



THE UNIVERSITY OF
MELBOURNE



Growing International Education in Regional Australia

Expert Members of the Council for International Education

6 December 2018

Executive Summary

The University of Melbourne welcomes the opportunity to respond to the Council for International Education's Consultation Paper, *Growing International Education in Regional Australia*.

Australia's universities operate in an increasingly internationalised environment where students and global academic talent are highly mobile. There is fierce competition to attract the best students and academic and professional staff internationally. The growth in Australia's education exports over the last decade is a major success story. International education is now Australia's third largest export industry, with overseas students injecting \$31.9b into the Australian economy in 2017/18. This success is the result of hard work in understanding these students, and in creating a compelling value proposition to meet their needs and aspirations.

The University of Melbourne acknowledges the Government's focus on promoting regional Australia as a study destination. Diversification is key to a healthy international education sector. It is appropriate that the strategic approach to attracting new students includes identifying ways to capitalise on the benefits of education offered outside of Australia's capital cities.

What is crucial is that the approach is driven by the aim of growing the Australian education sector by attracting additional international students to regional locations, rather than seeking to divert part of the existing student cohort to regional and rural areas. Students who come to Australia from other parts of the world are highly selective. A university education represents a major investment for those students and their families. Their choices on where to study are made on the basis of institutional profile, course quality, course fees, and the perceived quality of life on offer at the study destination. In this conversation, the agency of the students themselves should be clearly acknowledged. Ignoring this will inevitably result in policy interventions that intend to grow international education in regional Australia but that fail to achieve this aim.

The sector has benefited from a supportive approach from governments at the Commonwealth and State level, in recognition of the value that incoming students represent to the national and state economies. Continued growth in international student numbers will require ongoing work to ensure policy settings are aligned and seamless across Commonwealth, State and Local governments.

Successfully growing student numbers in regional Australia will involve regional-based campuses building a new value proposition that responds to the interests of prospective students who would not otherwise come to Australia. This may include identifying areas where the educational strengths of regional providers align with the capacity building needs of countries from which new students may be sourced. A mapping exercise that identifies these points of alignment would provide useful data that could be used to identify markets for a regionally-based Australian education offer.

Recommendations

The University of Melbourne recommends that the Commonwealth Government:

- support Australia's international education sector through:
 - a co-operative approach with State and Local Governments
 - stable and predictable funding settings for teaching and research
 - targeted programs that help drive international collaboration
 - recognition of student experience as essential to Australia's competitiveness
 - policy settings for employment, housing and immigration that align with the goal of a thriving international education sector.

- recognise that a long-term approach to market development in priority markets is required and that there are fundamental differences between the markets for a metropolitan and regional offer.
- avoid an approach that simply seeks to divert students from metropolitan to regional areas, since these are different markets that will appeal to different student cohorts.
- undertake a mapping exercise that identifies areas where the educational strengths of regional providers align with the capacity building needs of countries from which new students may be sourced.

An overview of Australia's international education sector

Australia has enjoyed rapid growth in its education exports over the past decade, particularly from its university sector. The Centre for Global Higher Education – based in Britain – has predicted that Australia will overtake the United Kingdom in 2019 to become the second most popular study destination, behind only the United States.¹

This growth has not occurred by accident. Australia's universities have made international education a strategic focus, investing significant effort in understanding the global market for international students and positioning their institution to be competitive in tapping in to the growing demand for higher education in other parts of the world. Australia's status as a key destination for international students is built upon the teaching and research quality of its universities, and on the fact that its universities provide an educational offering with a value proposition that meets the needs and aspirations of prospective students.

There is a massive economic benefit to this success, with education exports contributing \$31.9b to the Australian economy in the 2017/18 financial year. Yet the benefits that international students bring to Australia are not merely economic. These students are a source of diversity and vibrancy for our university campuses, cities and towns, enriching the study experience of domestic Australian students. A vast network of global alumni that have a key connection to Australia means crucial cultural and diplomatic ties in the decades to come.

Australia's compelling value proposition

As the international education sector grows, ensuring our value proposition remains world class will require addressing capacity constraints including in the areas of accommodation, employment, health and transport as well as identifying new markets, including for institutions located in rural and regional Australia. Growing any market requires a clear-eyed assessment of the comparative advantage of the offer and developing a compelling value proposition that is unique and differentiated from others in a global market.

As it becomes more common for students to select their university on a global basis, Australia is well-positioned to continue to offer high quality education at a competitive price for internationally-recognised qualifications. As a destination for study, Australia offers high quality education, an English-speaking environment and great lifestyle that has contributed to building a strong 'brand Australia' in the international market.

There are some immediate challenges to Australian universities including rising international competition and rapid expansion of domestic higher education systems in our major export markets. Disruptive technology is also a major factor. Increasingly, competition in international markets will be driven not only by students travelling to undertake study in a destination country such as Australia, but also by online education offered by leading institutions able to cater to global markets.

Reputation drives demand

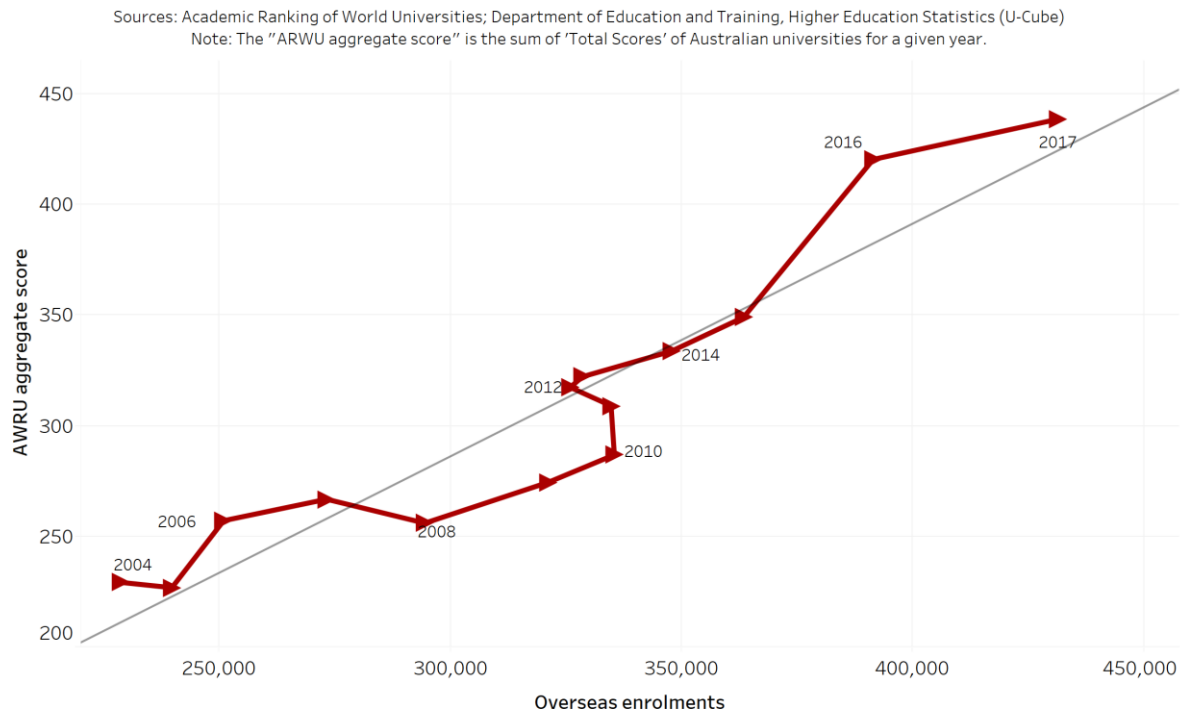
The role of rankings

The relationship between institutional reputation and demand from overseas students is clear. Australia's universities are increasingly recognised globally for research excellence and for educational quality, as demonstrated in the marked improvement in rankings performance. In 2018, 23 Australian universities are ranked in the Academic Ranking of World Universities (ARWU) top 500, up from just 14 in 2004. Six of our universities are ranked in the top 100. In 2004, there were only two.

¹ https://www.universitiesaustralia.edu.au/Media-and-Events/media-releases/International-students-inject--32-billion-a-year-into-Australia-s-economy---boosting-Aussie-jobs-and-wages#.W_j4bCdoRp8

Global rankings are just one of a number of indicators of institutional reputation. Nonetheless, the relationship between rankings improvement and growth in demand from international students is stark. Between 2004 and 2017, the increase in aggregate ARWU ‘total’ scores for Australian universities has closely corresponded with growth in overseas enrolments in the higher education sector (See Chart 1).

Aggregate ARWU scores of Australian universities against overseas, higher education enrolments: 2004 - 2017



High quality research and research collaborations

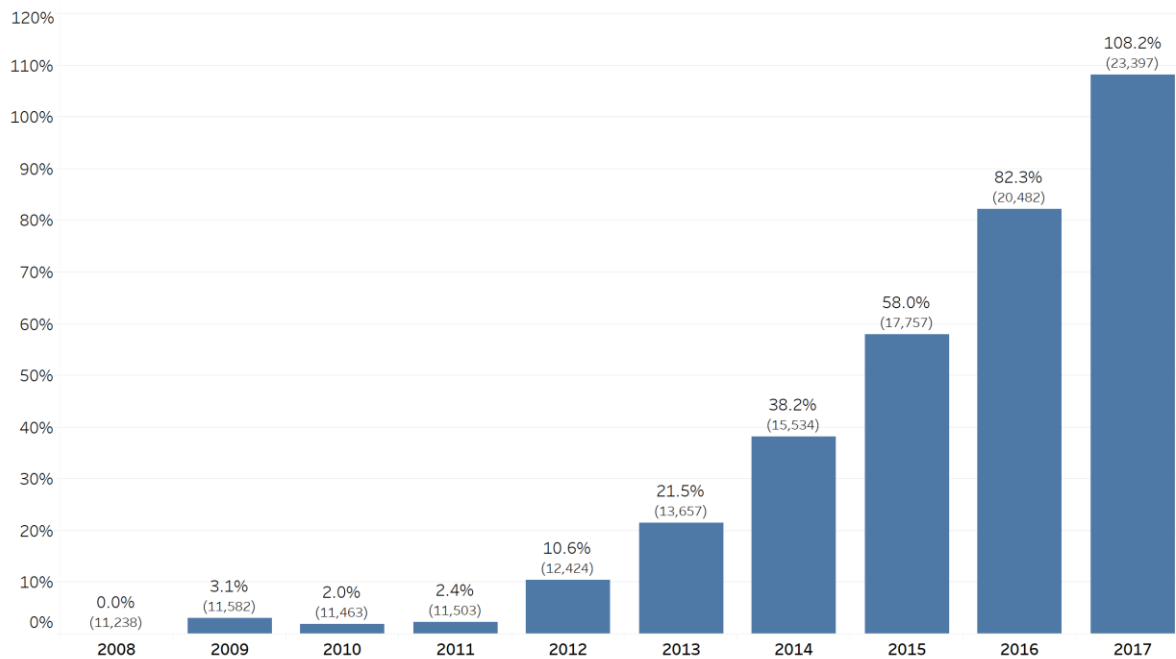
Beyond rankings performance, Australia’s universities have leveraged international research collaborations, two-way exchange agreements, and membership of international networks (e.g. Universitas 21 and the Association of Pacific Rim Universities) as part of the strategic approach to cultivating the overseas student market.

The University of Melbourne – the ‘Melbourne Model’ and international education

The University of Melbourne has embraced the opportunities offered by an internationalised higher education sector. The ‘Melbourne Model’ – the University of Melbourne’s graduate curriculum model – was implemented in 2008, with the aim of positioning the University among the world’s best by offering students an educational option similar to that provided at elite universities around the world. This curriculum reform sought to further internationalise the university, both in course content and in the composition of the student body. Growth in overseas enrolments since the introduction of the Melbourne Model demonstrates the value it represents on the global market. Overseas enrolments grew 108 per cent between 2008 and 2017, with most of this growth at the postgraduate level.

Percentage growth in University of Melbourne overseas enrolments from 2008

Source: Department of Education and Training, Higher Education Statistics (U-Cube)
Note: Enrolment numbers provided in parantheses.



The University's standing is also built upon the significant contribution made by our community of international scholars, staff, students and visitors. The University has agreements with a majority of the world's 50 top-ranked universities, and has widespread international collaborations, maintaining over 250 agreements for academic cooperation and exchange with universities around the world, concentrated in the United States, United Kingdom, Japan, China, Italy and India.

The University also supports a significant outbound mobility program, including through the New Colombo Plan.

Postgraduate education is a draw card

Postgraduate coursework programs are a key part of Australia's skills system, helping to fill skills needs across a range of professional areas. In many cases, international enrolments underpin the viability of postgraduate programs. In 2017, international students made up around 55 per cent of postgraduate coursework students. Masters programs typically have low numbers of students compared to bachelor-level courses and rely upon a mix of domestic and international students in order to be viable. Policy changes that constrain international enrolments pose a risk to the ongoing viability of these courses, impacting domestic students and diminishing the sector's capacity to deliver upon the skills needs of the Australian economy.

The role of Government in supporting education exports

Government has an important role to play in growing new markets for international education. Key elements of a successful approach to supporting continued growth in international education include the following:

- whole-of-government policy settings, and cooperation between the different levels of government including amplifying education services in trade agreements and government-to-government undertakings;
- a long-term approach to market development in priority markets, segmented by student education and skills needs;

- stable and predictable funding settings for teaching and research;
- targeted programs that help drive international research collaboration and two-way exchanges;
- recognition of student experience as essential to Australia's competitiveness, supported by adequate accommodation, transport, a welcoming local community and work-based learning and employment following the completion of study;
- policy settings for employment, housing and immigration that align with the goal of a thriving international education sector.

In Victoria, for example, the State Government has provided targeted support for the state's education exports. Initiatives aimed at encouraging students to choose Victoria for their education include the Study Melbourne Student Centre, the Victoria India Doctoral Scholarship Program and the Study Melbourne Internship Program along with a network of Education Services Managers located in strategically important countries.

Recommendations

The University of Melbourne recommends that the Commonwealth Government:

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 - targeted programs that help drive international collaboration
 - recognition of student experience as essential to Australia's competitiveness
 - policy settings for employment, housing and immigration that align with the goal of a thriving international education sector.
- recognise that a long-term approach to market development in priority markets is required and that there are fundamental differences between the markets for a metropolitan and regional offer.

Developing international education in regional Australia

Question 3: How can metropolitan and regional education institutions work together to create regional study opportunities for international students in ways that benefit the students, the regional communities and the institutional partners?

In view of the preceding points, the aim should be to find ways to attract *additional* students to regional Australia, rather than seeking to *divert* students who might otherwise study in a metropolitan location. Essentially, this means attracting students based on the unique qualities that regional education providers and communities have to offer.

The University of Melbourne encourages a broad strategy of identifying areas where the education and training capacity of regional campuses aligns with the skills and capacity-building needs of other countries. Australia's location relative to the developing economies in Asia leaves us well-positioned to capitalise on the growing skills demands of those economies. A mapping exercise would identify where the disciplinary strengths of regional campuses and institutions address skills needs in other parts of the world. For example, agriculture is a field in which regional institutions and campuses enjoy a natural advantage. It is also a field in which demand in Asia's emerging economies will continue to grow.

Vocational education and training (VET) is often neglected in conversations on international education. There is an opportunity to significantly increase the number of international VET students who take up a study option in regional Australia. For example, India's growing need for VET graduates, and the difficulties experienced in establishing its own capacity in VET provision, have been well documented. This represents a clear opportunity for regionally-based VET providers, particularly noting that regional locations are often well serviced by TAFE campuses.

This approach will require co-ordinating the efforts of regional education providers, Commonwealth, State and Local Governments and representatives from industry to identify where the strengths of a given regional area can meet the needs of overseas economies, and to consider how these strengths are best promoted to target markets. The existing 'City Deals' program could be utilised to aid this co-ordination.

Question 7: Is there a need for greater insights into the motivations and the experience of international students in regional areas relative to metropolitan areas, using survey instruments and other targeted research?

As noted above, a precise understanding of the global student market is crucial to attracting greater numbers of students to regional Australia. This includes properly segmenting the market, so as to understand the preferences and interests of various student cohorts to inform any interventions into the market. Given the diversity of the global student market, a one-size-fits-all approach will fail. What is needed is a strategy of targeting key markets based on what is unique and valuable in the education and lifestyle on offer outside of our major cities.

Recommendations

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