BACKGROUND PAPER

State of Current Research in International Education

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Introduction

This paper has been prepared as a prompt to discussion and a background resource for an AEI supported International Education Research-Policy Symposium to be held in Melbourne on 8 April 2011. The paper is not a definitive summary or analysis of research on international education. It will need to be refined and validated to provide a longer term resource to researchers, policy makers and others interested in sustained development of international education in Australia.

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Global demand for education

What we know

Global demand for education, training and research is strong and growing.

Global mobility for education is only one part of the unprecedented global mobility of peoples for purposes of migration, political and economic security, trade and business, employment, tourism and for study and research.

This unprecedented level of people mobility has major implications for the ways in which global economic and political systems work. But in a manner that is equally significant, the movement of people is transforming our social institutions, cultural practices and even our sense of identity and belongingness (Rizvi & Lingard 2010).

Global mobility has transformed our cities, creating urban conglomerates at the intersection of global flows of finance and capital. (Sassen, 1991). These changes have led to multiple new cross-national, cross-cultural flows and networks that define the global world of the 21st century (Urry, 2000). These transformations require new ways of thinking about movement (Papastergiadis, 2000).

Greater mobility of people has education policy implications, including in the way educational policy has interpreted cultural diversity and responded to its challenges; how the changing demography of campuses has in particular and global dynamics more generally have led to demands for the internationalisation of education (Rizvi and Lingard, 2010).

Worldwide demand for higher education is growing at an exponential rate, driven by demographic trends and increased globalisation of economies and societies. Participation rose by 128% from 1990 to 2007 (66.9 to 152.5 million students) (UNESCO, 2009).

The global mobility of students has also increased, quadrupling over the past three decades to 3.3 million in 2008 (OECD, 2010). UNESCO in 2009 estimated a total of 2.8 million international students globally in 2007. While estimates may vary, being based on different parameters, the overall trend towards significant continuing growth is evident. In 2008 alone growth was 11 per cent on the previous year. Should current trends in international enrolments continue it is expected that between 4.1 million to 6.7 million students will be studying abroad by the year 2020 (Calderon, 2010).

Three countries - USA, the UK and Australia - attracted over 40% of students studying outside their home country in 2007. Half of the world’s international students were from the Asian region. China was the main source country, followed by India and South Korea. China and India showed the strongest growth in outwardly mobile students between 1999 and 2007 (UNESCO, 2009).

International education is generally resilient to major international shocks (Asian economic crisis, bird flu, 9/11, SARS, oil crises, the GFC, etc.). However destination countries can intentionally or unintentionally restrict inbound flows.

Forecasts of likely future demand confirm that growth in international education is long term and durable (British Council, 2004, IDP, 2007). Demographic trends, especially the rapidly growing proportion of under-25 year olds, in the emerging economies of countries in East and South-East Asia, South America, the Middle East and South Asia, are putting pressure on domestic national education systems. The countries concerned are increasingly unable to satisfy burgeoning domestic demand for tertiary education. Increasing numbers of students, particularly in India and China, are seeking to study abroad. There is a high preference for English-speaking study destinations given the position of English as the global language of trade, business and research. On current trends, growth in global student mobility will exceed even the most optimistic scenarios proposed by the major international studies.
The dynamics of international student mobility globally and in particular whether currently observed growth is sustainable, is under investigation, stemming from several observations:

1) There continues to be strong growth in mobility to most of the main student destination countries, particularly the US.

2) Recent studies by the UK's Economist Intelligence Unit forecasts continuing growth in demand from some leading student source countries e.g. India, China and Nigeria.

3) Previous forecasting models had predicted annual global mobility growth of around 5.0-6.5% (for example UK enrolments are currently well ahead of IDP and projections modelled in 2004).

4) Analysis of UNESCO/OECD aggregate data indicates a definite slowing of mobility growth globally. But UNESCO statistics are not always reliable and can be different to those national data published elsewhere. Additionally the most complete UNESCO data set is for 2008.

What we don't know

1) We do not produce a regular (say 5 yearly) update and analysis of trends in global student mobility.

2) We do not know the characteristics and extent of likely future growth in global student mobility, how growth trends are changing and how these might affect Australia.

Demand for Australian education

What we know

Amongst English speaking destinations, Australia is the third most popular choice globally for education and training in the English speaking countries (Top ten globally: US, UK, Germany, France, Australia, Canada, Russian Federation, Japan, Italy, Spain). Australia is a relatively insignificant choice for global investment in research.

Australia’s global market share of international students is approximately 7%. Australia’s market share has declined steadily over the past decade from approximately 9% (UNESCO/OECD).

Demand for study within Australia as well as for study of Australian programs offshore is strong. The focus below is on onshore study within Australia (note: demand for Australian offshore study is treated separately later, p. 25).

International students are attracted to Australia as a supplier of international education services by the:

- **Improved chances of employment** with an Australian qualification
- **High quality of Australia’s education institutions and a flexible system of education**
- **Proximity** to many major source markets in the Asia Pacific region.
- **Affordability** of programs on offer, which are either unavailable or inaccessible through home country institutions.
- **Accessibility** of programs on offer, which are either unavailable or inaccessible through home country institutions.
- **Potential for migration**, after completion of an Australian qualification
- **Impact of word of mouth recommendations**. Australia now benefits from the presence of several generations of alumni in the Asian region, with a high regard for Australian education.
- **Strength of the Australian economy**, generating good short-term and long-term employment prospects for students and graduates (including researchers and skilled migrants generally).
• **Lifestyle** it offers - Australia is a multicultural, safe, welcoming community with many options for recreation, entertainment and travel.

For study within Australia, a number of these factors are now adverse (reputation, affordability, competitiveness, migration, post study employment, safety).

More than 75% of higher education and VET international students indicate that improved chances of employment is a major influencing factor in choosing where to study (AEI, 2010).

Generally, course choices align to perceptions about employability in Australia, the home country or a third country. Lists indicating occupations in demand/skills shortage/prerequisites for immigration (MODL, CSL, SOL) skew course choice for some students (IDP, 2011). Focusing on employment options and not migration status is probably the most effective risk averse strategy for students, for education institutions and for governments.

Australian research on global demand for Australian education, training and research has faltered over the past five years. Australian innovation in this area has lapsed. Ground-breaking work undertaken in 2002 and 2007 by IDP on global student demand has lapsed and is not now being undertaken by government or industry. The baton has passed to the British Council, which participated in 2004 with IDP in a major joint global student demand study (British Council 2004).

The UK, through the British Council, has recognised the fundamental link between the globalisation of higher education and the advancement of economies, that global student mobility trends are changing, that there is a conscious diversification in supply (“more than we realise”) through expanding private provision, and that competition is becoming more aggressive (see Competition below). There is a need to balance competition and cooperation.

For Australia, as for the UK and any other major player in international education, charting trends is necessary so strategic decisions are properly based.

The UK, through the British Council, aims and is well on the way to become the world’s leading provider of higher education intelligence at a global level. The UK is committed to, funding and active in research to produce unbiased, accurate and up to date market intelligence. Its global intention is to focus on data harvesting; and the creation, facilitation and stimulation of innovation think tanks in education, training and research. Country briefs to be delivered on an interactive digital platform, allowing institutional and system analysis and planning.

The objective is to position the UK as a thought leader in global higher education and related public policy, aimed at a global higher education constituency for use by policy makers, not only in the UK. The aim is also to make the UK a global leader in the recruitment of international students.

The UK leadership in this area can be seen as a threat or it can be seen as an opportunity for Australia.

Predictions about the depth and duration of the current downturn in international student enrolments vary considerably. Some predictions are that it will be 2020 before international student enrolments again reach 2009 levels (Olsen, 2010, Moore, 2011). Other research scenarios point to a sharper and/or deeper decline in the short to medium term with a range of adverse financial consequences for institutions and employment generally Phillimore and Koshy, 2010).

**What don't we know?**

1) We do not know clearly enough what factors will be necessary for Australian international education to thrive and be sustainable over the long term, or how these are likely to play out under various scenarios.

2) Fundamentally we have not delineated and do not know the preferred shape and character of Australian international education for the future.
3) Equally, we have not delineated and do not know the preferred scale and character of the international student program. For example, we do not know what optimal growth should/might be by sector/provider type to sustain quality and reputation.

**Enrolment trends**

**What we know**

International student enrolments in Australia (i.e. not including offshore/TNE enrolments) reached a high point of 630,663 in 2009 (AEI, 2010). Full year 2010 data reveals a decline of 1.8% in international student enrolments and a decline of 9.6% in international student commencements in all sectors in 2010 compared with 2009. Enrolments in the higher education sector are up 7.8% and commencements up by 1%. Enrolments and commencements for all other sectors show declines of between 0.7 and 17.5% and between 3.6 and 21.1% respectively. [Enrolments in Australian offshore programs are treated separately below, p. 25].

These figures can be misinterpreted however and do not reveal the true picture. The full year data is a composite of first and second semester data. Second semester 2010 data show uniform declines for all sectors, including higher education (-3.6%). The current downturn in commencements started in mid-2010. It has not played out.

All sectors expect trends in 2011 to be increasingly downward, by estimates of possibly 20% or more. Predictions about the depth and duration of the current downturn in international student enrolments vary considerably. Some predictions are that it will be 2020 before international student enrolments again reach 2009 levels (Olsen, 2010). Other research scenarios point to a sharper and/or deeper decline in the short to medium term with a range of adverse financial consequences for institutions and employment generally (Phillimore and Koshy, 2010). Different sectors and different institutions in different sectors will feel the decline differently.

The media frequently refer to a high point figure of 630,000 international student enrolments in Australia in 2009. While this is correct and reflects the AEI data, it is important to realise that enrolments do not equate to student numbers/heads. Enrolment and commencement data do not directly correlate to the number of international student visas issued. This is because each student can commence studying and be enrolled in more than one sector at the same time (for example in an ELICOS course and then a higher education course in the same year), so the same student can be counted several times (AEI, 2006). In fact the total number of international students in Australia in 2009 was 491,565 (note: 2010 data will be released by AEI “shortly”).

Forward trend analysis is assisted by examination of DIAC visa data. The welcome publication of student visa trend data (DIAC, 2011) assist understanding of current application and grant trends and is useful for forward projection over the short term. Visa trend data, however, as AEI student enrolment and commencement data, is “historical” by the time it is produced, a snapshot of the recent past. On their own AEI and DIAC data are not sufficient to understand forwards trends.

Leading trend indicators are better expressed by institutional enquiry and application data. There is no single repository of such data but major recruitment agencies such as IDP and Hobsons, together representing a large proportion of Australian education providers, have invaluable enquiry and application data and may be willing to share this more broadly to assist effective forecasting.

Data is crucial to the long term sustainability of the international education sector. Peak bodies have proposed and the Government Industry Stakeholder Consultation (GISC) in April 2010 agreed to establish a data working group, involving industry and government stakeholders. Action on this matter is still awaited.

**What we don’t know**

1) We do not know when the current downturn will bottom out and when or if it will turn around.
2) We do not have a process or a methodology on which to base reliable medium and short term forecasts of international student demand for Australian education services. The proposed Data Working Group should be established as soon as possible to take this item and item 1) above forward.

3) We do not know the relative importance that various factors, particularly regulatory factors in the control of government, play in supporting the international education industry and international competitiveness.

**Competitors and competitiveness**

What we know

1. Openness to cross border education

At one level Australia is seen as a leader in cross border education benchmarked against other countries. A recent benchmarking study by the British Council and the Economist Intelligence Unit (Ilieva and Goh 2010) scores Australia’s openness to cross-border education at 8.5/10, second only to the UK (8.7) and ahead of Germany (8.1), Malaysia (7.9), the USA (7.1) and Japan (6.5). Openness to cross-border education describes a country’s commitment to promoting the internationalisation of its higher education system. It considers the ambitiousness of a country’s internationalisation strategy; its visa and migration policies for students and scholars; and its environment for overseas and domestic institutions’ cross-border operations.

There is a strong positive correlation between “openness” and inbound mobility of international students. In other words, a country’s success in attracting international students is crucially related to positive, supportive public policy settings.

2. Quality assurance

On the related index of “quality assurance” the same study scored Australia first (9.4/10), second only to Germany (8.9) and ahead of the UK (8.3), China (5.6), the Malaysia (5). “Quality assurance” is defined as “the strength of national monitoring and enforcement of quality standards in crossborder provision; the robustness of mechanisms to recognise international degrees; and the policies in place to ensure entry and teaching standards are maintained in education provision at home and abroad”. In summary, those are: Cross border quality assurance and accreditation; recognition of international qualifications; and entry standards and quality of provision.

There were huge variations across countries. Japan and Malaysia were poor on outbound quality assurance. Only Australia and Malaysia got full marks for inbound quality assurance. Countries with more export-led activities place greater emphasis on quality of entry and teaching standards for foreign students.

3. Competitor Activity

The Global Financial Crisis has seen the US and UK pull significant funds out of higher education, leaving universities there in a similar situation to Australian universities 10 - 15 years ago – facing falling public investment and needing to supplement income. Both countries have a renewed focus on recruitment of international students.

While there is limited capacity within the Australian public higher education system to increase the number of international students, there is very substantial capacity in the US system. The US is positioning to attract a greater number and proportion of undergraduate students especially, not traditionally a focus, but one in which Australia is particularly reliant. There is also a growing interest amongst some US universities, including large, prestigious universities, to use commercial recruitment agents (including now IDP, located in the US). While there is an active debate about this and the issue of standards for agent activity (actively fostered by the American International Recruitment Council (AIERC) which has positioned itself along with its growing number of member institutions as the setter of standards for international student recruitment (AIERC, 2011), it would not take many major US universities to be active in recruitment, and using agents, to impact Australia’s Asian source markets.
In the past decade a number of education importing countries have begun actively recruiting international students in order to balance their inward and outward flow or to develop an explicitly export-oriented education sector. The growth in international student mobility to these new destinations is building social and cultural ties between countries in the Asia Pacific region, and while it poses new competition to onshore education in Australia, transnational programs and campuses have been integral in building many of the new education hubs, and in others the internationalisation of local universities is fuelling demand for research degrees in English-speaking countries (Banks, Ziguras & Reimann, 2010).

4. Labour market completion

Given the demographic challenges faced by most developed economies, attracting and retaining talent is critical to their global competitiveness. International students play a vital role through their labour market participation. Good graduate outcomes therefore benefit the individual, the host country and the home country through global supply chains and diasporas. Competition is high and increasing. Enhancing international student experience and employability is critical to sustain the success of the international student industry (IDP, 2011).

5. Domestic regulatory environment

5.1 Student visa regime

International trends in Visa Grants are a lead indicator for future enrolments. While there are limitations in preparing comparative data, a number of things are clear. The cost of acquiring an Australian student visa is high relative to other countries, increasingly so given the strength of the Australian dollar (55% more compared with the UK; 59% higher compared with the US; 380% compared with Canada and 262% compared with New Zealand). Application risk profiling is also more complex, visa processing times are longer and financial requirements are substantially greater for Australia (the last is greater than for living in London) (IDP, 2010). On the positive side, provisions for change of course onshore and work rights of dependents are more generous than those elsewhere. Australia is also unique in its policy permitting packaging of courses.

Together, the strength of the Australian dollar, more severe financial requirements, slower visa processing times and higher visa cost together work to reduce the number of student visa applications to Australia.

The UK Government on 22 March introduced new visa rules that the Guardian reports Universities UK predict will cut student enrolments by more than 25%, with up to 80,000 fewer students coming to Britain each year. An additional 20,000 reduction is expected as a result of new restrictions on the ability of international students to stay on and work for up to two years after graduation (The Guardian, 2011). It seems that the UK too may soon be feeling the weight of domestic regulation on their competitiveness.

5.2 Study-Migration pathways

19% of international students in Australia successfully obtain permanent residency. This compares with 21% in the UK and an estimated 25% in the US (IDP, 2011).

Research on post study work options for international students reveals that other countries have a range of laws governing post study work, some of which are more generous than Australia’s (IDP, 2010). While Australia’s SC 485 visa enables students to live and work in Australia for 18 months after completing a 2 year higher education or vocational qualification, provided they successfully nominate an occupation on the Skills Occupation List, Canada provides a Post-Graduation Work Permit Program valid for up to three years for any graduated international student with a recognized 2 year qualification. Transition thereafter to permanent residency is relatively easy. Up to recently, the UK’s Post Study Visa allowed graduated higher education students to live and work in the UK for up to 2 years without a prior job offer. In the US, graduated students may apply for 12 months of Optional Practical Training (OPT). For certain STEM (science, technology, engineering, mathematics) fields, a one-time, 17-month extension is possible on completion of the OPT. Transition to “indefinite leave to stay” (permanent residency) has been relatively easy. In
New Zealand graduated international students can apply for a one year Graduate Job Search Work Permit applicable for any employer in New Zealand, and thereafter may apply for a further 2 or 3 year permit under the Study to Work Policy if the job is relevant to the qualification. After a further 2 years an application can be made for permanent residency under the Work to Residence policy.

6. Reputation

The damage to Australia’s reputation, especially in India but also elsewhere, following the media attention given to incidents of violent in 2009 and 2010, college closures and reporting on visa scams, and the tightening visa regime has been considerable. There is a perception in many countries that Australia does not welcome international students. How wide spread this perception is and how long it might take for it to change are not well understood. Clearly, any ongoing occurrences of violence, perceived discrimination or increasingly adverse visa arrangements will delay the recovery.

Clearly also, government and industry efforts to strengthen and enforce existing consumer protection, quality assurance and anti-discrimination laws as they affect international students, and the communication of the outcomes of these efforts overseas, are vital.

7. Exchange rates

The strength of the Australian dollar is often cited by government as the key factor influencing the fall in international student enrolments. While the Australian dollar is at normal levels against the currencies of many source market countries (e.g. the RMB), it is comparatively very strong against weak US and UK currencies. An Australian education costs much the same as it did three years ago, but the US and UK are now comparatively much cheaper and therefore more competitive in our source markets.

A recent JWT Education survey indicated that lower tuition fees and cost of living is a motivating factor for approximately 20% of international students enrolled in Australian universities. This illustrates the importance of the value of the dollar, but clearly illustrates it is not the only influence on student choice (universities Australia, 2011).

8. International collaborative research and completion for research students

These matters are covered in the section Internationalisation of Research, p. 28 below.

9. Market intelligence

Finally, as indicated above (p 4), Australian market intelligence research has faltered over the past five years. The UK is probably now the leader.

What we don’t know

1) We don’t routinely know how our competitors are responding to changing global demands and trends. We don’t monitor this closely or comprehensively and consequently are unable to convey this intelligence in useful formats to be accessed and used by Australian institutions and by governments.

2) Australia’s market intelligence especially is no longer leading edge. We are not in as good a position as we should be to understand global trends in higher education and international education specifically, or to provide the necessary evidence base for sound and innovative public policy formulation and to guide institutional strategy, policy and practice.

3) How can Australian institutions contribute to, and capitalise on, increasing intra-regional student mobility between countries in the Middle East, Asia and Latin America?
Supply side issues

What we know

As indicated above (p.4), enrolments in Australian education institutions reached just over 630,000 in 2009. Enrolments in private VET had reached 32% of total enrolments, the same level as for universities. This was historically unprecedented. For 15 years prior to 2005/6, the time when Australia’s changed migration rules began to drive growth in the VET sector, enrolments in the university sector generally represented 45% of total enrolments. Whether this distribution is more “normal” is moot. However, many researchers and commentators believed growth in the private VET sector between 2005/6 and 2009 was overheated and unsustainable. There is some suggestion that it will take ten years for international student numbers in Australia to regain the levels of 2009 (Olsen, 2010). It is an open question indeed whether the high point of 2009 is something that Australia should strive to regain. What the optimum number of international students should be and what the balance between public and private sector supply should be is not discussed. It is a major strategic consideration for Australia however, including obviously for institutions.

In the late 2000s, some universities began to take the view that they were reaching capacity, and some began to refine their international student recruitment policies to either emphasise greater quality or an improved balance between undergraduate and postgraduate enrolments, or even, to begin to shun further growth altogether. Other universities had, and still have, capacity for further growth.

In terms of non-institutional supply, research and commentary (e.g. mentioned by the Senate Enquiry into International Student Welfare (2009), the NSW Ministerial Taskforce on International Education (2009), the ESOS Review (2010) and the COAG International Student Strategy for Australia) points to significant supply side deficits in student welfare/support/engagement services and in student accommodation, especially in the major metropolitan centres, as well as the unavailability of transport concessions in Victoria and NSW.

What we don’t know

1) We do not know the capacity/appetite for continued enrolment growth, particularly amongst public universities.

2) We do not know what the balance between public and private provision of education service to international students might be.

3) We do not have sufficient information about the supply side deficiencies and how to overcome them on and off campuses, and how these might affect the sustainability of international education over the medium to longer term.

Benefits

What we know

International education has multiple benefits for international and domestic students, education institutions, overseas countries, and the Australian economy, community and nation as a whole.

Broadly speaking benefits may be grouped under the following headings:

1) Educational
   • Benefits for institutions
   • Benefits for Australian students and staff
   • Benefits for international students, graduates and alumni
2) Developing countries
3) Conventional diplomacy and trade relations
4) Public diplomacy
5) Cultural
6) Economic
7) Labour market.

Some attempt has been made to identify and elucidate these benefits (Olsen, 2009). An outline is given in Appendix 1 (IEAA, 2011). Benefits will be the subject of a chapter in a publication being produced for the 25th Anniversary of the full fee-paying program in 2011 (IEAA, 2011).

What we don’t know

1) Very little substantial research has been done on the benefits of Australian international education. The most extensive work – on the economic and labour market impacts – is still rudimentary.

2) There are major gaps in understanding the educational, diplomatic and cultural benefits, deficiencies that need to be rectified for purposes of effective public policy, including effective communication with potential students, overseas countries and education institutions, Australian political leaders and the Australian community.

Outcomes

What we know

1. Academic Performance

It is significant that large cohort studies of the performance of international students in Australia and the UK detect no substantial difference in the overall performance of international students when compared to domestic students (Arkoudis and Starfield, 2007). However another study found that international students were less likely to achieve upper level passes at the degree level. Research also tells us that integrated language and content teaching can make a difference to student achievement. In some instances, fairly small scale interventions appear to make a fairly significant difference to performance. Student uptake of additional support also appears to be an important factor.

Numerous studies confirm that the development of English language skills - general proficiency, academic English and English for the workplace – needs to be taken more seriously by institutions. This will require resources for the implementation of existing research findings as well as further research.

Recent research by Foster reported in the Australian media (Campus Review, 2011) expresses significant concern about the performance of international students from non-English-speaking backgrounds (international NESB students) in the Australian higher education system. This is a potentially important study but the methodology and the conclusions drawn have not yet been subjected to any scholarly peer review process. Based on the information provided to date, the study is not fully convincing. There appear to be technical problems with the research as well as an arguable set of interpretations placed on the data which tend to undermine the validity of the work. The study provides only a narrow look even at learning outcomes and overall the data and their implications are not adequately explained.

2. Employment Outcomes

We know a considerable amount about employment outcomes of international graduates.

A survey (AEI 2010) conducted in May 2009 of more than 4,500 international graduates who completed vocational education and training (VET) or higher education qualifications in Australia between 2004 and 2008 indicates passim:
• More than 75% of higher education and VET students state that improved chances of employment are a major factor in choosing where to study.
• Most international graduates were either working or studying or combining work and study.
• Almost half of higher education graduates and two thirds of VET graduates surveyed were living in Australia, with most either already having been granted permanent residency or hoping to obtain permanent residency status.
• Only one in ten were unemployed and looking for work, with many of these being recent graduates presumably affected by the global financial crisis and its impact on global labour markets.
• Graduates who were working in Australia had a slightly higher level of unemployment than those who returned home, although most were working or undertaking further study.
• The majority of graduates who were working were doing so in an occupation in the same field they had studied or in a related field, and most of these graduates reported a high level of satisfaction with their job.
• Graduates working overseas were even more likely to be working in a job related to their qualifications, and reported higher levels of satisfaction than graduates working in Australia.
• For unemployed graduates in Australia, the most common perceived barriers to finding work were a lack of work experience, not having permanent residency, and a lack of jobs in the graduate’s field of study.

One in four Australian employers recruits international student graduates. In 2008 this percentage was 35% (Graduate Careers Australia, 2010). 83% of employers of former international students in Australia expressed satisfaction with their experience of them (AEI, 2010).

Employability, earnings and the likelihood of working in a preferred job are directly proportionate to the English language capability of the graduate as measured by an IELTS score (DIAC, 2006).

There appears to be a disjuncture between graduate and employer perceptions about attributes sought by employers. Attributes most commonly nominated by graduates were effective communication skills, ability to work in a team, knowledge and skills for a particular professional area or discipline, and qualifications or work experience held. Employers on the other hand nominate rate effective problem solving skills and English language competency very highly (see also Economic and Labour Market Impacts below).

3. Migration Outcomes

More than 60% of international students desire permanent residency in Australia but only about 19% achieve it (IDP, 2011). This compares with 21% in the UK and 24% in the US (IDP, 2011).

76% of international graduates who successfully obtain permanent residency are employed in a full time job. 56% are employed in a skilled job (DIAC, 2010).

What we don’t know

1) There is a need for more sophisticated studies of relative academic performance of international students and the effect of international students in the classroom on the academic performance and learning outcomes (both intended and unintended) of domestic students.

2) To what extent other factors, both related and unrelated to cultural background, impact on the academic performance of domestic and international students (e.g. study load, group work, class size, English language background, prior educational experience, proportion of international to domestic students in classes, delivery mode).

3) We don’t fully understand the variety of employment options for international student graduates or how to make use of them to link recruitment, curriculum and labour markets.
4) We do not have the predictive data to educate prospective and current international students about labour market trends.

5) We do not have a digest of good practice in work integrated learning, professional year, co-op and internship programs involving international students to educate both international students and Australian businesses about the employment and labour market benefits of international education and to facilitate job matching and placement.

6) We do not know enough about how international alumni networks can better facilitate international graduate employment in the home or in third countries.

**Economic and labour market impacts**

**What we know**

The broad economic impacts are known. Based on ABS data, the value of education as an export in 2010 was $19.1 billion. Export earnings data at the education sector and state levels (but not at regional level) is also available. Current data does not take into account earnings through transnational education, and importantly export of research, innovation and R&D related services.

Work has begun on direct and indirect economic impacts on labour markets (Access Economics, 2009; Phillimore, J. and Koshy, P. 2010). International education is a major domestic employer. In 2007/8, international education directly or indirectly generated 126,000 equivalent full time jobs representing 1.2% of the Australian workforce. By major state the number of jobs represented is: NSW (47,500), Victoria (39,500), Queensland (16,800), Western Australia (8,000), South Australia (6,000). These analyses have been undertaken in response to short term crisis situations faced by the industry.

Given the demographic challenges faced by most developed economies, attracting and retaining talent is critical to their global competitiveness. International students play a vital role through their labour market participation. Good graduate outcomes therefore benefit the individual, the host country and the home country through global supply chains and diasporas. Competition is high and increasing. Enhancing international student experience and employability is critical to sustain the success of the international student industry (IDP, 2011).

More sophisticated, prospective work needs to be undertaken to properly understand the ongoing and long term impacts of international education on businesses and the economy more broadly. A proper economic modelling would assist education institutions, governments and business more generally in their forward planning.

Australian business is directly affected by and interested in the international student program. Business peak bodies (e.g. the BCA, ACCI and BHERT), along with tourism peaks (e.g. the National Tourism Alliance), are now engaging and working with the education sector on matters of joint interest and concern. There is potential for government and the education sector to work with these groups in identifying and pursuing a priority research projects in relevant areas.

Skilled migration can help meet labour market shortages especially shortfalls at the higher qualification level. Employment of international graduate students can reduce long lead times associated with importing skilled workers and the opportunity costs of skills shortages. Australian employers are conscious of this and increasingly active. 25% of Australian employers who hired foreign workers under the 457 visa increased their intake over the last year (KPMG, 2010).

We know a reasonable amount about employer perceptions of international students (DEEWR, 2010). Employers in Australia and overseas are looking to Australian educated international graduates as one source to alleviate skill shortages. Currently, nearly half are expecting to increase the number of international graduates they employed in the short term. Key attributes sought are English language competency, effective communication skills, the ability to work as part of a team, and effective problem solving skills. There is a disjuncture between skills employers seek and
skills nominated by international graduates as likely to be important for employers. Most employers were satisfied with the performance of international graduates educated in Australia, with around three quarters reporting that international graduates met or exceeded their expectations. For employers in Australia any dissatisfaction is likely to be related to communication skills and standards of written and spoken English, while for offshore employers it was most likely to be with the technical and job function related skills of international graduates.

This research has implications for education providers. Employers believe five key areas need greater emphasis by education institutions: 1) providing practical work experience, 2) linking with business to provide internships, 3) workplace skills and expectations, 4) communications skills and 5) English language skills.

What we don’t know

1) We don’t know enough about the value of Australian education exports of all kinds. Current data do not collect information about or take account of earnings through transnational education or export of research, innovation and R&D related services. If this data exists in ABS sources it is not comprehensively included or analysed for purposes of demonstrating the export value of Australia’s education, training and research. Refinement/extension of export earnings data is needed. [The methodology used by the UK Work Foundation might be worth looking at (The Work Foundation 2010)].

2) We do not know of sufficiently understand the impact of international education on Australia’s productivity, innovation, competitiveness.

3) We do not properly understand the ongoing and long term impacts of international education on education institutions, businesses and the economy more broadly. A proper economic modelling would assist educations institutions, governments and business more generally in their forward planning.

4) We do not have sufficient evidence on which to base and integrate policy planning, strategy development and communication about study and employment, for the mutual benefit of international students and Australian employers.

Institutional impacts

What we know

International students have been an important part of Australian universities in the 1950s and 60s, the more so because the wider Australian society at that time was essentially mono-cultural. With the growth in private students in the 1970s and then the rapid expansion of numbers with the introduction of the full fee program in 1985, international students became a very common sight in Australian education institutions and in the community, transforming them in the process.

The impacts, particularly following growth in full fee paying overseas students have been multiple, broad ranging and are still being felt and played out. They have helped bring about fundamental changes in Australian universities especially. Quite a lot is already known about them. They will be the subject of a chapter in a publication being produced for the 25th Anniversary of the full fee-paying program in 2011 (IEAA, 2011).

Broadly, impacts cover such matters as enrolments and student profile, entrepreneurialism and branding/marketing/positioning (rankings), international student support, internationalisation of curricula, financial and budget matters, capital development, internationalisation strategy, staff and student mobility, offshore delivery, internationalisation of research, partnering and networking, development assistance and capacity building.

Enrolment impacts are well understood. 21% of students enrolled in Australian universities in 2009 were international students (AEI, 2010), the highest amongst OECD countries [the average for OECD countries in 2008 was 7.3%. cf. UK, 16%; New Zealand 13.5%; Canada 7.1%; USA 3.5%]. The range amongst universities is great however, from 3.9% to
52.3%. The median is 18.5%. The overall percentage enrolment has been steadily increasing (cf. 18.6% in 2005), as has the median percentage (cf. 15.4% in 2005).

The financial impact on universities is also well understood. Revenue from international student fees in 2008 totalled 15.5% of all revenue (cf. 15.2% in 2005), suggesting that the Australian university sector is not increasingly reliant on this funding. The median was 14.4%. Again, the range amongst universities is great, from 3.2% to 35.8% (2009) (DEEWR, 2010). Some universities are more financially exposed than others.

What we don’t know

1) Apart from economic impact, the data on institutional impacts is largely anecdotal and some of it tends to be partisan. As mentioned below (in the section Measuring Internationalisation), there are valid questions to ask about the internationalisation outcomes for institutions, especially higher education institution. This research would probably need to be broad ranging. It certainly needs to be impartial.

Social impacts

What we know

Little work has been done on the social impacts of international education. Until recently this has not been a focus of government. While institutions have sometimes been conscious of social issues facing international students and the impact these students have on local communities, investigation into these matters has been small scale and largely single institution based.

Numerous submissions to the Victorian Taskforce on International Education, the Senate Enquiry into International Student Welfare and the NSW Ministerial Taskforce on International Education in the period 2008-2010 drew attention to many social impacts and particularly issues of social inclusion and social engagement by international students with domestic students and with the Australian community.

Heightened concern about issues of safety and security of international students have led to some recent work around these matters and human rights issues generally as they affect international students. Two workshops undertaken by the Australian Human Rights Commission in 2010 in conjunction with the Academy of Social Sciences and with Universities Australia brought together some social scientists and industry practitioners to reflect on current and emerging research around, in particular, racism affecting international students. The research work then and more recently confirms that international students have major social impact (Graycar, 2010).

A subsequent piece of research (Jakubowicz and Monani, 2010) argues that policy in the area has been poorly developed, and has not had a strong evidence base or the underpinning of appropriate research. Furthermore it presents evidence that broader social policies necessary to reduce racism and ensure wider human rights, if international students are included, would serve to ensure that students would feel welcome and that social cohesion would be more attainable. The proposal is for “collaboration between the education sector, human rights institutions, all levels of government, student organisations and civil society”.

Some education sectors have begun working on these matters. Universities Australia in 2009-10 began collecting examples of good practice in safety and in social engagement by international students on and off campus and in March 2011 released Good Practice Guidelines for Enhancing Student Safety (Universities Australia, 2011). The Guidelines, whose development was funded by DEEWR/AEI, support and recognise good practice, both on and off Australian university campuses, that creates and maintains a safe and rewarding learning environment for students and staff. These are practitioner based exemplars and their research basis is not clear.

COAG’s international student strategy was formally endorsed on 13 February 2011 and includes amongst its proposed practical initiatives “a national community engagement strategy that will facilitate connections between international students and the broader community, including increased understanding of rights and support services” (Commonwealth of Australia, 2011). The initiative is yet to be implemented.
An evidence base for successful implementation of the strategy is needed. A research platform on which the strategy is to rest does not appear to exist. Unfortunately, proposals made in 2010 by the education sector to the COAG team for a priority research program on matters affecting international students were not adopted. An action oriented research program is needed, particularly if the community engagement strategy is to be properly focused and delivered successfully.

What we don’t know

While there is a growing body of research illustrating aspects of international student experience on and off campus, it is not sufficiently broad, comprehensive or detailed. There is much we don’t know – about the extent of discrimination, racism, exploitation, and the problems of social engagement and how to best overcome them. A research platform on which to base successful implementation of the ISS and other necessary actions is needed. Research matters requiring investigation include:

1) Accommodation – Survey of international student accommodation expectations, needs, use, all States/Territories. Sample of local students for comparative purposes.

2) Health – Study of the physical and mental health of international students by analysing existing data available through a major health insurer. Significant findings could be gleaned in a relatively short time from this analysis and student focus groups which would be of value to both health and international student policy.

3) Parent concerns – Parents play a very important role in deciding where international students are to study. We know very little about the top parental concerns, although anecdotally, health and accommodation have usually been mentioned as being at the forefront. Now safety and security is also likely to be high on the list. A study of parent concerns would provide the basis for focused institutional responses as well as public diplomacy responses by governments.

4) International student income and expenditure – Comprehensive survey of international student income and expenditure, all States/Territories, using student record data and institutional cooperation to reach the target population – as with the survey of domestic student finances run by the Centre for the Study of Higher Education in the University of Melbourne in 2006, and also happens with the annual surveys of domestic students (Graduate Destinations, CEQ).

5) Identification of intercultural issues – A series of research studies on racism, discrimination and exploitation involving national, multi-sectoral surveys of the domestic and international student populations, including their relations with each other and within the international student population itself. Companion surveys in the general community, about international students, would be a necessary complement.

Diplomatic impacts

What we know

International education has long been identified as an instrument of public diplomacy. The US, UK and Canada all invest significantly in public diplomacy activities and in many ways have been more successful than Australia in linking national branding, education and cultural diplomacy.

In 2007 Australia held its first and only Senate Inquiry into the Nature and Conduct of Public Diplomacy. As a result, the Joint Senate Standing Committee on Foreign Affairs, Defence and Trade defined public diplomacy as ‘the work or activities undertaken to understand, engage and inform individuals and organisations in other countries in order to shape their perceptions in ways that will promote Australia’s foreign policy goals’ (Australian Senate, 2007). RMIT was one of the few universities that contributed to the review, and they noted that ‘the role and significance of universities in the conduct of Australia’s public diplomacy is poorly articulated and relatively unexplored, and hence is not well supported’ (RMIT, 2007).
The Senate Committee made two key recommendations that relate to international education, including (1) that government take a more active role in working with educational institutions on alumni programs for international graduates; and (2) that strategies be developed by the Department of Foreign Affairs and Trade to facilitate more productive engagement by universities in Australia’s public diplomacy. Both of these recommendations were noted, but not accepted.

Whilst the notion of international education as an instrument of soft power and public diplomacy is well researched around the globe, in the Australian lexicon we have only recently connected (or perhaps reconnected) the terms public diplomacy and international education. There are two views as to why this is so. One view posits that in the face of an industry in crisis, public diplomacy was embraced as a solution to rebuild our reputation and important bilateral relationships. The other view is one of an industry that has come of age, successfully commercialising its products and services and now recognising that in order to sustain this market, a new “softer” approach is warranted (Butcher, 2009).

International education practitioners use the terms public diplomacy and soft power interchangeably. Soft power has been defined as ‘the influence and attractiveness a nation acquires when others are drawn to its culture and ideas’. The attractiveness of the state, as portrayed through its identity, values and culture is central to building soft power. Therefore a nation’s soft power potential is said to be enhanced through an active international student program, both inbound and outbound (Nye, 2009).

Work done in 2009 for Universities Australia noted that while public diplomacy and the exercise of Australian soft power are not the primary goals of universities’ international activities, the public diplomacy benefits, are conspicuous and numerous (Olsen, 2009).

Students studying in Australia undoubtedly have a connection with the local community. They make friends and professional contacts. A 2008 study found that 45 per cent of graduates surveyed said they formed networks with Australians during their time in Australia (Banks and Lawrence, 2008). The study also noted that the outcomes and impacts of Australia’s international student program go global. As graduates return home or stay in Australia they develop and maintain networks in Australia and in their country of origin driving social, cultural, political and professional exchanges. The location of international graduates in third destination countries extends their social, cultural and professional networks globally, across borders and across cultures driving global exchanges.

Other expert commentary suggests that an education promotional campaign is more likely to be effective in building international respect than a regular national advertising campaign. The key to overcoming Australia’s “friendly but lightweight” image offshore is not a national brand campaign but the success of high-quality education as an export (Anholt, 2010).

What we don’t know

1) We don’t know, specific to the Australian context, the public diplomacy and soft power potential inherent in international education.

2) We don’t know how to measure public diplomacy outcomes through education.

3) We don’t yet know the best means to align Australia’s foreign policy goals with the global activity of educational institutions.

4) We have not measured the public diplomacy benefits of Australia’s outbound mobility program.

5) We don’t know enough about Australia bilateral and regional trade relationships and how international education and exchange impacts them.
6) We don’t know what percentage of former students engage in an ongoing fashion with Australia and what means are used to do this.

7) We don’t know and can’t quantify the public diplomacy benefits of international education activity efforts by Australian schools and vocational providers.

8) We don’t know the impacts Australia’s international education activity has on Australia’s regional diplomatic relations, especially in Asia.

**Student experience**

**What we know**

Regular omnibus surveys (DEEWR, 2010) of international student experience undertaken by AEI tend to confirm that a high percentage of international students in Australia are satisfied with their study and living experience. The 2010 result mirrors the international benchmark as measured through the International Student Barometer (ISB) (i-graduate 2011) and was an improvement on the levels reported in the last international student survey conducted in Australia in 2006.

Satisfaction with the level of support that international students received on arrival was also high and also reflected the results obtained through the ISB. Respondents in all education sectors indicated that they were satisfied with their overall living experience. In regard to specific aspects of living in Australia where students registered relatively low satisfaction levels (e.g. around accommodation and cost of living), the ratings were similar to that reported by ISB participants. Teaching elements within the Study in Australia category scored very highly, while ratings were lower for aspects relating to work such as work experience and careers advice. ISB respondents and Australian domestic students recorded similar satisfaction levels for these elements. Analysis of the perceptions of respondents in relation to the various support services available to them revealed generally high levels of satisfaction with exceptions being services related to accommodation and careers advice. As was the case in the 2006 ISS, the factors identified by survey respondents as being the most important in terms of influencing their decision about where to study were quality of education, followed by the reputation of the qualification from the institution and reputation of the institution itself.

Despite these generally positive results, there are numerous matters to attend to in relation to student experience for both international and for domestic students.

Research tells us that students have a number of well-defined needs and varying levels of satisfaction in relation to those needs. Among the most important issues are accommodation, language foundations and support, mixing between international and local students, problems of isolation and loneliness, personal safety and security, dealing with abuse and discrimination, financial support, issues of working life.

International students tend to band together and ironically often have a broader and more meaningful intercultural experience on campus than domestic students, without having any deep engagement with the host country culture (Knight, 2011).

Housing cost and availability are primary issues, especially in Sydney and Melbourne, and especially for students with families. The lack of affordable housing close to campus drives many students into accommodation in suburban locations that are less than fully safe, often requiring long journeys at night on public transport. Many students are crowded into shared dwellings where conditions may be unsanitary or otherwise unsafe (for example lack of fire safety, unsecured electrical installations). These accommodations ought to be periodically inspected but are not. Some students experience discrimination in the tight private housing markets.

Passing an IELTS test does not guarantee the capacity to meet academic English requirements or manage communicative English in daily life. Communication difficulties can be a key factor in retarding relationships with local students and contributes to international student loneliness. Given the isolation often experienced by newly arrived
students they have few options for improving their communication skills in depth without paying substantial additional fees. Few tertiary teachers focus specifically on language problems (as distinct from the main content of the degree or diploma program) in a developmental fashion, and language-based assistance provided alongside programs is rarely adequate to meet needs.

About two thirds of international students experience loneliness or isolation during their stay, mostly in the initial months, and a minority remain isolated in later years. Informal networks cannot be guaranteed for all students. Some may be at risk. Relatively few international student experience close friendships with local students (though many have this expectation or hope when they first arrive).

A common experience reported by international students is that most local students do not seem very interested in closer engagement or finding out about their backgrounds in depth. Aside from international students who live in student residents few have ready opportunities to mix frequently with local students outside the classroom. Inside the classroom, in many programs more could be done to structure cross-cultural mixing, e.g. in combined work teams, and encourage mutual recognition and support.

Personal safety and security problems directly affect only a small proportion of the students. But some experience robbery and (less often) physical assault. It is unclear the extent to which international students experience these problems more or less than local students—but it is clear that isolation, lack of networks and/or citizen’s rights, and discriminatory experiences, all tend to compound personal security issues.

Non-white students, and those wearing non-Anglo-Australian garb (e.g. head scarves, turbans) are more likely to experience hate crime in the form of abuse and assault. The 200 interviews conducted for International Student Security (Marginson, Nyland, Sawir, Forbes-Mewett, 2010) found that non-white students were much more likely to report instances of abuse and discrimination. Half of the 200 reported such experiences in their time in Australia.

While campus life is largely free of overt discrimination and abuse, with most such incidents happening in the street, on public transport or in shops, more subtle problems of stereotyping and segregation can limit the on-campus experience. Some international students also face structural barriers when attempting to access work experience as part of their academic programs or at the end of those programs. At times such work experience is a course requirement, but without PR many forms of work experience and employment are more difficult to access.

Studies persistently show that about one third of international students are in financial difficulty and the majority work during the period of study, with lesser protection and support than local workers. Some are in highly exploitative conditions. The absence of student transport concessions in NSW and Victoria compounds the financial difficulties facing some students and has come to symbolise unequal treatment.

What we don’t know

Sustaining students and acknowledging student needs are not simply research problems but are also policy problems. There are threshold questions:

1) Are the information resources provided to international students prior to and during their stay in Australia adequate to meet their needs? In which areas are their pressing needs for more, better or better disseminated information? How can we ensure that information is reaching those who want it and those who need it?

2) Who defines the international student needs that require response, and how can the input of international students be obtained more effectively, as part of this process?

3) In the definition of student needs what is the scope for variation on the basis of nationality, religion, gender, age, field of study, financial position, etc.?
4) Should we understand international students as the bearers not only of needs but of human rights? Which human rights? How do we test and regulate the state of the human rights of non-citizen international students, in the Australian jurisdiction?

5) What should be the balance of responsibility for meeting student needs, between individual student, provider, government, personal networks and the informal sector?

6) Is the present framework of regulation (the ESOS Act and its associated Code) adequate to the sustaining of international students?

7) Is the COAG International Student Strategy adequate to the sustaining of international students and how can we best evaluate its impacts.

Learning and teaching

What we know

Research over many years tells us that if we are to improve the learning outcomes of all students within multi-cultural classrooms we must make changes to both curriculum and pedagogy, but little appears to have changed in practice. There is little evidence of substantial change in teaching and learning processes and outcomes. There is ten years’ worth of evidence, from large and small scale studies, showing the results of this inaction. These studies suggest that we cannot assume benefits will flow automatically from cultural diversity in the classroom. Institutions need to reconceptualise what constitutes ‘good teaching and learning’ for all students.

This situation has resulted in recognition of the importance of taking strategic action to connect institutional policy and mission in internationalisation with the student experience through strategic approaches to internationalisation of the curriculum. This is the ongoing challenge for Australian academic staff and for their universities.

Research undertaken over more than ten years, however, has shown that the presence of international students has not resulted in significant or desired changes to the learning outcomes of domestic or ‘home’ students. That is, international student recruitment has not helped Australian us to achieve the academic and political goals of internationalization so often cited by university managers and politicians.

In 2008 the AUSSE (The Australian University Survey of Student Engagement) found that around 50% of students in over 29 universities in Australia and New Zealand said they had had little, if any, conversation with those who are culturally or ethnically ‘different’ during their entire University study. These issues are not unique to Australia (ACER, 2010).

The same research also tells us that both international and domestic students are concerned with issues around the way they interact, or not, in class and on campus. There is evidence that for around 50% of all students the university experience in Australia is ineffective in increasing cross-cultural interaction and engagement over time. Some studies suggest that the isolation described by incoming international students results from attitudes and actions of home students and academic staff. Other studies explain the lack of cross-cultural interaction and collaboration in classrooms as a consequence of international (rather than local) students’ behaviours. We need to conduct practical, applied research which initiates and evaluates strategic evidence-based changes to curriculum and pedagogy.

Research also tells us that we need to focus on the total student experience, that there is benefit to be gained from aligning the informal curriculum with the formal curriculum. Ongoing and focussed evaluation of the effectiveness of actions and interventions designed to improve interactions between domestic and international students in both the formal and the informal curriculum is required. We need to create reciprocal, rather than one-way learning cultures.

Institutions have a responsibility to prepare their graduates, all of them, to live and work in a global society. This is now core business. The 2009 AUSSE reveals that international students are less positive than domestic students about the extent to which their experiences at university contribute to their development of work-related knowledge and
skills. However, the stratified sampling and subsequent analysis of the AUSSE data is skewed towards responses from domestic students, rather than international students. There is, for example, no post-hoc weighting of international student responses in AUSSE. The International Student Barometer is a valuable source of data but focuses more on student perception of the provision of services and general satisfaction than on academic progress and engagement. The Australian Graduate Survey (AGS) is administered too early to capture useful data on international students’ employment outcomes and it is difficult to capture international student outcomes once they have returned home. The latter resulted in the 2009 Beyond Graduation Survey (BGS) report (the BGS is conducted 3 years after graduation) being almost solely based on the responses of domestic graduates.

Research suggests that engaging academic staff with internationalisation within their disciplinary and institutional contexts is one of the biggest challenges. Even those academic staff who want to engage may not have the skills or knowledge needed to take the next step. Internationalisation of the curriculum in the disciplines has been a low priority in the past and as a result is poorly understood. It’s been something done in the background, of secondary importance to other aspects of internationalisation.

Research (Arkoudis and Starfield, 2007) shows that English language skills development is a critical issue for international students and a potential blocker to deeper and broader engagement with domestic students, the community and employers. Large cohort studies of the performance of international students in Australia and the UK detect no substantial difference in the overall performance of international students when compared to domestic students. However another study found that international students were less likely to achieve upper level passes at the degree level. Research also indicates that integrated language and content teaching can make a difference to student achievement. In some instances, fairly small scale interventions appear to make a fairly significant difference to performance. Student uptake of additional support also appears to be an important factor. Institutions must take the development of English language skills - general proficiency, academic English and English for the workplace – more seriously. This will require resources for the implementation of existing research findings as well as further research.

Success in attracting large numbers of international students into Australian institutions and programs both on- and offshore has posed challenges and opportunities for institutions and for those who teach, research and learn within them.

Some of the challenges have been met, others remain unresolved; some of the opportunities have been grasped; others remain unrealized. For many academic staff tensions have inevitably emerged between a management, market driven approach to internationalisation focused on international student recruitment and an education led, curriculum approach focused on preparing all graduates to live and work in a globalised world.

There are numerous research studies, in particular recent studies funded by the ALTC, that show how we can break through in terms of good practice in learning and teaching in relation to international students. The range of projects and good practice identified, nurtured and supported by the ALTC since its establishment in 2004 has resulted in a significant body of knowledge and scholarship about learning and teaching across cultures broadly. It is important this resource is analysed and disseminated for wider understanding and use by institutions and to guide public policy. The ALTC has called for expressions of interest to this effect.

What we don’t know

1) How we can use the informal curriculum to support the integration of international students into the university community as well as the broader community.

2) What impact organisational factors, such as class size, have on the acculturation and relative performance of international and domestic students
Outbound mobility

What we know

1. Trends

Published global ratios of outbound (study abroad) students indicate that compared with most other countries the three major English language international education study destinations (UK, Australia, UK and USA) send insignificant numbers of their domestic students abroad for study measured against both total higher education enrolments as well as the percentages of inbound international students to those countries (UNESCO, 2009).

The data are confirmed by independent investigations by the British Council the results of which are to be released in May 2011. While UNESCO statistics are inherently troubled by deficiencies in countries returns, the data indicate Australia does not reciprocate in mobility of its students when interacting with other countries. Indeed it is seriously out of balance compared with other countries, including major business and education partners within our region. This is not only unfortunate in terms of Australian students and their institutions; it is also likely to be untenable in the longer term in the context of increasingly globalised education and trade.

The US has begun to recognise this, especially in relation to China. Citing the strategic importance of the U.S.-China relationship, in November 2009, President Barack Obama announced the “100,000 Strong” initiative, a national effort designed to increase dramatically the number and diversify the composition of American students studying in China. Secretary of State Hillary Clinton officially launched the initiative in May 2010 in Beijing. The Chinese government strongly supports the initiative and has already committed 10,000 “Bridge Scholarships” for American students to study in China (US Department of State, 2010).

Australian outbound mobility programs have grown in size and strategic importance in recent years. The university, VET and schools sectors have all developed their own responses to internationalisation. Mobility of students (and staff) is a key platform.

Research shows that Australian students are increasingly interested in outbound mobility. Forms of mobility are diversifying beyond traditional year-long and semester-length exchange and language foreign language extension programs to include internships and international volunteering. It is clear also that many students would not be able to participate in outbound mobility without funding support (Potts and Koban, 2010).

In a recent study (Olsen, 2010) involving 36 Australian universities, 15,058 students at all levels undertook international study experiences. 6.1% of completing students at all levels in Australian universities undertake international study experiences. The key cohort of importance to universities is domestic undergraduates. In the 36 universities that participated in the study, the number of international study experiences undertaken by Australian undergraduate students in 2009 (9,703) was equivalent to 8.8% of domestic undergraduate completions. In other words, 8.8% of completing undergraduates in Australian universities have an overseas study experience. This figure compares with 10.1% in the U.S.

A typology of international study experiences identifies six broad categories – “exchange”, “other semester/year programs”, “short term programs”, “placements/practical training”, “research” and “other”. 40% of international study experiences in 2009 are exchange, followed by short term programs (30%), research (15%), placements/practical training (12%), other semester/year programs (2%) and other (1%).

Women dominate international study experiences by a ratio of 3:2. 44% more women than men are undertaking international study. The main fields of study are Management and Commerce (19%), Society and Culture (18%) and Health (12.5%). Approximately 2 in 5 (36.6%) of students went to Europe. Approximately 1 in 5 (22.0%) went to the Americas. Approximately 1 in 3 (32.2%) went to Asia. A small proportion (2%) chose Australia as their overseas study destination (i.e. students from Australian overseas campuses).
Almost three quarters (73%) of outbound students received financial support for their overseas study, for example through a travel grant. 61% were supported by university funds, or from a combination of university funds and other funding sources. 14% were supported by OS HELP or a combination of OS HELP and other funding sources.

Universities reported in aggregate $24.2 million in funding for international study experiences in 2009, including $17.4 million in university funds, $6.3 million in funds from Australian Government programs and $614,000 from private funds or foundations in Australia. Universities reported a further $11.3 million in loan funds from OS HELP. Universities play the dominant role in funding outward mobility.

The study demonstrated that as university funds for outward mobility increase, access to international study experiences by Australian undergraduates also increases. Even small amounts of funding appear to assist. Two universities in the 2009 study were able to lift their undergraduate outbound mobility above 15% with relatively modest amounts of funding.

Outbound mobility in the VET sector is still in its infancy, with an estimated 500 students undertaking international placements and study exchange in less than 20 colleges (based on the number of successful grants awarded though the Endeavour VET Mobility Grants since their inception in 2009). However, with direct funding support available through Endeavour VET Mobility Grants to manage student programs, interest and practice is growing. VET mobility in Australia is well behind the policy and program initiatives in place in Europe, Canada and USA.

Schools mobility, through study tours and short term exchange, is also significant. Many schools, both public and private, support programs through sister school arrangements and other language and cultural exchange programs. However no national data is currently available for the schools sector.

2. Drivers and barriers to outbound mobility

Australian and international research points to common barriers and drivers in growing outbound mobility, at both the institutional and individual level. Depending on the student cohort, destination and discipline of study barriers may change but overall they have been identified as (1) financial (2) linguistic (3) institutional constraints; and (4) student attitudes.

The research mentioned above points to the importance of funding, even modest amounts of money.

Drivers for mobility are as diverse as the students who participate. Institutional drivers include the link to institutional internationalisation strategies, desire to offer unique programs to students in a competitive market, commitment to “produce” global graduates for the workforce; and to enhance inbound student programs or support offshore campuses.

For students, the drivers are often to gain new skills, improve language, experience another culture, get an edge in the competitive job market and add relevance to their formal learning in a real world context.

There is some evidence from European studies (Bracht, et. al., 2006) that there is a multiplier effect in study abroad. That is, if a student studies abroad during school years they are twice as likely to study abroad again during when at university.

3. Employer perceptions

There is emerging evidence that employers appreciate the skills that students who have participated in outbound mobility programs bring to their business (Crossman and Clark, 2009). A landmark Australian study in 2006 found that the majority of employers predict growth or at least some interaction with foreign organisations over the next decade. Moreover, approximately 4 in 5 employers believe that graduates who undertake overseas experience return to
Australia with enhanced skills that are applicable to the workplace, and 3 in 5 believe an overseas study experience is a competitive addition to a resume (QETI and IEAA, 2006).

There is evidence from extensive Erasmus research in Europe that a mobility experience enhances employability, and increases promotional opportunities after employment. Employers in Europe rate participants as superior in many areas of skills after employment. Former Erasmus participants are more likely to be working in jobs with international contact.

Volunteering is growing in popularity amongst university and VET students. A recent study documented the skills developed by Australians who volunteer overseas and examined how these skills match the needs of Australian employers. It argues that time spent volunteering overseas should be seen as an investment in developing critical skills, rather than a break from the workforce (Brook, et. al., 2010).

4. Academic and non-academic outcomes/impacts

Practitioners and academics agree study abroad can offer many life-changing and enduring educational, intercultural, personal (including career) and social benefits. “Few other experiences in life net such a positive and sustainable impact” (Dwyer and Peter, 2008). However, to simply send students to a location abroad for study is not sufficient to facilitate the larger goal of creating effective global citizenship (Vande Berg, 2008). Many institutions use tools such as the Intercultural Development Inventory (IDI) to measure pre and post-exchange impacts. A US based study looking at “curriculum intervention” reported significant enhanced IDI ratings (Pedersen P (2009). Similar research the Australia and New Zealand context suggests that while student exchange is espoused as an effective method for increasing the intercultural competence of domestic students to perform in the global marketplace, there is in fact limited research that empirically examines the student exchange experience (Daly, 2007).

Using data from the US National Survey of Student Engagement (NSSE) a US multi-institutional study indicated that study abroad has an impact on two measures of deep learning, specifically integrative and reflective learning. A significant impact was also found in the areas of personal and social development (Gonyea, 2008). This information is also included in the AUSSE instrument, but work needs to be done to pull out the relevant findings.

What research has been done tends to confirm that students perceive an overseas study experience benefits them in terms of personal and social development and materially helps them to secure a job. Australian students, more than their North American counterparts, have the opportunity to network while overseas and this is regarded by them as beneficial to their professional and career development. Australian students are also more interested in and inclined to follow through to postgraduate study upon their return (Nunan, 2006; Potts & Koban, 2010).

There are very few objective (non self-reported) studies of professional and career outcomes, either to their education or professionally. To some degree and with some qualifications, US institutions claim to know that study abroad can improve retention of minorities, increase GPA on graduation, and increase graduate rates. There is also some evidence from the US that study abroad increases enrolment in graduate courses. There is also some evidence from the US that study abroad increases social responsibility and civic engagement.

5. Quality assurance/standards in outbound mobility

The issue of quality assurance and standards is often linked to how to measure the impact of an international experience and what the quality measures should be that need to be included in outbound mobility programs. The US Forum on Education Abroad’s Standards Program and Quality Improvement Program are good examples of international practitioners coming together to research and codify good practice and minimum standards in order to improve outcomes from study abroad experiences. In Australia, IEAA’s Outbound Mobility SIG is active in this space and working closely with The Forum on researching good practice, understanding and disseminating lessons from US experience and developing potential new initiatives, including by working on joint projects.

What we don’t know
1) We do not routinely collect the data on outbound student mobility in the university, VET and schools sectors. While information for the university sector is improving through occasional benchmark research, outbound mobility data for the VET and schools sectors is seriously deficient or non-existant.

2) We do not know enough about how best to raise the number and proportion of Australian students studying abroad, including lower SES students, in universities and VET.

3) We do not know whether experience of study abroad at school has a positive impact on the decision to study abroad when in higher education.

4) We do not fully know or understand the academic and other outcomes of study abroad for Australian students. We need more and better outcomes and impact related research, including labour market impacts. As part of this, a study needs to be undertaken drawing on the AUSSE to assess the impact of study abroad on students’ deep learning.

5) We do not know what forms/types and the duration of mobility programs make the biggest difference.

6) We do not know enough about graduate student participation in outbound mobility, particularly needs, motivations and outcomes for research, innovation and business/industry.

7) We do not know what Australian employer needs are in terms of diversifying the fields for abroad (e.g. medical sciences, teaching?).

8) We do not know whether and how an early mobility experience, i.e. during school, impacts a student’s willingness and openness to studying abroad as a higher education student.

9) We do not know how important language capability and interest in improving language capability is as a driver for outbound mobility.

10) We do not know how best to link inbound and outbound mobility for sustainable internationalisatio.

11) We do not know how to more directly connect and measure the public diplomacy benefits associated with outbound mobility.

12) We do not have access to longitudinal outcomes of study abroad on career and job prospects for Australian students.

**Transnational education**

**What we know**

1. **Data**

There is no globally accepted standard set of classifications of types of Transnational Education –distance education, partner-supported, branch campus, etc. Neither is there a useful common set of data for comparison purposes. Australia and the UK collect useful data but it is not readily comparable, and the other major provider, the USA, publishes no data.

Australian data on offshore providers and enrolments is reasonable but needs improvement. Its publication is not always timely. DEEWR does not have a comprehensive data set for enrolments. Auslist provides of list of “accredited transnational courses offered by Australian providers (AUSLIST, 2011). DEEWR also produces snapshot data reports,
with some coverage limitations (DEEWR, 2011). The information is frequently out of date by the time it is published. Some data is also collected for public VET provision (NCVER, 2011). No data exists for private VET offshore provision.

2. Demand trends

Demand for TNE globally however appears to be on the rise. In 2009, there were 162 higher education branch campuses operating globally, an increase of 43% since 2006. More than half were American. 11% were Australian and 10% were from the UK. The number of countries hosting international branch campuses also grew from 36 in 2006 to 51 in 2009. There were 11 Indian campuses operating, all but one in the UAE. The UAE remains the most popular host country (OBHE, 2009).

Quite a lot is known about trends in demand for Australian TNE. The number of Australian university TNE programs peaked in 2003 at 1,569 and then began to decline to 889 in 2008, a drop of 43%. Fluctuations in student numbers in Australian university TNE programs have been accompanied by changes in the nature of TNE engagement by Australian universities where growth in student numbers is following a period of rationalisation of TNE programs and providers. By 2008/9 more students were enrolled in fewer programs. Despite this, total enrolments have been largely unaffected since 2003, remaining at or around 60,000. Foreign branch campuses are driving growth in student numbers (Banks, et. al, 2010).

3. Business processes

Quite a lot is known about the commercial and operational aspects of partner-supported transnational programs, thanks to Transnational Quality Strategy (TQS) delivered by AEI since 2005 which has produced a useful series of research projects across the university, VET and English language sectors and which more recently resulted in synthesis and dissemination of good practice in the delivery and management of Australian TNE. The TQS is a good example of cooperation between the government and the education sector to ensure strategic outcomes of benefit to students, institutions overseas governments and Australian education exports generally.

4. Regulation in overseas jurisdictions

There has been quite a lot written about regulation of transnational education in various overseas jurisdictions, both in terms of updates provided by AEI, regular reports published by the Observatory for Borderless Higher Education (OBHE) and the work of McBurnie and Ziguras (2001, 2007, 2009) and others.

5. Learning and teaching

There is also a considerable body of research on learning and teaching in offshore programs, some of as part of the research initiatives prompted by the TQS and more recently others supported by the Australian Learning and Teaching Council (see p. 19).

6. Quality assurance

AUQA has developed sophisticated procedural frameworks for monitoring the quality of Australian borderless educational activities, has identified good practice and has and has developed resources and provided practical advice on TNE quality assurance learned through cycle 1 and cycle 2 all Australian universities. (Woodhouse, D. and Anthony, S., 2008; AUQA, 2008).

Significant lessons have been learned as a result of AUQA processes and from related research into TNE. It is clear that quality assurance for national and international (TNE) delivery is itself becoming international. No national quality agency can be expert in all the national contexts. Consequently, collaborative arrangements between national quality assurance agencies are becoming more prevalent and will lead to increased sharing of experience and the lessons learned.
The importing-exporting divide is also breaking down, with exporters such as Australia themselves becoming importers. Again, this has consequences for cooperation between quality assurance agencies, with efforts more and more being to develop a balanced quality assurance framework that considers the issues related to both export and import.

With the active engagement of national quality assurance agencies there is also a decrease in the prevailing initial perception that TNE delivery is of low-quality. There is an increasing awareness that transnational delivery can respond to human and social development needs, provide new opportunities, widen access and increase the possibilities for improving the skills of the workforce if managed appropriately. Sensitivity to national regulations remains, but changing perceptions resulting from the vigilance of governments and quality assurance agencies and frameworks have also begun to influence perceptions that education, including transnational education, should not be offered for profit. Negative perceptions towards trade and profit in education are giving way to cautious and constructive business models that have enough safeguards to protect educational principles and the public good.

A final lesson is that policy support to TNE providers from their own governments and the education sector is crucial. Australian institutions have good policy and support from the Australian government as well as through their collegial forums that help the TNE providers to share information and learn from each other. The integrated and comprehensive framework the Australian education sector has in terms of the policy, legal and quality assurance context for TNE are clearly exemplars of good practice globally.

7. Emerging trends

Finally, there is considerable interest and research in emerging trends in TNE. From a macroeconomic perspective, the ongoing economic crisis will remain the key force effecting change in borderless higher education for some time yet to come. The economic exigencies of the GFC are set to quicken the changes already underway. If the Australian dollar maintains it current strength relative to the US and UK currencies and with tightening student visa conditions in Australia, Australian institutions are now, necessarily looking with renewed interest at expanding offshore education provision. The Asian financial crisis of the 1990s, which stopped many students from travelling abroad to study, spurred the last great wave of offshore campus development. Recent policy decisions may contribute to the next one (Ziguras, 2011).

Five emerging issues are likely to colour the prospective shape of TNE (OBHE, 2011):

1) Increased privatization.

2) The impact of new learning technologies.

3) A possible conceptual repositioning, through a resetting or realignment by institutions of the scope and scale of their borderless agendas, the unbundling of the academic role, a changed pedagogical imperative or the shift away from national competition to more shared cooperation in offshore delivery.

4) A vitalization of higher education in non-Western countries (e.g. following UNESCO s 2009 World Conference on Higher Education) and an increased demand for contextualization of higher education to local needs, and

5) Strategic mobility diversification with student mobility and international research collaboration continuing to flourish and “balanced mobility” becoming more pressing, leading to a strategic change in higher education environments offering possibilities to stimulate greater activity borderless activity through other means.
What we don't know

1) The changing character and the global scale of and demand for TNE and Australia’s potential future role.

2) The graduate destinations of our offshore students (possibly extend the graduate destinations survey to offshore students).

3) The comparative academic outcomes for offshore students and the long-term impact of their Australian qualification.

4) In terms of learning and teaching, the extent of offshore student engagement (possibly extend the AUSSE to offshore students).

5) How graduates of transnational programs and campuses are viewed by local employers.

6) How the presence of large numbers of foreign programs in particular cities has affected the educational landscape and the labour force of the cities in which they are located.

7) How the established international branch campuses are being integrated with the Australian home campuses and what mix of teaching, research and engagement with communities and industry is developing?

8) Who teaches in transnational programs and campuses. There is a large and growing pool of foreign educated academics and expats moving between transnational operations. They have considerable expertise and experience of different models.

Internationalisation of research

What we know

1. Global competition

The UK and USA have traditionally been the locations and partners of choice globally for international researchers and research students.

While the UK’s international research collaborations doubled over the past ten years, and while the UK now collaborates with China more than with any other European country there is a strong awareness that Chinese researchers have more than doubled their international research collaborations and tripled their share of world publications over the same ten year period (Universities UK, 2008).

In the face of growing global competition the UK knows and acts on the belief that it is critical that it continues to successfully exploit its reputation for high quality, improve its attractiveness for direct foreign investment in its research, and capitalise on international collaborations. Enhancing the UK’s research performance is an explicit national priority. UK governments are working to mobilise not only institutions but to consider ways national agencies might provide additional support to ensure collaborative research activity is strengthened and research performance and competitiveness are enhanced.

Research shows that larger, well-established research countries, including Australia and the UK, have had their share of global international research output eroded, the most commentators expect this relative decline to continue (Universities UK, 2008).

The motivations for and benefits from international research are generally agreed across countries and by politicians and policy makers. There are four confirmed motives: 1) the competitiveness and sustainability of the domestic
research system; 2) domestic economic growth; 3) a commitment to working together to solve common problems from climate change to poverty; and 4) a commitment to internationalisation and a global citizenry more generally.

Policy makers in most countries where research is well-established do not believe their country is as effectively positioned as it should be or that their country remains a clear leader. Most agree there is a great deal to be done at the policy level. There is a genuine sense of risk of being left behind.

Research suggests there is no systematic overview of the extent or how countries are attempting to support international research collaboration. Most however appear to employ a combination of routine monitoring and feedback on developments and opportunities in target countries, some form of in-country promotion and support, as well as high level endorsement (with politicians signing open collaborative agreements).

Key output indicators used to measure international research collaboration are:
- International research outputs
- International patents
- International research awards (and their value)
- Non-national researchers and research students

The first three - using bibliometric data – have been used to produce a systematic, quantified picture of the development of international research collaborations ( Universities UK, 2008). This data is somewhat out of date, comparing as it does trends from the period 1996-2000 with trends from the period 2001-2005. However, it is the most comprehensive, recent data we have. The picture for Australia reveals research collaborations with the eight other countries (UK, USA, Canada, France, Germany, Japan, China, India) have grown significantly, generally around 150%, except in the case of China and India where growth has been 250% and 198% respectively. Only Japan and China have outstripped Australia in terms of growth in research collaboration with India. Australia is ranked first when it comes to growth of research collaborations with China ( Universities UK, 2008).

Research also suggests that traditional notions of research excellence as the primary driver of increased collaboration may be overstated and that other factors such as access to international research labour markets (students and researchers) are also critically important. Regional alliances also seem to be winning out over more distant pairings. There appear to be significant differences (limits?) for international collaboration in the social sciences, arts and humanities than there are in the science and technology (STEM) disciplines.

While institutional internationalisation of research strategies and strategic management are clearly critical for success, other matters also require attention. Amongst other things:

1) There is little awareness often of the research profile and strengths of Australian universities in other countries, and particularly in newly emerging research countries where the reputation of US, UK and in some cases Japanese universities tend to be much better known. More and better promotion of the research capabilities of leading Australia universities (or clusters of universities) should be undertaken, probably in particular fields.

2) Investments should be focused on measures to support cross-institutional (e.g. within Australia) research networking.

3) Seed funds and possibly co-financed funds may be needed to help universities to extend beyond individual researcher led activity.
2. International research students

We know a reasonable amount about international competition for research students and Australia’s relative position. The most comprehensive analyses of global competition for international research students was undertaken in 2008 for Universities UK (Kemp, et. al, 2008). An Australia specific analysis was also undertaken (Ziguras, 2008).

The UK study found inter alia that research students make a major contribution to a country’s research output. OECD countries especially need international postgraduate research (PGR) students, particularly in science technology, engineering and mathematics (STEM) disciplines, as there is relatively low domestic student demand in key disciplines. There is growing international competition, from the US, across Europe and from other countries, especially China and Singapore.

In the US, a study by the World Bank, The Contribution of Skilled Immigration and International Graduate Students to US Innovation, showed that international graduates have a substantial impact in US patents awarded. A 10% increase in numbers of foreign graduate students has been estimated as raising patent applications by 3.3%. However, enrolments of US domestic graduate students would have no effect. International postgraduate students contribute to the US’s productivity by complementing local capability rather than by substituting for it (Chellaraj, et. al. 2004).

The global competition for international research students is changing in significant ways. While there are more competitors, both countries and institutions, there are increasingly different approaches to funding and student support. Post 9/11, the US has reinvigorated its efforts and support and is the dominant global player.

There are an estimated 300,000 globally mobile international research students, 40% are in the US. The UK share is 15%. Australia’s is 1% (Kemp, et. al, 2008). The proportion of international research students in Australia is much lower than in any Anglophone country in the OECD Australia is ranked behind Switzerland, New Zealand, Canada and Belgium (Ziguras, 2008). Australia ranks sixth in terms of “attractiveness” for international PGR students behind the US, UK, Germany, Canada, and France.

Nearly three quarters of recent PhD graduates in Australia work outside the University sector. Yet Australia has a lower rate of PhD graduates per thousand in the workforce than countries that are research leaders (Germany 28, United States 11, Australia 8) (Ziguras, 2008). Between 1995 and 2006, the number of commencing PhD students decreased by 30%. The current rate of completion of PhD graduates is not sufficient to supply the Australian domestic academic labour market (Go8, 2007).

In Australia approximately 18% of PGR students are international. International PGR students comprise 42% of all UK PGR students and are worth an estimated AUD 1.4 billion directly to the UK economy (and much more indirectly).

In terms of finance, 52% of PGR students in the UK are funded through home, international or UK scholarships, UK fee waivers/discounts or by UK foundations. Costs to these students are frequently augmented by part time work (Kemp, et. al. 2008).

In Australia only 18% of PGR students are supported by the Australian Government (Endeavour, ADS, ALAS, ACIAR or APS scholarships. Funding support for domestic PGR students represents 97% of total Australian Government support for PGR students. By contrast, international PGR students receive only 3% of total Australian Government support (DiSER, 2008). Two thirds of Australian universities themselves provide a range of financial support to International PGR students (from full scholarships and fee waivers through to living allowances for IPRS recipients only). 48% of international PGR students are fully or partially supported through university funds (Ziguras, 2008).

Clearly, Australia has a long way to go to improve its competitiveness in attracting and supporting international PGR students and gaining full advantage of the intellectual and economic contributions these students make to basic research, to national R&D and innovation and to national prosperity.
What we don’t know

1) We are not effectively monitoring global trends in completion for international researchers and potential international research students.

2) We don’t know enough about how Australia is perceived as a destination for international research students and international researchers, what barriers exist and how best to go about attracting highly skilled researchers.

3) We don’t know what the crucial attractors for direct foreign investment (DFI) into Australian research are for particular counties and potential investors on an individual industry/business basis.

International partnerships

What we know

Many education institutions, and in particular universities, are international organisations with a diverse body of staff and students. They have links, partnerships and collaborations with universities, businesses and other organisations around the world. Their international dimension is essential to their ability to prosper and remain competitive, and to drive economic growth (Universities UK, 2008).

International partnerships are different from but might include international research and development collaborations. They also might include partnerships for transnational delivery, student exchange and delivery of technical and education assistance projects, and possibly for innovation and direct foreign investment purposes.

There is a significant and growing literature on international education partnership management, particularly in transnational education (IEAA, 2008; Fielden, 2011; AUQA 2011). Many of the factors governing success are applicable across the different kinds of international partnerships.

We know a considerable amount about critical business success and quality management factors in international partnerships. These include good strategic alignment between the partners (including alignment of educational objectives and values), clear authorities for negotiation, effective due diligence on prospective partners, clarity and transparency of financial and accountability matters, knowledge of legal/regulatory frameworks, clear contractual arrangements, respect and trust between the partners, effective risk analysis and risk management strategies, good project management and project monitoring protocols, good communication protocols, strong administrative systems with the capacity to interface; good critical incident management; and a clear exit strategy. A quality management system taking into account the complexity of the home institution’s quality assurance frameworks as well as those of the partner is a major task and one that needs to be well resourced, is also a critical factor (IEAA, 2008).

We also know a reasonable amount about the leadership factors necessary for establishing and managing international partnerships. Leadership involves:

- Setting the vision and strategy (including embracing earlier initiatives and bringing them within the strategy).
- Appointing able champions to develop and carry out the activity.
- Obtaining support from administrators and faculty members for the partnership.
- Providing financial resources from central funds to create or encourage partnerships.
- Managing the involvement of the university’s Governing Body.
- Supervising the human-resource implications.
- Handling cross cultural differences.
Because partnerships are different and change over time it can’t be assumed that leaders require a common range of skills for all the partnerships they might encounter. A different mix of competences is required for different purposes and at different stages (Fielden, 2011).

**What we don’t know**

1) We do not know enough about how international partnerships fit within higher education institutional international strategic planning.

2) What mechanisms can be used to gain the academic staff involvement and ownership which is necessary for the success of institutionally driven international partnerships.

3) What priority focus should be given to the formation and sustaining of international partnerships by Australian institutions to meet Australia’s broad international engagement objectives. What are the priorities for and how is it best for institutions to go about establishing regional partnerships (and networks of partnerships) in Asia, Europe, North America, or globally?

4) Will the increased global competition in higher education enhance or destroy the value of cooperative and not-for-profit international partnerships/networks?

5) What are the benefits and disadvantages of bilateral versus multilateral institutional partnerships and for small versus big institutional networks?

6) How do we best go about initiating and sustaining international partnerships with industry/corporations for research and development collaboration?

**Investment in the industry**

**What we know**

University international offices over the past decade have benchmarked expenditure on international student recruitment and support of international students amongst themselves. Similar efforts have been undertaken more recently in the public VET sector. Generic data is available which is useful at the institutional planning level.

We know very little about broad scale investments in the industry. Clearly both the education sector and governments make major investments, but the quantum, balance and disposition of these is not known or understood. It is not possible to get a sense of whether these investments are at the right level(s), are well focused or are showing optimum return.

The investment made by the Australian taxpayer in education as an export industry relative to other major service exports such as tourism is likewise unknown. Would it be better for the nation to increase investments in education exports? Should such investments be commensurable with, less, or more than tax payer investments in other industries?

It is clear that investment into research related to the industry is modest compared with investment in research supporting other export industries.

There is a related public policy issue, and that is the level of political oversight of the industry and coordination of effort across government at the national level. A better understanding of current and desirable investment levels would probably help inform decisions about the best way for government to support and sustain the industry over the long term.

**What we don’t know**

1) We do not know enough about the direct and indirect investments international education in all its forms by Australian government and industry and how these compare internationally.
2) We do not know what the optimum level of investment should be to achieve Australia’s broad global engagement objectives.

3) We do not know enough about the mechanisms and the vehicles for increasing investment in international education to desirable levels.

**Measuring Internationalisation**

**What we know**

Internationalisation of education “has come of age” and is now central to institutional strategic plans and national policy statements. Research on international education abounds and it is getting to be hard to keep up. But what do we mean by “internationalisation” and is what we are doing valid, useful or even moral?

There are a variety of ways of measuring internationalisation (Back, et. al, 1996). These days, internationalisation of education (and research) is closely linked with economic competitiveness, the quest for global status, and soft power. Economic and political rationales are increasingly the key drivers for national policies related to the international higher education, while academic and social/cultural motivations appear to be decreasing in importance. (Knight, 2011).

Some critics question whether internationalisation is now an instrument of the less attractive side of globalisation:

“Recent national and worldwide surveys of university internationalization priorities show that establishing an international profile or global standing is seen to be more important that reaching international standards of excellence or improving quality. Capacity building through international cooperation is being replaced by status building projects to gain world class recognition. International student mobility is now big business and becoming more closely aligned to recruitment of brains for national science and technology agendas. Some private and public education institutions are changing academic standards and transforming into visa factories in response to immigration priorities and revenue generation imperatives. More international academic projects and partnerships are becoming commercialized and profit driven as are international accreditation services. Diploma mills and rogue providers are selling bogus qualifications and causing havoc for international qualification recognition. Awarding two degrees from institutions located in different countries based on the workload for one degree is being promoted through some rather dubious double degree programs. And all of this is in the name of internationalization?” (Knight, 2011).

Knight asks a fundamental question: “What are the core principles and values underpinning internationalization of higher education that in 10 or 20 years from now will make us look back and be proud of the track record and contribution that international higher education has made to the more interdependent world we live in, the next generation of citizens, and the bottom billion people living in poverty (Knight, 2011).

Internationalisation in Australia, in policy and practice, has focused on the recruitment of fee paying overseas students so that levels of internationalization have been equated with numbers of international students on campus, numbers of offshore programs, percentage of revenue earned through international activities etc. These are the usual descriptors of internationalization in Australian education.

Five “myths” of internationalisation have recently been posited:

**Myth 1**: Foreign students are internationalisation agents (i.e. that the more foreign students on campus will produce more internationalised institutional culture and curriculum).

**Myth 2**: International reputation is a proxy for quality (i.e. the more international an institution is—in terms of students, faculty, curriculum, research, agreements, and network memberships— the better its reputation).
Myth 3: International institutional agreements (i.e. the greater number of international agreements or network memberships an institution has the more prestigious and attractive it is to other institutions and students).

Myth 4: International accreditation (i.e. the more international accreditation stars an institution has, the more internationalized it is and ergo the better it is).

Myth 5: Global branding (i.e. that the purpose of an institution’s internationalisation efforts is to improve global brand or standing) (Knight, 2011).

A common element in many of these myths is that the benefits of internationalisation or the degree of internationality can be measured quantitatively. But while quantitative measures may be useful, especially to meet accountability requirements, do they capture the human key intangible performances of students, faculty, and researchers, or persuade the broader community about the significant benefits of internationalisation?

There are probably additional myths, as well as fundamental truths, about internationalisation that require further reflection and discussion. The purpose of reflection must be to ensure that internationalisation is on the right track and that we are aware of intended and unintended consequences as institutions weather the turbulence of competitiveness, rankings, and commercialism that seem to be the driving forces behind internationalisation of education.

What we don’t know

(1) We don’t know, or possibly more fundamentally we are not well positioned to persuade critics, that internationalisation of education is a “good” thing. There is a need to reflect on, assess and reassess the purpose and value of internationalisation, and communicate its value to wider audiences.
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BENEFITS OF INTERNATIONAL EDUCATION

EDUCATIONAL

Benefits for institutions

- Contributions to institutional finances – international student fees subsidise the education of Australian students. Without revenue from international student fees billions of new domestic funding either from government (i.e. from the Australian taxpayer) or from fees for Australian students (i.e. direct from Australian families) would be needed for Australian universities to operate at the standard they do.

- International student fees allow universities to provide things that they otherwise couldn’t provide:
  - critical infrastructure (staff, classrooms, laboratories, equipment, libraries, buildings, etc)
  - more courses and a wider range of subjects for Australian students;
  - scholarships for Australian students, including assistance to study abroad.

- The ability to attract students from across the globe enhances the reputation as well as cultural life of universities, to the benefit of all students and staff.

- International students are a major driver for institutional quality including because of the regulatory and audit requirements set by the Australian and State Governments to ensure quality education qualifications and to ensure international students as consumers are protected.

- International research students underpin Australia’s research effort. In 2006, 19.1% of all postgraduate research students in Australian universities were international students.

- International research students are some of the best and brightest in the world and allow Australian institutions to be world class in research. Australia’s research and capacity for invention, innovation and entrepreneurship depends on attracting the best minds in the world. The research strength and reputation of the USA is driven largely by international research students and researchers. Australian needs to compete at a similar level.

- Some of the best international research students go on to be appointed as staff of Australian universities, especially in disciplines where shortages are most acute. They bring new perspectives and help replenish the Australian academic and teaching workforce.

- Internationalisation of curriculum; wider cultural understanding; languages, culture and society.

- Teaching international students offshore in their own country ("transnational education") means that Australian institutions and their staff are able to gain a close and deep understanding of overseas countries and their education systems and communities. This has benefits for the local Australian institution back home in terms of the internationalisation of their staff and their curricula.

- Pathway programs developed specially for international students to allow them to prepare for successful higher education study are available to Australian students. These pathway programs give Australian students who otherwise wouldn’t be able to do so the opportunity to study at university.

Benefits for Australian students

- International students bring wider global perspectives, providing Australian students with a diverse, intercultural learning environment which will enable them to function effectively in the globalised world of work.

- International study abroad and exchange programs put in place with overseas universities provide Australian students a variety of study opportunities in a wide range of countries. In 2007, nearly 6% of completing undergraduates in
Australian universities undertook an international study experience by the time they graduated. Sixty per cent of these international study experiences are supported by university funds.

Benefits for international students, graduates and alumni

- Major surveys indicate that the overwhelming majority of international students are satisfied with their experiences living and studying in Australia. In 2005, of the international higher education students: 85% were either very satisfied or satisfied with studying in Australia; 98% would recommend studying in Australia to friends and family; 83% were either very satisfied or satisfied with the course they were completing; and 67% would recommend their course to friends or family (AEI 2005).

- Social integration aspects such as Australian attitudes towards international students, as well as forming close friendships between international and Australian students, were potential areas for improvement.

BENEFITS FOR DEVELOPING COUNTRIES

- Many Australian institutions began the process of their internationalisation through the provision of education to Colombo Plan fellows. In the 35 years after 1950, some 40,000 people from Asia came to study in Australian institutions under the Colombo Plan.

- More broadly, Australia contributed to scholarships and training through UNESCO, the Colombo Plan, the Commonwealth Scholarship and Fellowship Plan and the Commonwealth Cooperation in Education Scheme, as well as through various schemes since then.

- From the 1940s until 1985 around 200,000 students were assisted by Australia, other donors or their own governments to study in Australia.

- Australia’s continuing development assistance programs has major positive impacts on the receiving countries, as well as on Australia’s international and public diplomacy and the nation’s long term international engagement, through ongoing personal, diplomatic, educational, trade, and cultural links.

BENEFITS FOR CONVENTIONAL DIPLOMACY AND TRADE LINKS

- Over 1 million international students are Australian graduates, many of whom are political, business and community leaders, as well as internationally recognised scholars and researchers, in their own country or internationally. They are Australia’s best ambassadors. They strengthen Australia’s position as an international player in a broad sense.

PUBLIC DIPLOMACY BENEFITS

- Education contributes to the image of Australia as a modern, advanced society and economy, with high quality education and research capability, facilities and staff and as an attractive site for foreign investment.

- Education is central to the international image of Australia as a “clever” country.

- Education demonstrates that Australia is “more than a mine with a view”.

CULTURAL BENEFITS

- International graduates gain a better understanding of Australia, its culture and people, by living and studying here. When they graduate they are frequently remain connected with Australia, through friends, family and business relationships, or as tourists. Their unique understanding of and empathy towards Australia means that they frequently act as intermediaries between Australia and their own country. Many actively assist Australians to navigate and to do business successfully overseas.

- International students are a resource in education institutions and the broader community for inter-cultural understanding. International students frequently comment on and praise Australia as an open, multicultural society. They are keen to participate in multicultural events and to showcase their unique communities and cultures.

ECONOMIC BENEFITS
➢ International education is Australia’s 3rd largest export industry after coal and iron ore and the largest service export ahead of tourism.

➢ The direct value to the Australian economy of international education (excluding transnational education) was $19.1 billion in 2010.

➢ International education is a major domestic employer. In 2007/8, international education directly or indirectly generated 126,000 equivalent full time jobs representing 1.2% of the Australian workforce. By major state the number of jobs represented is: NSW (47,500), Victoria (39,500), Queensland (16,800), Western Australia (8,000), South Australia (6,000).

➢ International education contributes significantly not only to national, but also to state and regional economies.

➢ International education contributes substantially to: the diversification of Australia’s economy from mining to services; diversification of and increased funding to Australian educational institutions; closer regional relationships including regional trade; better governance and economic development in developing countries through well trained graduates; and Australian economic productivity gains through providing companies access to skilled domestically trained graduates.

LABOUR MARKET BENEFITS

➢ Australia’s universities have provided the backbone of Australia’s modern migration system. Overseas students or former overseas students have provided over half of the increase in skilled migration over the last decade.

Source: International Education Association of Australia