

International education as an export for Australia has been more valuable than gold. But not any longer.

Education has dropped down Australia's league table of exports and is now sitting fourth, behind iron ore, coal and gold, ahead of tourism, crude oil and natural gas. But education still dents the image of Australia as *a quarry with a view*.

George Megalogenis, in *The Australian Moment*, depicts Australia as a quarry with a view, a minerals rich continent with a physical environment attractive to international tourists, providing the prosperity that has enabled a nation of 22 million people, accounting for less than 2% of world production, to duck the last three super crashes: the Asian financial meltdown, the tech wreck and the global financial crisis.

But education as an export also has played a role in Australia's economic prosperity, doubling in value every five years from 1990 to 2010, overtaking tourism as the top service export in 2007/08 and edging out gold, briefly, in 2009/10.

2009/10 was the peak. From \$17.995 billion in 2009/10, the value of education as an export dropped to \$14.711 billion in 2011/12. Since the peak, 27,000 jobs have been lost across the Australian economy.

From 2009/10 to 2010/11, NSW and Victoria both dropped one billion dollars in export income in a year. In Victoria, where education is the state's most valuable export, by the length of the Flemington straight, the drop was from \$5.9 billion to \$4.8 billion. In NSW, where education is second on the league table behind coal, the drop was from \$6.8 billion to \$5.8 billion.

From 631,000 international students in Australia in 2009, numbers dropped to 557,000 in 2011. Modelling for the International Education Association of Australia suggests further falls, to 508,000 at the end of 2012 and 485,000 in 2013.

Tracking numbers of international students, the value of international education to the economy will drop further, to \$14.136 billion in 2012, then will bottom out at \$14.027 million in 2013.

The top to bottom drop of 23% in numbers of students will account for a 22% drop in the value of education as an export.

An Access Economics study in 2009 for The Australian Council for Private Education and Training estimated that total spending in Australia, by international students and visiting friends and relatives, generates a total of 126,240 jobs, including 33,482 in the education sector.

Simply, across the Australian economy, across the providers of education as well as the suppliers of goods and services, such as food, accommodation, transport and entertainment, a 22% downturn removes 27,700 jobs. 7,300 of these jobs will have been lost in education institutions, including in college collapses.

The Australian Government has introduced significant reforms to the student visa program, including streamlined visa processing. These reforms are likely to have a positive impact on numbers of commencing international students. It is essential that post study work rights are legislated as quickly as possible. If all recommended reforms are implemented, IEAA has modelled that, from 2013, numbers of commencing international students across most education sectors will grow by 5% annually.

With demand for university places driving growth, numbers of international students in Australia will return to 600,000 by 2020. In other words, it will take us almost a decade to recover from the current down turn. IEAA modelling is that higher education students in 2020 will make up 49% of Australia's international student program, from 36% in 2009. Other sectors increasingly will become conduits to higher education.

With relatively more students in universities, and with annual tuition fees growing a fraction above inflation, IEAA modelling is that the value of education as an export for Australia will return to \$18 billion by 2017.

The focus of the 2012 Australian International Education Conference in Melbourne next week, with the theme International Education in the Asian Century, will be broader than numbers of international students in Australia and the economic value of international education for Australia.

In new research, the Conference will hear that one in eight Australian undergraduates now undertakes an international study experience as part of their study program.

China is the second most popular destination country for undergraduates studying abroad, behind USA, ahead of UK. One in three international study experiences is in Asia, with Malaysia, India, Japan and Indonesia joining China in the dozen most popular destinations.

The research found that 58% of all international study experiences were supported by university funds, in some cases in combination with other funding sources, and 21% of students studying abroad had access to OS HELP, the Australian Government's Higher Education Loan Program to assist undergraduate students undertake some of their study overseas.

*Stephen Connelly concludes his term as President of the International Education Association of Australia at the Australian International Education Conference in Melbourne next week*