

International Education in Australia: Riding the Roller Coaster

SIMON MARGINSON

Simon Marginson is professor of Higher Education at the University of Melbourne, Australia. His most recent book is *Ideas for Intercultural Education* (New York: Palgrave Macmillan, 2011) with Erlenawati Sawir. E-mail: s.marginson@unimelb.edu.au.

International education is a major sector in Australia. Almost 30 percent of all students in higher education are foreign students. Revenue from their tuition—Australia has few scholarships and nearly all nonresidents pay full-cost fees—provided 18 percent of the university income in 2010.

Australia has become a by-word for making money out of international student flows. It is less effective in sending its own students offshore or establishing a broader education and research relationship, with the sending countries in Asia that provide four-fifths of the students.

International education is the nation's third- or fourth-largest export after coal and iron ore and sometimes gold, depending on fluctuating gold prices. It employs 125,000 people. It has become a vital source of high-skilled migrants. More than one-third of all graduates migrate.

THE SLUMP

For two decades, international student numbers saw almost uninterrupted growth, from about 30,000 students in all sectors of education in 1990 to 630,700 in 2009, an extraordinary average annual increase of 17 percent. Australia, with less than 23 million people, enrolls 7 percent of all foreign tertiary students. However, in the last three years, government policy and regulation—not to mention Australia's reputation in India and standing with education agents in China—have been on the roller coaster. In 2011 there were 557,425 students, 12 percent below the 2009 level.

In 2011, *International Higher Education* (no. 62) reported the factors that had triggered decline in international student applications, visas granted, and students enrolled. Between 2009 and 2011 students in vocational education dropped by 18 percent and in specialist English-language colleges by 31 percent. Higher education enrollments rose slightly in 2010 but leveled off between 2010 and 2011, and applications for 2012 were trending down.

The problems began in Australia's second-source country, India. In 2009, Australian authorities moved slowly to crack down on violent assaults affecting South Asian students and were criticized in the Indian media. The same authorities moved more quickly to crack down on a mini-industry selling backdoor migration via student visas, via collusion between agents in India and private colleges in Australia. Colleges providing little genuine training were closed. But this meant losing more students from India. At the same time, the government set tough work and language tests, regulating the passage from student graduation to permanent residence status. Australia lost even more business in India.

MIGRATION RESISTANCE

In 2010, an election year, migration resistance was evident. The federal government cut back migration targets. This impacted international education because short-term migration for educational purposes is part of official migration numbers (the same issue bedevils international education in the United Kingdom, another nation that has reduced migration). This led to a more restrictive approach to student visas, with longer delays and steep financial support tests.

The problem was compounded by US currency depreciation, which pushed the Australian dollar above parity with the US dollar, for the first time in decades, making Australian international education more expensive, in relative terms. China provides a quarter of all international students in Australia; and education agents, who control most of the student flows from that country, switched much of the traffic from Australia to the United States and Canada. Applications to enter Australia from China dropped sharply. Numbers entering the United States rose to record levels.

With the Australian education “industry,” as it is called, trending down on all fronts and predictions of a 40 to 50 percent drop ahead, the federal government was forced to act. It was clear that if the export industry collapsed, the government would have to increase public funding, to bail out the universities. It created a committee chaired by Michael Knight—a former politician, who presided over the successful Sydney Olympics in 2008—to inquire into student visa policy.

The recommendations of the Knight committee were adopted in full by the government, in September 2011. They constituted a dramatic policy reversal and a return to high migration. Student visa processing was speeded up. Applications for university from all countries were assigned to the lowest-risk category, with no

mandatory financial tests and with the proviso that universities were now responsible for guaranteeing the bona fides of their students. English-language tests were relaxed for entry into specialist English-language colleges. Graduates were provided with temporary work visas of two to four years, providing enhanced opportunities to earn income and acquire work experience, useful for an application for migration status.

GOING UP AGAIN?

The Knight changes were not immediately extended to the training sector, but this will follow. However, the longer-term impact of the reversal is unclear. It is likely the steep dive in the market has been arrested, but tendencies set in train in 2009–2010 are still running, the Australian dollar remains high, and the switch of Chinese students from Australia to the United States continues.

In the last six months of 2011, half of which postdated the Knight committee changes, new offshore visas from China for all sectors of education were down by 21 percent, compared to the same period in 2010. Numbers from India, which had plummeted in 2010, rose by 78 percent in 2011. There was a decline of 13 percent for both Vietnam and Malaysia. Early reports of university enrollments for 2012 indicated a mixed pattern of increases and decreases.

Australia remains overdependent on international student tuition. Earnings are still high by world standards, but every last dollar is ploughed back into the cost of the business or the cost of local teaching and research—rather than a richer two-way international engagement. This is because for two decades the federal government has remorselessly reduced government funding. There is a lesson here for governments in other countries that are cutting back public funding. It is

unreasonable to expect noncore foreign students to provide core funding for the system, and this stymies the potential for a cosmopolitan education that would benefit all.