



Australian Government

Australian Education International

*Re:New
AEI*

A discussion starter

INTRODUCTION

In 2009, the Australian Government announced significant changes to its governance arrangements for international education.

These included the transfer of responsibility for the international promotion and marketing of Australian education to Austrade, and the future transfer of the responsibilities for the regulation of the provision of education services to international students to the new Tertiary Education Quality and Standards Agency (TEQSA) and the national VET regulator.

The new arrangements come at a time of significant challenges for the international education sector both in Australia and overseas. All of the Government agencies with responsibilities for aspects of international education will need to be creative and nimble in their responses to these challenges.

The immediate impact of these governance changes on Australian Education International (AEI), the international education arm of the Department of Education, Employment and Workplace Relations (DEEWR), will be through the transfer of staff, resources and responsibilities to Austrade on 1 July 2010.

In a longer perspective, the creation of TEQSA will impact on AEI's current role as some of AEI's responsibilities are likely to transfer. TEQSA will assume overall responsibility for the development of strengthened quality assurance arrangements and for ensuring the overall quality of the Australian higher education system.

While these changes will impact on AEI's current role and activities, AEI will continue to be an active player in the international education sector. The changes in governance arrangements provide AEI with the opportunity to re-focus its core role in international education onto government to government relationships and to refresh its profile in the policy sphere of international education.

*In preparation for these changes, AEI is undertaking a consultative exercise under the banner of **Re:New AEI**.*

Re:New AEI will involve a series of conversations and consultations with staff and both domestic and international stakeholders. AEI aims to produce a five year plan that will define its future role in international education, a new mission statement, and a set of operating priorities and procedures. The latter especially concerns AEI's important relationship with Austrade. Austrade in turn will take account of the AEI plan in setting marketing and promotion directions.

The planning process will be completed by the end of May 2010, with the implementation of **Re:New AEI** to commence on 1 July 2010.

To implement **Re:New AEI**, AEI will be assisted by Emeritus Professor John Dearn. Professor Dearn will act as an external and independent mentor, and ensure that the interest of all stakeholders is taken into account during the process.

1. BACKGROUND

Consultations

This discussion starter is intended to assist in AEI's conversations with stakeholders and staff by setting out some of the recent background and some of the main questions which need to be addressed in defining AEI's future role.

AEI will undertake consultations with the education sector during March 2010. Consultations will be held in Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney.

There is no formal call for submissions as part of this process; however, any organisations or individuals wishing to offer written comments are welcome to do so. Those comments will be published on the AEI website (www.aei.gov.au) unless the author prefers this not to be done.

Comments made in submissions to the Baird review, which have a bearing on these issues, will be taken into account.

The final date for written submissions is Thursday 1 April 2010. Submissions should be addressed to:

Re:New AEI

International Group
Department of Education, Employment and Workplace
Relations
GPO Box 9880
Canberra ACT 2601

Austrade will also undertake separate consultations at a later date in relation to international education marketing and promotion directions and activities.

The field of international education is multi-faceted. It has expanded rapidly across the world in recent years, in line with rising prosperity, rising demand for education, and rising expectations and hopes for the education system.

From the middle of the last century, Australia has been an early innovator in the international education field. Remarkable achievements have been made both at home and overseas, through diverse forms and levels of education delivery, and through collaboration with other countries in order to improve education outcomes and enhance the mobility of students, graduates and staff.

There has been a particular public focus on the large increase which has taken place in the number of international students studying in Australia. Between 1986 and 2006, overseas student enrolments grew by a remarkable 1,800 per cent. In addition, in the three years leading up to November 2009 enrolments grew by another 64 per cent.

International students studying in Australia mainly originate in the Asia Pacific region, with China and India as the two biggest source countries. Recent years have, however, seen a diversification in countries of origin, with student cohorts originating in every continent and most countries of the world.

Early success in the education engagement between Australia's universities and the Asia Pacific region was linked to the post war Colombo Plan. Between 1951 and 1965 Australia hosted 5,500 students under the Plan, a majority of Malaysian and Indonesian origin. This can be considered the first phase of Australia's experience with international education.

Recent years have seen a number of policy levers adjusted to favour the arrival of increasing numbers of fee paying overseas students. In addition, Australian providers have set up numerous branch campuses and partnership operations to deliver education services overseas. This can be considered the second phase of Australian international education. Other countries have also stepped up their efforts in international education. It is estimated that world wide more than three million students were being educated outside their home countries in 2009. This is predicted to rise to eight million by 2025.

The strong growth in international student numbers is of great potential benefit to Australia in terms of how Australia engages with the region, shares knowledge and prepares its workforce for the global environment. It has also produced considerable economic benefits to Australia and its education system. Domestic students have gained great benefits from sharing their education with students of many diverse backgrounds.

However, the rapid rise in the number of overseas students studying in Australia has not been without its problems, including social infrastructure capacity and the existence of adequate quality assurance procedures. In addition, a number of factors are currently impacting on the high enrolment figures. These include the strong Australian dollar, changing student demand for previously high volume courses, strengthened quality requirements on providers, and concerns around student safety issues.

An early indication of the impact of these factors is the fact that student visa applications have fallen by 15% in October-December 2009 compared with the same period in 2008, with a 24% fall in applications lodged outside Australia.

Some commentators have observed that international education stakeholders must more actively embrace a third phase of international education which “involves the development of engagement strategies that enable universities to fully engage in a global knowledge economy”.¹ As it unfolds, the third phase of international education will require different responses and interventions from governments than earlier phases of internationalisation.

Re:New AEI

It is therefore now appropriate to consider how AEI should best deliver the Australian Government’s responsibilities for international education in order to ensure a sustainable and viable international education sector into the future.

AEI currently has a major role in coordinating the Government’s responsibilities for managing international education. In some cases AEI directly manages services of importance to the international education sector. Key initiatives and responsibilities of AEI that have developed over recent decades include:

Overseas student enrolments (selected years)

1986	20 198
1996	143 067
2006	382 906
2009 (YTD November)	629 618

4 ¹ Universities Australia Submission to Review of Education Services for Overseas Students (ESOS) Act 2000 (October 2009)

- The provision of policy advice and support on international education matters to the Australian Government Minister for Education and senior officials.
- Liaison and cooperation with departments and agencies at national, state and territory levels to provide a whole of government approach to international education policy.
- The development of a regulatory system for international education providers based on the Education Services for Overseas Students (ESOS) Act 2000. This legislation is currently the subject of review by the Hon. Bruce Baird AM, who is expected to provide the Government with his final report in late February 2010.²
- The development of bilateral and multilateral agreements covering international cooperation in education matters. There are currently 20 bilateral education related Memoranda of Understanding in existence with partner countries. DEEWR is party to many international agreements of various kinds with a number of international organisations, including United Nations Educational, Scientific and Cultural Organization (UNESCO), the Organisation for Economic Co-operation and Development (OECD), the Commonwealth of Nations, Asia-Pacific Economic Cooperation (APEC) and the European Commission.
- The establishment of AEI's International Education Counsellor Network. The role of AEI's Counsellor Network is to promote cooperation with overseas stakeholders, enhance government to government relations, and provide strategic and policy intelligence on developments in the education sector. From 1 July 2010 the Network will consist of 12 education counsellors, supported by a small number of local staff based in Australian missions overseas.
- The development of materials for the marketing and promotion of Australian education overseas including the "Study in Australia" brand and website, and the provision of support services for marketing and promotion by education providers in key markets overseas. From 1 July 2010, Austrade will assume responsibility for these activities.
- The establishment of significant scholarship schemes such as the Endeavour Awards and the Prime Minister's Australia Awards.
- The establishment of the National Office of Overseas Skills Recognition (AEI-NOOSR) which supports student and labour market mobility through qualifications recognition, including professional recognition, and acts as Australia's National Information Centre under the Lisbon Recognition Convention.

In carrying out its responsibilities, AEI works closely with a number of major education bodies and is supported in its work by many well established relationships with sector organisations.

These bodies include the Australian Council for Private Education and Training, English Australia, the Independent Schools Council of Australia, the International Education Association of Australia, ISANA: International Education Association Inc., TAFE Directors Australia and Universities Australia.

AEI also works closely with a number of federal, state and territory government bodies, and directly with international students, education providers and other peak bodies and stakeholders.

² The background to the review is explained in the Issues Paper released in September 2009. Copies of the Issues paper and the interim report (from December 2009) are available at www.aei.gov.au

2. CHALLENGES AND OPPORTUNITIES

Changes in governance arrangements

A number of recent Australian Government policy decisions will have an impact on AEI. In addition to the transfer of resources and responsibilities to Austrade, AEI will implement the outcomes of the current ESOS review, and participate in the establishment of TEQSA and the establishment of a national regulator for the VET sector.

Recent changes to migration settings and the impact of these on the education pathways to migration will impact on the sector and as a consequence on the work of AEI. These changes are taking place in conjunction with the changes to policies and guidelines for the assessment of student visa applications.

The establishment of the Prime Minister's Australia Awards program, announced on 13 November 2009, will impact on AEI's management of the Endeavour Awards. The Endeavour Awards will become part of the Australia Awards.

These changes provide an opportunity for AEI to evaluate and re-define its current operations and, where appropriate, re-focus on new priorities. It will be important for AEI to find a way to continue to work effectively and efficiently within the government context and with the education sector to achieve the best possible outcome for the sector as a whole.

Quality and capacity issues

Australian governments are working together to strengthen the regulatory frameworks of Australian education. The Australian Government recently announced the establishment of TESQA while the Council of Australian Governments (COAG) has agreed to develop a national VET regulator. The revised Australian Quality Training Framework is due to come into force later in 2010.

Amendments before the Australian Parliament and the review of the ESOS legislative framework being undertaken by Mr Baird are focused on lifting the bar for entry and operation in the international education sector.

International interest in high quality standards for education providers is increasing, with debate focused on the value of comparative league tables, the development of international standards, and multilateral processes such as Bologna and Copenhagen that are designed to harmonise and promote better quality in education.

The Australian Government's targets for domestic student participation and attainment will play a part in future consideration of capacity issues in the higher education sector.

Recent times have seen a more focused interest on social infrastructure capacity issues associated with the hosting of international students. This is a wide and complex area, and the national International Student Strategy (NISS), currently under development by COAG, is examining these issues.³

Increasing opportunities for collaboration, especially in the Asia Pacific region

The economic development of the Asia Pacific region has been the stand out global success story in the post World War 2 era. Strong economic growth in some of the largest economies of the region seems set to continue well into the future.

Australia's education system can play a key part in the economic and social development of the region, particularly as nations focus increasingly on sustainable development which recognises the challenges of climate change.

³ The NISS will seek to improve the experience of international students in Australia, focusing in particular on the quality of education for international students and their well being. The strategy is expected to be finalised in 2010. For more information visit: http://www.coag.gov.au/coag_meeting_outcomes/2009-07-02/index.cfm?CFID=53093&CFTOKEN=85421708&jsessionid=0430a89378d241ee6512103932443197653d#iss

The importance of tertiary education in promoting economic and social development has been the subject of many studies world wide and has influenced economic development policies across the world and in the Asia Pacific region specifically. Strong education investment in countries such as China, Malaysia and Singapore may provide a challenge to Australia's position as a leading regional provider of high quality education. However, it also provides opportunities for enhanced collaboration and exchange. Australia has great strengths to draw on as a partner of choice for leading overseas education institutions.

The importance to Australia of staying informed and involved with developments in the near region is reflected in the location and composition of AEI's International Education Counsellor Network.

While the Australian education system is largely similar to its European and American counterparts, and AEI will maintain Education Counsellors in these locations, in the foreseeable future the main focus of AEI's international activities is likely to be in the Asia Pacific region which will become even more crucial to the future of Australia. National and multinational education policies in the Asia Pacific region are often in an early or intermediate stage of development. This provides a unique opportunity for Australia to grow its collaboration with regional counterparts.

The expertise and networks of AEI's offshore staff will give them the ability to play an important role in informing Australian stakeholders about, and linking them with, the education systems in major partner countries.

Australia's economy and changing skill needs

International education is estimated to have contributed \$17.2 billion in export income to the Australian economy in 2008-09⁴ as well as an estimated 122 000 full-time jobs. While recent events will have some negative impact on the international education sector in the short-term, the long-term prospects remain good.

The benefits to Australia from international education are, however, much broader than those which can be valued in dollar terms alone. Academic and research exchanges and collaborations pave the way for productive economic relationships which can bear fruit over many years. Alumni from Australian universities have come to play a major part in the political and economic life of many countries, especially in the Asia Pacific region.

Every nation has its own changing pattern of employment and commercial development. The ageing population in many countries will present fresh challenges for sectors such as health and aged care, but will also present opportunities in new industries. To remain competitive, Australia's international education sector needs to be responsive to such changes.

International graduates with Australian qualifications make an important contribution to Australia's skilled workforce. It is important that Australia's skilled migration arrangements meet the skilled labour market needs, while Australia's education policies are aimed at providing international students with a high-quality education and a fulfilling life experience.

Australia benefits both directly and indirectly from the increased prosperity of our region, which has been supported by rising education levels. Australia's prestige in our region and around the world is linked to its status as an advanced and forward looking economy in which its education system is a flexible and intelligent partner to do business with.

⁴The latest Australian Bureau of Statistics (ABS) estimate of export income from educational services to international students studying on a student visa is \$17.2 billion. This total export income figure comprises onshore and offshore components estimated by the ABS to be \$16.6 billion and \$580 million respectively.

Building Australia's reputation as a regional and world leader in education excellence

Australia's reputation as a provider of high quality education with high standards of student support and welfare is of core importance to our continued success in the field of international education.

The Baird review of the ESOS legislative framework, together with the impending establishment of TEQSA and the national VET regulator, provides an opportunity for Australia to develop a world's best practice model for the regulation and quality assurance of providers. However, in order to achieve a fully effective regulatory system, regulatory reform will need to be closely linked to international developments in the areas of qualifications frameworks and the development of international standards.

Legislation before the Australian Parliament enshrines some immediate measures developed from recent experience. The Government's response to the ESOS Review will further strengthen the regulatory framework. Further consideration will also need to be given to whether we need more substantial regulatory arrangements for the delivery of Australian qualifications overseas.

Australia's reputation in education quality and innovation is a valuable asset which plays a significant part in promoting Australia as an attractive partner for education, economic and social development. Our institutions have a prominent place in global league tables and Australia contributes much more to the global research effort than our population size would indicate.

Our successful measures to diversify the education market, expand the domestic and international student bases, and produce policy innovations such as the Higher Education Contribution Scheme (HECS) have also drawn favourable comment and been copied overseas.

In our international engagement on education issues, Australia should seek to protect and build upon its reputation, focusing particularly on issues such as the quality of its research and tertiary education systems and the development of appropriate support mechanisms for visiting students, researchers and academics.

Linking Australia and our region to developments in international education through our leadership role in multilateral organisations and through strong bilateral links

Australia has numerous bilateral education relationships with both developed and developing nations around the world. Opportunities exist to deepen these relationships as world investment in education continues at high levels despite the effects of the global recession.

Australia has a respected position in global and regional multinational education fora. These fora have evolved from an earlier focus on information exchange and data sharing towards the development of international quality standards, qualifications frameworks, and mobility agreements. Australia should aim to make the most of opportunities to show thoughtful constructive leadership in the development of international education policy.

3. THE ROLE OF AEI

Re:New AEI provides an opportunity for AEI to take stock of its current activities and responsibilities and, where appropriate, re-focus on new priorities and the challenges that lie ahead.

The outcome of the consultations and conversations that will take place under **Re:New AEI** will feed into the development of a five year plan for AEI. The five year plan will provide a road map for AEI. It will take into account AEI's strengths and weaknesses, and the views of stakeholders about the future role for AEI in the Australian international education sector. It will also provide input for Austrade's strategic planning for international education promotion.

It will be important that the five year plan reflects the interests of the education sector as a whole. The future role of AEI needs to complement the work of our partners and stakeholders and not duplicate the activities of others.

In planning for the future, AEI will have to take into consideration the need to re-balance its responsibilities against available budget and staffing resources.

The section below identifies six themes for consideration in relation to the future role of AEI. The themes are not exhaustive and not ranked in order of importance. Each theme has some questions attached that can act as conversation starters.

Theme 1: Providing high quality advice on international education and related issues to the Australian Government Minister for Education and senior officials

The development of Australian international education policy needs to be based upon accurate and timely information from a wide range of sources. Close interaction with the education sector and with other domestic and overseas stakeholders is a priority.

It will remain a core function for AEI to draw these inputs together and provide quality advice to the Minister and the DEEWR Executive.

Q1: Of the policy changes facing international education, which are the key ones that AEI should pursue?

Q2: How should AEI ensure that policy advice is based upon the representative views of the Australian international education sector?

Theme 2: Advancing the National International Student Strategy

A national International Student Strategy is being developed by COAG. The strategy seeks to improve the experience of international students in Australia and in turn benefit all of Australian society. The strategy is expected to be finalised in 2010.

The development of the strategy will promote a broader vision of international education to encompass the broader benefits to Australia and the students' home country and place Australia's international education on a more sustainable basis.

Q3: How best should AEI engage with national, state and territory and industry partners, students and other stakeholders through its role in supporting the strategy?

Theme 3: Building strong bilateral and multilateral education relationships with key partners in our region and beyond

The transfer of marketing and promotion functions to Austrade provides the opportunity for AEI to focus more directly on strengthening the bilateral education relationships with key nations, particularly with countries in the near region.

The foundations for strong bilateral relations already exist through numerous Memoranda of Understanding, Joint Working Groups and bilateral work programs. This work brings benefits to Australia through the removal of barriers to cooperation and exchange, and through the contribution to our national and international prosperity of improved education systems at home and overseas.

Many international organisations are now active in the field of education policy development. These include the OECD, UNESCO and other United Nations agencies, the Commonwealth of Nations, the European Union, the Council of Europe, the Bologna Process, the Human Resources Development Working Group of APEC, the Southeast Asian Ministers of Education Organization (SEAMEO) and the East Asia Summit (ASEAN+6) grouping.

AEI's overall objective in its multilateral engagement is to work cooperatively to build sustainable, globally connected and internationally influential education and training systems in the Asia Pacific region. Successful multilateral engagement builds on Australia's reputation as a knowledge-based nation, helps facilitate mobility and creates strong international structures for collaboration in education matters. AEI shares responsibility for the relationship with some of these organisations with other parts of DEEWR, other Australian Government agencies and education peak bodies.

Q4: In pursuing increased bilateral engagement with key countries, what are the key issues that AEI and AEI's International Education Counsellor Network should be focussing on?

Q5: What are the main issues and priorities for AEI's engagement with international organisations?

Theme 4: Providing support services for student and graduate mobility through scholarship programs and the National Office of Overseas Skills Recognition (AEI-NOOSR)

The Prime Minister's Australia Awards program provides the starting point for a new and integrated Australian program of scholarships. The Australia Awards will provide Australia with the vehicle to compete with the most prestigious international scholarship programs such as Fulbright and Rhodes.

The increasing movement of students and professionals throughout the world and specifically in the Asia-Pacific region places emphasis on research-based and transparent systems and tools that provide information to compare international education systems and qualifications with Australian qualifications.

Q6: How should AEI develop and prioritise its work in the areas of enhanced student and workforce mobility?

Theme 5: Developing world's best practice in the regulation of education services for overseas students

The ESOS review interim report identified a broad range of issues that need to be considered and progressed. At the same time, amendments to the ESOS Act, currently before the Australian Parliament, will require a concerted period of effort in implementation by AEI and partner agencies.

Following the decisions to establish a national VET regulator and TEQSA, the regulation enshrined in ESOS will need to be integrated with the work of the new national regulators. Taking these issues together; complex legislative drafting and implementation issues lie ahead for AEI.

Q7: How can AEI best work with national and industry partners in scoping and implementing these changes?

Theme 6: Working with national and industry partners for the sustainable growth of Australia's international education sector

An important function of AEI is the provision of high quality advice to the sector on issues concerning international education. This includes advice developed through research and analysis, AEI's statistical databases and information obtained by the International Education Counsellor Network. The responsibility for providing advice to the international education sector in relation to marketing and promotion will transfer to Austrade from 1 July 2010, however, AEI and Austrade will need to work closely together in order to enable Austrade to effectively exercise this function.

AEI has several key partnerships with Australian Government departments, including the enhanced relationship with Austrade. AEI's relationship with the states and territories is anchored through the Joint Committee on International Education (JCIE). Regular interchange between AEI and the new national regulators for VET and higher education will be important for overcoming issues of overlap and progressing towards a single national regulatory system.

AEI has a formalised relationship with key education peak bodies through the Government Industry Stakeholder Consultations (GISC). Direct interaction with national education stakeholders takes place on a regular basis and on a range of issues. The views of education providers are taken into account in the development of international education policies and regulations.

AEI works closely with students and student representative bodies. An International Student Roundtable was held in September 2009 and AEI is working with student bodies on possible formats for a permanent student representative mechanism. These consultations will be extended to include engagement with a broader range of stakeholders in the context of community and student support issues.

Q8: How suitable to the needs of the sector is the advice AEI is currently providing? Should the type of advice and how it is communicated be reconsidered in light of the impending governance changes?

Q9: Should AEI make any changes to the way in which it engages with key national stakeholders?

Q10: Overall, what are the main messages that those involved in international education would like AEI to take on board in developing its five year plan, mission statement, and operating priorities and procedures?

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