

International Education Advisory Council

Discussion Paper for the Development of an
International Education Strategy for Australia

April 2012



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Foreword



International education in Australia has a long and successful history. It enriches the lives of students; it helps them gain a globally recognised qualification that forms the basis of a successful career, experience a new culture and make lifelong friendships that transcend national borders. International education also provides many benefits to Australia as a nation. It earns valuable overseas income, builds links and relationships with leaders in politics, industry and education and has helped to sow the seed of much of Australia's success in the Asia Pacific region. The internationalisation of Australian education also benefits Australian students by increasing every student's cultural understanding, helping them discover new and innovative ways to solve problems, and enhances their capacity to work effectively with diverse co-workers and in multi-national teams.

However, recent years have brought challenges. Rapid growth in enrolments between 2006 and 2009 has been followed by a decline in overall numbers since 2010.

The recent decline in overall numbers is partly a response to global factors such as the strengthening of the Australian dollar, the Global Financial Crisis and the current financial uncertainty in world markets, safety concerns that surfaced in 2009, the poor quality of a few former providers and increasing global competition for international students. Migration settings, which encouraged enrolments by students who were primarily seeking a migration outcome, were part of the reason for the pre-2009 boom, and the necessary corrective action has been among the reasons why the high numbers from 2009 have fallen.

Australia has taken steps to address the recent challenges through significant reforms in response to the reviews undertaken by the Hon Bruce Baird AM and the Hon Michael Knight AO. Further to these reforms, Senator the Hon Chris Evans, Minister for Tertiary Education, announced the establishment of the International Education Advisory Council in October 2011. I was delighted to be asked by Senator Evans to Chair the Council and I am joined by a group of eminent people from Australia's education and business sectors. Our deliberations and interaction with stakeholders will help to inform the development of a five-year national strategy to support the sustainability and quality of the international education sector. The Council believes that sustainability, along with high quality levels, is a practical aim for the international education sector in Australia.

Sustainability of the sector not only refers to the quality of education and the number of students, but is also dependent on the capacity of our social and cultural infrastructure. Australia's largest cities in particular have faced significant pressures meeting the strong demand for accommodation for students, while transport, health services and student support issues have also arisen.

As a Council, we must consider the lessons learnt from recent events, the new directions indicated by the Baird and Knight reforms, and what else needs to be done by governments and education providers to achieve a sustainable growth path for the future. This paper provides the starting point from which we hope to elicit the views of stakeholders on how best to achieve sustainability in the sector.

On behalf of the Council, I invite stakeholders to consider the paper and to provide a submission.

A handwritten signature in blue ink that reads "Michael Chaney". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Michael Chaney AO
Chair, International Education Advisory Council

Background

Background to the discussion paper and how you can have your say

In October 2011 the Minister for Tertiary Education, Senator the Hon Chris Evans, announced the formation of the International Education Advisory Council to inform the Government's development of a national, long-term strategy for the international education sector.

This discussion paper outlines the background to contemporary international education and the internationalisation of Australian education. It also raises a number of themes and questions that we invite you to consider to help inform the development of a five-year international education strategy.

The development of this national strategy comes at a time when international education, a highly successful sector, faces substantial challenges from factors such as the high Australian dollar, the poor quality of some former providers, changes to Australian visa requirements and reputational damage caused by a number of attacks on students in 2009. These factors have led to a decline in international enrolments over the last few years. This trend is likely to continue, at least in the short term.

Australia is also facing stiff competition from traditional competitor countries such as the USA, the UK and Canada, which are increasing their efforts to attract international students, as well as countries like China and regional centres such as Hong Kong, Singapore and Malaysia.

In addition to students coming to Australia, international education has much to offer Australian students. They benefit from exposure to international experiences by learning in diverse classrooms alongside international students and by studying an internationally-relevant curriculum. International education also engages the Australian community, through local interactions with the many international students who live, study and work among us.

The consultation process is taking place in parallel with a number of recent government and other initiatives including:

- *Stronger, simpler, smarter ESOS: Supporting international students*, the report of the review by the Hon Bruce Baird AM, released in March 2010, and in the process of full implementation through legislation introduced into Parliament. A copy can be found at https://aei.gov.au/ESOS_Final_Report.pdf;
- The COAG International Students Strategy for Australia (ISSA) 2010–14, which can be found at—http://www.coag.gov.au/reports/docs/aus_international_students_strategy.pdf;
- The Review of the Student Visa Program, conducted by the Hon Michael Knight AO. The report and the Australian Government response, released in September 2011, can be found at - www.immi.gov.au/students/knight/
- The establishment of the Australia Awards Board in May 2011 - further details can be found at <http://www.australiaawards.gov.au/board.html>;
- *A Strategic Vision for International Education in Australia*, released by the International Education Association of Australia released in October 2011 - IEAA; and
- *Australia in the Asian Century Discussion Paper*, released in December 2011. More information on the White Paper can be found at <http://asiancentury.dpmc.gov.au>.

The Council welcomes the input of international education stakeholders. You are invited to provide a submission addressing any or all of the discussion points in the paper (questions highlighted in blue) about the future for Australia's international education. The points made in this discussion paper are only intended as a starting point.

Submissions on the discussion paper can be tendered via email to the Advisory Council Secretariat at Australian Education International (AEI) at ieac@innovation.gov.au. Submissions should be provided by 8 June 2012. Consultation meetings with stakeholders will also take place. Details will be available on the AEI website - www.aei.gov.au/ieac.

International education in a changing world

An international focus is not new for many of Australia's education institutions. Australia was one of the first countries to develop an extensive international education program, initially as part of its aid strategy through generous programs to provide access to higher education. Educational engagement between Australia and the Asia Pacific region developed from the post World War II Colombo Plan, with its vision of furthering the economic and social development of the region through self-help and mutual assistance.

The Colombo Plan occupies a prominent place in the history of Australia's relations, where it is best remembered for sponsoring thousands of Asian students to study or train in Australian tertiary institutions.

The Colombo Plan marked the formal entry of the Australian Government into the direct sponsorship of overseas students for study in Australian institutions. The scheme operated for more than 30 years, welcoming more than 40 000 young people from the Asia Pacific region into Australia. Many of their children and grandchildren have subsequently studied in Australia and retain strong links.

A feature of international education in Australia is the participation of fee-paying students from Asia. Even in the 1950s, alongside the Colombo Plan, around 80 per cent of Asian students were fee-paying.

Many of today's leaders from across the Asia Pacific came to Australia under the Colombo Plan and have retained a strong connection with the country. Two examples of eminent Australian alumni are Dr Boediono, Vice-President of Indonesia and one of their best-known economists, and Mr Cheong Choong Kong, former Singapore Airlines Chief Executive.

Australia was an early and vigorous participant in a range of bilateral scholarship programs for research and mobility, such as Rhodes and Fulbright. These programs were an early frame for our internationalisation, along with other examples including the early use of distance education in Asia.

Following the Commonwealth's 1985 decision to allow Australian education institutions to enrol full fee-paying international students, Australia developed many very successful initiatives to enrol international students in educational programs either in Australia or host countries. Australia's international education in the period after 1985 is often referred to as the second phase of its international education advancement.

Some Australian universities have welcomed more than 10 per cent of their student body from overseas since the late 1950s and over 20 per cent since the late 1990s. To sustain such diverse student enrolments, Australia's universities and other education providers continue to invest in the quality of the learning and student experience.

Australia is a world leader in the development of tailored legislation to support international students. The *Education Services for Overseas Students (ESOS) Act 2000* regulates the education sector's involvement with international students studying in Australia on student visas, protects Australia's reputation for delivering quality education services and safeguards the interests of international students. This legislation has been updated on several occasions and the second and final legislative phase of the Australian Government's response to the review conducted by the Hon Bruce Baird AM will commence on 1 July 2012.

Australia is currently engaged in the third phase of its international education, or rather the internationalisation of Australian education. This is characterised by deep cooperation and collaboration, focusing on achieving mutual benefits for all participants.

The growth in transnational education is evidence of a changing world, where education is truly international. Transnational education refers to those programs offered by Australian education institutions and delivered directly through collaborative arrangements with offshore partners at fully or partly owned campuses offshore. While a number of institutions have been involved in transnational delivery for many years, there has been a significant increase in activity over recent years.

Online education is also playing an increasing role in education delivery, as technology offers the possibility of high quality, real-time, high-volume trans-global information sharing and communication, at a lower price and with a flexibility that can often meet the needs of a time-poor student.

The spirit of Colombo lives on through the Australia Awards. These awards bring together Australian Government scholarship and award programs that aim to foster a new generation of regional leaders who can develop a strong understanding of Australia while studying at our universities. The Australia Awards are an important initiative to ensure Australian scholarships are consolidated, better branded, and delivered to support our country's long-term interests. At any one time the Australia Awards, through annual funding of \$200 million, support around 5000 international students, researchers and professionals to study in Australia and Australians to study, research and undertake professional development overseas.

The Australia Awards are an important initiative to ensure Australian scholarships are consolidated, better branded, and delivered to support Australia's long term interests.

Further promotion and expansion of the Australia Awards to build on the recognition of these scholarships throughout Africa, the Americas and Caribbean, Europe, Middle East, Asia and the Pacific, including within Australia, could be an integral part of the future of Australia's international education profile. It could be part of a suite of strategies that positively changes people's perceptions of Australia around the world and reminds Australians of the true value and responsibility of playing their part in welcoming international scholars and their families.

Australian students, too, are increasingly seeking to expand their study horizons. In 2009, there were 9968 Australian higher education students enrolled in full degree courses in another country, a small increase on the previous year. As a proportion of all Australian higher education students, this is comparable to student mobility from the UK and is higher than the USA. However, relatively few Australian students choose to study in Asia.

An international education vision and strategy must respond to a world vastly different from the time of the Colombo Plan, one which faces significant challenges as outlined earlier in this paper. While a number of these challenges remain, there are further issues emerging such as the economic and social transformation of the Asian region, including the rise of two powerhouse economies, China and India, ongoing world economic uncertainty and the development of a number of regional education hubs such as Singapore and Malaysia, reflecting increased competition to attract the world's best and brightest.

An international education vision and strategy will need to build on recent successes and positive developments that secure Australia's future in international education, as well as addressing areas where new approaches are required.

1. How can we draw from past experience in preparing an international education vision and strategy that takes Australia forward in a rapidly changing global environment?

2. Which emerging issues do you believe will impact on international education in Australia?

International education profile

Contemporary international education in Australia encompasses four sectors:

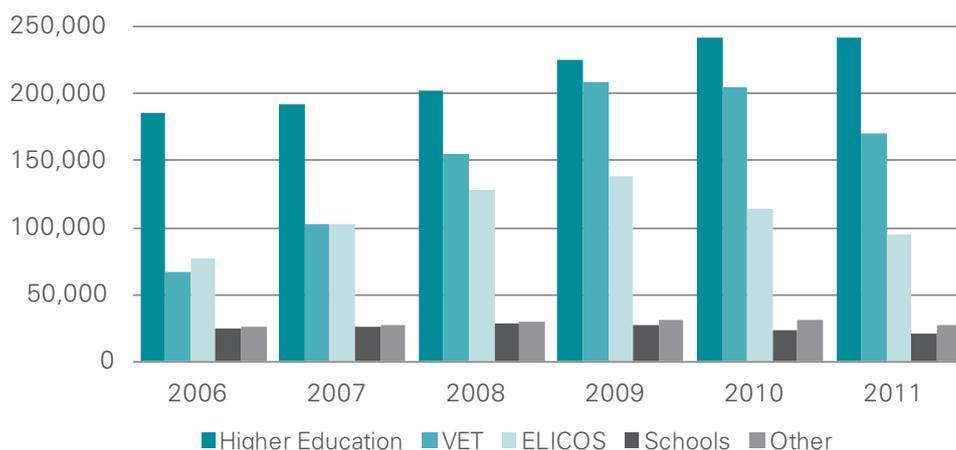
- English Language Intensive Courses for Overseas Students (ELICOS), with its own rich history and role in teaching English and preparing overseas students for progressing to further study within Australia. The initial English language or bridging course segment plays a critical role, as it is often the first point of contact for international students and acts as a pathway to other providers;
- Vocational Education and Training (VET), such as TAFEs and private colleges, providing practical training and education that prepares trainees for jobs at various levels from a craft or trade to a professional position. Around 85 per cent of international VET students are enrolled with private providers, with the remainder enrolled in TAFEs;
- Schools, with students evenly distributed between government and non-government institutions; and
- Higher education, the largest sector for international students, predominantly through universities. Private higher education institutions enrol about 10 per cent of international higher education students.

International student enrolments reached a peak (630 700) in 2009 and have declined since then. Over the three years from 2006 to 2009, overall enrolments increased by 65 per cent, at an annual rate of growth of 18 per cent. With hindsight, much of the growth between 2006 and 2009 can be attributed to the expansion of the private VET sector and a perception in some markets that a VET course would lead to a successful migration outcome.

The recent downturn in overall international student numbers in Australia, along with increasing competitor activity, presents significant challenges.

Annual growth rates in VET student enrolments were around 50 per cent annually in 2007 and 2008, a rate which was clearly unsustainable. Australia has a well-regarded VET sector, with many international students coming to Australia to learn advanced practical skills. Unfortunately, at that time, some students on vocational courses were there not for the learning on offer, but solely as an easy route to seeking Australian permanent residence.

Chart 1: International student enrolments by sector, 2006–2011



Higher education is the largest sector for international student enrolments, with an average annual growth rate of 7.7 per cent since 2002. In recent years it has been the most popular sector for students from China, who accounted for 40.2 per cent of all international student higher education enrolments in 2011¹.

1. Australian Education International, December 2011 pivot table.

In 2011, overall enrolments declined 9.6 per cent on 2010. Higher education was the only sector to record growth in enrolments over this period. The VET sector experienced a decline of 16.6 per cent in the same period, with ELICOS experiencing a decline of 16.3 per cent. The international school sector, while considerably smaller in comparison, declined 13.6 per cent.

Sector enrolments for the top five countries of origin for students from 2006–2011 are below:

Table 1: International student enrolments by sector - top 5 nationalities, 2011

Country	Sector	Numbers					
		2006	2007	2008	2009	2010	2011
China	Higher Education	53,580	58,120	65,192	78,715	92,522	97,423
	VET	9,847	13,853	18,994	23,258	22,134	18,513
	ELICOS	18,723	26,780	33,072	37,483	35,218	27,662
	Other sectors	14,025	16,362	19,661	20,035	18,991	16,093
	All sectors	96,175	115,115	136,919	159,491	168,865	159,691
India	Higher Education	25,497	27,076	28,404	28,020	21,937	15,507
	VET	9,752	25,986	51,199	78,405	75,035	55,558
	ELICOS	3,041	9,176	16,162	12,964	2,016	1,447
	Other sectors	382	644	875	1,099	514	289
	All sectors	38,672	62,882	96,640	120,488	99,502	72,801
Republic of Korea	Higher Education	6,665	7,321	7,977	8,483	8,705	8,772
	VET	4,840	6,116	7,657	10,053	10,784	9,639
	ELICOS	13,406	14,382	13,584	11,841	9,951	7,968
	Other sectors	5,989	6,451	5,945	5,262	4,415	3,554
	All sectors	30,900	34,270	35,163	35,639	33,855	29,933
Vietnam	Higher Education	2,956	3,541	4,998	7,441	9,702	10,967
	VET	703	1,140	2,318	4,559	6,009	5,671
	ELICOS	1,627	2,974	6,132	8,589	6,683	4,369
	Other sectors	1,426	1,980	2,417	3,119	3,233	2,731
	All sectors	6,712	9,635	15,865	23,708	25,627	23,738
Malaysia	Higher Education	15,496	15,781	16,347	18,029	18,379	17,973
	VET	1,685	2,032	2,589	2,979	2,784	2,828
	ELICOS	325	353	583	589	596	699
	Other sectors	1,526	1,585	1,610	1,513	1,457	1,336
	All sectors	19,032	19,751	21,129	23,110	23,216	22,836

(Source: Australian Education International)

Enrolments are a cumulative count of students who have been enrolled in one calendar year and include returning students who studied in a previous year. A count of purely new enrolments (i.e. commencements) excludes those returning students and provides an indication of how many new students are entering the education system.

Sector commencements for the top five countries of origin for students from 2006–2011 are below:

Table 2: International student commencements by sector - top 5 nationalities, 2011

Country	Sector	Numbers					
		2006	2007	2008	2009	2010	2011
China	Higher Education	22,467	24,529	30,224	37,468	42,561	40,568
	VET	6,084	8,092	11,413	13,071	12,078	11,411
	ELICOS	14,218	21,297	25,852	29,498	25,126	20,317
	Other sectors	6,958	9,410	11,065	10,586	9,809	7,993
	All sectors	49,727	63,328	78,554	90,623	89,574	80,289
India	Higher Education	10,832	11,823	12,536	11,269	5,679	4,927
	VET	7,086	17,968	32,315	44,827	34,330	28,393
	ELICOS	2,664	8,448	14,662	10,612	1,605	1,335
	Other sectors	282	476	653	709	268	155
	All sectors	20,864	38,715	60,166	67,417	41,882	34,810
Republic of Korea	Higher Education	2,854	3,278	3,612	3,528	3,610	3,566
	VET	2,756	3,132	4,460	5,926	6,142	5,901
	ELICOS	10,084	10,548	9,810	8,590	7,416	5,958
	Other sectors	3,008	3,337	3,000	2,360	1,961	1,539
	All sectors	18,702	20,295	20,882	20,404	19,129	16,964
Thailand	Higher Education	2,091	1,984	1,817	1,885	1,788	1,502
	VET	3,014	3,845	4,787	6,318	7,243	6,790
	ELICOS	4,901	5,655	6,805	7,955	5,679	4,654
	Other sectors	373	379	355	383	311	262
	All sectors	10,379	11,863	13,764	16,541	15,021	13,208
Vietnam	Higher Education	1,251	1,618	2,659	3,967	4,669	4,663
	VET	427	738	1,659	3,007	3,541	3,291
	ELICOS	1,305	2,504	5,030	6,336	4,432	3,169
	Other sectors	773	1,040	1,194	1,698	1,409	971
	All sectors	3,756	5,900	10,542	15,008	14,051	12,094

(Source: Australian Education International)

There is significant variance in commencements at the individual provider level. For example in 2011, changes in commencements across different universities ranged from growth of 28.7 per cent to a decline of 19.8 per cent, although the mean change for all universities combined was a decline of 4.6 per cent.

Student visa data, which is published by the Department of Immigration and Citizenship (DIAC) on a quarterly basis offers a lead indicator of future commencements. DIAC publishes both visa applications and grant data. Visa grants can also be a more reliable indicator of future enrolments, as not all applications will translate into grants, while the level of interest from prospective offshore students may be gauged from trends in offshore visa applications.

DIAC reported that for the six month period from July to December 2011, there was overall growth (5.9 per cent) in student visas granted, although this incorporated a decline (-5.9 per cent) in student visas granted to offshore applicants. In that same period, offshore student visa applications showed growth (2.0 per cent).

The table below outlines the recent trends seen in both international student enrolments and student visa data:

Table 3: Enrolments and commencements in 2011, with % change compared with visa grants and applications % change

Sector or visa sub-class	2011 enrolments	Change in 2011 enrolments	2011 commencements	Change in 2011 commencements	Change in July-Dec 2011 visa grants (on and offshore)	Change in July-Dec 2011 visa applications (offshore)
Higher Education	242,351	0.1%	96,526	-4.6%	0.1%	1.6%
VET	171,237	-16.6%	98,917	-7.3%	25.6%	15.7%
Schools	20,868	-13.6%	9,200	-13.5%	-11.4%	-7.0%
ELICOS	95,104	-16.3%	72,446	-14.9%	-7.5%	-8.4%
Other	27,865	-10.3%	21,753	-11.3%	-3.5%	-3.1%
Grand Total	557,425	-9.6%	298,842	-8.6%	5.9%	2.0%

Source: AEI December 2011 pivot table; DIAC Student Visa Program quarterly report December 2011. Note that higher education visa data also incorporates postgraduate research visa data to maintain consistency with higher education enrolment data.

Using visa data to predict future trends in international student enrolments requires caution due to a number of factors. These include:

- an unpredictable time lag between a student being granted a visa and entering the country;
- visa applications (and subsequent grants) from applicants who are already onshore; and
- study pathways, where a student may enter the country on a higher education visa, but study an ELICOS or VET course first.

In 2011, more than half of all international students commencing in the higher education sector had followed a prior study pathway (e.g. were previously enrolled in ELICOS or VET). For those students, there may have been a delay of up to two years between them entering the country on a higher education visa and generating a higher education commencement.

In 2010, 30 per cent of commencing higher education students had previously studied ELICOS, indicating the importance of ELICOS as the first step in a study pathway for many international

students. Hence, the sustainability of the ELICOS sector is an important factor in the success of Australia's international education sector as a whole. It should also be noted that around 40 per cent of ELICOS students enter Australia on a tourist or working holiday maker visa and are not included in the international student statistics used throughout this document.

It is anticipated that the recent introduction of streamlined student visa arrangements for those enrolling in bachelor, master and doctoral degrees at universities, together with the expansion of work visas for higher education graduates, will increase interest from international students.

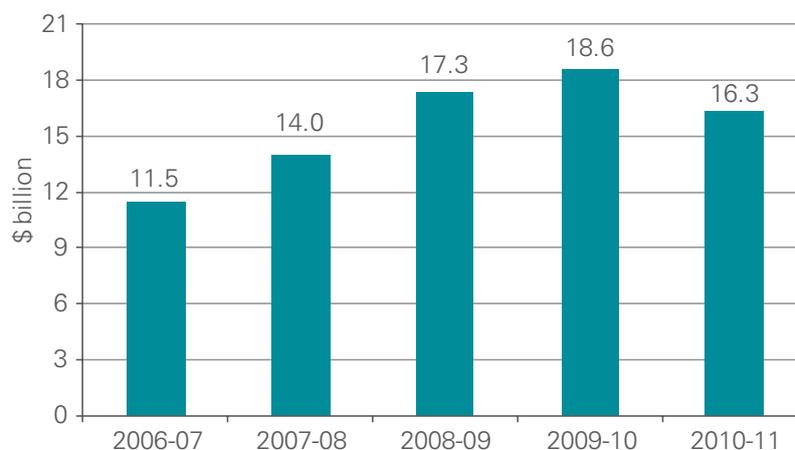
An important contribution to the economy

International education makes many contributions to the Australian economy, estimated by the ABS to be more than \$16 billion in the 2010-11 financial year (more than \$6 billion in fees and nearly \$10 billion in student living expenses), and creating over 100 000 jobs².

Recent figures released by the ABS International Trades and Services estimates the 2011 calendar year overseas revenue to be \$15.7 billion, a decline of 12.4 per cent (\$2.2 billion) since 2010. The ABS data is preliminary, based on projections and is routinely updated on a monthly basis. A finalised figure for 2011 overseas revenue for education services is expected to be released in May 2012.

The scale of international education services is evident when compared with other major sources of overseas revenue. International education services are Australia's third largest source after iron ore and coal. This income is important across all states and territories, and is Victoria's largest source of overseas revenue. International education is also the second largest source of overseas revenue in New South Wales and third in Queensland and the Australian Capital Territory.

Chart 2: Export income from education services



International student fees comprised 17.5 per cent of total revenue for all Australian universities in 2010, with international students making up 23 per cent of all university enrolments. In private higher education institutions, international students represented 41 per cent of the total onshore higher education student population in 2010. Data for 2010-11 showed a 12 per cent decline overall in overseas revenue from international education since 2009-10. The decline was most felt in the VET sector (down 19 per cent) and the ELICOS sector (down 14 per cent).

Additional data relating to international education is available in the *International Education Data Snapshot – 2011*, which accompanies this paper.

2. <http://www.aei.gov.au/research/Research-Snapshots/Documents/Export%20Income%202010-11.pdf>.

A vision for Australia's international education

It is the strong view of the Council that a vision for international education should reflect Australia's place in the region and in the world as a provider of high quality education and training. It should affirm that Australia welcomes international students to live, learn, research and commence their careers. Not only should a vision include all education sectors, but it should embrace a global future and envisage diverse student bodies at all levels.

International education can be a life-changing experience, both for students and the communities in which they live and interact. It provides Australians with the opportunity to meet and engage with some of the most talented young men and women in the world.

By virtue of having sought an international education, these students have shown the courage and vision to live and learn in a foreign culture, and often a foreign language, separated geographically from friends and family. International students, academics and researchers, their home countries and Australia are likely to continue to enjoy the benefits created by international education long after graduation.

International education should also include preparing Australians for a much more globalised world. If Australians do not have a worldwide understanding of cultures and skills, then the education system may well have failed them; this will have a negative impact on Australia's economy and national interests.

The Council proposes that a vision for Australia's international education strategy could be:

Australia is recognised, both regionally and around the globe, as a world class provider of education and training, a partner of choice for educational collaboration, and a country that openly welcomes international students and helps them achieve their goals.

3. Does the vision reflect Australia's aspirations for international education? If not, how can it be strengthened?

A national strategy for international education

International engagement has been an important part of Australian education and training, and the delivery of Australian courses and qualifications to international students, here and overseas, has grown significantly in recent years. In 2009, Australia was the third largest destination for international education in the world, hosting seven per cent of all tertiary students studying outside their own country.

International education today, in addition to being the country's third largest source of overseas revenue, enriches and changes all levels of society – culturally, economically, educationally and socially.

International engagement occurs on many levels. Thousands of individuals, and the institutions they represent, that interact with students on a daily basis, form the backbone of Australia's international education sector. Australia's international reputation is built upon and directly related to the contributions of these individuals, the organisations they study and work in and the support of local communities and local and state governments.

Any examination of the role of international education in Australia since 1951 will clearly demonstrate the many benefits that have come to the nation. However, for that to be the case, governments and the community have had to be pro-active and interventionist and education institutions agile and flexible. Australia embraced multiculturalism, governments provided support for the education industry in its search for markets, and many community organisations became involved at a local level.

Many benefits flow from such partnerships:

- increasing cultural, business and research links within and between Australia and its partners;
- paving the way for productive domestic and international economic and social relationships that sustain long-term rewards, both in Australia and for our partners;
- contributing to Australia and the region's economic prosperity by providing highly-skilled graduates in professional areas, who have studied alongside students from around the world;
- providing additional income to Australian institutions, enabling them to improve the quality of their facilities and educational services;
- preparing graduates capable of holding influential social, political, economic and scientific roles within their countries;
- enhancing the quality, diversity and global competitiveness of Australia's domestic education systems, in part through study abroad options and the internationalisation of educational programs to give students a broader world perspective;
- helping other countries to develop education systems that are effective, deliver on high quality outcomes and integrate regionally and globally in a way that promotes mobility between countries;
- forging person-to-person ties that will provide mutual benefits for years to come; and
- preparing our young people to be Asia-literate and globally competent.

Building on these benefits should be central to an international education strategy. Further, Australia's ability to participate in international research and innovation networks relies on an international engagement strategy for the recruitment and retention of research postgraduates to develop our international research infrastructure.

This is not a time to be complacent - too much is at stake and there is much to gain if the partners remain focussed and relevant. Australia's competitive advantage including our time zones, our locale on the edge of Asia and the English language, positions us well to embrace the opportunities that are presented by economic growth in Asia and emerging economies elsewhere around the world.

Notwithstanding the current economic difficulties in many countries, the need for high quality international education will continue. Demand for education and training in a number of developing countries is outstripping their capacities to meet their needs. The international trend is expected to see international student numbers worldwide rise from 2.1 million in 2000 to between 4.1 million to 6.7 million by 2020³.

Australia is well regarded and well placed to meet a share of this demand and to secure its position globally as a country that consistently delivers a high quality international education experience.

3. Calderon, A. (2010). *Emerging countries for student recruitment in tertiary education* presented at IMHE - OECD Conference, Higher Education in a World Changed Utterly: Doing More with Less, Paris September 2010.

Themes

A. Australian education institutions deliver opportunities and outcomes of the highest quality to Australian and international students

Education of the highest quality will deliver the best opportunities and outcomes to Australian and international students. An internationally recognised and portable qualification provides students with the basis for a successful career in the global economy.

A high quality education system will be of increasing importance in attracting the best students and researchers from Asia and around the world.

Although their methodologies are often disputed, the annual university rankings compiled by several agencies constitute a popular measure of the quality of the world's educational institutions. In the QS World University Rankings 2011/12, eight Australian universities ranked in the world's top 100. In the top 50, Australia was only outperformed by the UK and the USA⁴.

The Economist Intelligence Unit Review of international education national policy frameworks⁵ in 2010 ranked Australia second of 11 countries against the criteria of openness, quality assurance and degree recognition, and access and equity.

Australia's TAFE and private VET system is also recognised as a world leader in vocational education and training. There continues to be significant international interest, especially from Asia's developing countries, in learning from our experiences in order to build domestic capacity.

Australia's regulatory environment, already among the world's best in quality assurance, needed to be improved, and is being improved.

A range of issues emerged in 2009 that challenged Australia's reputation in international education. These included student safety issues, the exploitation of links between education and migration and the poor reputation of some providers. A process of reform was initiated to address these issues.

The Baird Review of ESOS was brought forward and produced recommendations developed to enhance the ESOS framework in four key areas: supporting the interests of students, delivering quality as the cornerstone of Australian education, effective regulation, and the sustainability of the international education sector.

The establishment of the Tertiary Education Quality and Standards Agency (TEQSA), which is Australia's regulatory and quality agency for higher education, and the Australian Skills Quality Authority (AQSA), which is responsible for the registration of providers and accreditation of VET qualifications and courses, builds on the Baird Review's emphasis on effective regulation.

The Australian Government's implementation of the Knight Review has enhanced the competitiveness and integrity of international education through the introduction of a post-study work visa, streamlined visa processing arrangements and a Review of the Assessment Level Framework for student visas.

4. <http://www.topuniversities.com/university-rankings/world-university-rankings/2011> (accessed on 5 March 2012).

5. British Council, Measuring and benchmarking the internationalisation of education (26 March 2010).

In addition, Australia has recently introduced significant reforms to:

- strengthen the registration criteria for providers of education services to overseas students;
- require all providers to re-register under these criteria in 2010;
- update and strengthen the Australian Quality Training Framework (AQTF) and the Australian Qualification Framework (AQF); and
- implement the International Student Strategy for Australia (ISSA), including the introduction of the International Student Ombudsman.

Australia is currently playing a leading role along with the British Council in an international roundtable to discuss policies that support the integrity of international education. The roundtable brings together officials from Australia, the UK, Canada, Ireland and New Zealand. A statement of principles for the ethical recruitment of international students by education consultants and agents has been developed.

Another measure of the quality of an Australian qualification is how successful domestic and international graduates are in gaining employment. Research undertaken by AEI in 2010 into the employment outcomes of students educated in Australia found that a high percentage of international students achieve successful employment after graduation.

The Council would welcome views on how the international education sector and its stakeholders can further improve these outcomes.

Australia's reputation for quality is linked closely to the standard and qualifications of our educators. Australian educators are known for their ability to engage with students to help them develop the knowledge, skills, creative abilities, communication strategies and general confidence needed to succeed in the global workforce. However, as the Australian education system continues to grow, noting the large increase over the last few decades in both international and domestic enrolments, how do we ensure that teaching and learning in Australia continues to be of the highest quality?

4. How can the quality of education provided by Australian institutions to international students be effectively monitored?

5. How well do offshore agents perform in recruiting and preparing students to study in Australia? Are the current arrangements with agents appropriate?

6. What more can Australian institutions do to better prepare graduates for success in their early careers?

7. What aspects of teaching and learning in Australia's education settings contribute to a successful and satisfying study experience in Australia?

B. A positive and rewarding student experience as a driver for long term engagement

International education can be a life-changing experience. It can create opportunities for establishing long-lasting connections at community, institutional, industry and government levels. While the reputation of the institution and quality of the qualification may be the main factors that influence students' study choices in Australia, the overall student experience contributes to the retention of current, and cultivation of future, international students.

The top four factors that influenced tertiary students' decisions to study in Australia are the quality of teaching, the reputation of the qualification, personal safety and the reputation of the institution.

AEI 2010 International Student Survey

Some of the key factors that contribute to a positive and rewarding student experience include high quality learning outcomes, safe and welcoming living environments and relevant workplace opportunities. Deciding where to study is undoubtedly one of the biggest decisions in a student's life. Accurate, comprehensive and reliable pre-arrival information is crucial in managing student expectations and ensuring students choose an institution and destination that is right for them.

In 2010, all Australian states and territories, together with the Australian Government, developed the International Students Strategy for Australia (ISSA) to support a high quality experience for international students. The ISSA aims to ensure a sustainable future for quality international education in Australia and focuses on four action areas - student wellbeing, quality of education, consumer protection and better information.

The annual International Student Roundtable, an element of the ISSA, brings together international students from across Australia and provides them with the opportunity to discuss the challenges and opportunities that impact on the quality of their study and living experience in Australia. Additionally, the establishment of the Council of International Students Australia in July 2010 has provided a new, credible voice for international students in Australia to raise concerns with international education.

A key challenge for all stakeholders in Australian international education is to facilitate meaningful engagement between domestic and international students, and promote integration within institutions, the community and industry sectors. Feedback from international students shows that they do not always have the level of interaction that they would like with Australian students and the community. In some cases, students may study, work and live almost exclusively with other students of their own language or even own country, which may lessen the cultural value of their experience in Australia. Additionally, this may result in a decrease in English language skills over the period of study.

Many institutions and state and local governments take an active role in facilitating interaction between international students and the wider community. While there may be opportunities through national conferences to share examples of best practice, specific forums focused on the integration of international students into institutions and communities would be a valuable exercise.

The Australian International Student Survey 2010 of 50 000 international students showed that the vast majority (around 85 per cent) of international students were satisfied with their living experience and with the level of support they received on arrival, confirming Australia's reputation as a country that welcomes international students. Concerns still exist amongst international students, however, relating to the cost of living, host country friends, social activity, careers advice, work experience and accommodation services.

The post-study work visa, stemming from the Knight Review, will provide bachelor, master and doctoral degree graduates with the opportunity to work in Australia for up to four years.

This enables students to improve their educational and professional standing, hone their English language skills and engage further with the Australian community.

While the outcomes of the Knight Review have provided important reforms for degree students, many from the non-university sector and peak bodies have expressed concerns over perceived disadvantages resulting from these arrangements.

Alumni networks are a particularly effective means of continuing the student experience and building on and utilising the people-to-people links established by those studying in Australia. One of the most effective means of promoting the study in Australia experience is to hear directly from former students. The Council would welcome views on how the opportunities that alumni networks provide can be better utilised and coordinated.

Ensuring that Australia is an open and welcoming country, with a suite of support services to contribute to a positive student experience, is essential to the success of current and future international students, the sustainability of international education and Australia's long-term global ties. Many international students have gone on to become highly successful citizens, creating a more varied skills base, stronger international links and increasing the diversity of Australian society. Others have returned to their home country, assuming leadership positions in government and industry, expanding Australia's global network links to the world and sharing their overall student experience and the benefits of an Australian education with other potential international students.

8. What means might be employed to improve international students' experiences with respect to local social activity and engagement with local students and communities?

9. How can services to support international students, such as transport concessions and health services, be provided in a more consistent manner across Australia?

10. What, if any, further improvements need to be made to student visa and post-qualification work rules?

C. Achieving sustainability in international student enrolments

The rapid growth and subsequent decline in international student enrolments between 2006 and 2011 brought to public attention a range of factors that, together, affect the sustainability of the international education sector and its key players. In addition to factors discussed earlier in this paper, sustainability of the sector is dependent on institutions and their communities having sufficient infrastructure and support services to meet the demands of significant numbers of international and domestic students.

While international students come to Australia for a high quality education qualification, the services and infrastructure that support the academic experience are crucial to the success of the student. The rapid growth experienced over the last decade outpaced the support services and infrastructure capacity to accommodate the growing number of students, and major problems emerged in some areas.

State and territory governments have adopted different approaches to some of these infrastructure issues. Recognition that international education is a major source of overseas revenue must bring with it the understanding that this is a complementary relationship. The benefits derived from this source need to be supported, through ensuring that suitable services are available to international students.

International education providers actively manage the balance between enrolments and the demand on local infrastructure and support services. In 2009, Universities Australia released a Ten Point Action Plan for Student Safety in response to attacks on international students. In addition to student safety, the plan seeks to address issues such as affordable accommodation, travel concessions and assisting students with their local community integration. The Ten Point Plan is complemented by initiatives by other peak bodies and by individual provider plans. Australian governments in turn have committed to address many of these issues through the International Students Strategy that was released in 2010.

It is important to recognise that a variety of business models operate in the education sector and that enrolment profiles differ across institutions and sectors. While schools and TAFEs may have much smaller enrolment numbers than private VET and Higher Education, it is important to recognise that even small enrolment numbers can be critical to the business models of schools and TAFEs. It could even be argued that in some cases institutions have maintained low numbers to ensure they do not compromise quality.

The Council is interested to hear views on whether it is possible or desirable to set national or state and territory and/or institutional targets for a sustainable number of international students across the various education sectors.

The Australian Government has set a target for 40 per cent of 25- to 34-year-old Australians to attain a bachelor or higher degree by 2025. From 2012, it has removed the cap on undergraduate Commonwealth supported places for domestic enrolments at public universities and provided funding for the considerable rise in student numbers. Universities are now responsible for deciding the numbers of both domestic and international students that they wish to enrol. The mix of domestic and international students across universities is likely to change, given that the undergraduate cap has been removed.

11. What are the critical social infrastructure features that contribute to a vibrant international education experience for students learning, living and working in Australia? Where are the shortcomings in these?

12. Is it desirable, or possible, to consider national, state and territory and/or institutional targets for a sustainable number of international students across the various education sectors?

13. What steps could Australia take to ensure that any further increase in international student numbers does not place unacceptable pressure on our social infrastructure?

D. Offshore education delivery contributes to Australia's reputation as a provider of high quality and a partner of choice

Transnational education is one of the exciting directions for the future. It refers to those programs offered by Australian education institutions and delivered by themselves at their offshore campuses, through collaborative arrangements with offshore partners, including education providers and industry, or through on-line education.

The number of students being taught through Australian transnational education is significant and growing, particularly for higher education and public VET providers.

In 2010, there were 335 273 international students studying in Australian higher education institutions. Of these, 104 678 studied offshore, representing 31.2 per cent of all higher education international students enrolled in Australian institutions⁶.

Most offshore students are taught 'on campus', not through distance education. Indeed, the demand from the region is for on campus learning and some governments such as Malaysia are seeking foreign branch campuses, while most other countries (like China) are actively encouraging internationalisation by partnering with their education providers.

In 2009, 64 819 students were recorded as studying offshore for Australian qualifications with Australian public VET providers, while 8452 were studying with private VET providers. In comparison, international student commencements onshore in the VET sector were higher with private providers (100 407) than with public providers (18 187)⁷.

Transnational education offers students who are unable or unwilling to acquire their qualification in Australia access to a more diverse range of quality programs than those available in their home country, including the opportunity to undertake tuition in English. Transnational education can also help to build the host country's capacity for providing high quality education and training.

Establishing effective transnational operations is not without risk. It is important for the sector as a whole that the delivery of offshore education and training is underpinned by a focus on quality, integrity and sustainability.

The VET sector has played an important role in long-standing, successful offshore partnerships with industry and its employees. For example, in the Middle East, the Abu Dhabi Education Council (ADEC) has worked with TAFE NSW since 2007 to help establish Abu Dhabi's first vocational and technical education institute. Chisholm TAFE has also been delivering VET courses extensively through China, Vietnam and India, including with the Dalian Railway Medical School and the Hanoi Electric Power University.

Regulation of offshore delivery has to date been patchy. A number of steps are currently being taken to improve the oversight of transnational activity, including the recent creation of the Australian Skills Quality Authority (ASQA) and the Tertiary Education Quality and Standards Agency (TEQSA). On 1 July 2012, these two bodies will take full responsibility for the registration, compliance monitoring and enforcement of international tertiary education providers. The establishment of the national regulators will play a vital role in strengthening regulatory activities in relation to international education across Australia.

The numbers involved in Australian transnational education are significant, and growing.

14. How can an international education strategy help institutions to capitalise on transnational education opportunities?

6. Australian Education International Research Snapshot December 2011: Transnational education in the higher education sector.

7. Australian Education International Research Snapshot July 2011: Transnational education in the public and private VET sector.

E. Positioning Australia as a partner of choice for education and collaboration in the Asian region and beyond

Situated on the Asia-Pacific rim, and endowed with a rich history and quality institutions, Australia is well positioned to contribute to the coming Asian Century. Led by fast growing economies like China and India, continuing industrialisation and development in emerging Asia is set to transform the lives of hundreds of millions of citizens in the region. As their rapid expansions provide opportunities for many more people to gain a better education and improve their skills, Australia will be well positioned to play a full part.

Australia can gain through deepening study abroad and research links with Asia and beyond. Australians who study abroad bring home new skills, ideas and perspectives. Such knowledge can lift innovation and productivity, helping our firms and institutions to step up to a higher level of competitiveness with smarter firms likely to boost output and incomes across the economy.

In the Asian Century, Australia has the advantage of adjacency.

Australia is a top three study destination for students from China, India and Korea. Together, these three countries make up over 47 per cent of total international student enrolments in Australia. China, India and Korea are also key partners in Australia's expanding international research collaboration.

Formal bilateral agreements are in place between Australia and China, and Australia and India, to encourage cooperation and collaboration between academic and research institutions. Australian governments also have many agreements with other overseas governments that cultivate close collaboration in education. These complement and enable the many international links established by institutions, faculties and academics.

Australia actively influences key global and regional forums that play a role in international education, including in the Asia-Pacific Economic Cooperation (APEC) and the East Asia Summit. These forums provide an opportunity to engage with key regional partners in encouraging student and staff mobility, promoting institutional and academic links, and advancing the global development of improved educational quality.

To ensure Australia stays competitive as a destination of choice for Asian students, there are a number of domestic factors that could be considered in the context of an international education strategy. In essence, it is about making Australia as Asia-literate as possible, increasing Australians' knowledge of Asian languages and culture and recognising that there is great diversity between cultures within Asia.

While almost 500 000 primary and secondary students pursue studies in one of the targeted Asian languages (Japanese, Indonesian, Chinese and Korean) each year, the proportion of students continuing to study an Asian language drops significantly by Year 12. Around 10 000 students pursue studies in these languages in their final year of compulsory education⁸. This is a time in their lives when they should be preparing for integration in a workplace that will be heavily influenced by Asia in the decades to come. In 2000, around 24 per cent of Australian school students studied one of the targeted Asian languages and it concerns the Council that by 2008, this had dropped to 18 per cent.

Australia's success in Asian countries is not guaranteed...we will need to adapt and innovate, which in some cases will require a change in mindset as well as building new skills and capabilities.

Australia in the Asian Century Discussion Paper, p.12

8. Report commissioned by DEEWR into 'The Current State of Indonesian Language Education in Australian Schools report' (May 2010).

In developing strategies for future engagement with the region, it is important to acknowledge that Asian countries and economies are each very different from each other. While Australia has strong and active relationships with most countries in the region, each country is of a different level of maturity in their economic development and the sophistication of their education systems. An international education strategy needs to recognise this diversity and ensure that Australia identifies and responds to the opportunities this brings.

While Australia intends to play its full part in the Asian Century we need to recognise that other regions - Africa, the Middle East and Latin America - are on the march as well, partly due to the role they are playing in the Asian Century. Nor should we forget the great strengths Europe and North America continue to have in high level research and world-class education.

15. How can Australia capture the opportunities emerging from the rise of the Asian Century while seeking geographical diversity in its international education engagement?

16. How can we encourage more students to learn an Asian language and to develop their Asia literacy?

F. Preparing Australians for a changing global and economic environment

The presence of international students at Australian education institutions can influence both teaching styles and the curriculum. The internationalisation of the curriculum helps to increase students' cultural understanding. Any graduate from an Australian institution will need to draw upon these cultural skills, as every student can increasingly be expected to work with international colleagues and peers throughout their careers.

Having more Australians undertake an experience overseas can be a great way to build much closer relationships, and education is a great way to make this happen.

When expressed as a proportion of all Australian higher education students, outgoing domestic student mobility is comparable to countries such as the UK, India and the USA. However, few Australian students (around 3000 annually) choose to study in Asia.

The preference for Australian students has been Europe and the Americas, places that hold an historical attraction and where language may not be an issue. But increasingly, given the economic, political, strategic and cultural changes underway within Asian regions, is this the time to encourage more Australians to have an education experience in Asia?

The top five host countries for Australian students were the USA, New Zealand, the UK, Japan and Germany. Some 12 per cent of completing Australian undergraduate students enrolled in Australian universities had undertaken an international study experience during their course, up from 8.8 per cent in the previous year. An equivalent figure for USA undergraduates in 2008–09 was 9.6 per cent⁹.

The Council believes that Australian outbound mobility to Asia needs to be substantially increased to maintain our reputation throughout the world as a true partner in education, and to provide our students with the knowledge and skills they will require in the Asian Century.

One of the best ways to continue to develop and deepen Australia's relationships with other countries is Australia's young people moving into leadership roles in business, academia and society, while having an insight into how other countries work; the culture, the society, the economy and an understanding of the people and relationships.

17. How can the sector and governments work together to encourage, support and increase the outbound mobility of Australian students and academics?

9. Australian Education International Research Snapshot November 2011: Australian student mobility in the higher education sector.

G. Strengthening the science and research collaboration of Australian education institutions through international linkages

Australia's international science and research links with the rest of the world are vitally important to supporting Australian productivity and building a richer and healthier nation. Science is an increasingly global endeavour, with researchers across the world seeking access to the knowledge, infrastructure, and skilled people that underpin discovery.

International research collaborations are particularly important for Australia, as a small but high-performing global player. Australia has only 0.3 per cent of the world's population but produces about three per cent of the world's knowledge. This is a strong result, and Australian researchers recognise the value in proactively seeking to connect with the 97 per cent of knowledge beyond our borders. Nearly half of Australia's research publications have an international co-author, a higher proportion than many countries, including the USA, Italy, South Korea, and Canada. These are generated in a range of organisations, including higher education institutions (which employ more than half of all researchers), public research agencies, and industry.

The Australian Government supports Australia's international science and research collaboration through engagement with other governments and facilitating researcher-driven linkages by encouraging international access to its sizeable investment in science and research (\$9.4 billion in 2011–12). Programs with substantial international components include those administered by the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC), and the Cooperative Research Centres (CRC) scheme. In 2010, CRCs worked with 545 international partners across 58 countries, providing important global visibility for Australian research successes and their relevance to overseas universities and industries.

The high quality and strong international focus of Australia's science and research effort provides a compelling opportunity to demonstrate the educational value of our higher education institutions, where much of this research occurs. At the same time, the international networks of students and alumni who have studied at Australian institutions can help Australian researchers to initiate new research collaborations. International education and research are closely linked, and there would be much value in finding opportunities to strengthen both areas simultaneously.

Australia's international science and research links with the rest of the world are vitally important to supporting Australian productivity and building a richer and healthier nation.

18. How do we use the high quality and international nature of Australia's science and research to strategically position Australia as a destination of choice for the world's best and brightest?

19. What additional incentives might be provided to increase international research collaborations?

10. British Council 2010-11 Annual report.

H. Australia's reputation as a provider of high quality education is enhanced through international cooperation and promotion

International cooperation in education and training is growing rapidly. More countries are moving towards actively sharing good practice and harmonising education systems to facilitate the recognition of standards and qualifications, and to support student and labour mobility.

Australia actively influences key global and regional fora that play a role in international education, including in the Asia-Pacific Economic Cooperation (APEC) and the East Asia Summit. These fora provide an opportunity to engage with key regional partners in encouraging student and staff mobility, promoting institutional and academic links, and advancing the global development of improved educational quality.

A number of government agencies play a part in Australia's international education relationships. The Australian Education International (AEI) network takes the lead in exchanging information and advice on educational issues with host governments, in-country institutions and organisations. AEI manages the Australian Government's offshore bilateral and multilateral education engagement with countries including China, India, Indonesia, Japan, the Republic of Korea, Malaysia, the European Union and the USA.

AEI manages the statistical collection of international student data, including enrolment trends such as student numbers and country of origin, sector and field of study and student demographics. In addition, AEI undertakes national surveys of the international student experience, satisfaction with studies, security, quality of life, plans after graduation and research on career opportunities for graduates. These surveys help Australia understand the issues facing international education and enhance the sector's quality and sustainability. Examples of the range of AEI research studies are included in the *International Education Data Snapshot - 2011* document, which accompanies this paper.

The integration of Australian Government policy is being addressed through an interdepartmental forum chaired by the Department of Innovation Industry Science Research and Tertiary Education, bringing together those policy agencies with responsibilities for international education. Agencies represented include the Departments of Immigration and Citizenship (DIAC), Foreign Affairs and Trade (DFAT), Prime Minister and Cabinet (PM&C), Resources, Energy and Tourism (DRET), as well as Austrade and AusAID.

Marketing of international education is largely conducted by individual providers, although state entities conduct their own campaigns. Austrade is responsible for the international marketing and promotion of Australian education and training for the Australian Government and maintains a national education brand through Future Unlimited.

Austrade's framework for the international marketing and promotion of Australian education is designed to support the repositioning of Australia as a provider of high quality education and training; growing demand for Australian education and training; and building a sustainable Australian international education and training sector.

The Council welcomes views on the balance between the Australian Government's role in marketing Australia's international education and training and that of the market itself. Are there functions, currently undertaken by the Government that other players in the international education market, including providers, are currently delivering, or have the capability and motivation to deliver?

In this context, the Council notes the view of some peak organisations that, while international education makes a significant contribution to Australia, government funding for promotion and support of international education is low in comparison to other sectors and international competitors. An alternative view might be that as the third largest source of Australian overseas earnings, international education is now well established and should be able to promote itself within the market in which it competes.

Has the time come for international education to be recognised as big enough and relevant enough to warrant a separate expert commission, such as the tourism sector's Tourism Australia? Tourism Australia is responsible for the marketing of Australia, both internationally and domestically, as a tourism destination for leisure and business events. Should there be a modest levy on each international student to fund a separate international education body?

Many people also look to the British Council as a model that may be replicated in some way, though this is a huge agency that generates around 75 per cent of its significant revenue through its programs and commercial services, such as English language training¹⁰.

20. What priorities should Australia be addressing in its marketing and promotion to best support the international education sector?

10. British Council 2010-11 Annual report.

