

DOLLAR\$ FOR DEGREES

EXPORTING EDUCATION IS ONE OF AUSTRALIA'S GREAT SUCCESS STORIES AND NOW GENERATES NEARLY \$10 BILLION A YEAR FOR THE NATIONAL ECONOMY. BUT CAN THE BOOM LAST?

STORY: GEOFFREY MASLEN

Talk about El Dorado. Who would have believed 20 years ago that such a source of fabulous wealth was just waiting to be found? When the Hawke Labor government permitted Australian education institutions to enrol foreign fee-paying students for the first time in 1986, no-one expected the avalanche of enrolments, particularly not the institutions themselves.

Within five years, numbers had ballooned from the fewer than 5,000 initial fee-payers to 50,000. The explosive growth continued almost without pause up until today when nearly 400,000 foreigners are enrolled in Australian education programs on and offshore.

Schools, TAFE colleges, English language centres, private institutions and universities have all tapped into the vast global market for education courses. Few other countries have been as successful as Australia in selling their wares overseas.

Foreign students now contribute nearly \$10 billion a year to the Australian economy. As well, they are each estimated to attract an average of 1.3 relatives and friends to visit them during their studies here—visitors who add millions of dollars more to the total.

“Australia’s highly-regarded education system, relative affordability, reputation for a safe lifestyle and clean environment, and its proximity to Asia make it one of the most popular global destinations for Asian students,” says a report in the influential magazine *Asia Inc.* “Business and management studies, including MBA programs, are their number one choice.”

Surveys of international students support the magazine’s descriptions of Australia’s attractiveness. But another key factor is the prospect of gaining permanent residency; in fact, an estimated one in three foreign students subsequently become migrants, including 70 per cent of those from the Indian subcontinent and 45 per cent from China.

Soon after the overseas education market was opened, however, Australian education institutions realised that many Asian students could not afford the travel and living costs of coming to Australia. So dozens of them promptly began offering courses offshore through ‘twinning’ arrangements with local organisations and even setting up their own branches.

In Malaysia alone, Monash, Curtin and Swinburne universities have each established campuses. Monash also has a campus in South Africa, a study centre in London and another in Prato in Italy. RMIT University has its own offshoot in Vietnam while the University of New South Wales will open UNSW Asia in Singapore next year.

The fees paid by the multitude of on and offshore students prop up many an education provider. For universities, the money that students hand over when they enrol represents their largest source of private income. Nearly half the entire student population at Central Queensland University, or more than 10,000 young men and women, are foreigners, while many other universities also have significant numbers.

Should the market ever collapse, however, so would the institutions that are financially dependent on foreign fees. Even a sharp decline would see whole departments and faculties disappear—as happened with information technology after it lost its allure for foreign and local students.

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Facing widespread unemployment in the computer science and IT sector, young Australians turned to other areas. Foreign students, who had hoped to graduate with an IT degree, suddenly found the qualification no longer guaranteed them almost automatic access to a permanent residency visa.

The impact was immediate and, in the four years to 2005, enrolments in computer science and IT plummeted by 17 per cent—affecting universities and technical colleges in every state. Many institutions were forced to restructure their IT departments, absorbing them into mega-faculties and effectively downgrading the field's status and influence.

Student numbers in Australia's largest IT faculty at Monash University have plummeted by nearly 50 per cent since 2001, when close to 5,000 mostly foreign students were enrolled. Now at least 300 staff may lose their jobs.

Although shortages of computing professionals are becoming more widespread—nine occupations are now listed on the federal Occupations in Demand list—what happened with IT could be a straw in the wind blowing across education exports.

The number of foreign students in schools was down by 8 per cent last year while university enrolments appear to have levelled out. There are fears this lucrative sector, accounting for almost half of total overseas student enrolments, could even begin to decline.

The possible effects should Australia's booming export businesses switch from boom to bust attracted the attention of federal Treasurer Peter Costello who asked the House of Representatives Economics Committee to investigate. In May, Committee Chair Bruce Baird (Member for Cook, NSW) announced it had established two inquiries into the future of the manufacturing and services industries with the focus in the services area on education and tourism.

Despite the overwhelming importance of international students to the various education sectors, the House committee's call for



Three international students (Ronny D'Cruz, Kingsley Masamba and Chiau Chuin Lim) studying at the Ourimbah Campus of the University of Newcastle in 2006. Photo: Newspix

submissions attracted an astonishingly small response. Out of the 39 submissions from a wide variety of organisations, only seven are concerned with education. Two universities offered comments as did the Victorian government, the WA Education Department, the association representing English language colleges, the federal Education Department and the Treasury.

The most substantial was a 19-page document from the federal Department of Education, Science and Training. Although essentially optimistic in tone, the submission warns that the next 20 years “will bring additional challenges” to education exporters.

These include shifting population demographics, an increasingly mobile international workforce, more private providers, and technology offering greater access. Then there is the growing competition from other Western countries—notably Britain, America and Canada but also from certain European nations—while Australia's traditional markets of Singapore, Malaysia and, more recently, China have also become competitors.

“China is investing massively in its education system,” says the DEST submission. “This includes seeking to

develop world-class universities as well as becoming an international education destination. According to figures released this year, there were 140,000 international students studying in China in 2005—enrolments have increased by 35 per cent since 1998.”

Although Australia now attracts foreign students from more than 100 countries around the globe, Asia has always been the main source. Of the top 10 source nations, nine are East Asian economies with China accounting for almost a quarter of enrolments, India 10 per cent, Korea 8 per cent and Malaysia and Hong Kong 5.5 per cent each.

That is, more than half of all foreign enrolments are from a mere five countries, surely a worrying case of too many eggs in one basket. According to DEST: “Australia's rather narrow market position in terms of source countries and levels and fields of study may potentially be an issue... This reliance on a few source countries makes the sector vulnerable to shocks from economic or other causes of instability.”

Both the Western Australian Education Department and the Victorian government have also raised concerns and they make recommendations on how education

exports might be protected and enhanced. The WA department notes that the main focus of the education export market has traditionally been on academic programs at the tertiary level, whereas it says greater recognition should be on the contribution of the school, English language and vocational education and training sectors.

“Similarly much greater emphasis needs to be placed on other education products than academic programs,” the departmental submission states. “Australia is rich in other educational fields such as pedagogy, curriculum products, assessment tools, school management, performance reviews and these need to be promoted.”

The WA department and the Victorian government refer to problems with processing foreign student visas as possible deterrents to prospective students. The department says the time taken to process visas compares poorly with key competitor countries such as Canada and New Zealand, while the cost is also more expensive.

Victoria's submission calls for simple-to-use visa application guidelines and suggests the Immigration Department could collaborate with Victorian government business offices overseas. It says 11 of these offices are situated “strategically around the world”, including in countries that provide large numbers of foreign students, where some staff work specifically on international education opportunities for Victoria.

The Victorians also point to the close link between international education and Australia's skilled migration program with many students choosing to study in Australia with a view to permanent residency.

“International students applying for the general skilled migration program also offer benefits because they have Australian qualifications relevant to Australian circumstances and conditions,” the submission says. “They have established social and support networks, they are familiar with English, and they are familiar with labour market conditions.”

Given these benefits, the Victorians urge an increase in the weighting of migration points for

skills. The submission says this would encourage onshore students to become familiar with Australian workplaces—a key factor in determining successful outcomes in skilled migration.

Likewise, the current limit of 20 hours a week imposed on foreign students working while studying here should be lifted to an average of 20 hours a week per semester. This would enable students wanting to gain permanent residency to more

easily meet workforce participation requirements, the Victorians say.

The public hearings for the inquiry commenced in November. ■

For more information on the House Economics Committee's inquiry into the current and future directions of Australia's service industries, visit www.aph.gov.au/house/committee/efpa or email efpa.reps@aph.gov.au or phone (02) 6277 4587.

MORE THAN MONEY



International students bring more than money with them to Australia. Their contribution to broadening the cultural experiences of young Australians, to Australian scholarship and to boosting the nation's research effort is enormous but often overlooked.

Says Professor Di Yerbury, immediate past president of the Australian Vice-Chancellors' Committee and former vice-chancellor of Macquarie University: “International students bring with them a richness, vitality and diversity that enhances campus life intellectually, culturally and socially—and which enriches the learning experience for everyone.”

Then there are the 8,000 international postgraduates completing masters and doctorates by research degrees. They play a significant role in Australia's research efforts not only by helping expand the frontiers of knowledge but also improving their own understanding and skills.

Postgraduate student Maurice Ling is a member of a team of researchers involved in a seven-year, \$90 million project aimed at boosting the nation's dairy industry. The project is run by leading research institutes, four universities and a range of businesses linked to dairying.

An international postgraduate student from Singapore, Mr Ling is one of several dozen researchers at the Cooperative Research Centre for Innovative Dairy Products. The centre is applying cutting-edge genetic and

bioinformatic research to provide dairy farmers, processors and manufacturers with access to advanced technologies and products.

After enrolling in a bachelor degree course in biochemistry at the University of Melbourne, and graduating with honours, Mr Ling started his PhD in bioinformatics at the CRC. He was awarded a scholarship jointly funded by Melbourne and the dairy industry to work at the centre.

The CRC has scientists and postgraduates from Melbourne, Monash and Sydney universities, as well as the Australian National University. The team includes geneticists, reproductive biologists and bioinformatics experts such as Mr Ling who use computers to analyse biological information.

He says Australia offers a far greater choice of research areas for postgraduate students than is available in Singapore where the main focus is on bio-medical research.

“I obtained a diploma from a Singapore polytechnic before deciding to continue my studies overseas. Although I considered going to the US and Canada, I chose Melbourne because it is close to Singapore and Australia's university qualifications are recognised there.”

Mr Ling says his research in Singapore was on specific proteins and it was hard to know where it would go, unless it was simply research for the sake of science. His work at the CRC, however, has shown him how research is related to external applications.