

Data confirms 2020 for return to student peak



BOAZ ARAD

Chinese agents attend a briefing at the Australian embassy in Beijing over rule changes to international student visas

STEPHEN CONNELLY

TWO years ago, modelling by the International Education Association of Australia showed that if the downturn in international education in Australia proceeded as predicted, numbers of international students would not reach the 2009 peak of enrolments again until 2020.

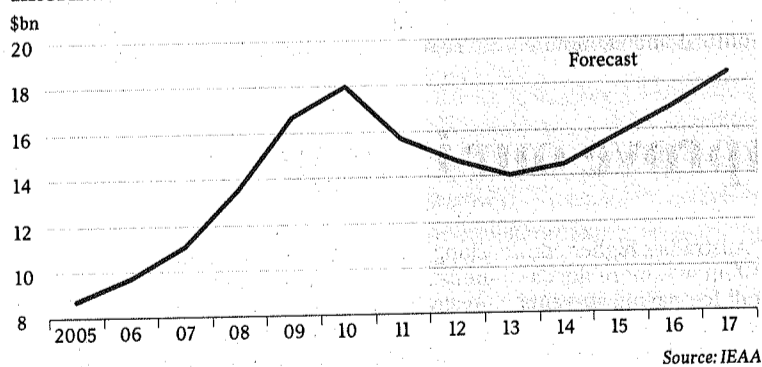
With enrolment data confirmed up to semester one this year and using up-to-date Australian Bureau of Statistics export revenue data, we can revisit our predictions.

Student numbers continue to drop, with commencements falling across every sector in first semester this year. Semester two will continue the downward trend, but from first semester next year, on the back of the student visa reforms, we believe the trend in commencements will reverse.

This will not stop overall enrolment figures and export revenue continuing to fall in 2012-13, as the impact of more than two years of declines flows through the system.

Revenue for calendar year 2013 will be just more than \$14 billion, down \$3.794bn from the high of just under \$18bn in 2009. The 21 per cent drop in export revenue has a considerable impact. In 2009 there were 126,000 jobs attributable to international education; this will fall to 99,540 by the end of next year, a loss of more than 26,000 jobs. That's as much as \$1bn each lost from Victoria and NSW. If that had occurred in manufactur-

International education revenue



Source: IEAA

ing, retail, carmaking or tourism, consider the political ramifications — and likely responses — of such job losses. Of course, retail and tourism are also suffering as a direct result of fewer international students.

While commencements will continue to decline in semester two this year, on the back of the positive reforms to the student visa program, IEAA has modelled that from first semester next year numbers of commencing international students will grow by 5 per cent annually.

The profile of enrolments across education sectors will be heavily weighted towards higher education — almost 50 per cent by 2020 in our modelling — with public and private vocational education down significantly from 2009 levels to just more than 20 per cent of total international student enrolments. English language and school enrolments will increase to

slightly higher proportions than previously. In our modelling, the other sectors operate largely as feeders to higher education, but there are issues that may change this dynamic.

The first is the uncapped funding arrangements for domestic university students. Universities are now able to make choices about their student population mix based on different funding parameters. We don't know what impact this will have on universities' appetites and capacities for enrolling more international students but decreased supply could lower demand.

Balancing that, the student visa reforms, which extend to public TAFEs and other low-risk providers, will make it easier for those institutions to enrol international students if they can maintain low-risk provider status, enabling their international students easier access to visas.

We predict that annual export rev-

enue from international students will climb back to 2009 levels by 2017. In real terms, however, we do not get back to 2009 levels until 2020, consistent with our modelling from 2010.

While our reputation as a destination for students has taken a beating, and the high Australian dollar hasn't helped, international education professionals, teachers and researchers have been reaching out in a way that demonstrates the multi-layered nature of this so-called industry in Australia.

Australians have significantly contributed to the statement produced by the International Association of Universities, Affirming Academic Values in Internationalisation of Higher Education: A Call for Action. And the European Association for International Education has co-ordinated the drafting of a global student mobility charter, a project initiated by IEAA, setting out principles to secure the rights and welfare of the three million-plus students studying outside their home country.

These two initiatives demonstrate the issues that are important to the development of a sustainable international education program in any country, academic integrity and support for globally mobile students.

In Australia, where the economic benefits dominate discourse, recovering lost ground in student numbers won't happen if we don't also pay attention to the broader issues.

Stephen Connelly is IEAA president.

Uncapped system can't last: TAFE boss

JOHN ROSS

UNIVERSITY and college bosses don't believe the uncapped higher education system can last and are making the most of it while it's still here, according to the head of one of Victoria's biggest TAFEs.

This year the federal government removed limits on higher education funding, allowing universities to enrol as many undergraduates as they could attract. But Box Hill Institute chief executive John Maddock said the government would rethink its approach following a blowout in Victoria's demand-driven vocational training system.

"I don't think anybody believes that uncapped commonwealth-supported places will be there in five years," Mr Maddock said.

"They probably wouldn't say it (because) they don't want to start the government down that track. But most (vice-chancellors) are trying to position themselves for as much growth as possible over the next two years, because they think this can't keep going."

Victoria removed caps on vocational enrolments and opened government funds to full private competition from 2009, sparking a massive 44 per cent increase in subsidised training.

Government-supported enrolments in private colleges more than quadrupled and pushed costs about \$400 million higher than projected, forcing the state government to slash funding rates for most courses in its budget last week.

The uncapped higher education system isn't open to private institutions, but Mr Maddock said it still risked a Victorian-style blowout.

"The risk is less, but the cost is greater," he said. "The differential between a commonwealth-supported place versus vocational training funding rates is quite significant. If you have a third of the growth seen in Victoria — for example, if you have a spike in the youth population — you're still facing a sizeable blowout."

He said the risk was exacerbated by universities rapidly increasing student numbers, either through aggressive recruitment or restructures designed to enhance their appeal and reduce their costs.

Mr Maddock said the federal government would modify its system gradually. "They won't want to go back on the market philosophy and they won't want to be seen to have had a bad policy. Either there will be a change of government and the new government will change the policy and blame its predecessors, or they will use systems of capping."

Medical course places are already capped and last year the government reintroduced limits on government-funded diploma places at universities. Mr Maddock said he expected more caps in oversupplied disciplines, along with gradual changes to funding rates.