

The Export of Educational Services by Australian Universities:
The Evolutionary Track of the Last Three Decades

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For contemporary Australia, international education and global engagement have been important components of higher education since the 1980's. Education services, after coal and iron ore, became the third largest financial revenue source in 2007-2008 (AEI 2009), generating \$18 billion AUD in exports in 2009. It is 50% larger than tourism related travel, and has grown by 94% since 2004 (Davis 2010)¹.

When Japan created its "300,000 International Students Hosting Plan," the research outcome of the study, *International Education: Australia's potential Demand and Supply*, conducted by IDP Education Australia (IDP) in 1995, was taken into account. Australia also serves as a useful model for other countries that intend to be a host-nation for international students such as the UK in Europe, and China in Asia.

This paper, therefore, focuses on the evolutionary track of Australia as a host country for international students, and how it has provided Japan and other host-nations with the details of the how Australia became a leading host-state. The research and data gathered by the Australian Bureau of Statistics, Australian Education International (AEI), and the outcomes of related previous research are used in this paper.

1. The Export of Educational Services in Australia

Higher education, has become one of the most economically significant sectors in Australia in recent times. Comprising of 32% of the total student market, it generated 57% of export revenue in 2009. On average, each international higher education student studying in Australia generated \$50,874. Just over a third (36%) of student expenditures were on fees; the rest were spent on goods and services throughout the rest of the economy (mainly accommodation, cafes and restaurants and retail trade) – generating more jobs and income (Phillimore and Koshy 2010).

The exporting education services by Australian universities have become increasingly important over the last few years. As pointed out in *Education at a glance 2010: OECD indicators*, Australia ranks fifth among OECD countries in terms of total public support for higher education students. In 2011, international student enrollment in higher education reached an all-time high of 242,351 (AEI 2012). The achievement of Australian universities and government in this area, however, only has a history of less than 30 years. More than 60 years ago, the concept of internationalization did not exist in the country. The Colombo Plan, which was ironed out in January of 1950, pioneered internationalization in the region. Furthermore, the recruitment of international fee-paying students by Australian universities started in the mid-1980s. Compared to their 200-year-old large-scale immigration history, the history of higher education as an export industry has been very short.

2. The Evolutionary Track: From Aid to Trade To Well-educated Migration

The recent history of receiving international students has been marked by three characteristic changes. The purpose has been (1) aiding students since the 1950s, (2) trade for the nation from the mid-1980s, (3) and well-educated immigration for the 21st century. The specific moves towards these changes are as follows:

2.1 The First Step Towards Internationalization of Australian Universities: Creating Supportive Relations with Asia through the Colombo Plan

In January of 1950, the Commonwealth foreign ministers meeting in Colombo, Ceylon, recommended the creation of a bilateral aid scheme that has come to be dubbed 'the Colombo Plan' (DFAT 2005). This plan began the process of bringing Asia and the West together. By 1954, the seven founding nations of Australia, Canada, Ceylon, India, New Zealand, Pakistan and the United Kingdom had been joined by Burma, Cambodia, Indonesia, Japan, Laos, the Philippines, Thailand, the United States, and Vietnam.

Originally conceived to last for a period of six years, the Colombo Plan was extended several times until 1980, when it was extended indefinitely. Initially it was called the Colombo Plan for Cooperative Economic Development in South and Southeast Asia. In 1977, it adopted a new constitution. Its name was also changed to "The Colombo Plan for Cooperative Economic and Social Development in Asia and the Pacific" to reflect the expanded composition of its enhanced membership and the scope of its activities (Fischer 1971).

This plan has sponsored thousands of Asian students to study or train in Australian higher education institutes since it was launched. The Colombo Plan, furthermore, underwent an organizational transformation and renewal in 1995 and its Bureau became the Colombo Plan Secretariat, to be headed by the Secretary-General instead of a Director. The Colombo Plan not only started Australia's supportive relations with Asia, but offered a useful prism through which to view the changing nature of Australian relations with Asia as well. Nowadays, Australia is the leader in hosting international students from Singapore, Malaysia, Indonesia and Vietnam, hosting more than even American educational institutions, though the US's population is 15 times that of Australia (Marginson et al. 2011). This was achieved after years of work and by the efforts put forth since the 1950s.

Even so, in 1979 the Australian government introduced a visa fee for private international students, later called the Overseas Student Charge (OSC) (Adams et al. 2011). The private students are partly subsidized by the government, and the education, while not free, was also considered one of the components of Australia's aid program.

2.2 Starting A New Trade Phase of Educational Services by Australian Universities: Issuing Economic Goals for Higher Education Institutions

In 1985, the higher education policy in Australia was transformed from ‘aid’ to ‘trade,’ when the government aligned its objectives for higher education institutions with their goals to enhance Australia’s economic efficiency and international economic competitiveness (Dudley and Vidovich 1995; Fiocco 2008).

The year following the policy change, the number of trade students accounted for one tenth of that of aid students. “In 1986 there were 20000 foreign aid students subsidized by the Australian government and only 2000 full-fee foreign trade students who fully paid their own way” (Fiocco 2008). In the early period of implementing the trade policy, aid seemed to still be a mainstay of receiving international students. The trade of recruiting international fee-paying students, however, has stimulated a series of policies, and the impact of the trade policy for Australian universities has been gradually recognized by its effect over the following years.

2.3 Introducing Market Principles to Higher Education Institutions: Shifting to the ‘Unified National System’

In the mid-1980s, another reform, called the “Dawkins Reform,” changed the basis of the Australian higher education system. The Dawkins Reform aimed at the introduction of market principles to the system (Sugimoto 2003). Its intention was to improve the “efficiency” and “international competitiveness” of Australian universities as well as provide a solution for the perceived “brain drain” (Higher Education Funding Act 1988). The release of the Green Paper and the White Paper jump-started the reform.

In December 1987, the Dawkins Green Paper was published. It was the initial stage in the reform process in Australia. In July of 1988, the Department of Employment, Education and Training produced a White Paper outlining the Dawkins recommendations in more detail which almost immediately gave rise to federal and state legislation and new administrative practices (Bridge 1989).

According to the Green Paper, in Australia, 8% of the workforce had a degree in 1987, compared to 18% in the United States, 13% in Japan and 7% in Britain. It also pointed out some other problems such as “unsatisfactory aspects of selection and entry procedures,” “low rates of graduation, both for first degrees and higher degrees,” “the breakdown of the ‘binary’ distinction between universities and colleges, which had ceased to serve a useful purpose,” and “unnecessary and inefficient proliferation of institutions and course offering in some areas,” to name a few. “The answer, according to both the Green and White Papers, is the replacement of the binary structure by a ‘unified national system,’ in which individual institutions will cooperate with the Australian government on the basis of a ‘mission’ agreed between the two parties. Funding will be based on

this contract, and eligibility for membership in the unified system will be subject to various criteria of which minimum size is the most important” (Encel 1989). An average of 5,000 and a minimum of 8,000 were requirements for any university that wished to maintain funding for the bulk of its current activities. This led to many mergers between universities into Colleges of Advanced Education (CAEs)².

2.4 Establishing the Export Industry of Higher Education

In 1985, Prime Minister Robert Hawke and then Minister for Trade John Dawkins endorsed deregulation of the recruitment of international fee-paying students. This policy initiative was a response to the Australian social circumstances at that time.

According to the study by Fiocco (2008), neoliberal globalization became the prevailing economic agenda that created the environment for 1985’s deregulation of the recruitment of international students by the federal government, and the release of the 1988 White Paper on education was the result. The link between education and the economy became integral to the government’s goals as was evidenced by the establishment of the extensive Department of Employment, Education and Training in 1987. Under these circumstances within Australian education, the Hawke-Keating leadership of the 1980s came about. The deregulation of international student recruitment was one of many initiatives that characterized the free market objectives of the Australian Labor Party government in power. When the Labor Party took power in 1983, Australia was in a severe economic crisis due to the globalization of the world’s economy and Australia tried to protect itself from this. The Garnaut Report (1989) mentioned that rapid market liberalization was essential if Australia was to take advantage of the opportunities in the Asia Pacific region. He also emphasized the new links that were being forged between higher education in Australia and within the region.

Regarding the steps taken to establish the export industry of higher education in Australia, Fiocco (2008) mentioned a speech by John Dawkins, Minister for Education at the time, at a World Bank seminar entitled “*Finance and Management of Higher Education in Australia and the Region.*” This speech framed the coming crisis in Australian higher education financing as follows:

...significant economic downturns which have forced many of us to exercise restraint in all areas of public sector financing ... our recent experiences do suggest that as far as public sector expenditure is concerned, the government has little option but to continue that restraint. In the financing of education, this presents us with a genuine dilemma.

Furthermore, as Fiocco (2008) pointed out, Australia first joined the Organization for Economic Co-operation and Development (OECD) in 1971 and became a significant player,

especially in the activities of the Education Committee. Dawkins chaired an education conference in 1987, which issued a report urging universities to play a part in the restructuring of their countries' economies. He also pursued this direction in forming education policy in Australia. The recruitment of international fee-paying students is an example of how to convert this direction into tangible form. As the White Paper argued, higher education must play a more pivotal role in achieving the country's economic objectives.

Dawkins' thoughts on the economic value of higher education became further entrenched in 1998, as Fiocco (2008) mentioned. In that year, the West Report was released, and became the Commonwealth's most significant review of the higher education sector on market reform since the White Paper. This report reaffirmed the focus on market reform, namely, students covering a significant portion of the cost of tuition.

In April 2002, the Commonwealth Department of Education, Science and Training released the report *Higher Education at the Crossroads* (Nelson 2002). It confirmed that increased deregulation of universities was on the federal government agenda. "The emphasis of the discussion paper was not on how the government might increase its funding to universities, but rather on how the government might enhance and encourage opportunities for universities to generate their own revenue" (Fiocco 2008). In October 2003, the Nelson (2002) discussion paper became policy. As Fiocco (2008) pointed out, it affirmed that the federal government's direction for the higher education sector would be based on requiring universities to achieve their own financial sustainability by allowing universities to increase the fee-paying students³ by up to 25%, and even introducing full fees for a percentage of permanent resident and Australian students. Furthermore, the ministerial statement titled "Engaging the World through Education" was issued, that specifically focused on policy objectives. Diversification of market and products, protecting Australia's reputation through the quality benchmarks for provider accreditation and maintaining strong visa regulations for bona-fide students were the key objectives stated. All of these are related to protecting the economic benefits of the higher education industry. The export industry of educational services by its universities was established in Australia during this period.

2.5 Improving International Student Recruitment by Changing the Policy on Visas

The changes that have evolved since then have been radical, including the changes in visa policy. According to the study by Ziguras (2012), between the mid-1990s and 2000, the proportion of skilled immigrants to Australia increased from 29 percent to over 50 and continued to increase in the following years, although there is no available data on the proportion of immigrants who were former international students. Also prior to 1998, former international students were able to apply for permanent residence from outside Australia within three years following graduation. Immigrants with Australian higher education qualifications fared significantly better than those who were

educated abroad (Ziguras 2012).

Regarding the policy on visas, other changes in facilitating international student recruitment have occurred since 1998. In 1998, most Australian educational qualifications would award 5 extra points, and from 1999, applicants with an Australian doctorate would earn 10 points. In addition, from 2001 onward, international students were allowed to apply for permanent residency in Australia upon completion of their studies; the previous graduates were not covered by this new policy. In 2003, the Australian government increased the bonus points to 10 for master's, and to 15 for doctorates. The international students who reside in regional areas would gain an additional 5 points as an award (Rizvi 2004; Ziguras 2012).

In 2005, the Australian government increased the number of points required to accept an application for permanent residency for international graduates. Many international students, therefore, will undertake further studies that meet immigration demand and will provide the extra points needed. According to the description of Ziguras (2012), "a number of trades (including hairdressing) had been included on the occupations in demand list for some time, and soon after raising the number of points required, cooking was added to the list of occupations for which extra points would give students enough points to get into a wide range of programs for both local and international students. However, there are low quality providers who cater almost exclusively to international students seeking fast and easy qualifications to support immigration applications."

2.6 The Track Record of Receiving the Potential Well-educated Immigration - International Students

Table 1: The Number of International Higher Education Student Enrollments in Australia (1994-2011)

1994	35,290	2003	146,158
1995	39,685	2004	164,031
1996	46,773	2005	177,881
1997	52,897	2006	185,460
1998	56,810	2007	192,177
1999	60,914	2008	202,154
2000	72,717	2009	225,719
2001	86,269	2010	242,186
2002	124,696	2011	242,351

Resource: AEI International Student Data 2011, Extracted: January 2012.

The data in this table clearly shows the following four points: (1) over the past 17 years, the number of international students has been on the rise; (2) in 2000, the total number of international

students doubled compared to 6 years prior; (3) over 100000 international students enrolled in 2002; (4) the total number of international students doubled from 2002 to 2011. In short, it can be said that the enrollment of international students in Australia has accelerated continuously. These results would, therefore, become an important factor when Japan examined the Australian model for ideas to help design their own plan.

According to the global education research report of Institute of International Education (IIE) (Macready and Tucker 2011), in 2009, 28.2% of the international students in Australia were from mainland China, 10.7% from India, 8.1% from Malaysia, 5.3% from Hong Kong, 4.2% from Singapore, 4.1% from Indonesia, 3.3% from the United States, 3.1% from Vietnam, 2.8% from South Korea, 1.8% from Canada, and 28.4% were from other countries. China, India and Malaysia were the top three sources for international students in Australia that year.

The origins of international students partly reflect British imperial heritage (Marginson et al. 2011), which Australia shares with Hong Kong, Malaysia and Singapore. The US, however, has much stronger drawing power than Australia does in both Japan and Korea. In South Asia, Australia had 27,339 students from India in 2008, but this was less than 30% of the US's total number of students from India. Australian education has a lesser status in Singapore, Korea and India. For the Chinese, however, Australia is an attractive overseas study destination. Furthermore, the statistics published by the Australian Bureau of Statistics (2011) also mentioned that over one in five (22%) higher education students studying in Australia were international students in 2009.

As Ziguras (2012) pointed out, since the 1990s, Australia has placed great significance on skilled migration, increasing the number of higher-qualified migrants at a much faster rate than other forms of migration, such as family reunion and humanitarian programs. The preference for skilled immigration reflects the labor market demands. The government also wants to use skilled immigrants to enhance the international competitiveness of the Australian economy. International students, therefore, will be the means by which the country's desire is realized. The longitudinal studies of the employment outcomes of immigrants who arrived during 1990s showed that those who had Australian higher qualifications fared significantly better than those who were educated abroad (Ziguras 2012).

3. The Foundation for the Export of Educational Services by Australian Universities

As mentioned previously, since the mid-1980s the recruitment of international fee-paying students by universities has changed the Australian higher education sector dramatically. The purpose had been changed over times, and now receiving international students has gradually become a national commitment that is being worked on all over Australia.

3.1 International Students: Not Just a Source of Revenue

What are the benefits of attracting international students for the country and the individual? Are they just a source of revenue? In fact, the answer can be found in the diverse benefits for Australia.

The benefits from attracting international students, on one hand, have been focused on higher education and spanned various subjects of internationalization and globalization that involve Australia. According to the Australian Bureau of Statistics (Australian Social Trends 2011), international students make a significant contribution to Australian society, diversifying and enriching communities, and strengthening Australia's global networks. The decision to study in Australia also offers many benefits to the individual, allowing them to gain a high quality, internationally recognized education, as well as the opportunity to experience life in Australia. The students from foreign countries, furthermore, contributed \$16.3 billion in export income to the Australian economy in 2010-2011. Seen in this light, it is clear how important the international education sector is to the Australian economy. Many higher educational institutions in Australia rely on the income from full fee-paying international students to assist in providing quality education to all students, both international and domestic.

On the other hand, other programs, such as the University Mobility in Asia and the Pacific (UMAP) program, offshore campuses, and so on, have played a part in helping Australia to become an educational magnet, attracting international students from the whole Asian-Pacific region (Macready and Tucker 2011). In 1993, Australia was one of the participating countries involved in establishing the UMAP program. This program was set up to support partnerships, credit transfers, and institutional relationships that foster student mobility in the Asia-Pacific region. Its influence has clearly become wide-spread when compared to universities' private programs for international recruiting. It was helpful in enhancing the reputation of Australian higher education institutions and its national image. The nation, region, university and individual all benefited from international student enrollment programs on the whole. Eventually, these benefits from international students and programs will be vital for the higher education market to help in sustaining growth.

3.2 Universities in Australia: Today's Rankings

As mentioned above, the Australian government intends to continuously improve the quality and reputation of students it receives through its higher education programs.

In the current era, Australia's share of the world-wide population of cross-border students rose from 1% to 7% between 1990 and 2007 (OECD 2009), although two-thirds of the world's top 100 research universities are located in the US and UK. With regards to university ranking, only 3 of the world's top 100 research universities are located in Australia; 7 of the world's top 200 are in Australia (19 in the UK, 89 in the US); 9 of the top 300 (30 in the UK, 111 in the US); 13 of the top

400 (35 in the UK, 137 in the US); and 17 of the top 500 (38 in the UK, 154 in the US) (SJTUGSE 2012). In other words, the Anglo-American higher education institutions hold an absolute research-level advantage. In comparison with them, Australia’s higher education institutions have low rankings as research universities among English-language nations. Despite these low rankings, Australia’s universities have recently expanded the scale of their international student recruitment.

Reviewing the figures of the ranking, attention should be paid to the fact that international students who are enrolled concentrated on first degrees and Masters by coursework programs. Doctoral education plays a lesser role than in the US, UK and Western Europe. (Marginson et al. 2011).

3.3 The Central Building Block for Receiving International Students

Generally speaking, there is a central building block for higher education institutions in every country. The universities that are viewed as leading will play a crucial role in recruiting international students, especially in remaining competitive with other countries.

The Australian Bureau of Statistics released a report titled “Australian Social Trends” in December of 2011. According to this report, most international students studied in New South Wales in 2010, with 37% of all international student enrollments and 39% of commencements taking place in the University of New South Wales, followed by Victoria (30% and 28% respectively). The table of “Onshore Higher Education International Students as a Proportion of All Onshore Students by University, 2011” revealed that the distribution of international students is not equal among universities both in number and proportion at each university.

Table 2: Onshore Higher Education International Students as a Proportion of All Onshore Students by University, 2011

October 2011

State	University	Onshore International	International Proportion
NSW	Macquarie University	12,222	33.6%
	University of Wollongong	6,343	27.8%
	The University of New South Wales	13,212	26.7%
	University of Technology, Sydney	9,091	26.3%
	The University of Sydney	11,871	23.2%
	University of Western Sydney	4,460	11.8%
	The University of Newcastle	3,474	11.5%
	Southern Cross University	1,319	9.8%
	Charles Sturt University	3,457	9.6%
	The University of New England	1,208	6.7%

Victoria	University of Ballarat	5,101	47.7%
	Swinburne University of Technology	6,630	32.8%
	RMIT University	10,479	29.3%
	The University of Melbourne#	11,995	26.4%
	Monash University	13,353	24.9%
	Victoria University	5,325	23.8%
	La Trobe University	6,863	22.2%
	Deakin University	7,837	20.5%
Queensland	Bond University	2,656	40.5%
	Central Queensland University	7,755	39.9%
	Griffith University	10,947	26.2%
	University of Southern Queensland	6,475	25.3%
	The University of Queensland	10,490	23.9%
	James Cook University	3,021	18.5%
	Queensland University of Technology	6,618	15.8%
	University of the Sunshine Coast	1,293	14.4%
WA	Curtin University of Technology	10,149	27.6%
	The University of Western Australia	3,948	18.3%
	Edith Cowan University	3,660	14.8%
	Murdoch University	2,114	13.9%
	The University of Notre Dame Australia	520	5.9%
SA	The University of Adelaide	6,328	27.2%
	University of South Australia	6,070	20.3%
	The Flinders University of South Australia	2,331	13.4%
Tasmania	University of Tasmania	2,884	14.8%
NT	Charles Darwin University	575	7.4%
ACT	The Australian National University	4,917	26.5%
	University of Canberra	2,881	20.8%
Multi state	Australian Catholic University	3,227	16.6%
Total		233,099	22.3%

Source: DEEWR higher education group student data tables for all year 2010, cited from the website of Australian Education International (2011): Research Snapshot. Available at <https://www.aei.gov.au/research/Research-Snapshots/Documents/International%20students%20in%20Australian%20unis%202010.pdf>

For The University of Melbourne and the University of Tasmania, 2009 data has been shown.

Note: Data is only shown for the 39 universities listed on Table A and Table B of the Higher Education Support Act 2003.

As shown in this table, certain universities have higher proportions of onshore international students than others. For example, in 2010, 47.7% of students at the University of Ballarat in Victoria were international students. Bond University in Queensland also has a high proportion at 40.5%. In comparison, only 5.9% of students studying at the University of Notre Dame Australia, 6.7% at The University of New England in NSW, and 7.4% at Charles Darwin University were

international students. The largest number of international students, furthermore, can be found in Australia's largest universities; Monash University (13,353) in Victoria, the University of New South Wales (13,212) in NSW, Macquarie University (12,222) in NSW, The University of Melbourne (11,995) in Victoria, the University of Sydney (11,871) in NSW, Griffith University (10,947) in Queensland, the University of Queensland (10,490) in Queensland, and Curtin University of Technology (10,149) in WA. All of these universities had more than 10,000 international students in 2010.

According to a report released by the Australian Bureau of Statistics (2011) these differences are most likely due to the types of courses offered at different universities, with some catering to the needs of international students with specific programs. Also, along with quality education and course options, it is likely that international students consider other factors such as proximity to a major city and infrastructure when deciding where to study. "Management and Commerce," including the fields of accounting, business, and management, were the largest broad fields of education.

3.4 Enhancing Research and Development Capability: Building International Centers of Excellence

In 2004, Australia's government set up 5 international centers of excellence: the International Centre of Excellence in Asia Pacific Studies and the Asia Pacific College of Diplomacy, the International Centre of Excellence in Tourism and Hospitality Education, the International Centre of Excellence for Education in Mathematics, the International Centre of Excellence for Education in Water Resources Management, and the International Centre of Excellence in Sports Science and Management.

Australia's government provides these centers with funds. These centers of excellence play a role in presenting Australia's performance in science, education and business management. This is absolutely necessary for maintaining Australia's international reputation of high-quality education. These centers of excellence have increased their technical bases and research capabilities through domestic and overseas cooperation.

3.5 Receiving International Students in an Organized Manner

As stated before, from the mid-1980s onward, the government tried to tackle higher education development to make the export industry an important business. From an Asian perspective, one of the characteristics of this endeavor in Australia was the systematic approach to this issue.

AEI manages the Australian government's international education policy and is the international education arm of the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) with its brand "Study in Australia." There are many international

students who wish to study in Australia and the number studying in Australia increased from 7,000 in 1986 to 455,000 in 2007, and again to 593,000 in 2010 (Australian Education Network 2012). AEI, therefore, issues its results or analyses as ‘Research Snapshots,’ ‘Market Data Snapshots’ or other reports for international students.

The Australian Trade Commission (Austrade), furthermore, provides the education sector with more information about key markets with the release of Education Market Profiles (EMP). These EMPs will be available to organizations subscribed to the Market Information Package (MIP). Austrade also introduces ‘Education in Australia’ on its website as well as ‘Export in Australia,’ ‘Buy in Australia,’ and ‘Invest in Australia.’ These efforts of Austrade can be seen as indirect federal support for the universitys’ recruitment of international students. In addition, the federal and state government are both central as ‘effective brokers’ as Fiocco (2008) mentioned.

Apart from the federal and state stakeholders, providers such as IDP also provide influential support. According to the website of IDP, “IDP offers assistance to international students find the right overseas study option in the US, Canada, the UK and New Zealand, as well as in Australia. IDP also administers and partly owns the IELTS test – the leading test of English language proficiency for study and migration.”

Another important beneficiary of international student recruitment is the university system in Australia. The universities which are active in the area of recruiting rapidly developed strategies to secure their niche in the market, although Fiocco (2008) pointed out that the universities’ role as ‘policy actors’ was not a powerful one. However, due to their financial situation, universities’ choices are limited at the same time. The University of Sydney, for example, had 11,871 international students in 2011 as mentioned above. 23.2% of the total student body were from foreign countries. The international students themselves were from more than 130 countries. It also achieved a worldwide network of 170,000 alumni, which includes prime ministers, Nobel laureates, Oscar-winners, Olympic athletes, business leaders, social activists and medical pioneers.

Additionally, there are other relevant programs in Australia. For instance, the Australian UMAP Student Exchange Program currently provides funding to Australian higher education institutions to subsidize the cost of establishing and monitoring Australian students’ participation in UMAP student exchanges benefiting from tuition fee waivers and credit transfers. Australian higher education institutions receive \$5,000 per student to subsidize the cost of each student’s participation in an eligible student exchange (Macready and Tucker 2011).

These efforts by the federal and state governments, relevant organizations, universities and other programs are beginning to bear fruit. An AEI Research Snapshot revealed these achievements(AEI, 2011). According to this snapshot, the international education activity contributed \$16.3 billion in export income to the Australian economy in 2010-11. Of the total export income generated by education services, \$15.8 billion was from spending on fees, goods and

services by onshore students. Education service is Australia's largest service export industry, ahead of other personal travel services (\$11.9 billion) and technical, trade-related and other business services (\$3.7 billion). In 2010-11, the higher education sector generated \$9.4 billion in export income (59.7% of total on-shore earnings). Income generated in New South Wales by education services amounted to \$5.8 billion, or 37.0% of all export income from onshore students nationwide in 2010-11. Income in Victoria and Queensland was \$4.8 billion and \$2.5 billion respectively, while income in the other states and territories was a further \$2.6 billion.

4. Conclusion: Using a Series of Provisions to Enhance the Sustainable Development of Higher Education as Export Industry

The export of educational services by Australian universities has come into form over the last thirty years. The purpose has shifted from aid to trade to well-educated immigration. Measures have been taken by the national government to ease the route from international student to permanent resident (Brooks and Waters 2011). More recently, the following ongoing efforts are examples of the country's endeavors to maintain growth.

4.1 The Budget for Transforming Australia's Higher Education System from 2009 to 2013

According to the Review of Australian Higher Education Report issued by the Australian Department of Industry, the government is committed to making Australia one of the most educated and highly skilled workplaces in the world, in order to secure national long term economic prosperity. The government, therefore, initiated a "Review of Higher Education to examine the further direction of the higher education sector, its fitness for purpose in meeting the needs of the Australian community and economy, and the options for ongoing reform" in March of 2008 (Review of Australian Graduate Survey (AGS) 2011).

As part of the 2009 budget, the government announced it would provide an additional \$5.4 billion to support higher education and research over the next 4 years in a comprehensive response to the Bradley Review *Transforming Australia's Higher Education System*, which was conducted by an independent expert panel led by Emeritus Professor Denise Bradley AC.. According to the Department of Education, Employment and Workplace Relations, this budget is designed to support high quality teaching and learning, improve access and outcomes for students from different socioeconomic backgrounds, build new links between universities and disadvantaged schools, reward institutions for meeting agreed quality and equity outcomes, improve resourcing for research and invest in world class higher education infrastructure.

4.2 Improving Foreign Student Policy: Revising Education Services for Overseas Students (ESOS) Act 2000

In August 2009, the government announced a review of Australia's international education, led by former Federal Member Bruce Baird. The ESOS Act sets out the legal framework governing delivery of education to overseas students studying in Australia on a student visa. The government administers the ESOS Act and its instruments through the DIISRTE.

The Review considered the need for enhancements to the ESOS legal framework in four key areas: (1) supporting the interests of students, (2) delivering quality as the cornerstone of Australian education, (3) effective regulation, and (4) sustainability of the international education sector. On March 9th, 2010, the Honorable Bruce Baird AM presented the final report on his review of the ESOS Act to the Government (the Braid Review).

The purpose of this review is to strengthen legal restrictions on the industry of international students. The re-registration of all providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) by December 31st, 2010 is part of the *Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Act 2010*. Furthermore, the ESOS Act 2000, as amended in March 2012, governs (1) the registration process and obligations of registered providers, (2) the Tuition Protection Service; and (3) enforcement and compliance powers.

4.3 Reforms up for Student Visas

In 2011, Australia announced that it would loosen visa requirements for international students starting in 2012. The visa reforms are intended to encourage more overseas people to study in Australian universities.

Before these reforms were implemented, the previous immigration regime did not allow international students to stay in country while applying for a working visa. The changes attempt to correct this situation. Students who want to study at higher education levels, including bachelors and master's degrees at high quality Australian public universities, faced less stringent visa requirements starting in 2012. This makes visa processing faster and easier by reducing the amount of money international students need. For instance, they are not required to produce sums of funds, such as the \$150,000 to be held for six months, which was the previous requirement for Indian and Chinese applicants to the University of New South Wales. Until 2011, students from 'high risk' countries such as China and India were required to make deposits in Australian government-sanctioned bank accounts before they could apply for visas. In addition, the new rules eliminate the need for international students to take language tests for visa purposes.

Under the new rules for universities, all students are treated as 'low risk.' The reforms, therefore, allow public university students to work in Australia for a period of time with a two- to

four-year post-study work visa after finishing their degree, under key recommendations from the Knight Review of the student visa program. This will help international students gain local working experience in Australia.

The Council of Australian Governments (COAG) released the “International Students Strategy for Australia 2010-2014” in November, 2010. This strategy outlines 12 initiatives to address four key areas: international student wellbeing, quality of international education, consumer protection and availability of better information for international students. It builds on efforts already undertaken at all levels of government to improve the safety and wellbeing of international students.

The export of educational services by Australian universities, therefore, will be further developed by the measures mentioned above in the coming years.

Notes

- 1 In 2009, there were 629,918 international students in Australia, of whom 203,324 were in higher education, 232,475 attended a vocational education and training provider and 135,141 were in an English language course.
- 2 CAE was a class of Australian higher education institution under the binary system. It existed from 1967 until the early 1990s. They ranked below universities, but above Colleges of Technical and Further Education (TAFE) which offer trade qualification.
- 3 Under the original Higher Education Scheme (HECS), set up by the Hawke Labor Government in 1989, an \$ 1800 fee was charged to all university students, and the Commonwealth paid the balance.

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ESOS Act 2000

<https://aei.gov.au/Regulatory-Information/Education-Services-for-Overseas-Students-ESOS-Legislative-Framework/ESOS-Act/Pages/default.aspx>

IDP Education Australia

<http://www.idp.com>

International Centre of Excellence for Education in Mathematics

<http://www.ice-em.org.au>

International Centre of Excellence for Education in Water Resources Management

<http://www.icewarm.com.au>

International Centre of Excellence in Sports Science and Management

<http://www.sportedu.org/>

International Centre of Excellence in Asia Pacific Studies and the Asia Pacific College of Diplomacy

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