Australia Moves Ahead in the Export of Education

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The waves of globalization have spread to the shores of education, and international competition is intensifying in universities and other institutions of higher education. Naturally there is rivalry over research results, but border-transcending activities have also intensified in the provision of educational services.

In the Asia-Pacific region as elsewhere, many countries take a serious view of the education industry. Singapore, for instance, has set its sights on becoming an education hub. Of particular note is Australia, which is actively promoting the internationalization of its education industry as a key state policy. It is taking a number of steps to attract talented students, including promotion of the acceptance of students from the Asian region.

From Australia’s point of view, gaining competitive power in educational services (including educational tours) through an increase in overseas students has tangible benefits. Income from educational services is the second largest component of trade in services after tourism. As of 2005, this was a vital source of income amounting to $7.5 billion.

Conspicuous increase of students from China

Data for 2007 show that there are 210,956 overseas students in Australia’s field of higher education, and they constitute 17% of all university students. Those attending classes on domestic campuses amount to 149,625—by far the single largest category—but there are also 49,709 students in offshore programs, which I will discuss later, as well as 11,622 students taking distance or online courses.

Among the overseas students on domestic campuses, more than 30,000 are from China, the leading country. Next come India and Malaysia, with more than 10,000 students each, followed by Hong Kong with about 8,600 students. Students from China and India in particular have been increasing rapidly. Asian countries and regions occupy the top spots in all such rankings. This provides evidence of the popularity of studying in Australia, especially among the children of affluent Asian families.¹

¹ Data on overseas students drawn from “International Students in Australia: Higher Education,” IDP Education Pty Ltd, 2007
Promoting offshore education

A feature of the Australian overseas students is that not all of them travel from their home countries to study in Australia, and that a large number of them are so-called offshore students who in effect attend an Australian school without going abroad (Figure 1). These offshore students take Australian university courses at home by, for instance, enrolling in a local school affiliated with an Australian university. As of 2003, more than 30 universities were offering a total of 1,569 offshore programs.

Australia’s offshore students have increased to the point where they amount to about one third of the number of students going to Australia for studies. Among the universities offering such programs, some have made an aggressive bid to draw in Asian students by establishing campuses overseas, such as those of Monash University and Curtin University of Technology in Malaysia.

A breakdown of the offshore students by country and region shows that Singapore and Malaysia lead the list with more than 10,000 students each. As can be seen in Figure 2, the issuance of visas by Australia to students from these two countries has recently decreased. The reason for this may be that an increasing number of prospective students have instead opted for offshore programs. Third on the list is Hong Kong (about 7,500 students), followed by China (about 6,100) and Vietnam (about 2,200).

Figure 1. Offshore Programs of Australian Universities (Cumulative)


Figure 2. Issuance of Higher Education Visas for Study in Australia

Source: Australian Vice-Chancellors’ Committee.
Higher education courses are at the center of Australia’s education “exports,” but overseas students are also taking advantage of other offerings, such as intensive English language courses and job-training education. The language program ELICOS (English Language Intensive Courses for Overseas Students) is consistently popular, and it attracts large numbers of students from South Korea, Japan, Thailand, Taiwan, and other Asian countries that are not part of the English-language sphere. Job-training courses also draw in people from a broad range of countries and regions, including India, Thailand, Hong Kong, and China. Job-training courses of the offshore type are also available, enabling trainees to pick up skills without leaving their home countries.

The commercialization of higher education

In the background of the efforts Australia is channeling into the internationalization of higher education is a reform of the field dating from the second half of the 1980s. Institutions of higher education had been divided into either universities or colleges of advanced education (CAEs), but these two categories were eventually merged. Other steps were also taken to promote the commercialization of higher education by elevating the degree of freedom to select educational services.

In the area of overseas students, collection of a higher education fee was started in 1985. In 1990 the government eliminated all subsidies related to students from overseas with the exception of those for scholarships, shifting to a policy of collecting full fees from almost all overseas students. This marked a major switch in policy for overseas students from “subsidizing education” to “exporting educational services.” As a result, efforts to attract overseas students spread nationwide using the selling points that (1) Australia is a safe country, (2) it is relatively close to Asia, and (3) it is part of the English-language sphere.

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