

International Mobility of Students: The Australian Case

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Outline

- Australian education context and system overview
- Policy context of internationalization
- Size and shape of internationalization of HE
- International education as a business
- Current challenges
- Conclusion

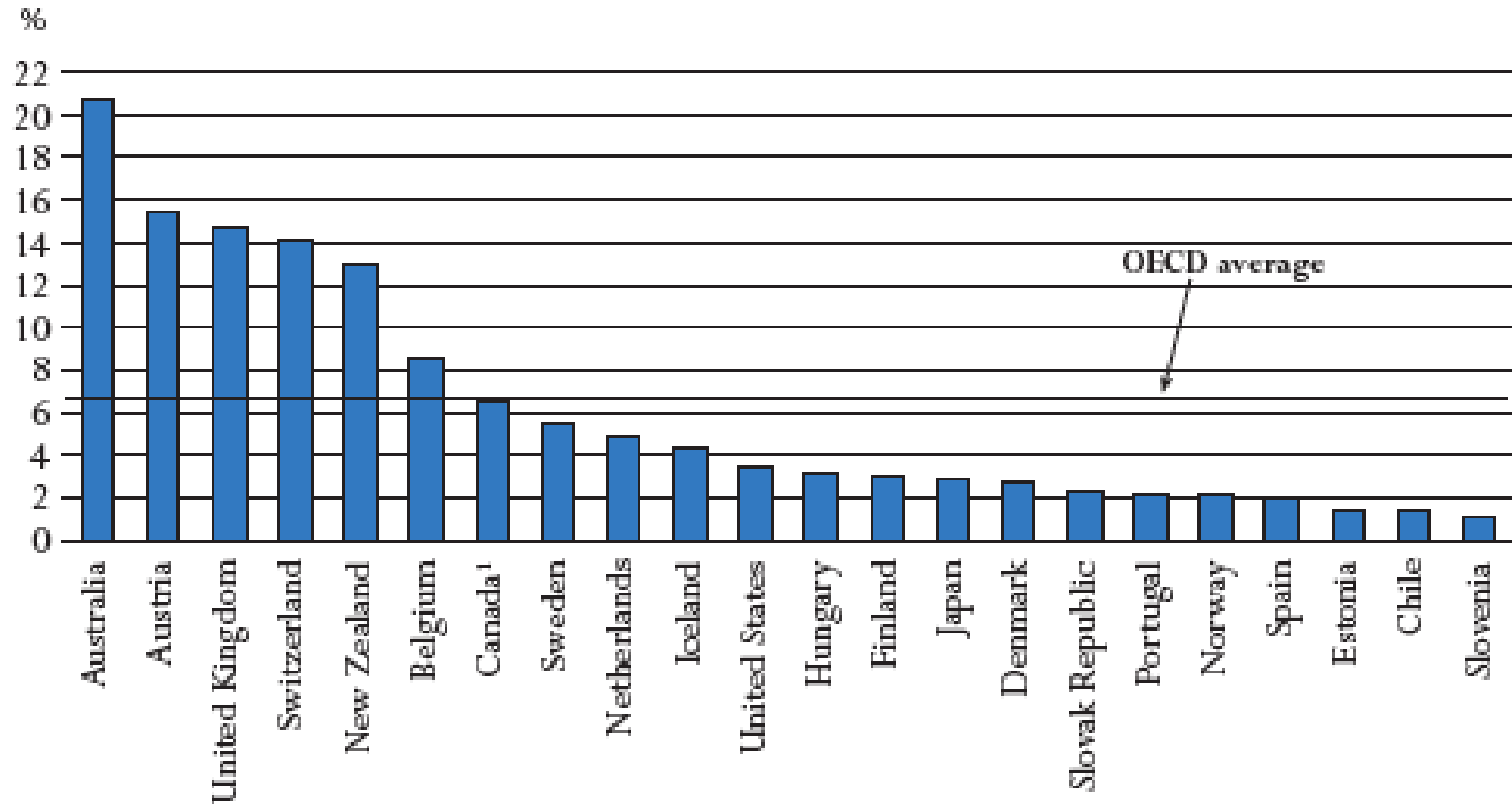
Global trends

- In 2008, 3.3m tertiary students enrolled outside country of citizenship – of whom 79.1% studying in OECD countries
- Growth accelerated over last decade with an average annual increase of 9%
- Australia, France, Germany, the UK and USA enroll more than 50% of all foreign students
- Largest numbers from China and India, globally and for Australia

International students in Australia: Top 10 source countries

Nationality	Numbers 2009	% 2009
China	156,127	25%
India	120,144	19%
South Korea	35,620	6%
Thailand	26,366	4%
Nepal	24,534	4%
Vietnam	23,678	4%
Malaysia	23,112	4%
Indonesia	23,112	4%
Brazil	17,510	3%
Saudi Arabia	12,439	2%
Other	172,352	27%
Total	629,684	100%

Percentage of international students in tertiary enrolments, 2008



- 37 large to very large public universities; 2 small private universities
- About 150 non-university private providers of higher education
- University governance: autonomous, self-accrediting institutions established by act of State parliament, governed by lay council
- Federation of 6 States and 2 territories, but public universities primarily funded and regulated by the federal government
- Large Vocational Education & Training (VET) sector consisting of public and private institutions, controlled primarily by State governments, with about 1.6m mostly sub-degree students and enrolling about 231,000 international students
- In 2009, 1,134,866 higher education students, of whom 813,896 were domestic (72%) and 320,970 (28%) International (studying on-shore and off-shore)

The higher education
policy context:

The rise and fall (?)/success and failure(?)
of Australian international education is a
product of over two decades of reform of
higher education based on market, neo-
liberal principles

Sustained growth of international
education born from financial necessity,
but has assumed a life of its own

- Pre 1990 reforms: education of foreign students subsidised by government aid programs; fees not paid directly to institutions

Colombo Plan (1951 – 1982) government funded scholarships for students from Asia Pacific countries to study at Australian universities

1980 – introduction of system of foreign student tuition visa fees (Overseas Student Charge (OSC)), collected by government not by universities

Over the decade, OSC increased to 45% of full average course cost, thus substantial but not full subsidisation continued

Growing demographic and budget pressure on institutions, political issue of subsidising overseas students and economic strains on Australian economy lead to two major Parliamentary Reviews:

Goldring Review of Private Overseas Student Policy

Jackson Review of the Australian Overseas Aid Program

- 1986, government accepts Jackson recommendations for unrestricted entry of overseas students on a full cost recovery basis
- 1988, announcement that subsidised program phased out by 1992
- Post 1990, all foreign students enter Australian universities on a full cost basis
 - government deregulated the overseas student market by allowing individual institutions to directly recruit overseas students and to set and retain fees with no corresponding reduction in government operating grants. The change in policy was justified in the following terms:

“In the light of significant external economic changes and changes in the policy and administrative environment, Australia could no longer see itself so much as a donor of education and training services to developing countries, a benefactor, but more as a partner where mutual benefits for individuals and countries is the desired outcome” (DEET 1991: 380).

Back to the future: the Dawkins reforms (1987-1996)



- Creation of the UNS
- Shift of cost from State to Individual - HECS
- Enhanced competition for students and research income - RQ
- Emphasis on accountability for the government dollar
- Deregulation within the higher education sector
- Reliance on income gained from sources other than the Commonwealth
- Application of New Public Management principles to higher education
- Increased emphasis on demonstrable contribution to economy of the nation

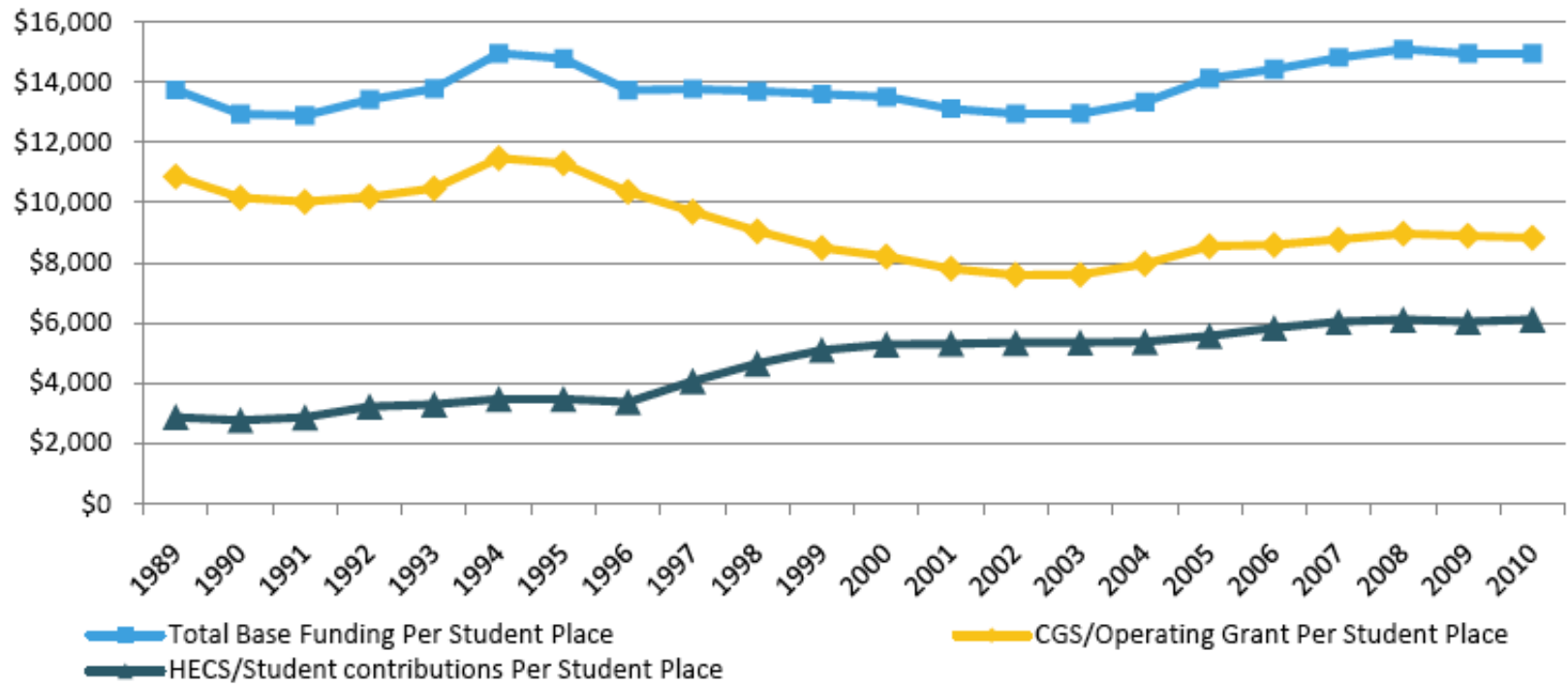
The Howard reforms: from pragmatism to ideology (1996-2007)

- Reduction of operating grants by 5 per cent
- Increase in level of HECS (domestic tuition fees) payments
- No Commonwealth supplementation of funding per student place (other for inflation)
- Continued emphasis on management efficiency and NPM values in higher education
- Decade of public funding stagnation - higher education cost rather than investment

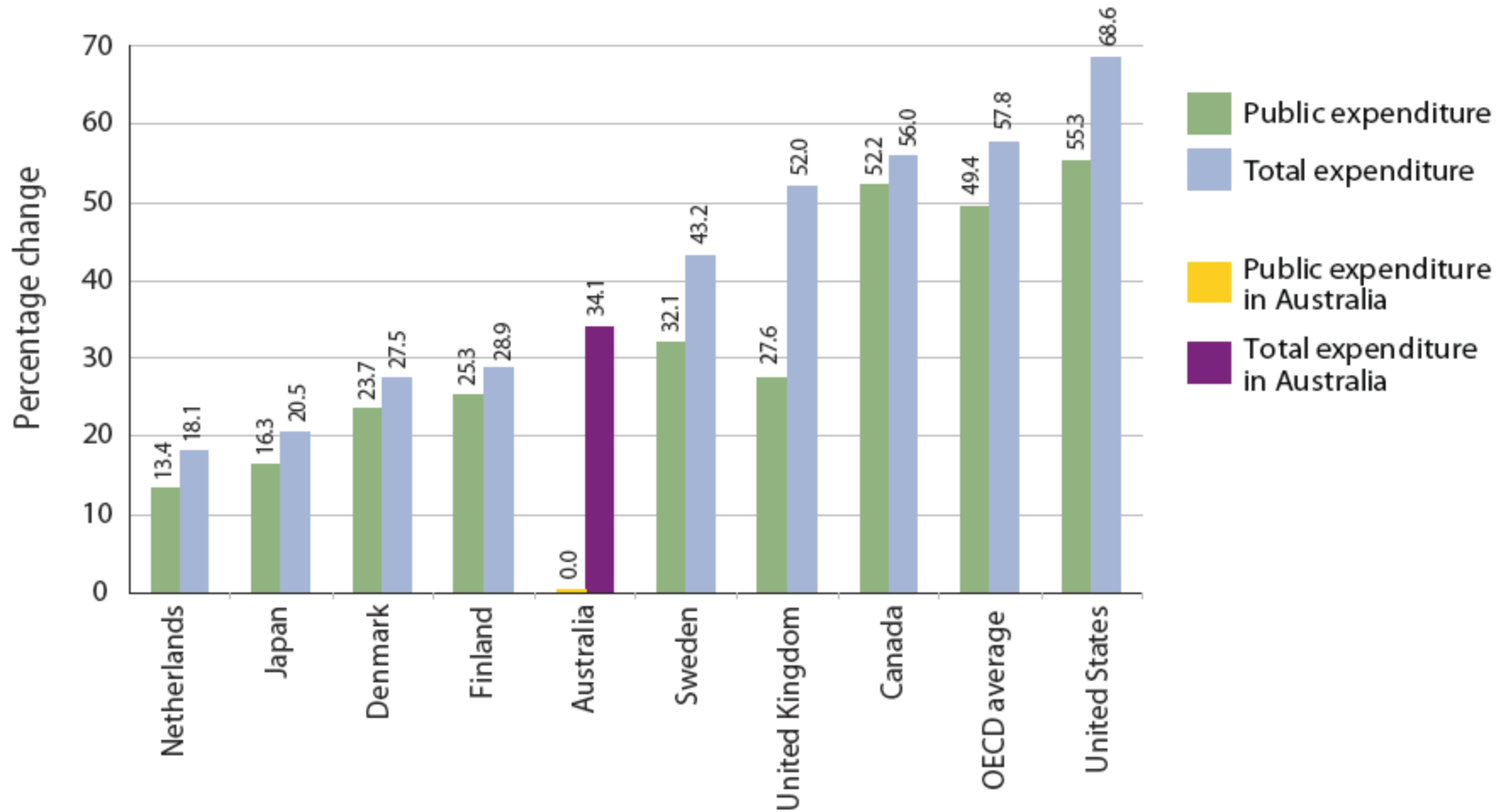
Gillard Labor Government reforms: “The Education Revolution” (2007 -)

- Too early to tell

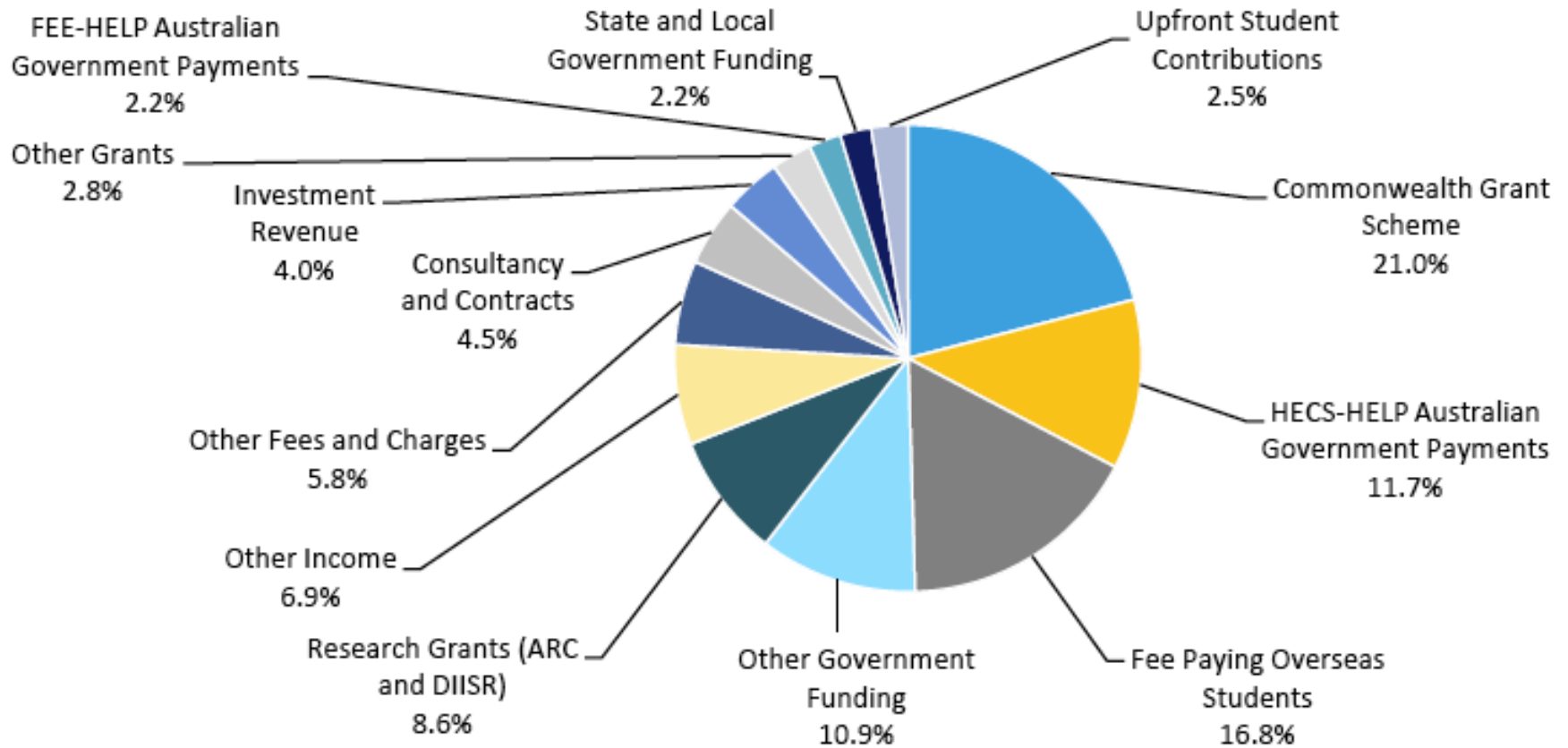
University income per government supported student place, 1989 - 2010



Percentage change in real expenditure on tertiary education institutions, selected OECD countries, 1995 to 2005



Total higher education revenue by source, 2009



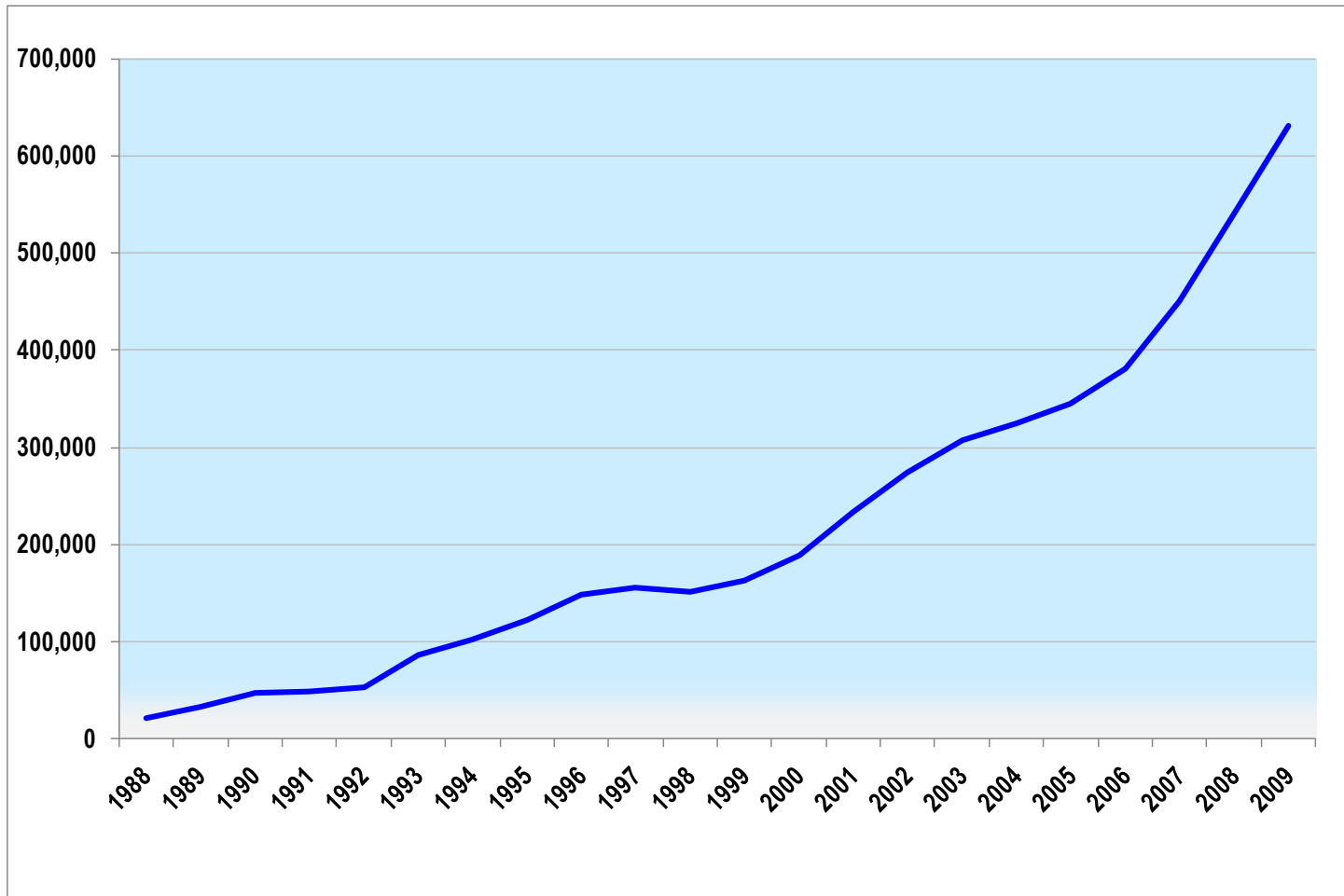
Its unstoppable



Size and shape of internationalization of higher education: how has Australia performed?

- Nearly two and a half million international students have studied in Australian schools, universities and other institutions since records were first kept.
- The number of international students onshore in Australia grew from 21,118 in 1988 to 629,864 in 2009

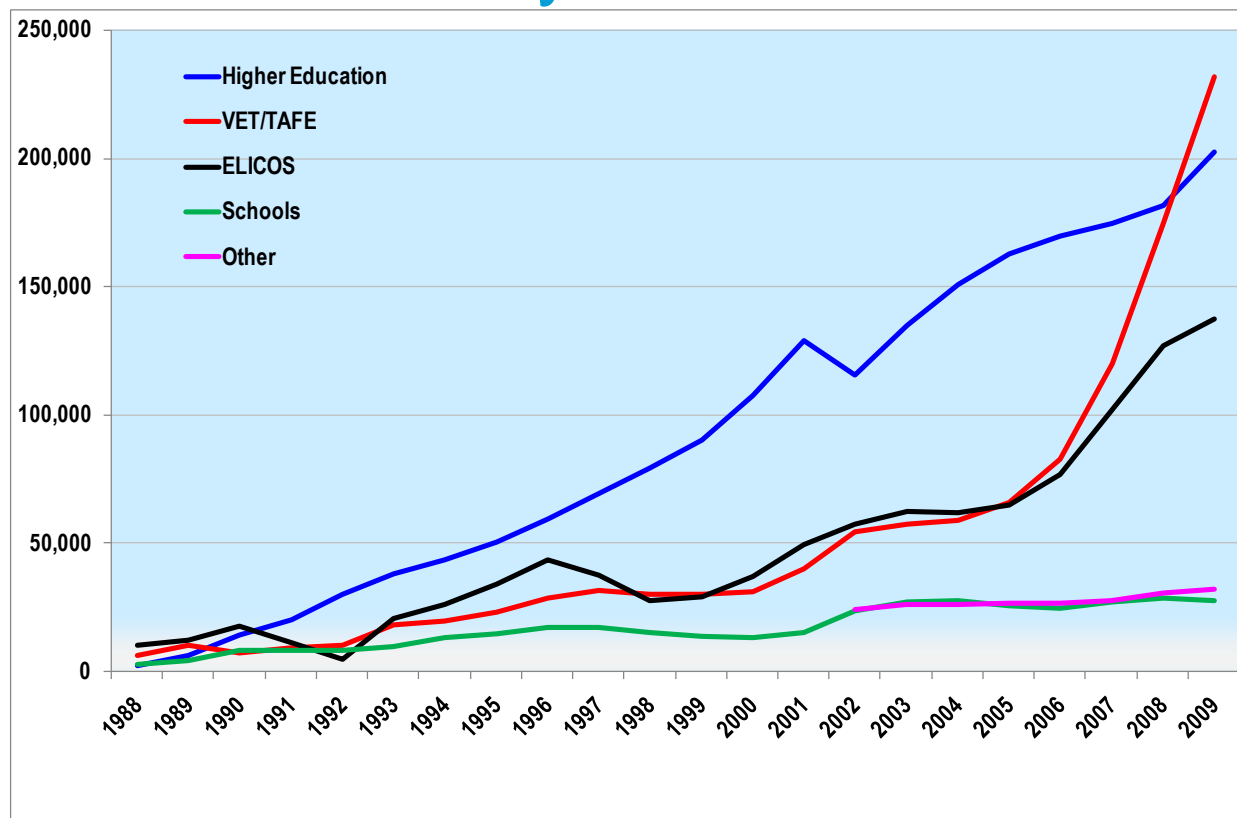
International students in Australia: 1988 - 2009



International students in Australia: Numbers

Sector	1988	1995	2002	2009
Higher Education	2,393	50,711	115,401	202,378
VET	5,976	23,035	53,688	231,565
ELICOS	10,217	34,209	57,446	136,581
Schools	2,532	34,209	23,224	27,397
Other	0	0	23,932	31,853
Total	21,118	122,306	273,691	629,864

International students in Australia: 1988 – 2009 by sector

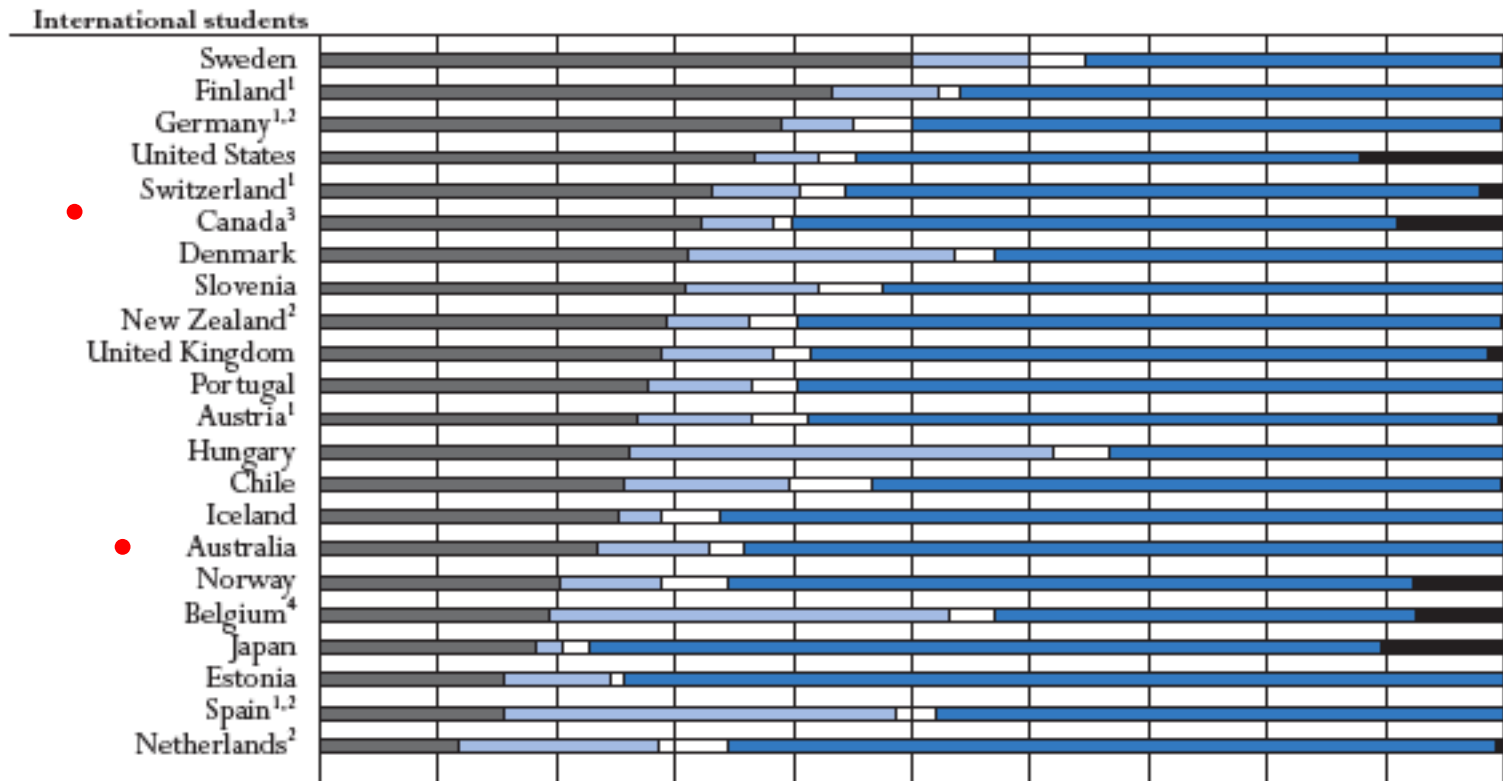


Higher education enrolments by level of study – 2009

Level of Study	Enrolments	% Growth 2008	% Contribution
Under Grad	114,226	13.4%	56.2%
Post Grad	89,098	10.4%	43.8%
Grand Total	203,324	12.1%	100.0%

Distribution of international students by field of education, 2008

- Science, agriculture, engineering, manufacturing and construction
- Health and welfare
- Education
- Humanities, arts, services, social sciences, business and law
- Unknown

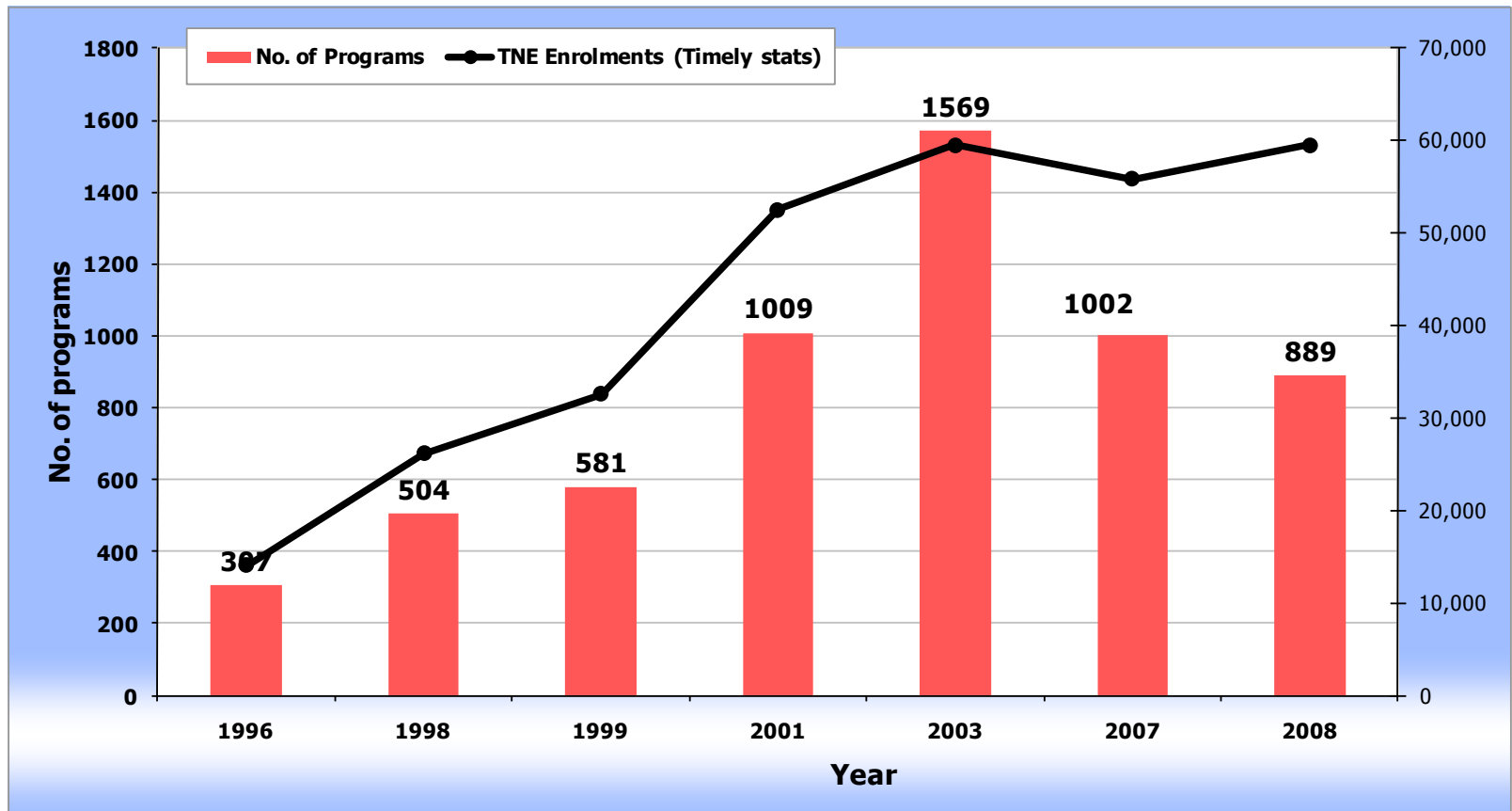


International students by university, 2007

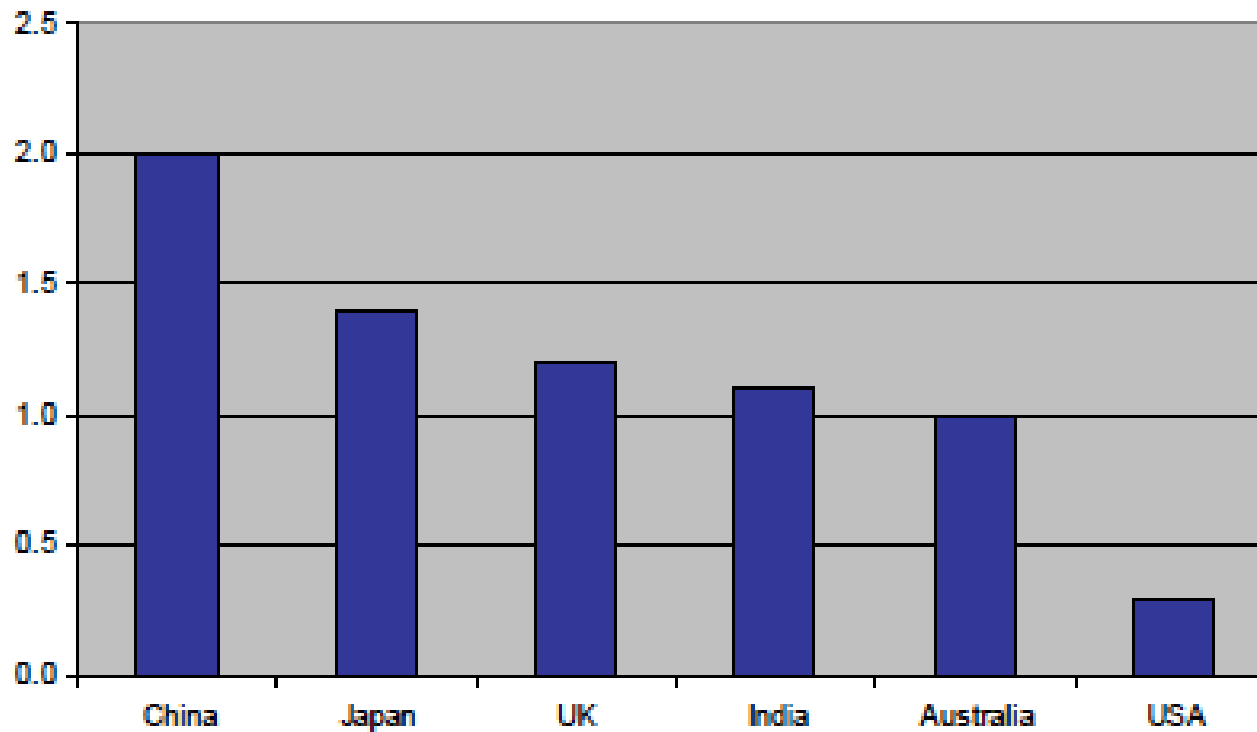


RMIT	22,497	Swinburne	8,373	QUT	5,832	ANU	3,683
Monash	19,079	Ballarat	8,116	VU	5,827	Australian Catholic Uni	3,362
CUT	16,646	Central Queensland	7,566	Newcastle	5,326	Flinders	3,010
USA	13,015	UTS	7,559	James Cook	4,736	Bond	2,846
Melbourne	11,719	Queensland	7,521	Tasmania	4,712	Canberra	2,323
Macquarie	11,561	Southern Queensland	7,383	Charles Sturt	4,609	Sunshine Coast	1,345
Sydney	11,261	Deakin	7,321	Western Australia	4,521	UNE	1,074
UNSW	10,364	La Trobe	6,679	Murdoch	4,429	Notre Dame Australia	546
Griffith	9,780	Edith Cowan	6,180	Western Sydney	3,866	Charles Darwin	401
Wollongong	9,424	Adelaide	5,837	Southern Cross	3,783		

Australian offshore delivery



Australian's studying offshore: proportion of all students

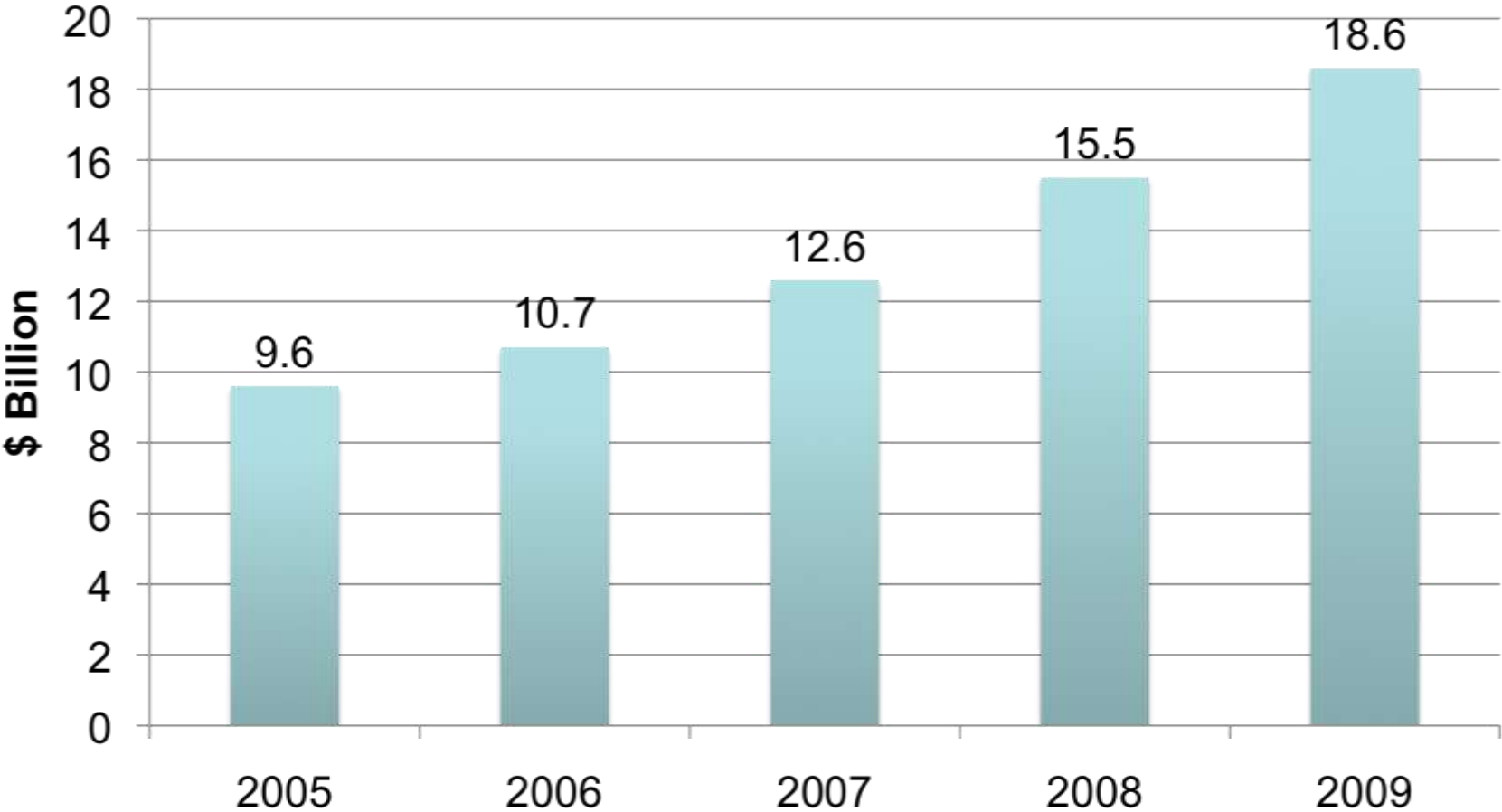


International education industry

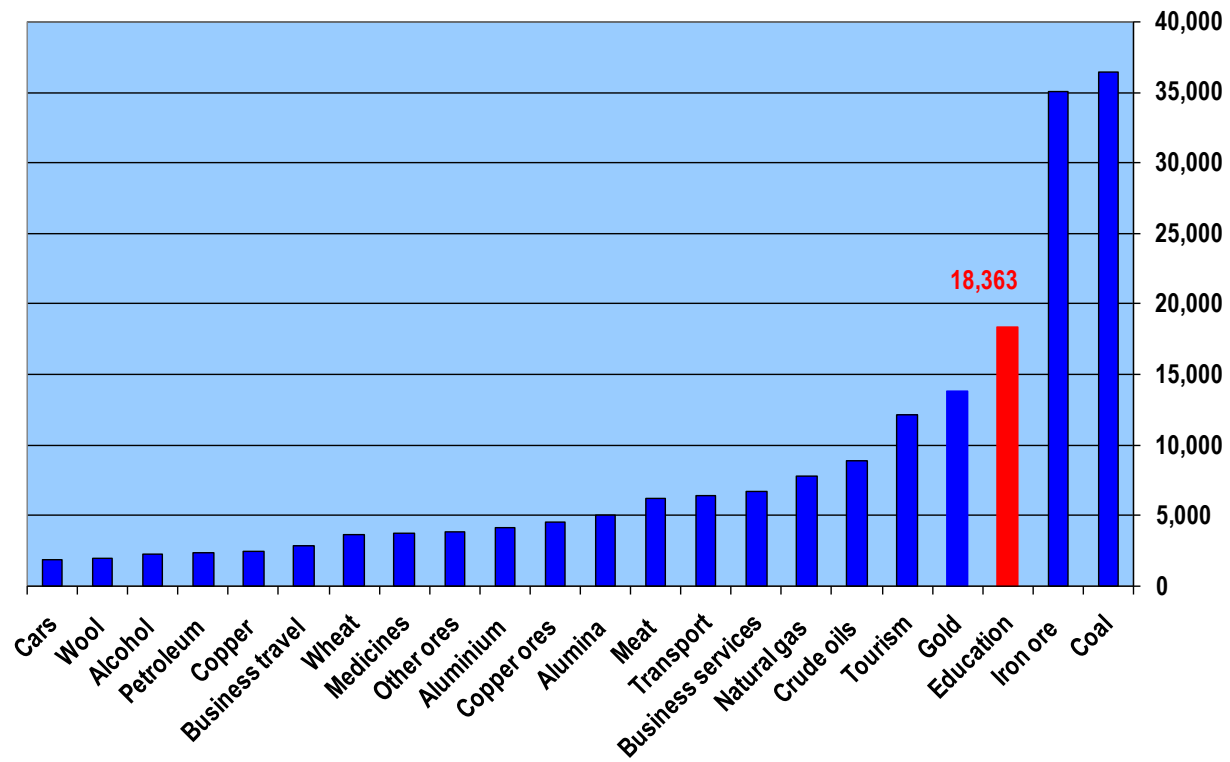


- International students contribute financially not only through the payment of tuition fees: travel, accommodation, leisure activities, food, clothing, etc.
- Has involved into an industry and treated as such by government
- International education industry highly regulated and coordinated from the government level down to the institutional level

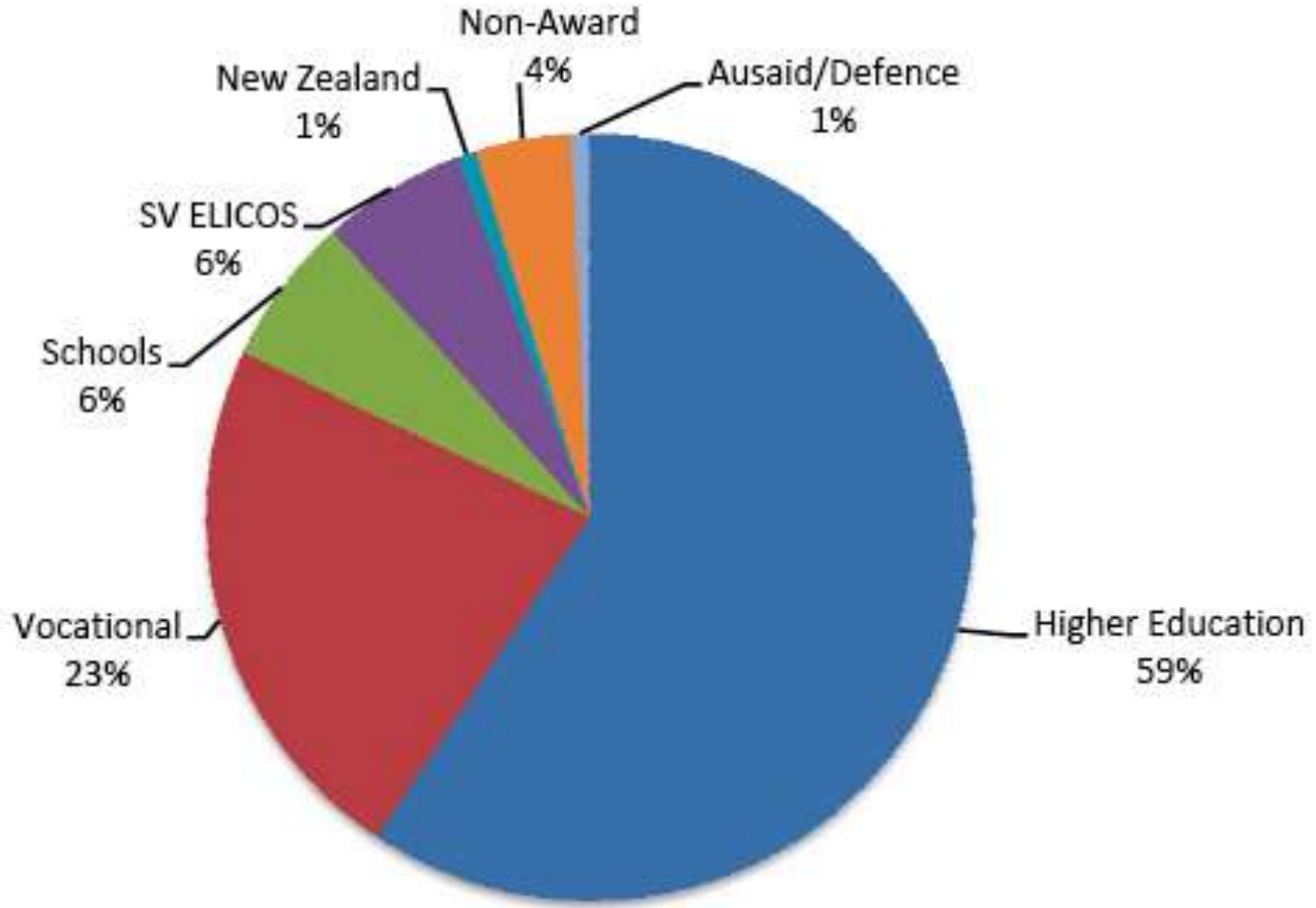
Export income form education services A\$ billion, 2005 - 2009



Value of Australian exports A\$ billion



Proportion by sector of international student expenditure, 2008



Coordination and regulation of international education



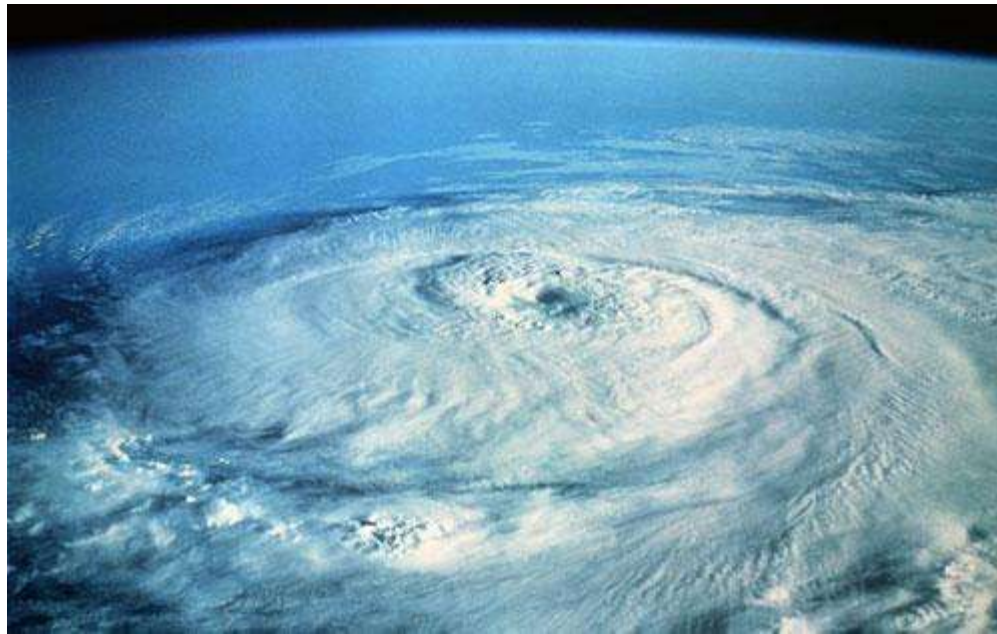
- Main government departments responsible for higher education and research are: Department of Education, Employment and Workplace Relations (DEEWR) and Department of Innovation, Industry, Science and Research
- Department of Immigration and Citizenship responsible for overseas student visas
- Department of Foreign Affairs and Trade shared responsibility for marketing and scholarship
- Australian Education International (AEI) within DEEWR plays leading role in policy development, market intelligence, regulation and government-to-government engagement
- Institutions aggressively market overseas with the assistance of AEI, IDP Education, and overseas student recruitment agents of various types
- Nearly all universities would have an international student office, headed by a Deputy Vice-Chancellor International (or equivalent)
- International Education Association for Australia main professional association supporting the industry

Coordination and regulation of international education



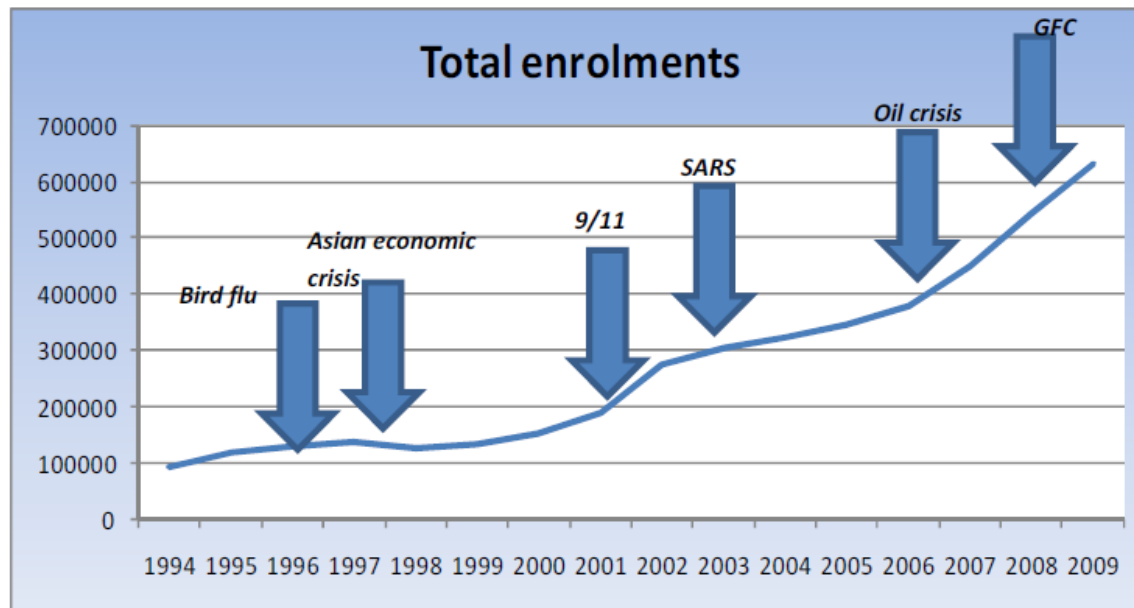
- Education Services for Overseas Students Act – The ESOS Act sets out the legal framework governing delivery of education to overseas students studying in Australia on a student visa
- CRICOS - the Commonwealth Register of Institutions and Courses for Overseas Students. Only CRICOS courses can be offered to international students studying in Australia on a student visa
- National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students – national legally enforceable standards under the ESOS that govern the protection of overseas students and delivery of courses to those students by providers registered on CRICOS
- In addition, VET international provision regulated by a variety of different state legislation and authorities
- Australian Universities quality Agency: “internationalization” a compulsory theme in the 2008 – 2012 audit cycle
- Two new regulatory bodies commencing in 2011: Tertiary Education Quality and Standards Agency and National Vocational Education and Training Regulator

Current challenges: the perfect storm (?)



Resilience of international education

International Student Enrolments in Australia (AEI)



Source: AEI

2009/2010 – it all starts to go pear-shaped

- All indicators point to a substantial downturn in international student enrolments
- In September 2010 Department of Immigration advised Minister for Immigration that student arrivals over 2013-14 will be down 50% on 2010
- Overly pessimistic, but there will be a substantial decline
- On current trends, the decline in 2010-2011 is just over 20%, with higher education so far the least affected, with private VET and ELICOS most affected
- Some universities already announcing reduction in staff numbers to cope with decline in international students
- A few universities highly reliant on income from international students most vulnerable

Commencements, 2009 and 2010

Commencements, Year-to-date			
<i>Sector</i>	<i>YTD Sept 2009</i>	<i>YTD Sept 2010</i>	<i>Growth on YTD Sept 09</i>
Higher Education	85,086	86,776	2.00%
VET	110,884	101,205	-8.70%
ELICOS	83,995	65,128	-22.50%
Schools	11,907	10,025	-15.80%
Other	24,000	23,424	-2.40%
Total in Australia	315,872	286,558	-9.30%

Prognosis to 2020: one scenario

Sector	2009	2012	2020	% 2009	% 2012	% 2020
HE	202,378	196,371	268,311	32%	39%	43%
Private VET	198,320	158,872	158,872	31%	32%	25%
Public VET	33,335	28,358	36,817	5%	6%	6%
ELICOS	136,581	76,926	105,485	25%	15%	17%
Schools	27,397	15,552	23,050	3%	3%	4%
Other	31,853	23,416	32,016	5%	5%	5%
Total	629,864	499,494	624,551	100%	100%	100%

Universities that earn 20+% of annual revenue from international student fees

- Central Queensland 44%
- Ballarat 42%
- Macquarie 28%
- RMIT 28%
- Swinburne 26%
- University of Technology, Sydney 22%
- Curtin 22%
- All universities 17%

Issues impacting international student recruitment, 2009 -



- Over rapid and unsustainable growth brought about by change in immigration policy
- 2005 - Howard liberal Government amended immigration laws to allow international students in non-university trade courses, including hospitality, hairdressing and child care, to gain permanent residency
- Led to explosion in private VET providers, poor facilities and overcrowding, deficiencies in course quality, lapses in State regulation
- Collapse of some private VET Providers
- “Although originally designed to assist skilled migration to Australia, there is now considerable evidence that the pathway to permanent residency has opened a doorway to what has been described as a ‘black market’ trade in fraudulent letters of completion and migration services.” (NTEU 2010: 16)

Issues impacting international student recruitment, 2009 -



- Government (over) reaction:
 - Re Permanent Resident Visa reduce number of eligible occupation in demand by more than 50%; cap visa places for some occupations, increased processing time, generally far more rigorous assessment for permanent residency visa
- Tighten student visa regime, eg require more rigorous assessment of availability of financial support, longer visa processing, measures to weed out bogus students
- In combination with other factors, has led to perception that Australia does not want international students
- December 2010 government announced strategic review of student visa program

Issues impacting international student recruitment, 2009 -



- A stronger Australian dollar
- Regional impact of the global financial crisis
- Increased competition: USA, UK in particular
- Development of national systems in Asia region
- Reputational damage re highly publicised attacks on International students
- Adverse publicity re immigration and population issues

Conclusion

- Summary of positive aspects of internationalization
- Summary of negative aspect of internationalization
- Internationalization: past, present and future

Impacts of internationalization on higher education: positives

- Obvious financial advantage for institutions and the economy generally
- Well-developed sophisticated international support, with the study of the international student experience becoming an academic sub-discipline
- Internationalization of the curricula
- Cosmopolitan campus culture
- Strengthening of political, economic, educational and cultural networks in the region
- Encouragement and support for Australian domestic students to gain international experience
- Promotes academic staff mobility through building international teaching and research networks

Impacts of internationalization on higher education: negatives

- Highly evolved, entrepreneurial culture with a focus on marketing and recruitment in conflict with traditional academic values
- Profit motive eclipsing academic ethics - soft marking
- Increased academic workload due to student language difficulties
- Over emphasises of particular discipline areas – business and commerce
- Over reliance on a single and potentially volatile source of income

Phases of internationalization: past, present and future



- Phase 1 (post WWII – 1990): aid and international relations focused
- Phase 2 (1990 – present): Focus on market led recruitment of fee-paying students
- Phase 3 (present -): Focus on consolidation, improvement in the quality of domestic and international student experiences and the diversification and deepening of internationalization activities to include greater student and staff mobility, more effective research engagement and better use of alumni
- Phase 4 (present -): Evolution of phase 3 into a global competition for brains (rather than tuition fees)

Thank You

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