



Universities Australia Submission to Inquiry into Australia's Trade and Investment Relationships with Countries of the Middle East

May 2014

Universities Australia (UA) welcomes the opportunity to provide a submission to the Inquiry into Australia's Trade and Investment Relationships with Countries of the Middle East.

The Middle East is a relatively new endeavour for Australian higher education providers and higher education engagement fluctuates across different countries. We have seen a steady increase in the number of formal institution to institution agreements particularly in research collaboration but also a dramatic drop in enrolments of students from Saudi Arabia due to the changes in the King Abdullah scholarship program. However, higher education engagement is improving through the expansion of offshore education. A number of Australian institutions offer programs in the Middle East; particularly noteworthy is the establishment of the Murdoch International Study Centre in Dubai and the University of Wollongong campus in Dubai.

The Nature of Australia's Existing Trade and Investment Relationship

In terms of university engagement with the region, it is limited compared with other regions, comprising just 2% of formal institution to institution agreements in 2014.

Table 1. Number of Formal Agreements with Australian Universities by Region 2014 (*ABS Standard Classification of Countries)

Oceania and Antarctica	94	1%	North-East Asia	2,206	27%
North-West Europe	2,402	29%	Southern and Central Asia	315	4%
Southern and Eastern Europe	464	6%	North America	1,259	15%
North Africa and the Middle East	170	2%	Latin America	367	4%
South-East Asia	927	11%	Sub-Saharan Africa	81	1%

Universities Australia data¹ indicates that while starting from a small base, the number of formal agreements with the Middle East has grown by over 500 per cent over the past decade (28 in 2003 – 170 in 2014). Within the region, engagement is clearly targeting the UAE, Turkey, Israel and Iran, with Saudi Arabia not far behind.

Figure 1 Number of Formal Agreements by Region 2003-2014 (*ABS Standard Classification of Countries)

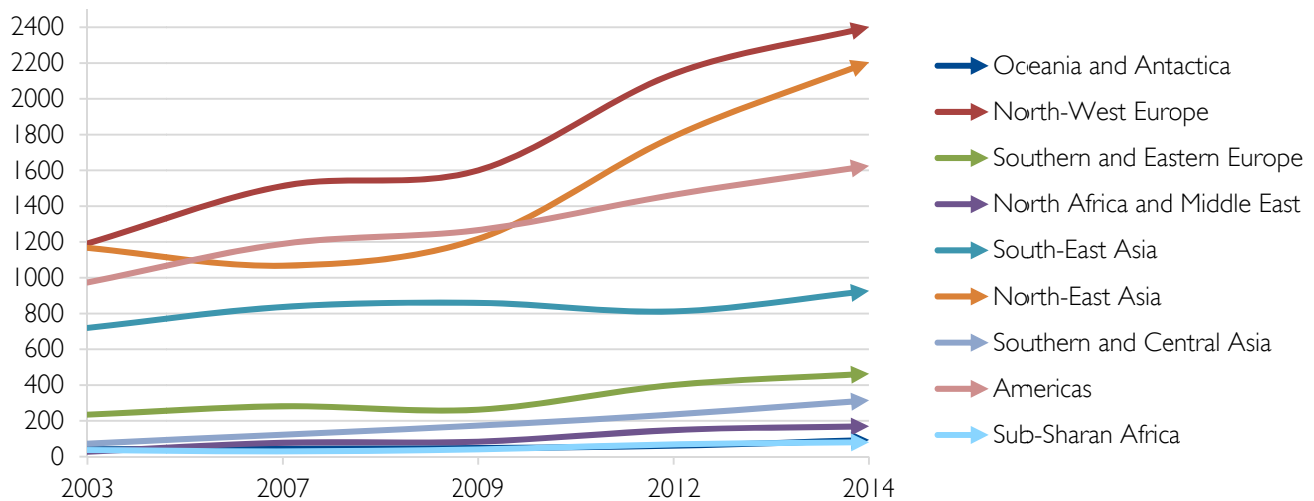
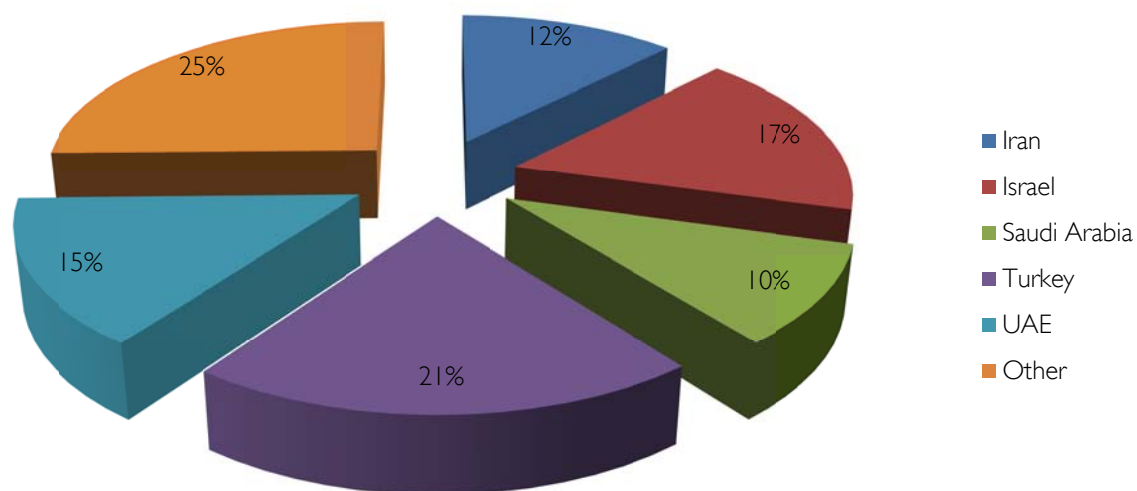


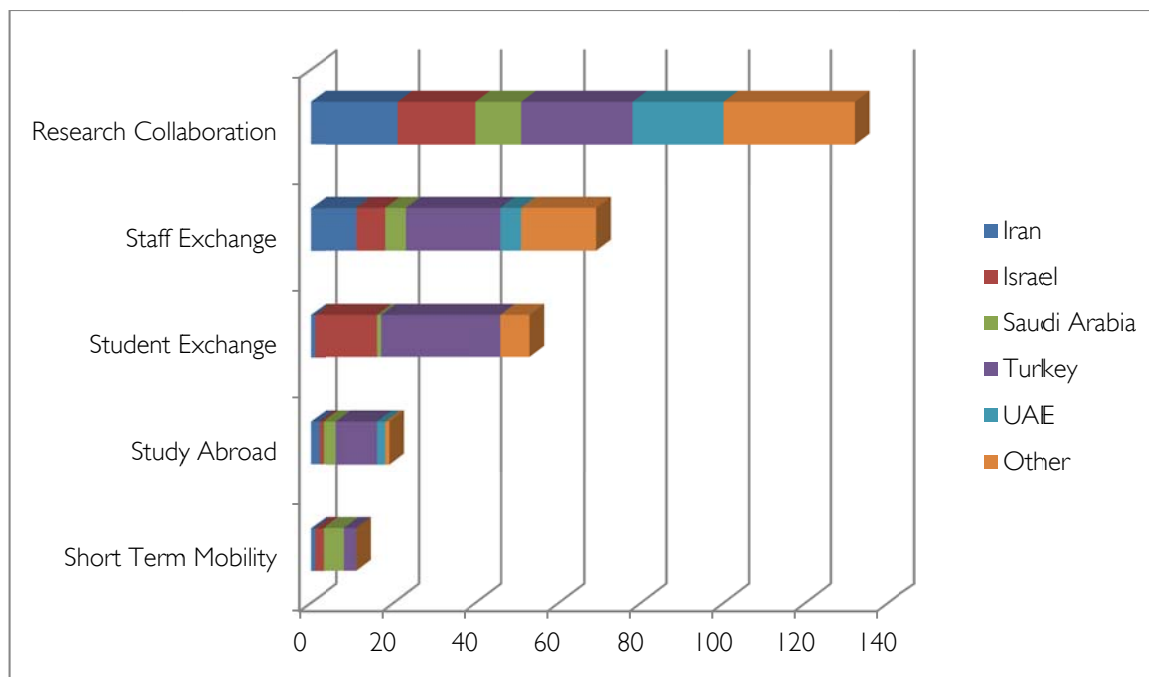
Figure 2 Number of Formal Agreements by Middle East Country 2014



¹ Universities Australia 2014, *International Links Data* [International Links Data - Universities Australia](http://www.universitiesaustralia.edu.au/International-Links-Data)

UA data also provides a breakdown of the type of agreement; formal institution to institution agreements with the Middle East overwhelmingly comprise research and academic cooperation, but a substantial number also include provision for staff and student exchange.

Figure 3 Number of Formal Agreements by Type and ME Country 2014



Emerging and Possible Future Trends

UA members indicate an increase in interest amongst Australian students in completing part of their degree in the Middle East, an increase in the provision of offshore education but an overall decline in the number of Middle Eastern students coming to Australia to study. This decline is not across all countries and is due in part to the changes in the King Abdullah Scholarships for Saudi Arabian students, the sanctions against Iran and difficulties with Libya. While the Middle East has not been nominated as a priority area for UA, there is certainly a role for UA in improving collaboration at the sectoral level via better engagement with the region through Austrade and DFAT.

AEI full year data² to 2013 indicates a tapering off of enrolments and commencements from Iran, a significant decline from Saudi Arabia and Libya but an increase from Kuwait, the UAE and Turkey. The figures below illustrate full year data to 2013 but March data for 2014 indicates a continuing decline overall but a slight rebound for Saudi Arabia. Not surprisingly, AEI student data for March 2014 shows a dramatic decrease in Libyan enrolments and commencements.

² Australian Education International 2014 [International Student Data 2014](#)

Figure 4 Enrolments 2002-2013: Middle East

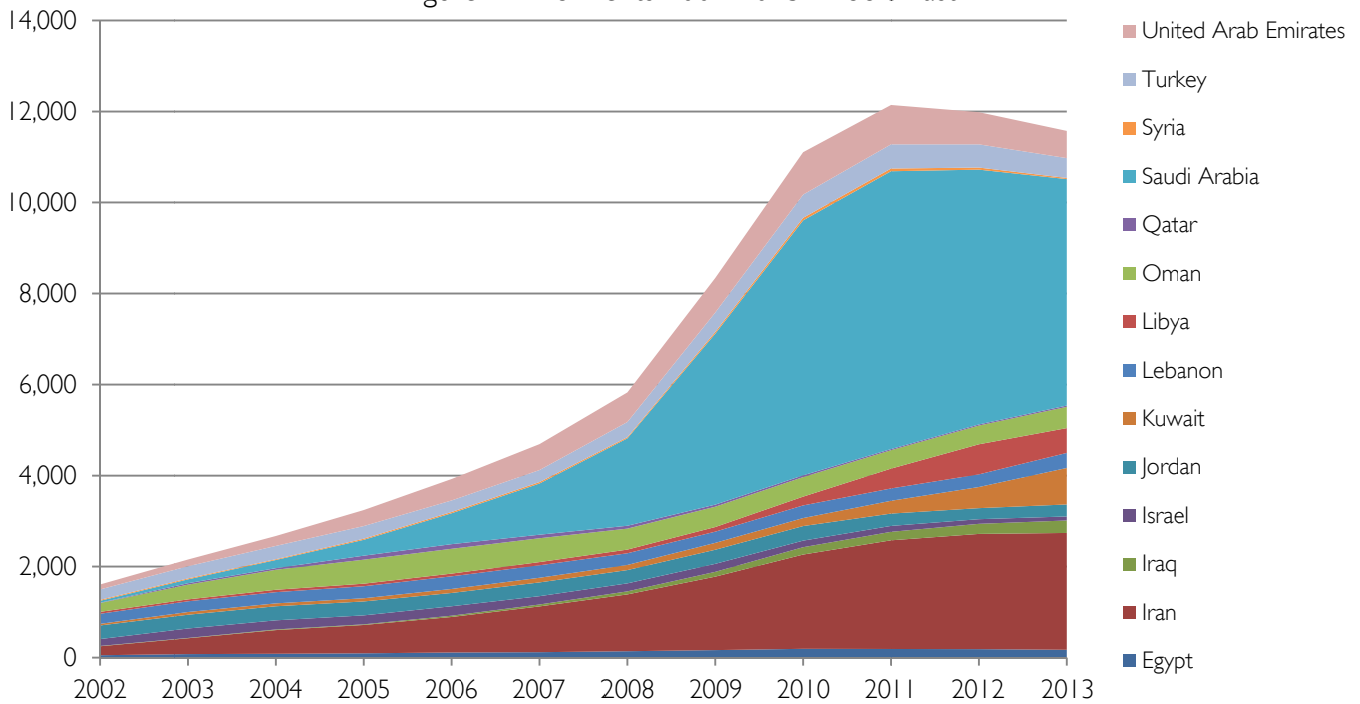
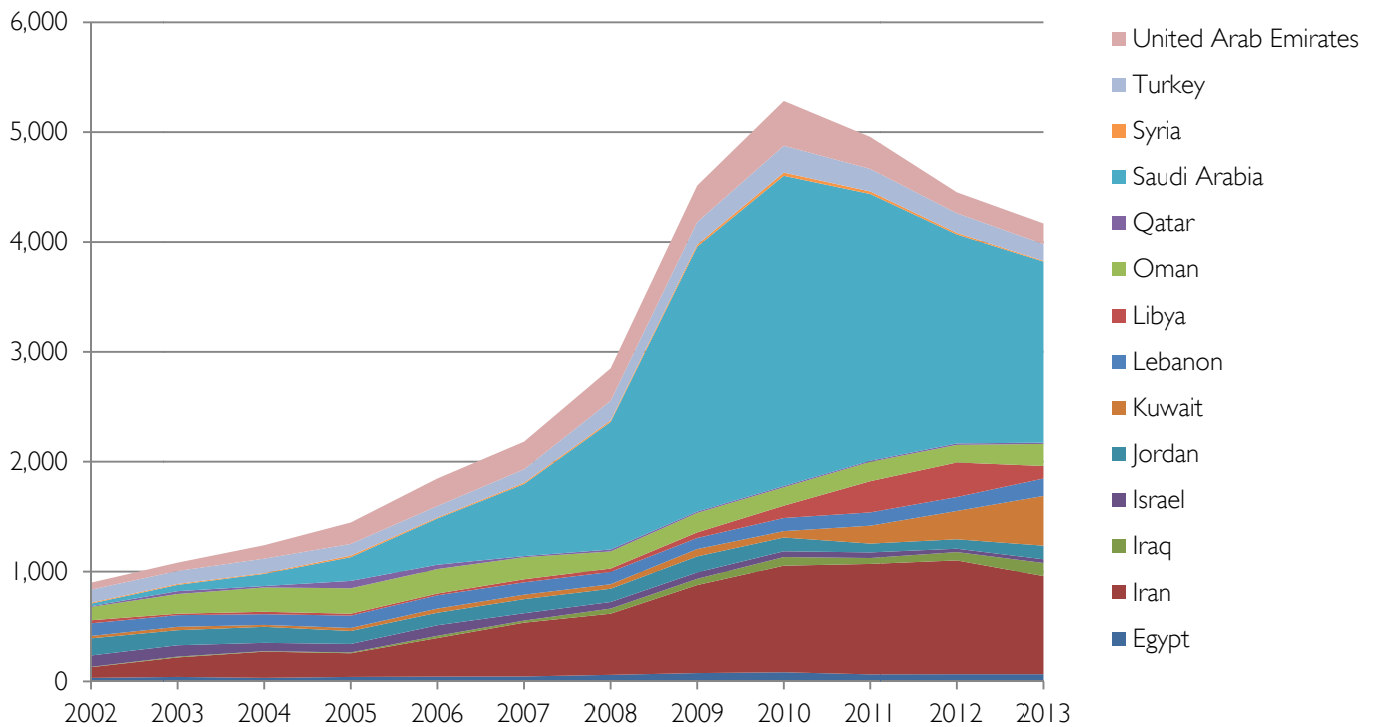
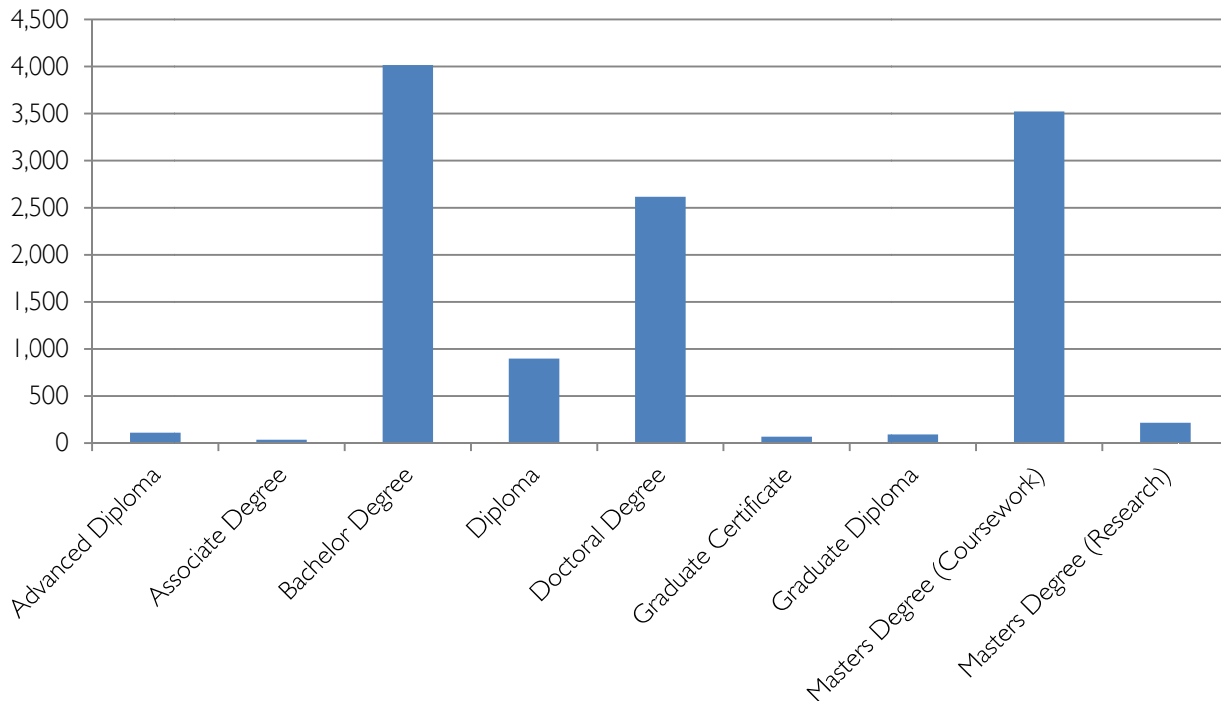


Figure 5 Commencements 2002-2013: Middle East



Enrolments by Course Level - Middle East



AEI data also demonstrates a concentration amongst students from the Middle East in Higher Education – Bachelors, Doctorates and Masters Degrees.

Compared with other source countries, Saudi Arabia is the only Middle Eastern country in the top ten for higher education at 4, 114. China is the largest source country for international students in higher education at 76, 840, followed by India (17, 802), Malaysia (12, 541), Vietnam (9, 566) and Nepal (7, 533).

Potential Barriers and Impediments to Improved Engagement

Advice from the Deputy Vice-Chancellors (International) indicates that the barriers to improved engagement appear to be not overly intrusive and are manageable in the present political climate. However, there are some issues worth noting including the introduction of Autonomous Sanctions and financial restrictions on students from Iran and the prevalence of Government scholarship holders from this region that are subject to domestic unrest which may impact on their ability to receive funds.

Domestic Unrest – Libyan student crisis of 2011/12

The hostilities in Libya and subsequent imposition of financial sanctions saw the Libyan People's Bureau unable to fulfil its financial obligations to Libyan scholarship students. The Bureau in the first instance requested that universities defer tuition fees to enable the Bureau to use their existing funds to continue to pay student stipends. Once these funds were exhausted, the Bureau sought support to continue to pay stipends for scholarship students and their families. Over time, the Australian government was able to provide a financial guarantee to universities willing to provide Libyan students with a financial supplement to



support their living costs. Universities have now all been repaid the living allowance. Unfortunately there are several Australian universities still owed substantial amounts by way of outstanding tuition fees. While a new Education Attaché at the Libyan People's Bureau has provided some expectation that in the future funds will be distributed in a timelier and more transparent fashion, there has been an impact on the willingness of Australian universities to enrol Libyan and Middle Eastern students and engage in other forms of collaboration with the region.

According to data provided to UA by Department of Immigration in 2012, there were at the time around 20,600 student visas holders in Australia on foreign government scholarships; around 18,000 in the higher education sector including over 5,300 studying at the postgraduate research level (whom often have spouses and children to support).

Looking specifically at higher education, the cohort represents 83 different countries. Risk arises where a significantly large number of foreign government scholarship holders are sourced from one country, particularly where that country has the potential to become unstable in a manner that would directly impact access to scholarship funding. The bulk of the higher education scholarship students (16,820 or 95 per cent) come from 18 countries.

An unstable economic or political environment can be considered the primary indicator to determine which countries may pose a risk to government scholarship holders in Australia. While natural and humanitarian disasters can of course have a profound impact on a country, these are not likely to prevent government funding reaching students. Such events may impact on a student's ability to access other sources of funding, such as family. However, this would not constitute a sector wide emergency and would not warrant a sector wide response. All Australian universities are equipped to deal with emergency situations on a case by case basis.

Universities Australia would encourage ongoing dialogue with DFAT and Immigration to enable the sector to anticipate any future crises and prepare appropriate response and support mechanisms.

Iranian Student Crisis of 2012

In 2012 with the crash of the Iranian Rial and the introduction of autonomous sanctions and restrictions on financial transactions, we saw the beginning of what was termed an Iranian student crisis. Fortunately this situation differed significantly to the Libyan crisis in that the majority of Iranian students are not scholarship holders and the financial restrictions were not intended to prevent payment of tuition fees. Nonetheless, some students certainly experienced financial difficulties. It is estimated that around ten per cent of Iranian students actually sought financial assistance from universities including deferral of fee payments (which universities were happy to oblige). While generally these students have managed to cope with the devaluing of the Iranian Rial, there are ongoing sanctions against Iran which has deterred some universities from enrolling new Iranian students and commencing new cooperative partnerships with Iran. UA is working with the Department of Foreign Affairs and Trade to dispel some of the myths around autonomous sanctions and raising awareness of the exemptions for undergraduate students, basic research and training and information available in the public domain.



Sanctions

The students from the Middle East region predominately have government scholarships as few have funds to pay tuition fees, living and other expenses without the scholarship. The students usually also require between 20-50 weeks of English prior to their degree. Due to external scholarship, they have generally been approved for PhDs but advice from some of our members indicates that the introduction of the Sanctions may impact them in the future.

The UN and autonomous sanctions impact on all research applications and this will severely impact the Middle East market as students are generally interested in Engineering and Chemistry which are the two main fields which particularly targeted by the sanctions regime. It appears that the introduction of sanctions has deterred some universities from enrolling students from the ME region in post graduate research programs.

Opportunities and the Role of Government

UA advocates for ongoing assistance from Government, both financial and material and at a Federal and State level, in arranging, hosting and facilitating visiting delegations from Middle East universities to Australian universities.

UA would encourage ongoing dialogue with the Government to assist in identifying and utilising existing, new and emerging opportunities and to anticipate any internal hostilities or crises that could significantly impact on Australia's ability to support Middle Eastern students studying in Australia.

Finally, UA encourages ongoing dialogue with DFAT around the sanctions regime including restrictions on financial transactions from Iran. It is important that these measures are acknowledged and complied with but do not detract from the substantial benefits gained from providing Australian education to foreign students both in Australia and offshore.