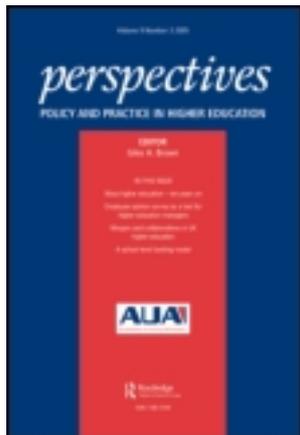


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### International higher education in Australia

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# perspective

## International higher education in Australia Unplanned future

*Mahsood Shah and Chenicheri Sid Nair*

### International education in turbulence

International education is the third largest export industry in Australia and is worth almost A\$20 billion (Commonwealth of Australia 2008). The last ten years have witnessed significant growth in both onshore and offshore enrolments of international students in Australian universities. In 2009 28.3% (329,970) of total higher education enrolments comprised international onshore and offshore students, a 9.1% growth from 2008. Numbers of commencing onshore international students have grown at an average rate of 10% in the four years from 2006 to 2009, with enrolments of 84,473 in 2006 (3.9% increase compared with 2005); 97,768 in 2007 (15.9% increase compared with 2006); and 111,672 in 2008 (14.2% increase compared with 2007) and 123,929 in 2009 (11% increase compared with 2008). The trend is less evident in commencing



offshore student enrolments: there the pattern of growth has been inconsistent, with: 8.1% growth in 2004; -0.2% decline in 2005; 5.6% growth in 2006; 6.9% growth in 2007; 1.8% growth in 2008; and 4.0% growth in 2009 (Commonwealth of Australia 2009).

The offshore component of all Australian universities has been subject to scrutiny by the external quality agency, Australian Universities Quality Agency (AUQA), since 2001. Many universities have closed offshore programmes after cycle one audit owing to poor management and quality assurance arrangements raised by AUQA. According to Shah (2011) external quality audits have had a huge impact on offshore programmes/

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partnership, with many universities closing such programmes because of alarming concerns raised by AUQA. It is fair to say that the university and non-university sectors in Australia have enjoyed a growth in international education. 2010 marks a significant change in international onshore education in Australia. Some of the changes that are having a real impact on international education include: changes in government policy related to skilled migration; policy changes relating to international student visas; safety and security of international students following recent attacks on international students from India; and ongoing scrutiny by the external quality agency with internationalisation as a mandatory theme in all quality audits of universities.

The UK is also experiencing similar changes, with government plans to cut the number of students and skilled migrants entering the UK, which may put at risk the current export earnings garnered from the sector, estimated at £5.3 billion in 2009 (Morgan 2011). According to Rowbotham (2011) the clamp-down in the UK includes restrictions on the right to work, imposing time limits on study and raising English language requirements for vocational programmes. A recent report on international higher education in the UK (Million+ 2011) suggests that the proposed UK government policy risks significantly endangering the vital flow of international staff and students to UK universities and has the potential to damage export earnings and the UK's global competitiveness in higher education. The report also suggests that the UK lacks a comprehensive strategy for internationalisation of higher education.

### **Learning experience for other countries**

The changes in Australian international higher education are a learning experience for many countries where tertiary education institutions are relying on international student income to survive, and planning for growth in an environment of changing government policies related to quality assurance, coupled with changing migration policies with a focus on reducing skilled migration. At the same time another challenge for Australian international education is the investment in education in key markets such as India and China, where the governments are planning to expand higher education with provision for overseas universities to open campuses in their countries.

Public funding of Australian universities has been on the decline for the last two decades. Government funding shrank from 77% of university revenue in 1989 to just 44% in 2009 (Universities Australia 2009, Trounson 2008). This has resulted in finding alternative sources of income such as international student fees. International students in Australian public universities make up anywhere between 15%

and 48% of the student population. With this large proportion, some public universities have made significant investments in buildings and other capital developments with the view to the debt being paid by international student income. This raises significant financial risks for some institutions including universities and private colleges. 2010 has witnessed a number of Australian public universities with a large proportion of international students reducing staff numbers and finding ways to save money. At the same time, the sector has also witnessed the closure of some private vocational colleges with more than 90% of international students undertaking courses such as commercial cookery, hospitality and other courses based on the government skilled migration list. Two reasons stand out for this development.

First, there has been a shift in government policies, mainly the Australian skilled migration policy, in order to discourage international student enrolments. This policy initially encouraged international students to come to Australia to study with a promise that students could make Australia their home after completing their studies. The outcome was that many small private for-profit education institutions offered courses targeting this student market. Some critics (eg Birrell 2008) suggest that many students who complete courses based on the government skilled occupation list do so only for the purpose of obtaining permanent residency, with many changing their careers and professions afterwards. Examples of courses that had high skilled migration points with high demand and enrolments are hospitality, commercial cookery, hair dressing and other vocational courses at Certificate III and Certificate IV level. In the last eighteen months sixteen vocational private for-profit colleges have been closed through over-reliance on the international student market (Healy 2010). The most recent figures suggest that as a result of the shift in immigration policies, international student numbers have declined by about 10%, with a greater decline forecast in the coming years.

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*... external quality audits  
have ... had an effect on  
universities' offshore and  
onshore international  
operations ...*

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Secondly, external quality audits have also had impact on universities' offshore and onshore international operations. For instance, as international education grew in Australia some half dozen universities

opened offshore campuses. The economic sustainability and viability of some of those campuses are questionable, with one elite university closing its offshore campus in Singapore after an investment of more than A\$50 million. The offshore component of Australian higher education has been subject to external scrutiny since 2001. A study undertaken as part of a PhD study by the first author suggests that 53.3% of Australian universities have closed or are planning to close offshore programmes and partnerships as a result of external quality audit (Shah 2011).

An analysis of recurring themes from all Australian university cycle-one quality audit reports between 2001 and 2007 can be described as alarming with in some cases unethical practices revealed relating to offshore operations. Cycle-one external quality audits have resulted in the government making internationalisation a mandatory theme in almost all cycle-two audits. Quality assurance arrangements in some universities raise significant questions around the extent to which universities and academia are fulfilling the moral responsibility of higher education to provide high quality and value for money in education. They also raise the question of the extent to which higher education institutions are focusing on maximising profit rather than on ensuring that international education benefits social and economic development in various countries and provides a high standard of education which enables graduate mobility with global recognition of qualifications.

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*... Offshore international education in some institutions could be described as being run like a 'cottage' industry ...*

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Offshore international education in some institutions could be described as being run like a 'cottage' industry, with a large number of offshore programmes initiated by individual academics, and lacking overall university strategy, leadership and governance. The approach could be described as 'fly buy' with the absence of simple processes such as a long-term business plan setting out economic benefit and cost-benefit analysis, together with procedures for recruitment and selection of reputable partners, professional development of teachers, consistency and equivalence

in teaching and assessment standards, moderation of assessments and marketing and advertising.

Government policy on external quality audits has played a significant role in improving the quality assurance of offshore international education. The absence of such a policy would have resulted in the growth of offshore education, lack of due diligence and risk management, unsustainable partnerships and many unethical practices. Continued poor practices would also damage the relationship between universities, overseas governments and the wider stakeholders. External quality audits have forced institutions to seriously revisit offshore arrangements, fearing scrutiny, reputational damage and negative public audit reports. Having to confront external quality audits has resulted in rapid changes which might not have happened without an external driver.

The renewal of quality in Australian higher education with the formation of the new national regulator, Tertiary Education Quality and Standards Agency (TEQSA), may witness increased scrutiny of high-risk areas, such as internationalisation, which are related to academic quality and reputation of Australian higher education. TEQSA will have powers to place sanctions on all higher education providers including universities.

International education, though attractive, has a somewhat turbulent nature. The end of the rainbow may not necessarily mean a pot of gold, but possibly 'fool's gold'!

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