



**Presentation by Lindy Hyam, Chief Executive of IDP Education
Australia**

**Second North-South and International Conference:
International Education: a capacity builder for the island of
Ireland?**

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**Title: Economic development through International Education:
the Australian story**

Ladies and Gentlemen - let me pose a question?

Who or what are the main beneficiaries of international education?

- The students?
- The destination or the source countries?
- The institutions themselves?
- Is it business, industry or the wider global community?
- Or is it all of the above?

In my presentation this afternoon I aim to present an overview of how the internationalisation of Australian education has brought important benefits to the development of Australia, its education institutions and Australian society generally, to the international students themselves, and of course to their home countries.

The benefits however go well beyond merely economic gains. There are much broader, and in many ways more significant, societal, cultural, political and educational advantages desired from international education.

This is a dynamic, constantly changing and exciting industry, and all the signs indicate that this state of affairs is set to continue. It is an industry that I feel passionate about and privileged to be in. It is an industry that for global benefit needs many country players and I will demonstrate that there is room for many.

The context of international education in Australia and how we began.

Until the 1950s, the international dimension of Australian education was very much a one-way flow of Australian students travelling to the UK or North America for postgraduate study.

This was a reflection of our historical ties and one of the manifestations of a cultural cringe which then permeated Australian society.

This was followed by the Colombo Plan which commenced in the 1950s and resulted in thousands of international students from Malaysia, India and other countries in South and South East Asia being sponsored to study in Australia. It represented an integral part of Australia's foreign aid program and underpinned our connection with Asia.

In terms of establishing lasting and invaluable relationships with Asia, the Colombo Plan was an unprecedented success.

Importantly it set the groundwork for Australia's more recent achievement as an international education destination for tens of thousands of fee-paying international students each year from almost every country in the world.

The legacies from the Colombo Plan have been many.

They include:

- the presence today of many Australian-educated leaders in Asian business, politics, government and society
- an understanding and recognition throughout Asia of Australian educational qualifications; and
- Australia's close political, economic and trade relationships with many Asian countries.

Since the mid 1980s international education in Australia has experienced unprecedented growth, reflecting a transition which some have described as moving from aid to trade. IDP has had the privilege of being a major influence in that growth due in part to providing a comprehensive representation of all Australian universities and their pathways.

While most international students in Australia come from Asia, in the last couple of years we've seen increasing numbers from Europe and the Americas.

In 1987, there were just 7,800 international students enrolled in Australian universities. Today there are more than 150,000.

Across all Australian education sectors, it's estimated there is now somewhere in the vicinity of 240,000 international students from overseas studying at our universities, in private and public vocational education colleges, at English language centres, and in the school system - English language centres being in the front line in terms of impact of global changes be they economic or other

Today, one in five students enrolled in Australian universities is an international student. Some universities have one in three, or indeed one in two, international students.

Among English-speaking countries Australia has the highest ratio of international students per head of population in its university system.

International education is very important not just to Australian society, the Australian economy and Australian education institutions, but also to Australia's position in the global community now and increasingly will be more so in the future.

International education as an export industry

International education is one of the world's fastest growth export sectors. Three years ago, the global education market was valued at US\$1.5 trillion.

In 2000, the global student demand for higher education alone was 97 million, while student demand for international higher education stood at 1.8 million.

By 2025, IDP forecasts that the global demand for international higher education will grow four-fold to 7.2 million with a compound growth rate of 5.8%, and many have predicted it will become one of the world's largest industries – both financially and certainly strategically. This mobility is part of a larger mobility phenomenon including travel, employment and immigration.

In a world faced with conflict, tensions and constant change, the message is clear.

With education, and particularly international education, individuals, corporations and economies will grow and prosper.

Last year, education as an export industry for Australia was valued at more than AUD\$4.2 billion – half the value of the US but with a population of only 18 million compared to 240 million. . Since 1994, Australian education exports have grown by a compound annual rate of 9 per cent. Education is the third largest service export.

Over the last 12 months, education has been the only major services export industry which grew, with Australia's two other major export industries in the services sector – tourism and transportation – falling in value.

As a trade commodity education it is worth more to Australia than wool exports and as much as wheat. By 2025, the dollar value of Australian education exports is forecast to increase to AUD\$38 billion (in 2002 dollar terms) and by that stage it could well rival the tourism industry as Australia's most valuable export industry in the services sector.

Over the last three years, IDP has brought business worth over \$450 million in terms of first year course fees. Last year we had a total of 20% growth in student recruitment for all sectors and 34% for Higher Education.

Characteristics of internationalisation in Australian education

If I had to nominate six key features that have characterised the internationalisation of Australian education in recent years, I'd choose the following:

(1) Firstly, the spectacular growth in the number of international students at Australian institutions.

There is now four times the number of international students enrolled in Australian institutions than there was 10 years ago. And in 1988 Australia had just 21,100 international students.

Australia is the third largest English-speaking study destination for international students after the US and the UK, and has consistently grown faster than either of those two countries.

One of the impacts on Australian education of this growth has been the development of more flexible and articulated programs of study.

Without this expanding cohort of international students, Australian institutions – and particularly our universities – would not have travelled as far down the path as they have, with accelerated courses, articulated arrangements between sectors and institutions, joint degrees, Masters by coursework and the development of short courses and, importantly, the development of specific pathways programs called Foundation Programs. Study Abroad and credit recognition are also important. .

Without international students, we would not have introduced as quickly as we did, Summer and Winter Semesters in universities, in addition to the standard Spring and Autumn Semesters. The presence of international students has also led to a range of innovative ways of delivering programs to both international and Australian students, particularly mixed mode delivery that now also applies to domestic students who, in many degrees, do at least one subject totally online.

(2) Number 2: The growth and development of transnational education, particularly by Australian universities.

In many ways, Australia leads the world in delivering education transnationally – either through Australian campuses off-shore or online. In other words, not student mobility but program mobility – taking the education to the student. Australian international education has been characterised by a massive growth in the provision of higher education through transnational programs.

Australia has a history of delivering education by distance through the School of the Air and by correspondence to remote areas of the continent, but in recent years Australian universities and vocational education providers have developed innovative new methods of online learning as well as establishing campuses, or centres offshore – often in partnership with overseas institutions.

There are a growing percentage of international students studying for Australian degrees offshore and off-campus. The number of offshore international students

enrolled in Australian universities has risen from 27 percent of the total in 1997 to 35 percent in 2002. This is set to rise further. It has also provided a means of regional universities finding a position in the marketplace that is not head on with the sandstone and metropolitan based universities.

(3) The third international characteristic of Australian education is the excellent and comprehensive support services that Australian institutions have put in place for international students.

Australian education institutions have developed responsive service areas to assist international students in adjusting to living and studying in Australia. These include teaching and learning support, counselling, accommodation services, pastoral care, social and cultural activities. Domestic students have benefited enormously from this development. All universities have international offices with staff dedicated to international students. There has been some debate about mainstreaming of international student services.

In turn, the impact that international students have made on Australia, in cultural terms, has been tremendous. In regional areas of Australia where there is a local education institution which draws international students, these students are breathing new life into the local community. They represent the economic lifeblood of many regional areas. In some cases metropolitan universities have formed linkages with rural areas with students doing part of the program there. Here communities have set up online facilities for these young people.

Australians have benefited from the presence of international students as much as international students have benefited from studying in the country. In some rural areas it is their only exposure to other nationalities and cultures.

(4) Fourthly, the internationalisation of the curriculum - primarily because of the presence of international students.

Before Australia had large numbers of international students, our programs of study in our universities were largely influenced by Western or parochial concerns.

That of course had to change with the growing numbers of international students – and the benefits of this to Australian students should not be underestimated.

There are many examples with Australian universities offering a diverse range of subject offerings across all disciplinary areas such as Asian and Pacific Studies or Middle Eastern politics – both particularly appealing to international student.

(5) The fifth characteristic relates to the internationalisation of academic research.

While academic research has always been international, the growth in international students has broadened and deepened the international flavour and relevance of research activities in Australian universities.

At one time, it was the academic staff member who alone was engaged in international academic research and study. What is emerging now is the development of programs of study and research for students, between institutions in Australia and overseas, which cut across national borders and education sectors.

More than a third of all international students in Australian universities are undertaking higher degrees. In the last few years the percentage of postgraduate international students in Australia has been steadily increasing. For IDP it is 45% of our enrolments in Higher Education.

If you add to that the fact that 36 per cent of all postgraduate students in Australia are international, we have considerably large numbers of highly qualified international students in our universities.

(6) Finally Number 6 (which is related to the previous point): the growth in international agreements and linkages between Australian institutions and their overseas counterparts.

Australian universities and colleges, influenced strongly by the presence of international students, have expanded their relationships and links – both formal and informal – with institutions overseas. Many schools also have exchange agreements with schools abroad.

This institutional linking has been in the form of one-to-one relationships but also through consortia, in which groups of Australian institutions have linked with groups overseas, to achieve a common objective. This might be through offering multi-country awards, research partnerships or reciprocal study abroad arrangements. There are 4,000 of these agreements in place. This has been added to in recent times with bilateral Memoranda of Understanding at the Government level, in a number of cases initiated by IDP – such as Colombia and Mexico.

Access and equity

I would now like to turn to some important socially based but economically important issues.

The internationalisation of education is necessary for universities in all countries to be able to meet the demands of the societies and economies of the future.

Currently almost half the world's international students come from developing countries, where demand for higher education cannot be met locally.

Thus, as well as providing potential for key developments in research, technologies, teaching and learning, and for improving intercultural understanding and communication; international education provides the potential for broad economic benefits in developing countries by meeting demands for the high-value human capital needed to underpin future economic development.

One important global equity issue that needs addressing, however, is access to education for women.

It is well recognised that globally women have more limited access to education than men. This is especially true in developing countries. UNESCO data reveal that even though illiteracy rates in developing countries have decreased they continue to be higher for adult women than for adult men.

Participation rates for women in higher education in some parts of the world are alarmingly low. In many African countries there are fewer than 200 women enrolled in tertiary education for every 100,000.

In addition, women who are enrolled in universities are concentrated in the so-called 'female disciplines'. Such discrepancies ultimately result in the poor representation of women in key industries, in business and IT, and at all levels of management – and as a result restrict women's access to employment opportunities in the new knowledge economy.

Shifts in government policy and funding can address some of these imbalances and provide greater opportunities for women.

IDP's origins as an aid organisation means that we are fundamentally committed to providing international education opportunities for students from developing countries. International development projects are key to developing the global capacity of nations.

At IDP we have designed, managed and helped provide training programs, study activities and technical assistance for over 300 diverse projects in more than 30 developing countries – in Eastern Europe, Africa and of course Asia and the Pacific.

Last year, IDP managed 15 scholarship and fellowship projects in 13 countries and provided support to nearly 600 international fellowship students in Australia.

Among the many projects we administer in Australia is the Eduka Scholarship program, which provides scholarships for East Timorese students in undergraduate programs at Australian universities. The Eduka Scholarships are

supported by institutions and the Australian Agency for International Development (AusAID).

Australia's success and position in the international education market has been in large part due to these scholarship opportunities and development initiatives.

Wealthy countries have an obligation to make the development of poorer nations a focal point, in order to encourage sustainable economic growth.

Only this week the Australian Government announced the Endeavour Program, a new scholarship program which provides awards each year to high-achieving overseas students to come to Australia for six months as part of a postgraduate or postdoctoral degree.

It is programs of this type, designed to provide equitable access opportunities to students from around the world, which will assist Australia in building powerful global connections and relationships.

The role of government

Government policy plays a critical role in the successful development of a country's international education industry.

Australia currently has one of the world's strongest and healthiest economies and while other countries have used their budget surpluses to invest in education, Australia's investment in education has not kept pace with comparable OECD countries.

One recent development which offers some new hope are the measures announced this week in the Australian Government's Budget for 2003-2004, which indicated at least that the Australian Government is developing a fuller appreciation and understanding of the value and importance of international education.

IDP has argued for some time now that one of the keys to maximizing the benefits of international education is to have an all-of-government approach to the industry. An all-of-government approach means having a cohesive understanding of, and support for, the holistic benefits of internationalisation across the different facets of government; not just in the education department but also in the immigration, tourism, trade and foreign affairs ministries and departments.

The holistic benefits and outcomes of the internationalisation of education have been well documented.

From an institutional perspective there are four key motivations for internationalisation:

Number 1:

Political motivation.

International education plays an important role as a foreign policy tool in building diplomatic and economic relations.

Number 2:

Economic motivation.

International education represents an opportunity for diversified income streams for institutions and a sustainable export industry for the country. This needs to be underpinned by a specific strategic focus, not just as a spare capacity approach, as internationalisation for a few or many requires significant commitment and investment of \$30 million.

Number 3:

Academic motivation.

Internationalisation generates significant benefits for students, both domestic and international, academic staff and broader academic standards. Often these linkages live on.

Number 4:

Cultural and social benefits.

International education is an important mechanism to improve intercultural understanding and communication. This also requires post experience support with such activities as alumni.

The quest for internationalisation has fundamentally altered the development path of many Australian education providers.

So now turning to the marketing of Australian education

Over the last decade or so, Australia has become one of the significant players in the global education marketplace.

In what is becoming an increasingly competitive environment, governments and institutions will need to seek out, understand and utilise more sophisticated market intelligence to underpin their strategic decisions. Many marketplaces, particularly for the UK and Australia, have shifted away from mass marketing to one of differentiation.

They will also need to respond quickly to market demands and new opportunities.

IDP has – as one of its key business areas – Marketing, Research and Consultancies.

We market and promote Australian education institutions across all sectors through our physical network of some 70 offices in 35 countries throughout Asia, Europe, Africa, the Americas and within Australia itself. Our development projects in a dozen or more other countries utilise Australian intellectual capital and expertise, which supports the positioning and profile of Australian education.

IDP holds up to a hundred education events and exhibitions in 35 countries attracting more than 400,000 visitors each year. Our comprehensive suite of student publications is available in eleven different languages and is distributed globally.

IDP's website is a portal to Australian education opportunities and our new Apply Online service has extended IDP's reach to every corner of the globe, allowing international students to apply and enrol for any degree or university pathway program online, through a single web portal – anytime, anywhere, but with person-to-person online support.

Our Excellence Australia™ marketing campaign aims to position and highlight Australia's world class and unique educational offerings to international students.

We work closely with Australian Education International, the Department of Foreign Affairs and Trade, and Austrade to ensure the coordination of our activities, and consistency in the messages we communicate about Australian education – IDP being clearly the commercial player.

Australia clearly has some natural advantages as well.

It is a country of enormous diversity. Our ancient geographic and cultural heritage contrasts strongly with the dynamic role we play in modern society. We have strong traditional ties to Europe while our geographic location offers unlimited opportunities to fulfil our role as a part of Asia.

With less than 20 million people we have a small population but with strong multicultural influences from Europe, the Americas and Asia.

Australia is a peaceful and safe destination for international students, with quality courses at affordable prices, and a high standard of living.

International students are made to feel welcome and we've had a number of years experience in satisfying and meeting the needs of overseas students.

Australia is quite different from some of the other more traditional destinations for international students, and we enjoy a strong and positive brand identity around the world.

Some of the challenges we face in Australia include ensuring diversity in our international student cohort: diversity in source country; diversity in level of study; and diversity in discipline. It is also important for us to constantly reinforce and communicate the quality of Australian courses such as IT, Business and Commerce.

Our geographical location in the Southern Hemisphere makes us attractive to many Asian students, but this distance can also sometimes work against us in other markets.

However all of Australia's natural advantages and our marketing and promotional initiatives would be to no avail unless it was supported and underpinned by solid and intelligent strategic market research.

This week I had the pleasure of officially opening our newest office in Stockholm as part of the IDP European network, established after thorough research and careful planning.

Europe represents a growing but still largely unexplored market for Australian education. However interest in Australia from European students is growing. Our IDP Europe office network including the UK, the Netherlands, Germany and Sweden along with a presence in France, means we can provide face-to-face services in key centres. As well, IDP's development hub in Sofia, Bulgaria positions us in Eastern Europe and Central Asia for project opportunities.

Market research and intelligence

IDP's Planning and Research Branch is widely recognised for its market intelligence gathering and research capabilities.

I would like to provide a few detailed insights from one of IDP's most recent research studies, *Global Student Mobility 2025: Forecasts of the Global Demand for International Higher Education*.

I have referred to this research earlier in my presentation but believe it deserves closer attention as it provides critical insights which will help us understand the future of international education over the next 25 years.

IDP's research has predicted that global demand for international higher education will increase four-fold over the next 25 years to 7.2 million places in 2025.

Using detailed data from 137 source countries, the research is one of the most significant studies on international education in the last decade.

By 2025, Asia will represent some 70 per cent of the total demand, an increase of 27 percentage points from 2000. Within Asia, China and India will be the key growth drivers – generating over half of the global demand in international higher education by 2025.

Other regions which are forecast to experience significant growth in demand for international higher education are Africa and the Middle East.

While the forecasts indicate that China will continue to be the source of the highest demand, by 2025 a number of new countries – including Morocco, Vietnam, Indonesia and Iran – will be among the top 10 demand countries.

In Europe, Turkey and Greece are forecast to be this continent's largest source markets for international higher education in 25 years, reflecting the greater propensity of students from those two countries to seek out and undertake an international education experience.

The Australian situation

If the forecast demand for international higher education is realised, there will be almost one million international students enrolled in Australian universities by 2025.

Within this scenario:

- Each university in Australia would have, on average, over 23,000 international students. As a result, the number of international students enrolled in some universities would be greater than the number of domestic Australian students.
- 93 per cent of Australia's international students would be from Asia and 62 per cent would come from just four countries: China, Malaysia, India and Indonesia.
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The opportunities for Australia associated with such growth are obviously significant and far-reaching.

Opportunities offered by the forecast growth

Extending beyond the traditional bounds of the education sector, internationalisation has the potential to play a central role in Australia's transition to a knowledge economy.

Through the attraction of motivated and talented international students, internationalisation could contribute significantly to the development of innovations and new technologies in Australia. From a political perspective, it has the potential to strengthen Australia's international profile, particularly within the Asia-Pacific region.

Importantly, the level of internationalisation that would come with this demand would provide Australian students with greater opportunities: opportunities from an expanded range of courses and delivery modes as well as from the increased international recognition of Australian qualifications, not to mention jobs in the service sector created through this industry.

Challenges offered by the forecast growth

The magnitude of the demand means that Australian institutions would face enormous challenges. Not the least of these would be associated with managing growth and diversity.

Creating a diversified international student population has been the subject of a great deal of discussion and debate within the international education community in Australia. For a range of academic, social and economic reasons, many Australian institutions are currently seeking to diversify their international student population in terms of source country, discipline and level of study. In doing so, they are being confronted with considerable economic costs.

Other factors likely to impact on internationalisation

As well as growth in demand, there are a number of other factors impacting on internationalisation in our changing global environment.

Some of these include:

- Changes in nature of demand particularly as the requirement for life-long learning increases;
- An increased number of countries with stated government policies on internationalisation;
- The development of multi-country, multi-sector and institution partnerships and alliances;

- The changing nature of study including multi-modal and multi-country options. This goes hand in hand with increasing student demand for flexibility and choice in terms of program, mode, duration and location;
- The changing global funding patterns in education. In many countries, as government funding decreases, the number of private fee-paying students increases;
- The commodification and the convergence of thinking in the curriculum;
- The increasingly important role of the corporate sector in meeting demand that has traditionally been met by universities and other providers;
- The need to maintain national identity, language and culture in an internationalisation strategy.

Competition

Australia's perspective is that collaboration within the international education community is an integral part of healthy competition. Competition is important to international education because of its role in providing the opportunity to benchmark performance in a competitive environment. It also provides the opportunities to forge alliances that will enable us to capitalise on our strengths and to overcome weaknesses. It is this sense of competition that has been a feature of the Australian approach to international education.

Australia recognises the need to identify those areas of excellence that will ensure that our institutions are front-of-mind for students seeking an international education. It is an approach that is underpinned with the constant monitoring of our quality assurance procedures in order to ensure that those standards of excellence are maintained. It requires constant scanning of the changing environment to ensure that we understand the needs of our wide range of clients. And it requires the development of systems and processes that allow international education, not only to respond to the changing needs of clients but also to anticipate those changing needs.

I believe that the future global demand is such that there is room for many players in the international education industry.

So to conclude - some questions ...

As the value of globalisation is being debated, we are continually being asked to re-examine our priorities and responsibilities in securing the future of international education.

In doing so, we often end up with more questions than answers.

I would like to leave you with some of questions that we are grappling with in Australia. I have no doubt that many of you here are asking some of the same questions.

They include:

- What is the role of international education in a changing global environment? What new meanings are associated with the notion of securing the future within this changing global environment?
- How do we deal with the tensions between internationalisation, globalisation and the drive for a national identity in some countries? How does internationalisation deal with the increasing tension between home country, host country and global needs?
- How do we address the divide, real or perceived, between the objectives of the major source countries and the major destination countries for international students? Is international education creating a brain drain or brain bank? Is it reducing or enhancing the economic divide between developed and developing countries?
- What level of internationalisation is culturally, socially and economically acceptable in the local communities within which institutions operate? What is the role of the international education community in assisting the wider community to understand the wide ranging benefits of internationalisation?
- What is the relationship between international education, skilled migration and the transition to knowledge economies in developed countries with aging populations?
- What are the motivations for alliances, partnerships, relationships or agreements within the international education sector? Do these terms all mean the same thing? Are they most effective at the institutional level or do they need governments and peak bodies to lead the way?
- To what extent is the “Australian” approach to international education a function of Australia’s relative “youth” and the multicultural nature of Australian society?

Continued growth in global student mobility will bring further opportunities at the individual, institution and government level across many countries. It will also bring increased responsibility for all members of the international education community. We must endeavour to understand what the growth and its implications are in a variety of contexts and from a variety of perspective both in developed and developing countries.

The perspective from Australia however is that the future is bright. Indeed I wish the Island of Ireland every success with its endeavours.

Many thanks for allowing me to share my thoughts with you today.