whom reported that they experience a high level of financial difficulty (these circumstances are further evaluated later in the paper in relation to age). Those who are funded by scholarships and have family support and/or income from employment have less financial concerns. With Masters students financial need was manifest in a tendency to take up part-time jobs though PhD students were disinclined to participate in the paid work force – mainly because they feared it would be to the detriment of their studies.

Paid work was the third main source of income for our population of international students (32.5%). Those students who participated in the paid workforce tended to be employed on a part-time/casual basis. Most of the students indicated that they were working to supplement their income with few able to earn enough to satisfactorily cover both tuition fees and living expenses. For many, their income was a combination of parental financial support and part-time/casual work. The following accounts were provided by students who indicated that they were not experiencing any financial difficulty:

My main income is from my parents. ...Before I got two jobs, one working in a café, and one working here [university], but now I am just working here. (S14 female, 21, accounting, China)

For tuition fees I get a bank loan which I got before coming here. For my living expenses I'm working ... [The bank loan is] only for the tuition fees, I am quite happy with what I'm earning here. It takes care of my living needs. (S11 female, 21, commerce, Bahrain)

By contrast, the following account from a student whose parents pay her tuition fees but she works to pay for everyday expenses shows how financially difficult the international education experience can be:

...it's too expensive here and yes it's really hard and I can't manage my budget ... In China when we live in the school we just pay the school but here you have to find your accommodation by yourself and it's hard to decide how, what kind of one I want and how much it should be - it's just [having] no idea and for food as well and for transportation here. It's really expensive, so I walk so much when I first came here and I thought \$1.50 [would] have bought a whole [meal]. ...I feel I couldn't let any dollar go. (S87 female, 25, public health, China)

Of the 63 per cent of students who indicated they did not experience financial difficulties, 19 per cent had part-time jobs. Whilst this employment provided a much needed source of income that contributed to many students' belief that they had income security, it raises questions about the precariousness of part-time/casual employment in Australia (Burgess and Campbell 1998) and the circumstances students would be in if their employment ceased. This very real concern means students in the income secure group are relying on income from insecure employment. The following account is an example of a student who relies heavily on his part-time/casual employment:

I'm working as a tutor in the Faculty ... and I'm also working at the lab, at the help desk. These two jobs and a job in a Sydney café - I am working at a part-time job as a café barrista - I basically make coffees. Making some good money there. You work 3 days and you make two to three hundred bucks, everything's free, snacks, coffee, everything's free! I work 3 days there, and 2 days here [at university]. (S96 male, 24, information technology, India)

Due to the employment indicated above and 'a lot of rich friends', this student was not experiencing financial difficulty. The account, however, raises serious concerns about the time spent in employment as opposed to focussing on study commitments and complying with visa employment conditions.

Apart from the necessity to work, some students indicated that a desire for independence was a driving force behind participating in the paid workforce (Christie, Munro et al. 2001). Some typical responses were:

Actually I don't need [family financial assistance]...they might support me but I don't want support from home. (S96 male, 24, information technology, India)

Because for Chinese students, if you come here, you must have enough money, so I think it is not money issue but most students come here their family give support such as me. But I don't want my family support me, I want to be independent. I try to find part time jobs to support my living expense. (S85 female, 25 systems engineering, China)

Another response demonstrated a supportive arrangement between two brothers that relieved their parents of the responsibility of providing financial assistance:

Initially my parents supported me, but then even they could not do it later. I thought of not asking them, because it was ...I had already taken a lot of money from them. So we both brothers are working and we help each other. So when I was studying he was earning and now I'm working and he's studying. So it's like mutual. (S100 male, 23, information technology, India)

The above account supports Butcher and McGrath's (2004) argument that a change in family circumstances may be a precursor to students being placed at financial risk. Although a reciprocal arrangement has been made, there is obviously hardship involved. Further evidence that supports Butcher and McGrath's (2004:547) suggestion of a 'financially at risk' group is provided by the following account that indicates the contribution of poor budgeting:

... in terms of financial difficulties like there is one time ...because we didn't count it properly ...we sort of running out of money. We ask them [parents] to transfer the money, but it takes time so ... we couldn't do anything, like you have to pay the school fees... I just wait. But later on when they transfer the ...oh...like we feel like tight budget now. (S119 female, 20, commerce, Indonesia)

The fourth category labelled *other* includes a variety of circumstances (7%). For example, 4 students were receiving a salary paid from their home country; 3 students had access to loans obtained in their home country, 4 were using savings; 1 had research funds from home, 1 was helped financially by her boyfriend and another indicated he was fully supported by a friend. The latter uncommon circumstance presented a case of income security:

... it's not my family, not my mum and dad, but a close friend of mine who has helped me over the past three and a half years, who has supported me for all my education, who is no longer in India but lives overseas so that person has supported my education all throughout. Covers the tuition fees and everything else. (S132 male, 27, music, India)

Income Insecurity and Coping Strategies

When asked whether they have experienced financial difficulty, one student observed 'everyone has, it's just big or small'. However, the majority of students (63%) indicated they were not in financial difficulty. The subjective notion of 'difficulty' meant some students who were barely managing financially believed they were not in need, while others who appeared income secure felt they were in need. Overall, 37 per cent of the international students interviewed indicated they had experienced financial difficulty of some form. When put in the context of the number of international students currently enrolled in higher education in Australia – an estimated 188,268 in Semester 2, 2005 (IDP Education Australia 2005) - it is disturbing to estimate that some 70,000 international students in Australia may be denied their right to income security. The findings are even more alarming than those of Rosenthal et al (2006) that revealed 28.7 per cent of international students at the University of Melbourne had financial concerns. The variance in the numbers of students indicating financial difficulty in Rosenthal et al (2006) and the current study may be related to the different research methods (quantitative survey verses structured interview, respectively) or the fact that Rosenthal et al's study was conducted by researchers from the same education institution as the participants, whereas the participants in the current study were from universities not associated with the researchers. Even though both studies were confidential and ensured anonymity, it is possible that international students may be more likely to confide in a study conducted by those outside their host institution. Whilst the findings indicate that a majority of international students experience income security, they provide little consolation to an international student in Australia experiencing the daily stresses associated with insufficient income.

In response to the question 'Who would you turn to if you are in serious financial difficulty?', students' provided a number of responses that have been categorised into 5 groups, as shown in Table 2. Numerous students indicated that they would seek help from more than one source.

Table 2. Numbers of student indications of sources of financial assistance (n=165)

Family	Friends	University	No-one	Other
102 (61.8%)	46 (27.9%)	16 (9.7%)	17 (10.3%)	7 (4.2%)

As shown in Table 2, the majority of students indicated they would turn to their family members for help in times of serious financial need (61.8%). Whilst most responses indicated that the family member was a parent, the category covered any family member including spouse, and in one case the student's children. Interestingly, 27.9 per cent indicated they would seek help from their friends - this often meant from within their own culture. It is disconcerting that only 9.7 per cent felt they could approach their university for help. However, the most concerning aspect of the data presented in Table 2 is the fact that 17 students (10.3%) indicated that they had no-one to turn to in times of need. This circumstance can only compound what must be an already daunting experience for some. The *Other* category (4.2%) included 4 who said they would seek State aid and 3 who would turn to God or their church.

Cultural/national influences on international students' finances

The demographic data revealed the diversity of cultures amongst the international student population in Australia. As shown in Table 3, the occurrence of financial difficulty experienced by international students is unevenly distributed across groups from different nations. The results that indicate students from Latin America do not have any incidence of income difficulty should be treated with caution due to the small sample size. Apart from Latin America, students from Hong Kong and Indonesia are shown to be least likely to experience financial difficulty (20% and 22.4% respectively). Fifty per cent of students from Malaysia are shown to be in difficulty, whilst those from Other Africa (71.4%) and Middle East/North Africa (85.7%) fare the worst. The results indicate that all other groups experience incidences of financial difficulty between 31 and 43 per cent. The results for China (40.7%) and India (42.8%) are particularly salient, not only because they are higher than the average 37 per cent but also in their context as the two major international student source countries for Australia. This outcome should be of concern both to parents and students from the countries involved and to universities and governments in Australia. The results, including the lower figures, are a serious concern as they highlight the fact that thousands of international students are in financial need and they tarnish the perception of international education in Australia.

Table 3. Number of International Students Experiencing Financial Difficulty by Nation of Origin

Nation of origin	No. from nation	No. in difficulty
Latin America	3	0 (0%)
Hong Kong	5	1 (20.0%)
Indonesia	49	11(22.4%)
Other South Asia (Sri Lanka, Bangladesh, Pakistan, Nepal)	19	6 (31.6%)
Laos, Cambodia & Vietnam	6	2 (33.3%)
Europe	6	2 (33.3%)
Singapore	10	4 (40.0%)
Other East Asia (Korea, Japan, Taiwan, Macau)	9	3 (33.3%)
US/UK	5	2 (40.0%)
China	28	11 (40.7%)
Other South East Asia and Pacific (Brunei, Thailand, PNG)	7	3 (42.8%)
India	21	9 (42.8%)
Malaysia	18	9 (50.0%)
Other Africa	7	5 (71.4%)
Middle East/North Africa	7	6 (85.7%)
Total	200	74 (37.0%)

It has been argued that the economic circumstances of the student rather than cultural influences dictate the level of income security for students (Curtis and Klapper 2005). However, the current study reveals a cultural/national impact on international students' financial circumstances. On the one hand, they are living in a foreign land where they do not experience the same income rights as local students, such as access to Youth Allowance and Austudy, and on the other they do not have access to the support mechanisms extant in their home countries. Finally, we note national factors are also an influence on income security in that changes to monetary exchange rates can have a very negative impact on student wellbeing. Students paid in US dollars, for example, have been disadvantaged by the appreciation of the Australian currency. The following observation was typical:

... my scholarship is paid in American dollars, so when it comes to Australia it changes for the rates ... because when I came the first time with all the money from August to December and the rate was 0.6 around, and the last time was 0.74 or 0.75 and it's a huge difference so it makes my life more difficult. (S35 male, 37, public health, Mozambique)

Age and international student finances

The impact of age on financial difficulty appears closely associated with parents' willingness and ability to support the student. This was demonstrated by the fact that younger students were more likely to be supported by their parents than older students. Previous work has shown mature age students, particularly those with children are more heavily burdened financially than those who are younger and without dependents (Callender and Kemp 2000). The current study showed that this was often the case. Students over the age of 30 (see Table 6) often had children to support. Apart from the normal expenses relating to caring for children, there was also the issue of dealing with unexpected costs. One student found the dental treatment his children required compelled him to both ask for financial assistance and obtain a loan:

... we need quite a lot of money for the dental operation for my child. And we don't have enough saving for that, [it costs] more than a thousand [dollars], AusAid helped ... and I got some loan from university... the doctor had to extract nine of his teeth ... [AusAid] had an emergency fund. The medical insurance doesn't cover for dental. (S101 male, 42, linguistics, Indonesia)

The fact that more undergraduate and diploma students were found to be supported by their parents than are postgraduate students suggests there is an association between age and parents' support. Many students with dependants indicated that they were finding it difficult to cope financially and the interviews revealed that a greater number of older students experience financial difficulty than do younger students. Table 4 shows the number of students experiencing financial problems according to age bracket.

Table 4. Number of International Students Experiencing Financial Difficulty by Age Group

Age group	> 20 yrs	21-30 yrs	31-40 yrs	40 + yrs	All ages
No. in group	17	138	39	6	200
No. in difficulty	3 (17.6%)	49 (35.5%)	16 (41.0%)	6 (100%)	74 (37%)

Table 4 shows the percentage of students experiencing financial problems increases with age. Thus, indicating a relationship between age and the occurrence of financial difficulty. The variance evident across the age groups is largely attributed to the availability of family financial support and the likelihood of older students having spouse and child dependents.

As shown in Table 5, most students interviewed were not married, not living with a partner, nor did they have children. Of those who were married (21.5%), not all were accompanied by their spouse who sometimes remained in the home country. Most of those living with a partner (19%) were married with only 3 indicating this was not the case.

Table 5. Number of International Students in Relation to Domestic Arrangements (n=200)

Married	Living with partner	Sharing Accommodation	Children	Homestay/other
43 (21.5 %)	38 (19.0%)	127 (63.5%)	41 (20.5%)	14 (7%)

Most students lived in shared accommodation (63.5%) and only seven per cent in homestay. Within the large group that indicated they were not living with a partner, there were only 2 single mothers. This isolated occurrence is not surprising given that a lack of family support and suitable employment opportunities play a major role in limiting the opportunities of lone parents (Callender and Kemp 2000) - for these reasons these individuals tend to be the most disadvantaged group. One of the single mothers in the study indicated that when she was in financial difficulty she had 'to make arrangements' and that usually meant she would 'go to people [that she knew] that are here locally'. She also revealed that it would be easier to get financial assistance in her home country. However, her comment:

I found that if you cry here you can make people listen. That's the difference. (S25 female, 36, engineering, South Africa)

is sadly indicative of the desperation level to which single parents sink before their concerns are realised by others. Difficulties for students who had dependent children arose from the overall costs of supporting a family, including housing, health care costs, children's schooling and university fees as demonstrated by the following comments:

[I] still haven't paid the full [university] fees for this semester. (S50 male, 45, law, Sri Lanka)

[For] several weeks I had money so that I could give my child five days in childcare but nowadays I'm only giving two. Because if [my child is there] every day I have to spend \$17 [per day] ... If I want to send him to kindergarten I have to spend around \$600-900 per month [but] I haven't got that much money. (S24 male, 36, economics, Bangladesh).

I have difficulties paying their school. (S26 male, 27, education, Indonesia)

And another:

At the beginning I only got the scholarship after two weeks [and] I didn't expect that I have to pay bond here and all my money go for [the] house. I have to stay for two weeks with one hundred dollar. (S172 male, 32, engineering, Egypt)

One student was able to make a comparison between living in Australian on her own and living with the financial responsibility of her daughter. She commented:

When my daughter came my water account, electricity account, everything was up [in cost]. (S20 female, 33, geography, Bangladesh)

Those with dependant children were spread across three main course groups as shown in Table 6

Table 6. Numbers of Students by Course and Age Group with Dependent Children

	No. of Students in Total Population	Students with children		
		> 30 yrs	31 – 40 yrs	41 – 49 yrs
PhD	49 (24.5%)	1 (2.0%)	28 (57.1%)	5 (10.2%)
Masters/diplomas	74 (37.0%)	0	9 (11.7%)	2 (2.6%)
Undergrad	77 (38.5%)	0	2 (2.7%)	0
Total	200 (100%)	1 (.5%)	39 (19.5%)	7 (3.5%)

Discussion, Recommendations and Future Research

The growth of the international education market has increased dramatically the number of international students studying in Australia and rendered the higher education sector a major service export industry. It has also increased the economic insecurity of Australia's universities and made the sector highly dependent on the continued inflow of international students. Given these developments, the recent decline in the number of international students has induced acute concern and generated much research with this response being sustained as it has become apparent that the Australian currency is likely to remain high vis-a-vis the United States dollar into the foreseeable future. But the angst induced by these developments has generated few studies of the income security of international students. To extend understanding of this issue, in this paper we have utilised qualitative interview data to show the primary sources of student income, the magnitude of international student income insecurity, and the means students embrace to overcome periods of serious income insecurity.

Our interviews have shown that the majority of international students report that they are not financially insecure. This is a development that reflects well on government policies that regulate the level of income these students must have available in order to obtain a visa, the pastoral policies adopted by Australia's universities, and the initiative and resourcefulness of the international student community. But what our study has also shown is that these policies and practices in many cases are inadequate for a large minority of students do experience major income problems. For example, it has become evident that there is a need for universities and governments to provide living cost estimations that more closely reflect the cost of living in Australia because currently students are often relying on financial information that is grossly underestimated. On occasion the financial difficulties encountered by students are passing in nature but for some they appear to be sustained and are a source of acute distress. A finding of particular concern is the fact that a very large minority of students do not appear to have families to whom they can easily turn in times of financial crisis and some 10 per cent of international students report they have no one to whom they can turn at such times. In the context of their very limited capacity to access loans from Australia's financial institutions and state instrumentalities, this insight should be deemed a matter requiring immediate attention.

Given income insecurity is a significant problem for many international students we suggest that the Australian government and the university sector have a moral obligation to ensure that a level of pastoral care adequate to overcome serious financial difficulties is constantly and readily available to the international student community. We would add that in the context of the declining international education market, there are also strong economic reasons why potential students and their parents should be convinced that if an international student becomes income distressed adequate facilities and resources will be made available.

The fact that our study found income insecurity to be a problem across all universities but the pattern of the problem varied across institutions, suggests that legislation and regulations relating to pastoral care needs to be both generic and flexible. Generic in order to ensure all universities are brought under the regulatory umbrella and flexible to allow for diversity across the sector. To further this process, it is imperative that future and current studies of student income security, such as that called for by the Australian Vice-Chancellors' Committee in 2006, not repeat the study of 2000 and exclude consideration of the needs of international students. We also urge all Australian universities to emulate the lead taken by the University of Melbourne and initiate detailed studies of the income needs of the international students enrolled at their institution.

In accordance with the commitment we made when seeking permission to interview international students the data generated has not been utilised for purposes of cross-institutional comparison. Future researchers, however, may need to explore the issue of income security in ways that does allow for this form of comparison. This is first, because it is reasonable to assume the cost of attending particular universities may

contribute to students' level of income security due to the fact that the fees charged by universities vary considerably. Given this situation, there exists the possibility that students may choose to attend a high status/high cost university even though to do so places them at financial risk. The following accounts support this notion by demonstrating the enormous sacrifices students and their families are willing to make in their pursuit of the education of their choice:

... the financial difficulties go back to the source. My parents are actually struggling financially, and with fees like \$32,000 year Australian [dollars] and with an exchange rate of like 3.5 times our money, it's really hard. (S166 female, 28, communication, Singapore)

... so far I still have enough financially, but maybe they are just suffering over there, but they just let me have a comfortable life here. (S47, female, commerce, Malaysia)

Conversely, students with high academic capacities may be denied the ability to attend expensive universities because of the associated cost. Universities wishing to attract these students may find it serves their own interests and those of income strapped students to accord this issue due attention. Certainly, with domestic students it has been found that universities with lower fees attract students from less economically sound families and this situation can be contained if financial assistance is provided (Long and Hayden 2001).

Cross institutional comparison would also assist with the refinement of pre-departure information and clarify whether students' experiencing financial difficulty is a consequence of the quality of information provided to students concerning living costs in Australia. Such information is provided by universities and by the Australian Government's Department of Immigration and Multicultural Affairs (DIMA) by way of visa requirements. The pre-departure information provided by the universities includes different aspects of living expenses. Some universities include costs relative to different campus locations, while others give varying figures for the different types of accommodation available. Cross institutional analysis would assist refinement of the advice provided and assist standardisation where this would be appropriate.

That the nature of information provided can be an important determinant on income security is indicated by the fact that the advice provided by DIMA involves standards that are very close to the poverty line. Using a measure of poverty relative to income in the following we compare cost estimations provided by visa application financial requirements in relation to poverty in order to highlight the need for research on this issue. The measure – the Henderson Poverty Line (HPL)⁵ - despite not having an official status is 'accepted as a measure of poverty in Australia' (Hughes 2001:11). The following table shows the differences between the estimated HPL living cost and visa requirements.

Table 7. Comparisons Between Visa Financial Requirements and the Henderson Poverty Line (HPL) in Relation to Family Size

Family size:	HPL1 – Head in Workforce (including housing costs)	HPL 2 - Head not in workforce (including housing costs)	Living costs required for visa applications	Difference between HPL2 and required living costs
Single	\$330.77	\$268.21	\$230.76	\$37.45
Couple	\$442.48	\$379.92	\$311.54	\$68.38
Couple + 1 child	\$531.89	\$469.32	\$357.69	\$111.63
Couple + 2 Children	\$621.29	\$558.73	\$392.31	\$166.42

Living costs per week required to be shown for each visa application in comparison with Henderson Poverty Line from March Quarter 2006. HPL figures are income after tax, i.e. disposable income.

⁵ The Henderson Poverty Line was defined in the 1973 Commonwealth Commission of Inquiry into Poverty. The University of Melbourne, Poverty Lines: Australia. <http://melbourneinstitute.com/labour/inequality/poverty/>

Mature age students could well be experiencing much heavier financial burdens because they are ill informed by both visa application information and educational institutions about what the real living costs will be for them to support a family in Australia. Further pressure on universities and education institutions to provide more realistic information would be beneficial to students and their families. It would also be of benefit to universities and governments because income security would greatly enhance the student experience for many and this is likely to have positive flow-on effects if students are able to communicate to others that they have had a favourable experience.

Migration regulations require student visa applicants to show they have \$12,000 to cover living costs for one year. This amount is varied if the student visa applicant has a dependant family. The amount that is required to be shown as available funds is dependant on the country of origin of the applicant. Countries are separated into designated assessment levels that are determined by the economic stability of the country, the risk factor of previous student visa holders from that country and other information regarding the country that may affect a students' ability (current and future) to pay tuition costs and living expenses in Australia. In addition, the likelihood of the student breaching visa conditions and overstaying the visa or becoming unlawful and being removed from Australia is also a consideration. These assessment levels are also set for each type of student visa. For example, the assessment levels within a country may be different for a school student as opposed to a higher education student or a student intending to enrol in an English Language Intensive Course for Overseas Students (ELICOS)⁶. This is because DIMA has different statistics for each student visa type as well as previous histories of each category in relation to overstay or breach of visa conditions. The assessment levels are used to determine the amount of money a student must show as either savings or as accessible funds in order to be granted a student visa.

To explore the possibility of a further relationship between the data generated by the student interviews and student visa application requirements, this study compares the country of origin and corresponding visa requirements with the percentage of students in financial difficulty. With a base requirement to show the ability to cover one years living costs to the amount of \$12,000, depending on the assessment level, the requirements vary to the extent that the applicant may have to show that they have enough money to cover their living costs for one, two or three years. In some circumstances, applicants are required to indicate where their money is kept, how they obtained the money, and how long they have had the money. It is not possible to ascertain exactly what the circumstances were for each student in the study at the time they applied for their student visa, however, the information in Table 3 provides countries of origin and this coupled with the types of courses the students were enrolled in provides enough information to establish the type of visa for which they would have applied. For example, 76 per cent were either masters/ diploma or undergraduate, therefore they would have applied for a subclass 573 Higher Education Sector student visa. The remainder would have applied for a subclass 574 Postgraduate Research Sector student visa. Some overlap may exist due to the fact that Masters students not enrolled in Masters by coursework would be eligible for a 574 Research Sector visa. In most cases the financial requirements for these two visas and the five assessment levels are very similar. The requirements are summarised in the Table 8.

Table 8. Summary of Financial Requirements for subclass 573 Higher Education Sector student visa and subclass 574 Postgraduate Research Sector student visa

Assessment level (AL)	Financial Requirements
1	<ul style="list-style-type: none"> Applicants must provide DIMA a declaration stating that the applicant has funds sufficient to meet expenses for the full period (i.e. visa length) for living costs, course fees, school costs and travel expenses
2	<ul style="list-style-type: none"> Must show that the applicant has funds from an acceptable source that will meet living, course and school costs for first 12 months of stay Must have evidence of funds to meet travel costs Must provide a declaration stating that the applicant has access to funds from acceptable source that will meet course, living and school costs for remainder of

⁶ Australia's English Language Intensive Courses for Overseas Students (ELICOS) are undertaken by those who wish to learn English as a second language and often they are undertaken by students to prepare for university studies. <http://www.elicos>

	<p>stay after first 12 months</p> <ul style="list-style-type: none"> • If the applicant is fully funded or costs outlined above will be met by a foreign government or agency, the applicant must show that they have access to funds to support any family member that is not a family applicant.
3	<ul style="list-style-type: none"> • Must show that he or she has fund to meet course, living and school expenses for first 24 months of stay (2 years), must show that the income of provider of funds is sufficient to accumulate the funds. • Must also have evidence of funds to meet travel expenses. • The applicant must also provide a declaration stating that the applicant has access to funds sufficient to meet course, living and school fees for remainder of stay after first 24 months. • If the applicant is fully funded, staying for less than 12 months or the applicant is funded by a scholarship, a foreign government or multilateral agency or a commonwealth or state government, must show access to funds to support any family unit member who is not a family applicant.
4	<ul style="list-style-type: none"> • Must show that he or she has fund to meet all course, living and school expenses for first 36 months of stay (3 years), must show that the income of provider of funds is sufficient to accumulate the funds • Must also have evidence of funds to meet travel expenses. • If the applicant is staying for less than 12 months or the applicant is funded by a scholarship, a foreign government or multilateral agency or a commonwealth or state government, must show access to funds to support any family unit member who is not a family applicant.

AL5 is not relevant in this instance because there were no countries in this category as a consequence of the absence of students categorized as AL5. Migration regulations 1994, vol 6 schedule 5A.

When comparing the information in Table 3, which shows the country of origin and percentages of students in financial difficulty, with assessment levels and financial requirements, it is difficult to pin point exactly if the assessment level has affected the students financial security because the exact country of origin is not always shown and also in some cases the student visas for one country differ in assessment levels, for example Korea and Pakistan. It is clear however that in some cases, such as middle Eastern and Northern African countries, US, UK, Singapore and Malaysia, who are mostly assessment level 1 (AL1) countries, students face high percentages of financial difficulty. In addition, the South East Asian countries also have a high percentage of students in financial difficulty. These students are required only to state in a declaration without the need to provide evidence that they are able to support themselves. An anomaly to this is Hong Kong students who are also AL1 and yet a very small number experience financial difficulty. Whereas Indonesian students who made up the majority of interviewees were AL2 students who are required to show evidence of at least one year's expenses and must declare to have access to expenses funds after the first 12 months have quite a low percentage of students in difficulty. China, the second most represented country in the study had a high percentage of students facing financial difficulty. However, because China is AL4, the Chinese students would appear on paper to be well prepared financially for the majority of their stay in Australia when this was obviously not the case. The other African countries that are usually level 2 or 3, have a very high percentage of financial insecurity, however, they also had a low number of participants. The third largest contributing country was India, which also had high numbers of student in difficulty despite a high assessment level requiring greater evidence of financial security. Overall, it appears that despite assessment levels and stringent financial requirements, there are students from all levels that experience financial difficulty, leaving the viability of differentiation in financial requirements based on assessment levels questionable, as further shown in Table 9.

Table 9. Assessment Level of Nation of Origin in Relation to the Number of Students in Difficulty

Nation of origin	Assessment level	No. from nation	No. in difficulty
Latin America	1 or 2	3	0 (0%)
Hong Kong	1	5	1 (20.0%)
Indonesia	2	49	11(22.4%)
Other South Asia (Sri Lanka, Bangladesh, Pakistan, Nepal)	3 and 4	19	6 (31.6%)

Laos, Cambodia & Vietnam	3 and 4	6	2 (33.3%)
Europe	1	6	2 (33.3%)
Other East Asia (Korea, Japan, Taiwan, Macau)	1 and 2	9	3 (33.3%)
China	4	28	11 (39.3%)
Singapore	1	10	4 (40.0%)
US/UK	1	5	2 (40.0%)
Other South East Asia and Pacific (Brunei, Thailand, PNG)	1 and 2	7	3 (42.8%)
India	3	21	9 (42.8%)
Malaysia	1	18	9 (50.0%)
Other Africa	2 and 3	7	5 (71.4%)
Middle East/North Africa	1 and 2	7	5 (71.4%)
Total		200	73 (36.5%)

Finally, we propose that the reasons why a relatively small number of international students are engaged in part time employment should be examined in detail. Here researchers need to clarify why it is that a far smaller proportion of students are employed than is the norm amongst domestic students, what might be done to increase the opportunities and options available to international students who wish to be employed, and what information and services should be provided these students to ensure employment does not become exploitation.

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