



The Great Recession: An Australian International Education Perspective

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The Australian Services Roundtable Summit



The Source Material is drawn from the IEAA
submission to the Australian Services
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Plus observations from the author

- The international student program is the focus of this presentation. International Education in Australia is much broader and includes;
 - Student and scholarly exchange
 - Research collaboration
 - Internationalised curricula

The International Student Program



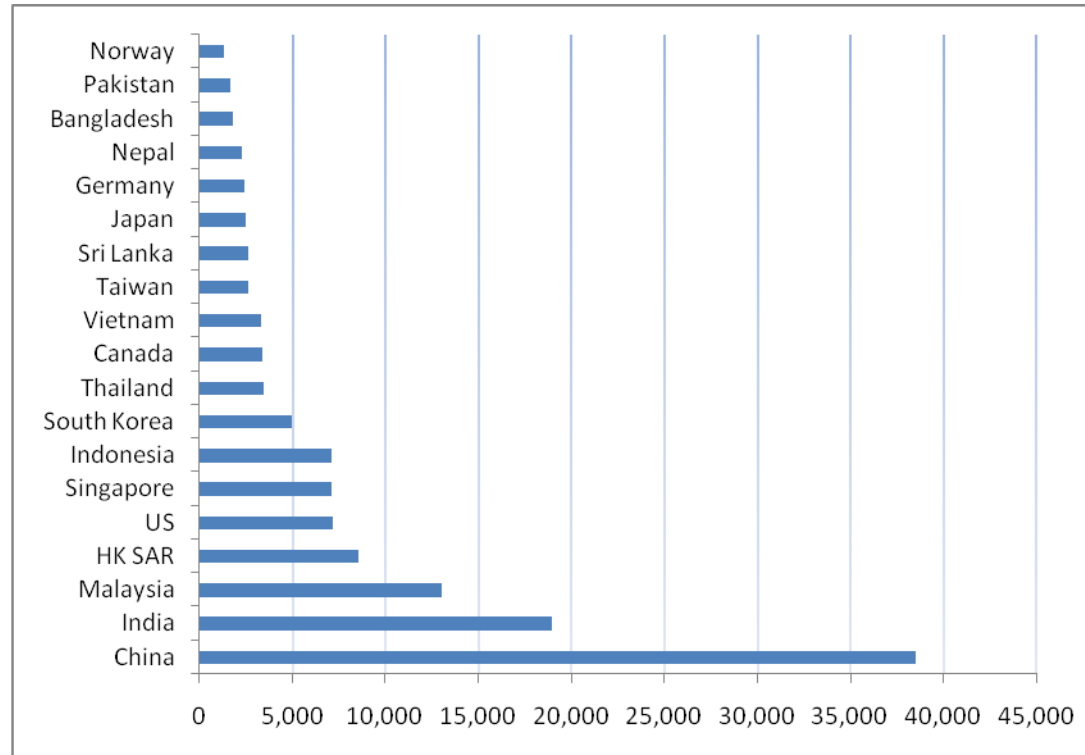
- Over 544,000 students
 - Universities 183,000
 - Vocational Education 175,000
 - English Language 126,000
 - Schools 29,000
 - Non award (Foundation, study abroad) 31,000
- Grew 21% from 2007-2008
- Probable similar or greater growth in 2008-2009
- China and India account for 41%
- 20% of students in Australian universities are international students
- 19% of research students and 24% of completions are international
- 6% of the graduating cohort of Australian students have an overseas study experience.
- Export education is valued at AUD15billion and the third export industry

The International Student Program

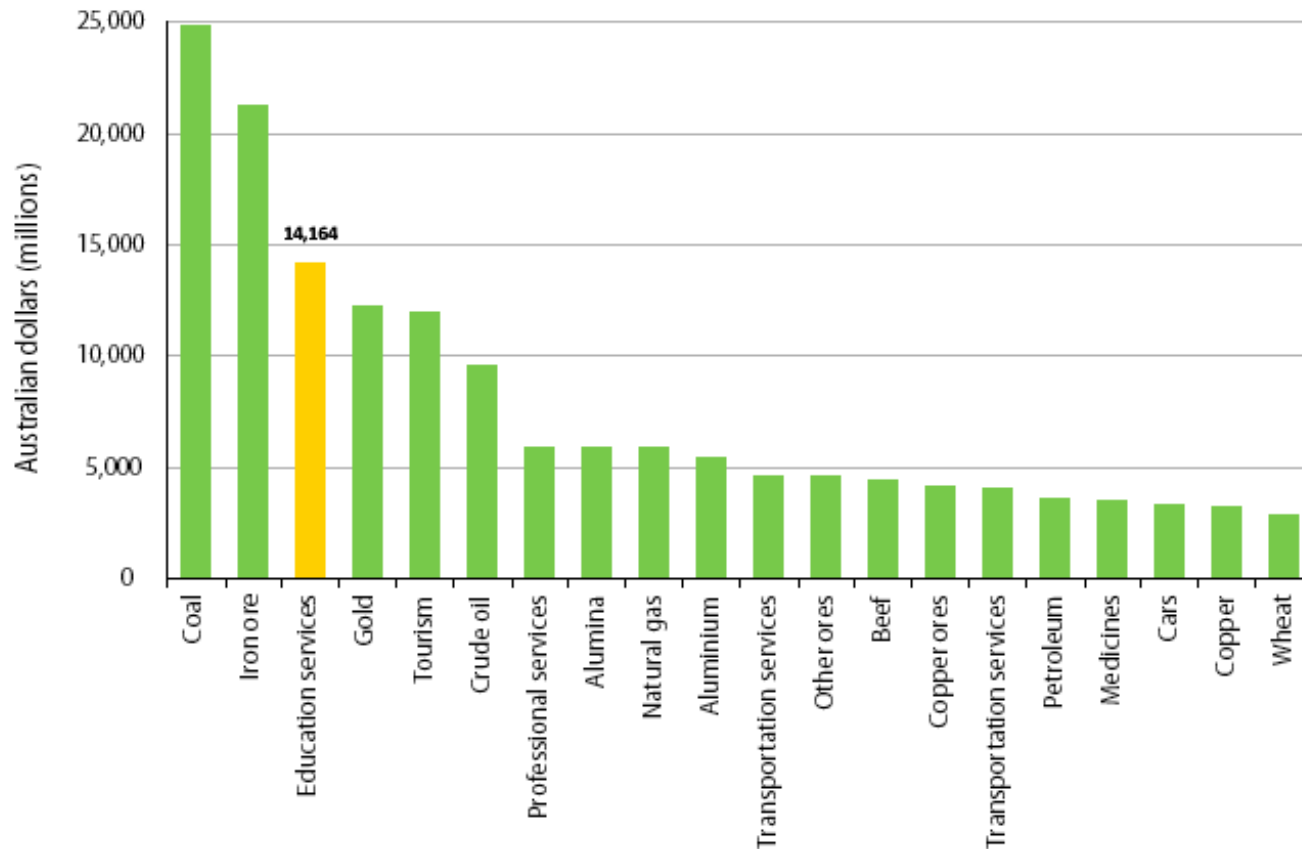


- Largest export earner in Victoria
- Probable contribution to the Australian workforce is between 60,000 and 100,000 jobs.
- Contributes over 50% to Australia's skilled migration
- Compared to other major export industries, the extent of government support at state and federal level remains minimal

Australia Top 20 Markets

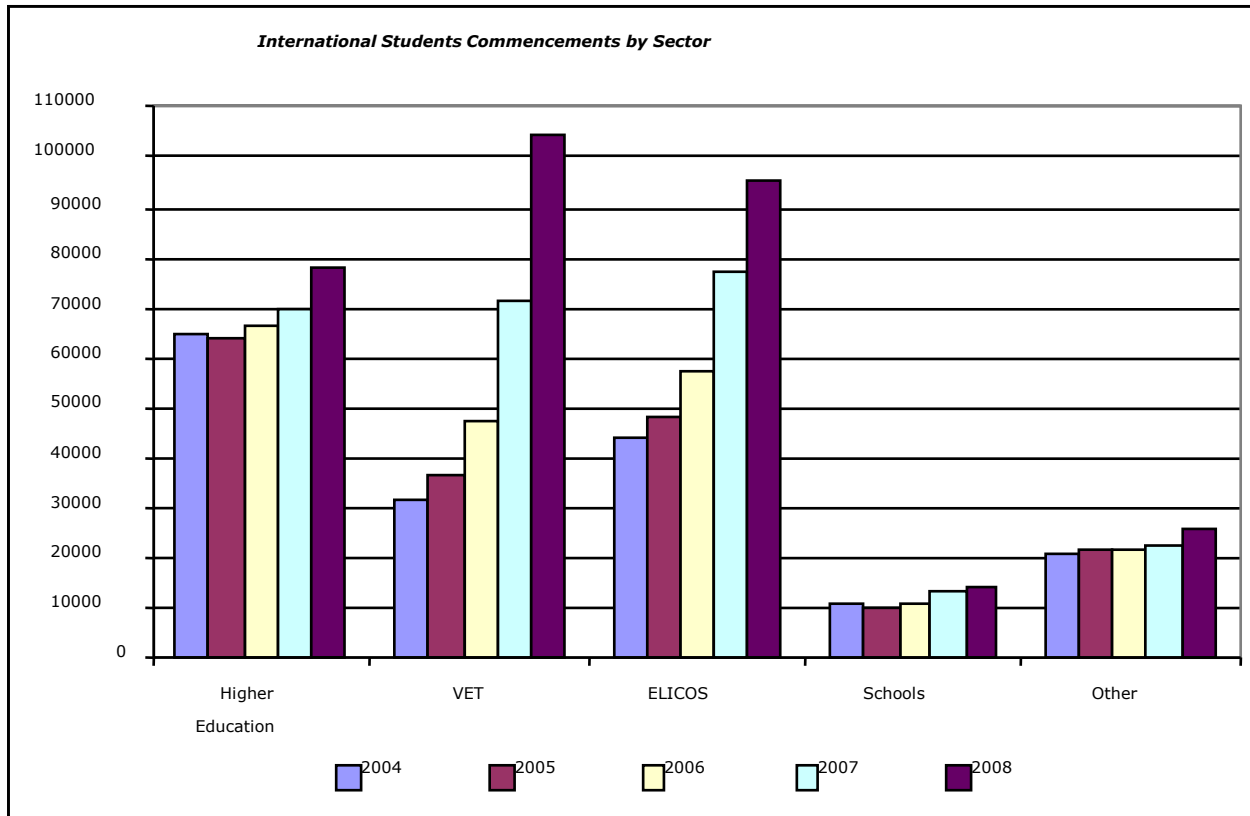


Australia Export Income



Source: DFAT 2008 - ABS trade data on DFAT STATS database and ABS catalogue 5368.0

Australia Growth



Weathering the Storm



- OECD data shows that students studying outside of their own country has gone from 800,000 in 1975 to 2.5 million in 2004. Some gaps but given the
 - 1979 oil shock
 - 1987 stock crash
 - 1998 Asian economic crisis
 - 2001 9/11 terror attacks
- There has not been a single year when growth has not occurred.

Entering 2009 Growth Remains Strong Globally



- Australian visa data to December 2008 shows a growth across all sectors of 20%. (11.8% commencements in the HE sector)
- Universities are reporting up to 25% growth in commencements from 2008.
- UK is reporting a 12% growth January 2008-January 2009.
- US study abroad agents are reporting strong growth in outbound students
- Hobsons report that for the 16 Australian universities that comprise the Service Centre, enquiries are at record levels.

Why is it So?



- Families in countries such as China and India, lacking sufficient facilities to provide quality education to their most capable young people, do not see education as discretionary spending.
- 30% of students in Australia are in pathway programs prior to university study. Plans have been locked in for 2-3 years.
- The drop in value of the Australian dollar has helped. Australia's brand is around value for money and lifestyle. These remain strong drivers in a recession.
- But we must be alert to tipping points, potential dark clouds might be:
 - A lack of part time jobs for international students who need to support themselves while in Australia,
 - A lack of graduate jobs in business for students completing business degrees (our major discipline area) in Australia or in home countries.
 - Changes to the skilled migration program to protect Australian jobs.
 - Parents and sponsors (including governments) failing to provide sufficient funds for tuition and living.
- A nightmare scenario; 300 Indian students in a university unable to pay fees or live?

**There remain grounds for cautious
optimism**