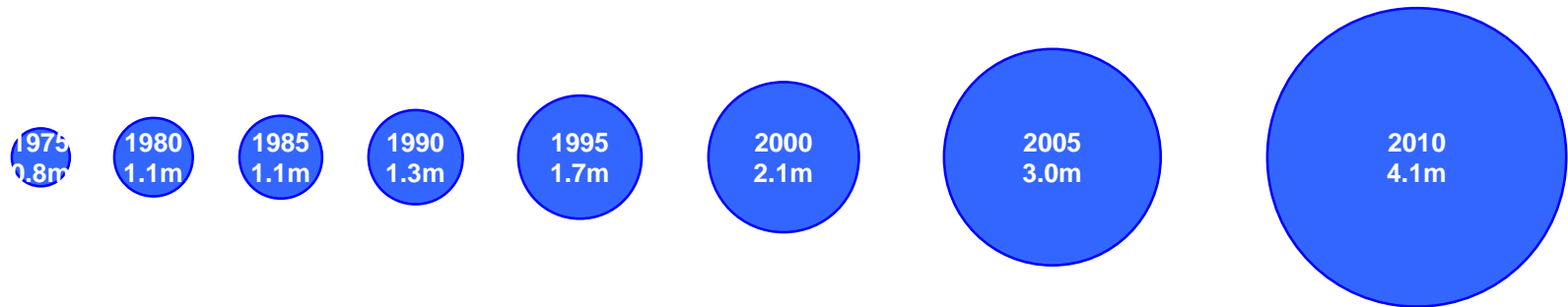
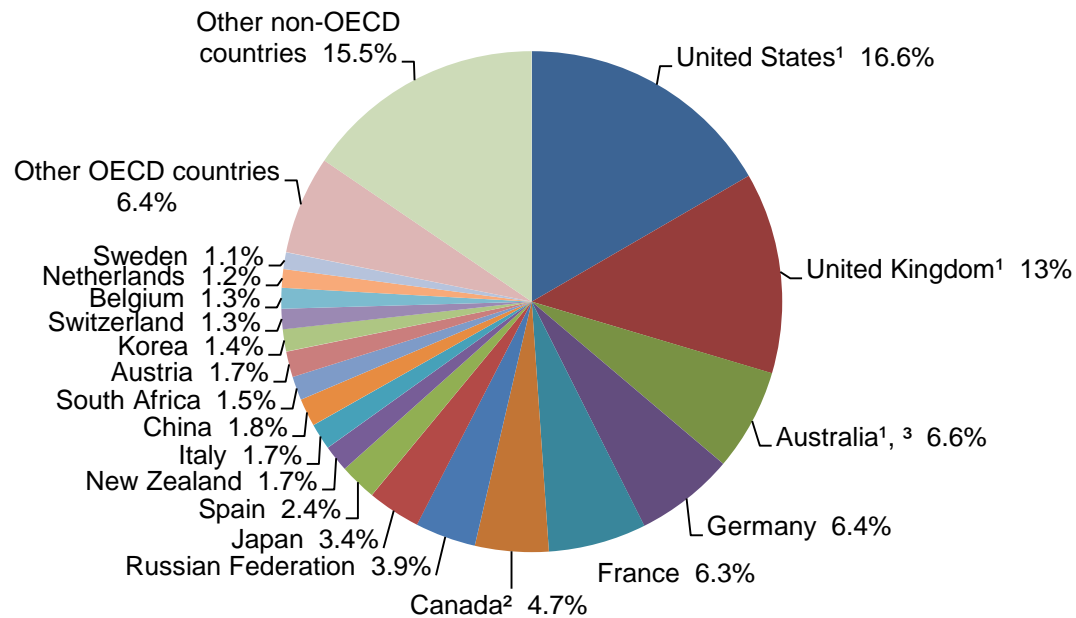


# Global Education: Long-term growth in the number of students enrolled outside their country of citizenship, 1975-2010



Source: OECD and UNESCO Institute for Statistics.

# Distribution of foreign students in tertiary education, by country of destination (2010)



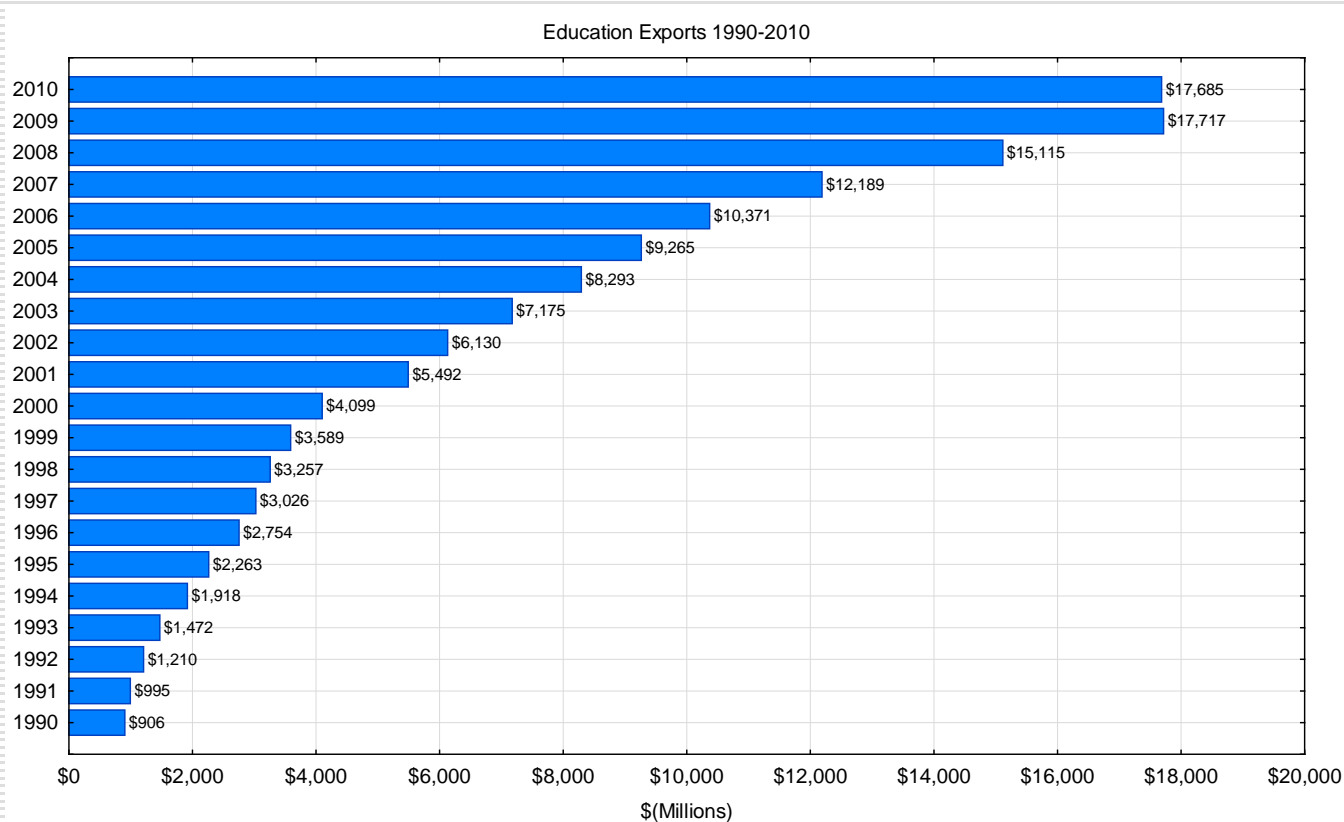
1. Data relate to international students defined on the basis of their country of residence.

2. Year of reference 2009.

3. Student stocks are derived from different sources; therefore, results should be interpreted with some caution.

**Source:** OECD and UNESCO Institute for Statistics for most data on non-OECD destinations. Tables C4.4 and C4.7, available online.

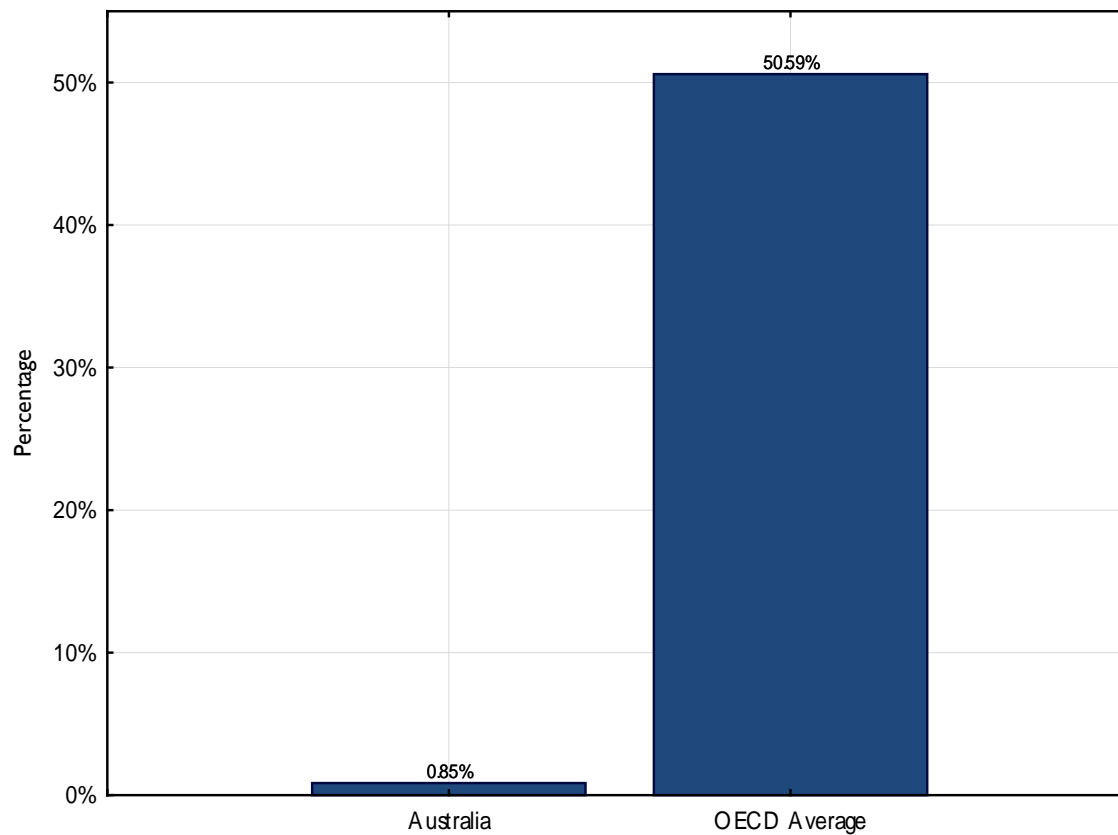
# The rise and rise of Australian education exports 1990-2010



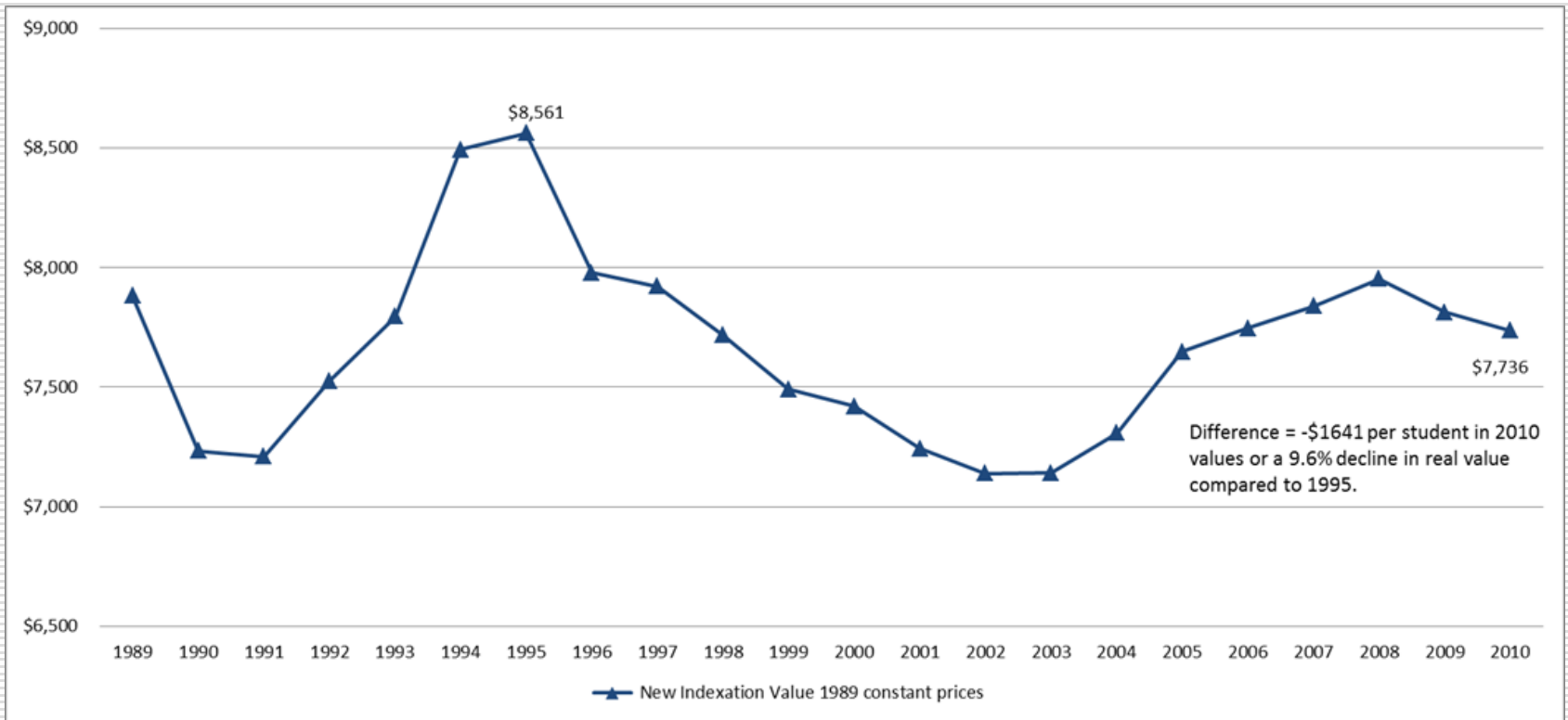
Source: ABS 5368.0 tables 11a abd 12b as at March 2011

# Pressure to Export: comparative public funding growth Australia and OECD, 1995-2007.

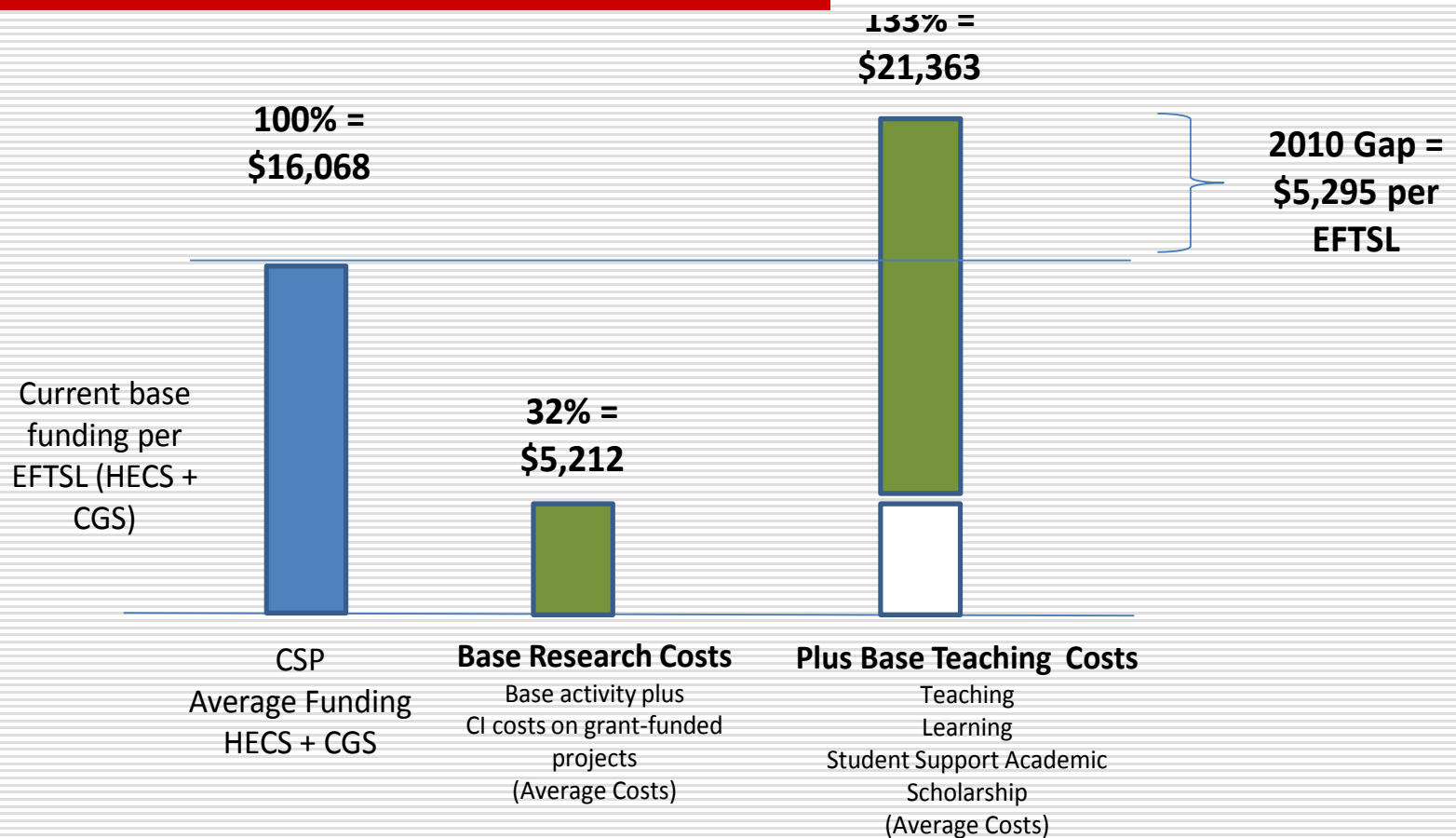
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# Pressure to Export: unit domestic undergraduate funding 1989 to 2010 (\$1989 CPI)



# Pressure to Export: revenue gap for domestic undergraduate students



Note – Based on UA 'six university' study

# Export Benefit

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- ❑ Current Export Revenue: tuition, living expenses, travel, including friends and relatives.
- ❑ Creative Cultural Diversity: synergies within the creative class.
- ❑ Downstream Network Effects: skilled migration, trade linkages, soft power.

Popular version: "Foreign Students: not welcome here. Shutting out foreign brains is a good way to foster mediocrity." *The Economist*, October 9 2012.

# Export Foundations and Facilitation

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- ❑ Long-standing reputable higher education system in a developed peaceable country
- ❑ Geographic, climatic and linguistic advantages
- ❑ Higher education tuition fee and admission quota liberalisation
- ❑ Language testing and agency innovation eg IELTS, IDP, Navitas, offshore campuses
- ❑ Visa and migration incentives eg work rights, family visas and work rights, migration pathways
- ❑ Quality assurance innovation eg ESOS Act, Tuition Protection, AUQA



# Challenge: The Perfect Storm

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- ❑ Rising Australian Dollar
- ❑ Migration growth and visa changes
- ❑ 2009 Student safety incidents
- ❑ “Big Australia” 2010 election
- ❑ Global Financial Crisis
- ❑ The Rise Of MOOC (Massive Open Online Courses)

**2011:** 9.1% decline in international enrolments for Australia following a decade of 10% annual growth

# Official Response In International Education:

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- ❑ Baird, Knight and COAG Reviews
- ❑ Universities Australia's Ten Point Plan
- ❑ Michael Chaney's International Education Advisory Council Review
- ❑ Henry Asian Century Task Force Report
- ❑ Reverse Colombo Plan

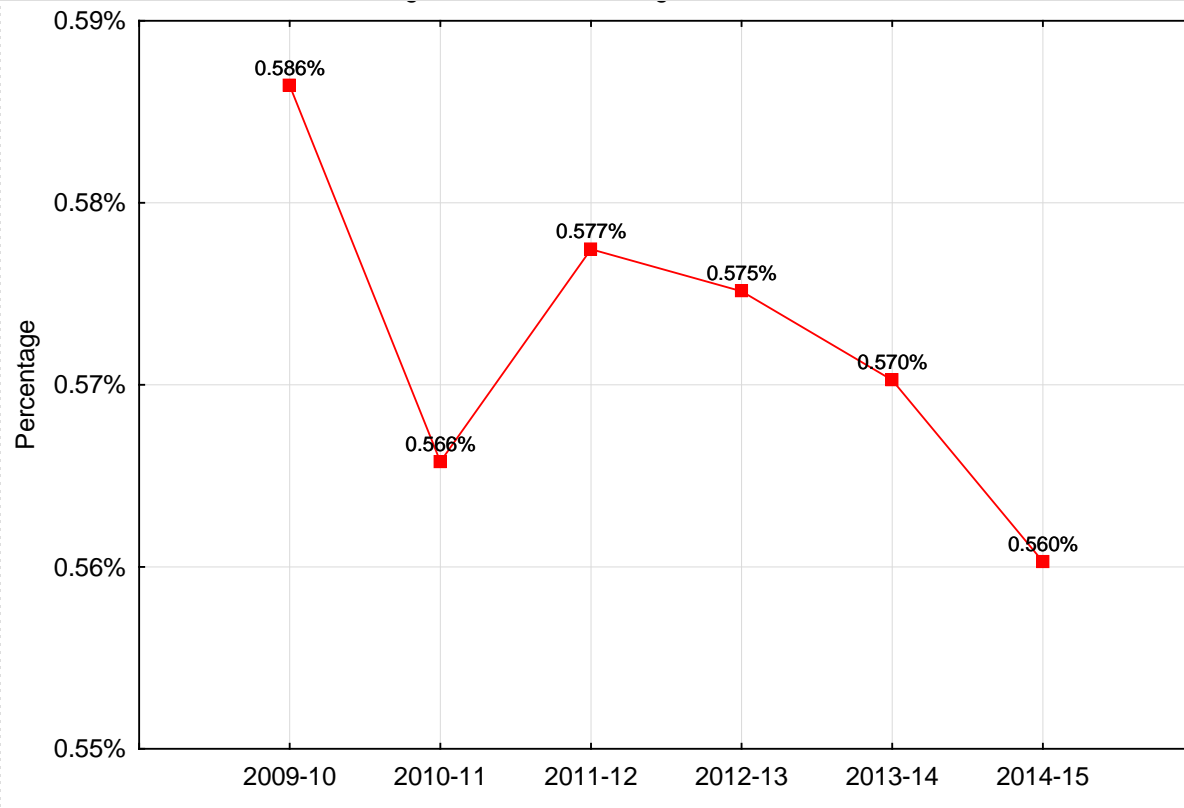
# Complementary University Reform

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- **1990s:** Dawkins' mergers and student funding (fees and loans)
- **2000s:** Howard enterprise bargaining and governance and sovereign wealth fund
- **2010s:** national regulation, funding indexation and research indirect cost supplementation (Bradley). Now Mr Pyne's proposals
- ~~**BUT** funding aggregates muted (Lomax Smith)~~

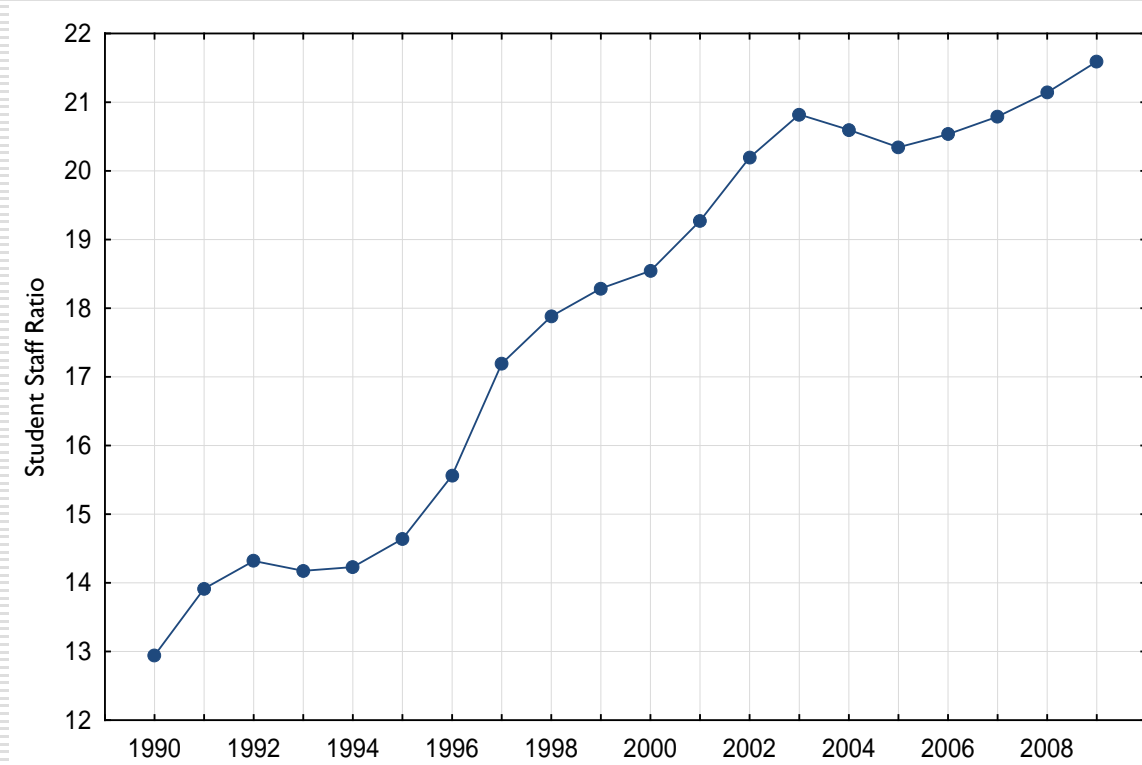
# Wider University Funding Context: public spend as share of GDP, 2010-2015.

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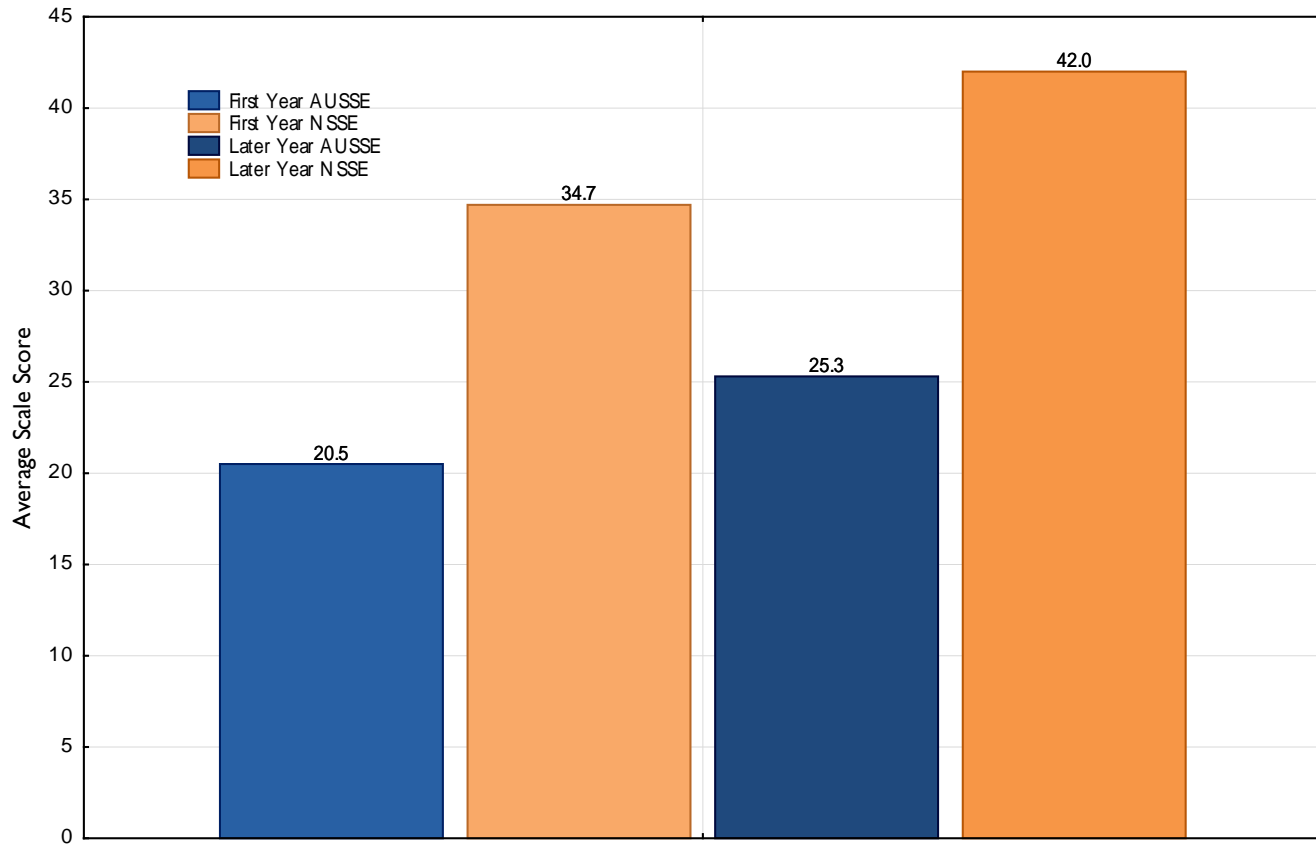
# Academic Cost of Reform to date: student-staff ratio 1990-2009.

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# Academic Cost of Reform to date: AUSSE/NSSE student experience survey outcomes

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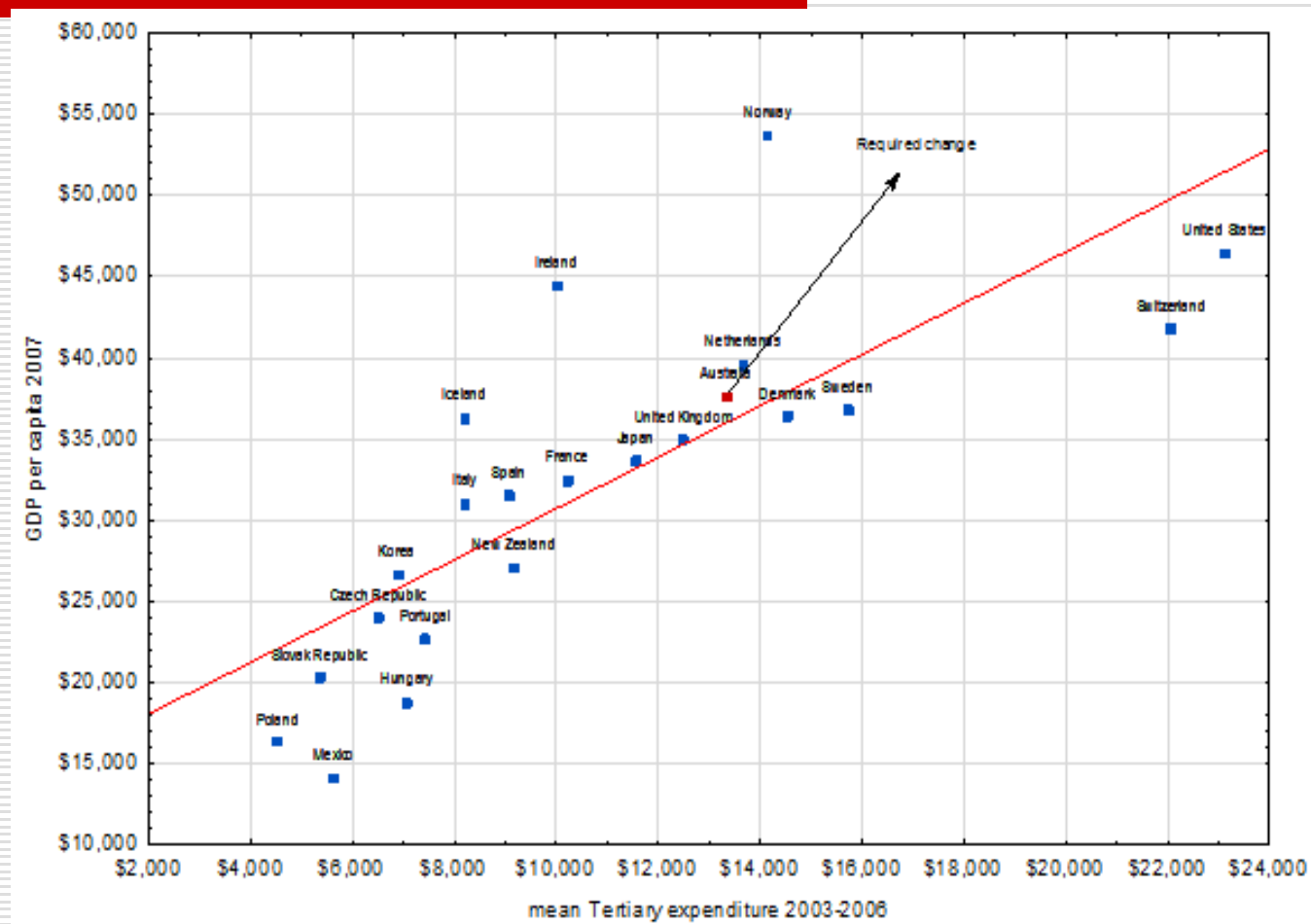


# Global Positioning

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- ❑ The Patchwork Quilt: Europe and USA
- ❑ The Battle of Britain: the implications of Lord Browne
- ❑ Canadian Steadiness and Aspiration
- ❑ Asian Dynamism and Ambition
- ❑ Australia? Bi-partisanship? Vision?

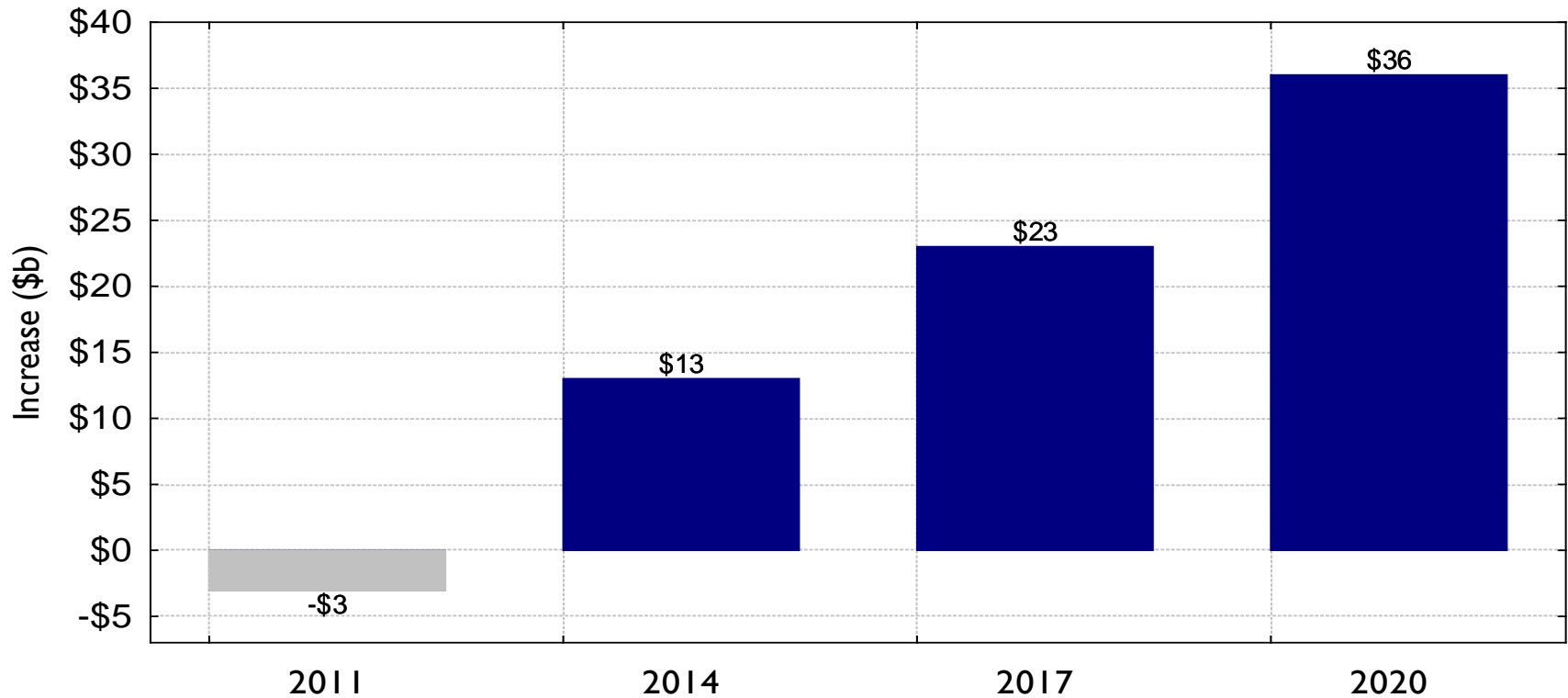
# PAY-OFF? Per Capita Income and Tertiary Expenditure, OECD 2003-7.





# PAY-OFF? CGE Modelling

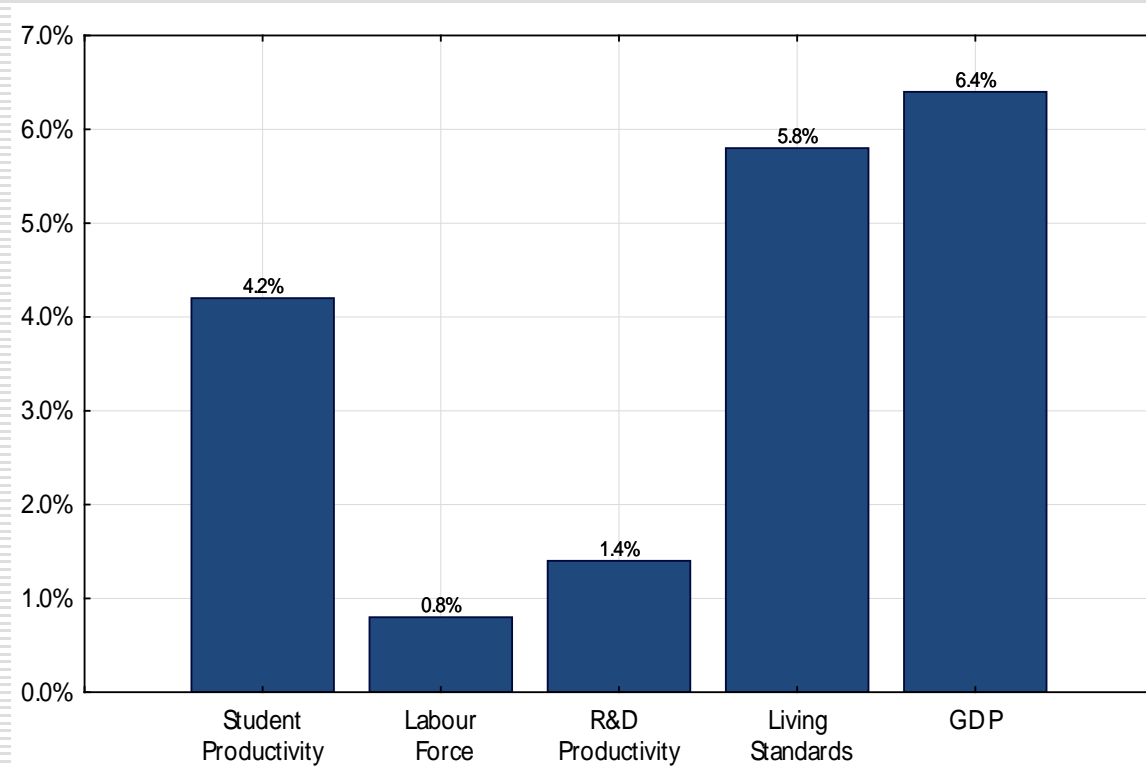
Increase in GDP from Reform Funding, 2011-2020  
(\$b 2009-10 prices)



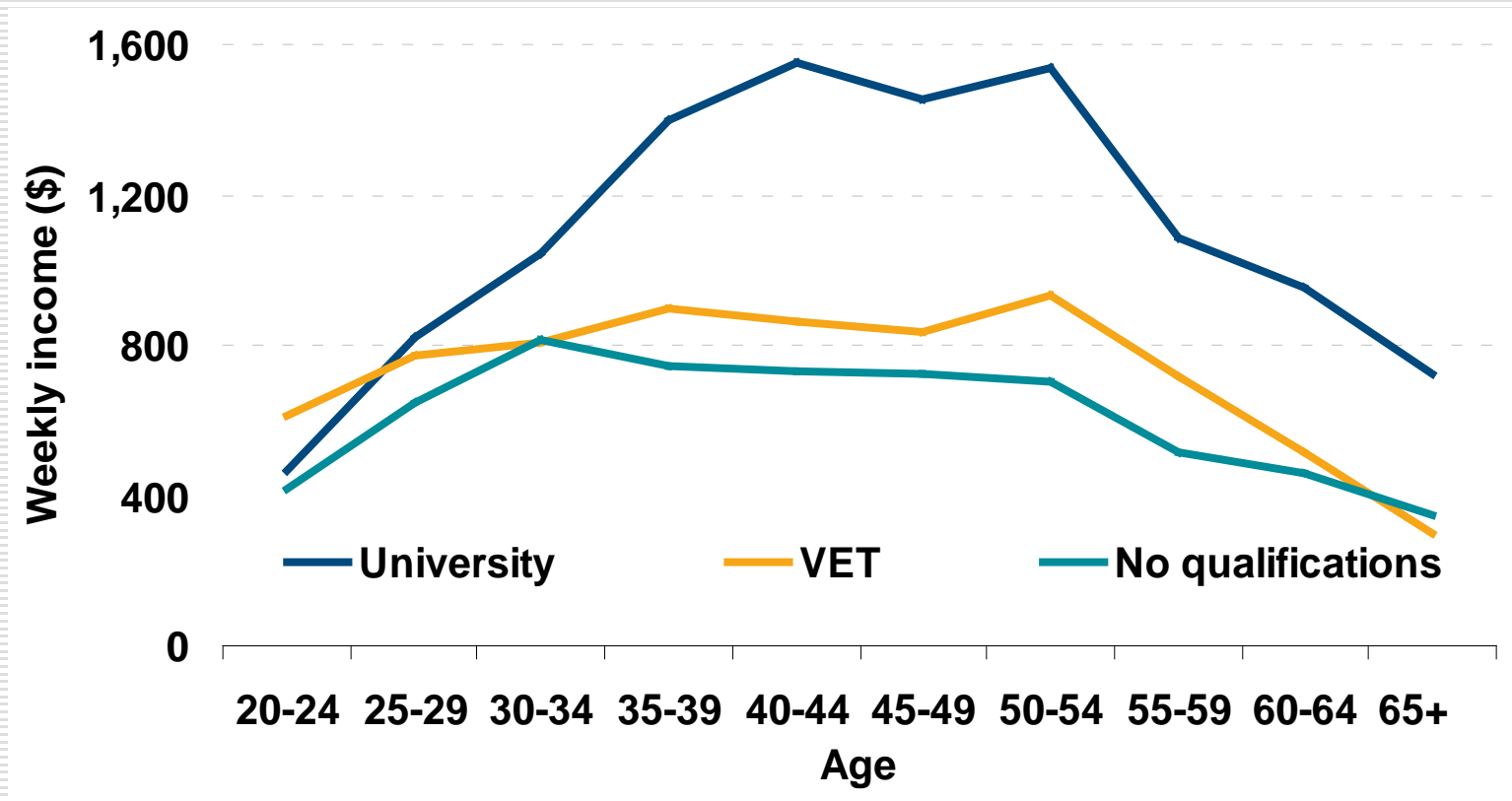
Source: KPMG Econtech 2010

# Nature of Long-Run Pay-Off: CGE for 2040

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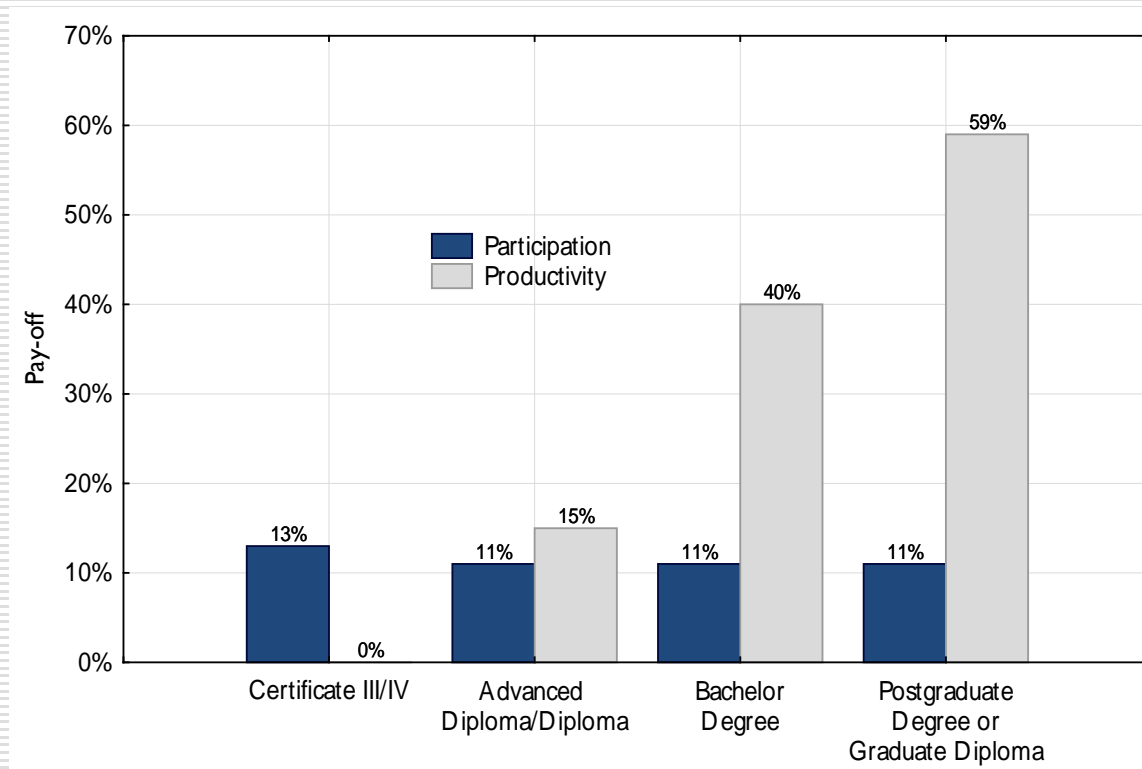


# Source of Pay-Off: NATSEM data analysis



# Source of Pay Off: CGE

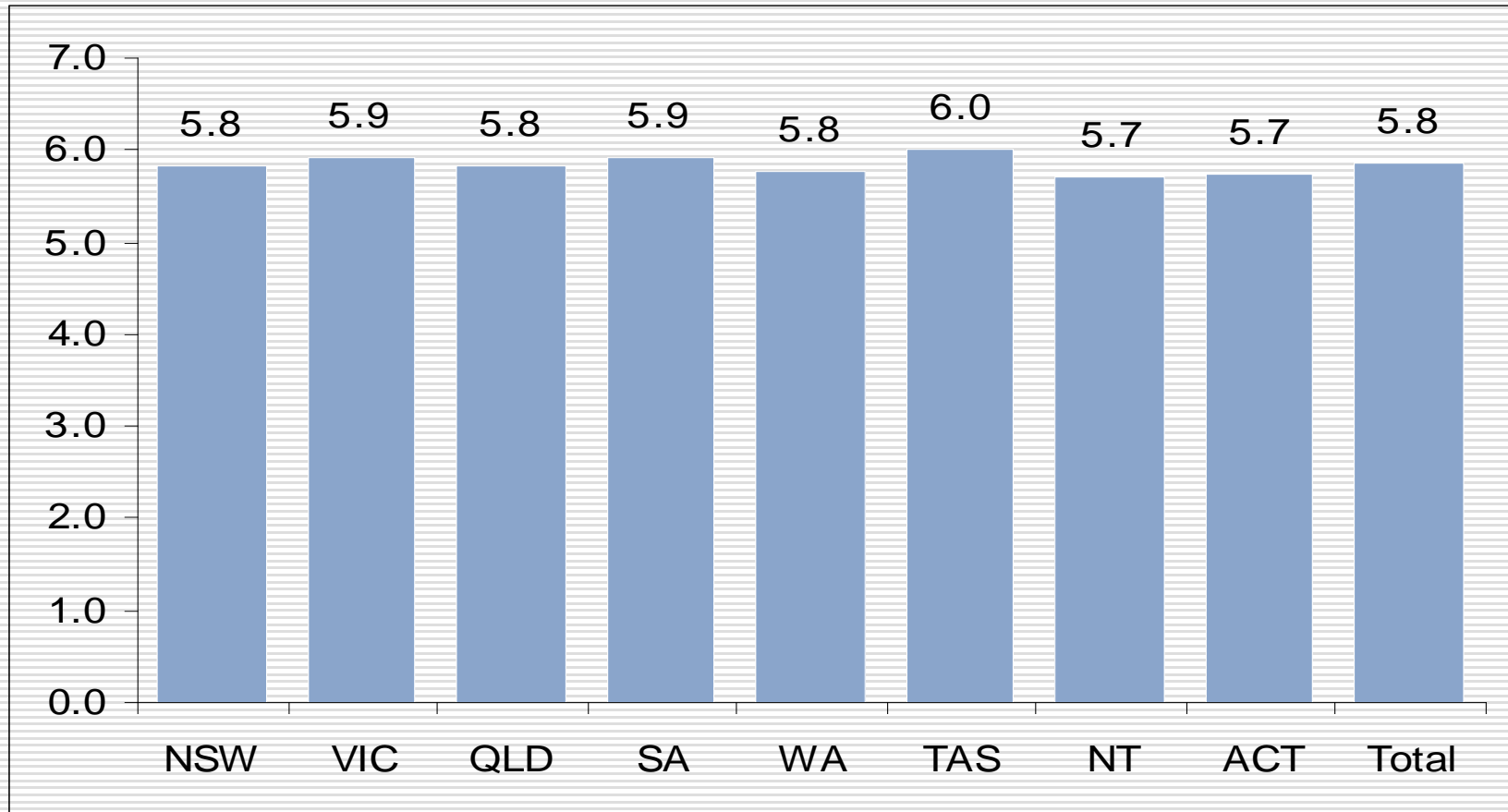
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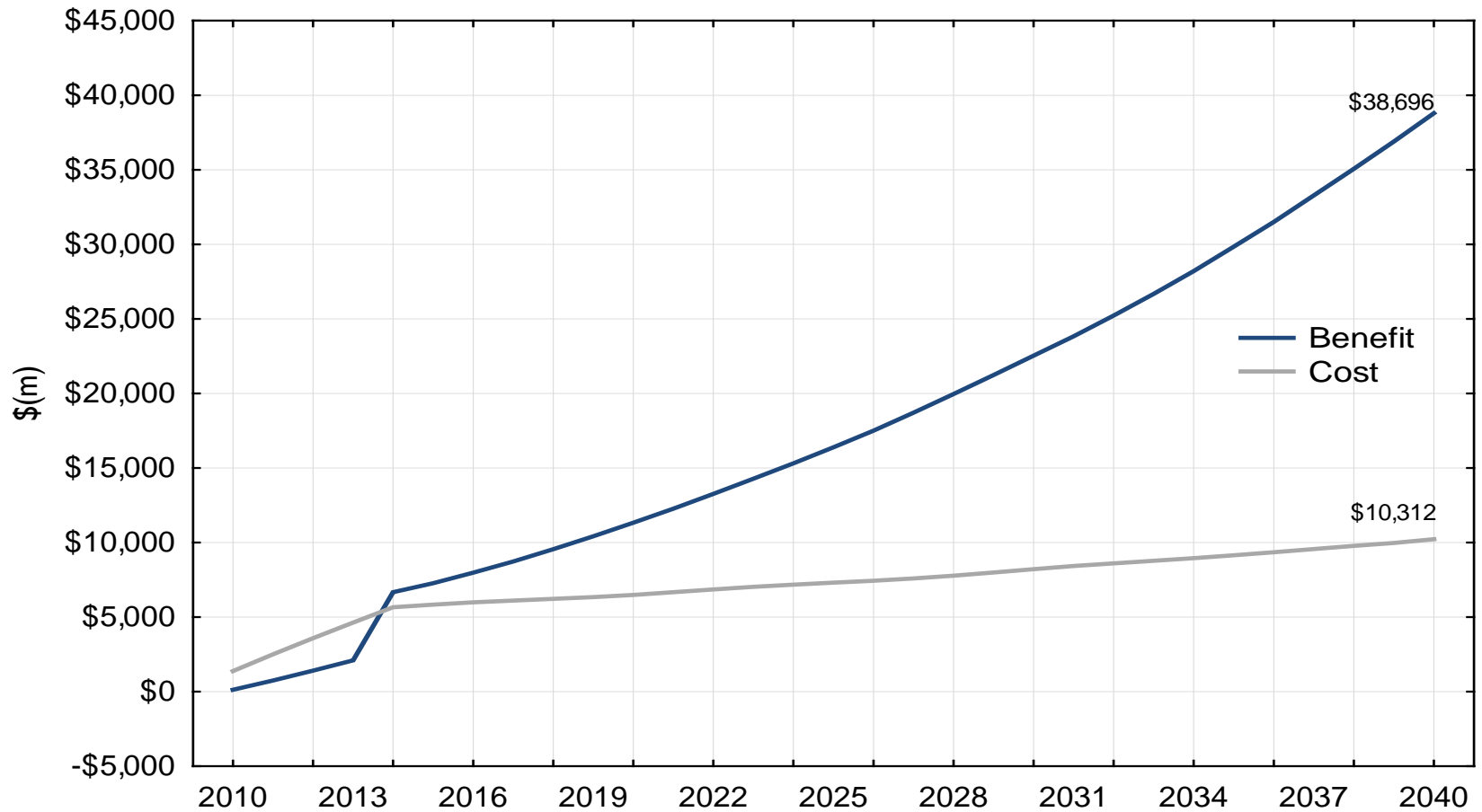
# Source of Pay-Off: OECD Innovation Index Correlation, 2011

Level of Innovation	Higher Education Expenditure as a % of GDP	Graduate Share of 25-64 Population	Global Innovation Index Score (Average)
High Level Innovation Countries (Score between 55-64)	2.03%	37%	58.10
Above Average Level Innovation Countries (Score between 45-54)	1.49%	32%	50.28
Medium Level Innovation (Score between 35-44)	1.27%	19%	38.17

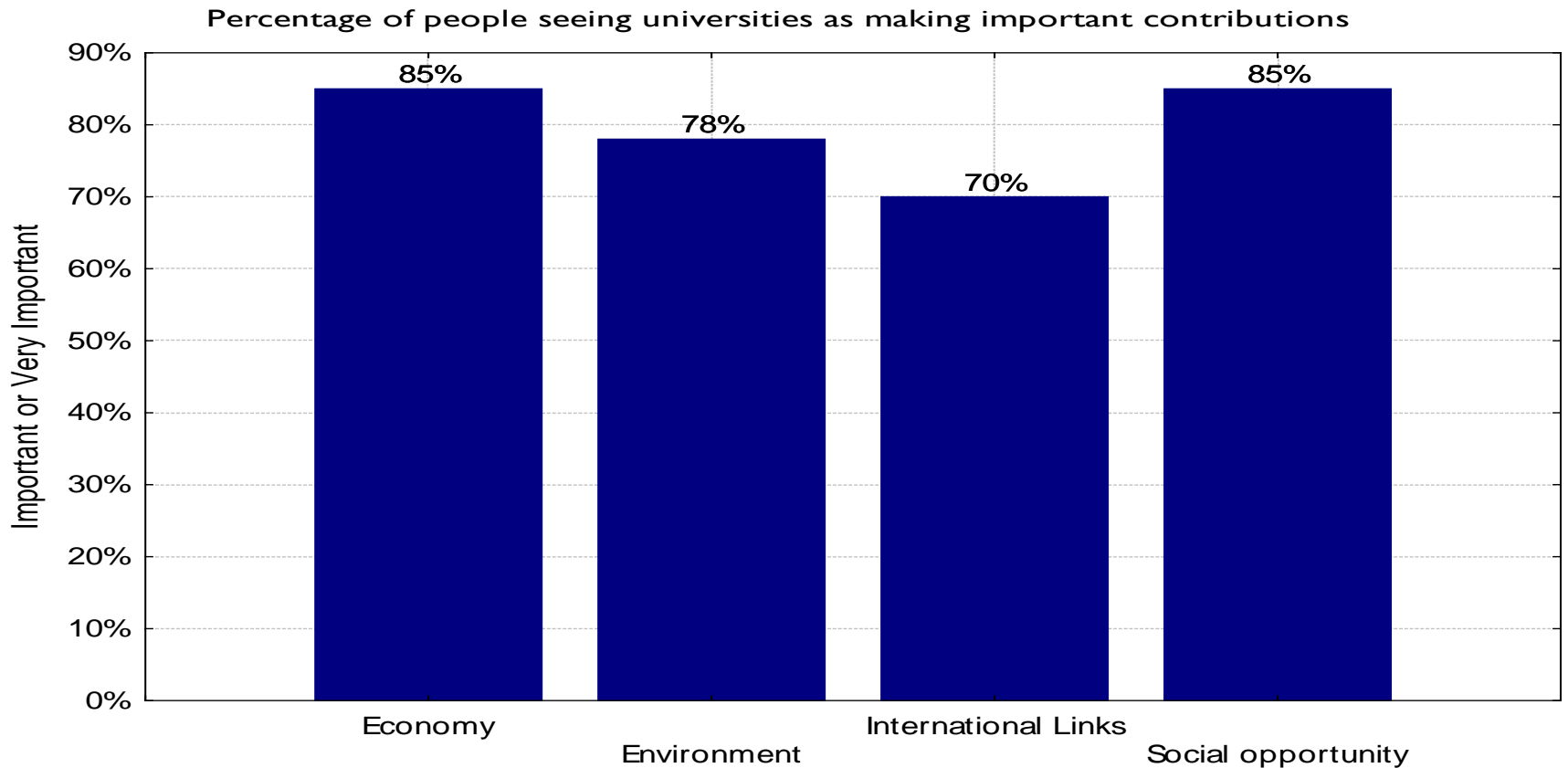
# Regional Distribution of Pay Off: CGE



# Fiscal Aspect of Pay-Off: CGE



# PUBLIC SUPPORT ? Nielsen Survey Results

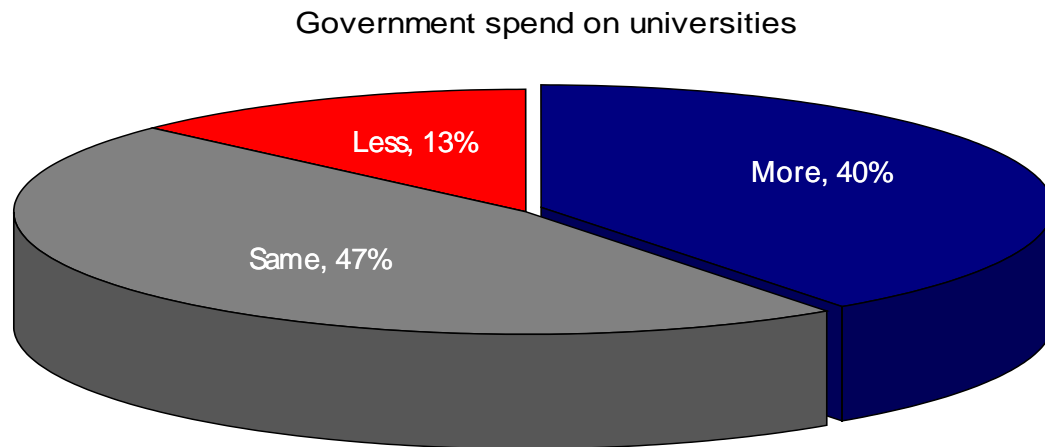


Source: Nielsen survey 29 July 2010



# PUBLIC SUPPORT?: Willingness to Pay

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Source: Nielsen survey 29 July 2010