



University of South Australia

Submission

House Standing Committee on Economics,
Finance and Public Administration

‘Inquiry into the current and future directions of
Australia’s service industries’

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Introduction

The University of South Australia (UniSA) welcomes the opportunity to contribute to the House Standing Committee's inquiry into the current and future directions of Australia's service industries.

International education has been part of UniSA since its formation in 1991. The University inherited a small number of international students from its antecedent institutions, and since then it has grown to become one of Australia's largest providers of onshore international and transnational programs.

As an experienced, high quality provider of international education, it is well placed to contribute to this inquiry.

The Role of Education in Australia's Exports

Education is among Australia's fastest growing of all Australia's exports, having grown by 8% in 2004-05 to a net value of \$7.2 billion. Education exports represented Australia's second largest service export, and fourth largest overall export in 2004-05:

Figure 1: Australia's Top 10 Exports of Goods and Services 2004-2005 (A\$ million)

Rank	Commodity/service activity	2003-04	2004-05
1	Coal	10,916	17,116
2	Personal travel (excluding education)	10,578	10,850
3	Iron ore	5,277	8,079
4	Education services (b)	6,650	7,166
5	Crude petroleum	4,643	5,696
6	Gold	5,652	5,642
7	Beef	3,926	4,880
8	Aluminium ores (incl. alumina)	3,722	4,432
9	Passenger services (c)	3,973	4,149
10	Aluminium	3,809	4,125

(a) Rank based on 2004-05. (b) Includes *Education-related travel, Other education services and Education royalties*. (c) Includes *Air transport agency fees and commissions*. This series is not published by the ABS in its monthly trade publication 5368.0. In that publication, the ABS combines *Passenger services* with *Other transportation services* exports.

Source: DFAT *Trade in Services Australia 2004-05* (TO BE REFORMATTED)

Within South Australia, education is the State's fifth largest export. Over the last seven years, growth in education exports has dramatically outpaced that of the State's other major service export: personal travel (tourism). As a result, education is now the State's principal services export.

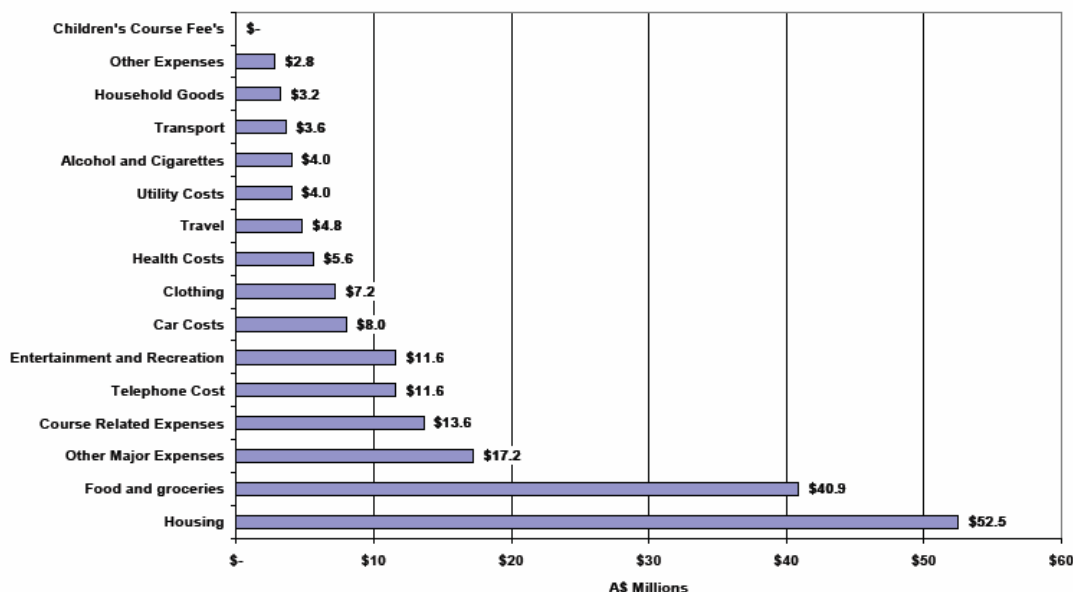
Figure 2: Australia's major service exports

Rank	Commodity / Service activity	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
1	Alcoholic beverages	910	1,105	1,382	1,477	1,412	1,583
2	Passenger vehicles	802	1,299	1,466	1,230	1,110	769
3	Copper	346	590	425	395	398	732
4	Wheat	473	768	1,155	776	693	397
5	Education services	168	206	247	272	310	369
	% Growth		23%	20%	10%	14%	19%
6	Lead	169	151	191	184	175	272
7	Meat (excl. bovine)	135	211	242	241	215	260
8	Personal travel (excluding education)	232	225	231	222	232	234
	% Growth		-3%	3%	-4%	5%	1%
9	Refined petroleum	218	355	250	290	121	232
10	Wool	179	235	253	252	186	169



International education directly accounts for 2500 jobs in South Australia. The education industry contributed \$369 million to the South Australian economy in the 2004-05 financial year. Current estimates suggest that international education was worth as much as \$396 million to South Australia in the 2005 calendar year, consisting of \$205.2 million in tuition fees, and a further \$190.8 million for goods and services:

Figure 3: Overseas Student Expenditure by item in South Australia, 2005



Source: Education Adelaide, 2006, *The Economic Impact of International Education*

These figures do not include the contribution made by transnational education programs, offered to students offshore in their home countries.

Education also contributes strongly to tourism, with parents typically visiting their children once a year. Forty percent of all international visitor nights recorded in the State by the International Visitor Survey, conducted by the Bureau of Tourism Research, can be directly attributed to family and friends of visiting international students.

UniSA as an Education Exporter

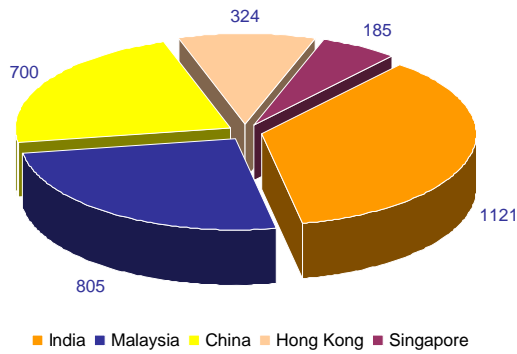
In 2004 there were 11,223 equivalent full-time international students enrolled in South Australian universities.¹ Of these, UniSA accounted for 6,799 (61%). Not only is UniSA a leader in South Australia, it is also a leader nationally, being the third largest provider of transnational programs and the eighth largest provider of international education overall. UniSA also recorded the second highest percentage of postgraduate research students who are international students (Appendix 1).

In 2005, UniSA had 4172 international students enrolled onshore, with a further 5,743 enrolled in transnational programs at offshore locations. Among onshore commencing students, India represented the largest source of students, followed by Malaysia, Hong Kong, China and Singapore.

¹ Based upon DEST data and measured by EFTSU.

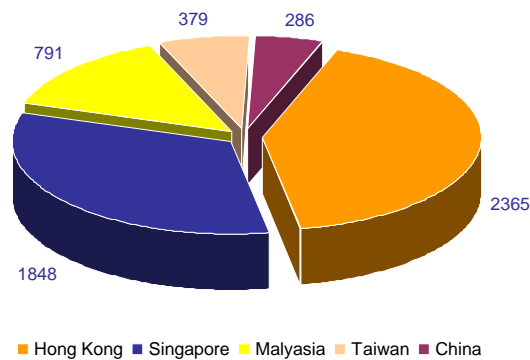


Figure 4: Onshore International Student Profile – Top 5 Source Countries



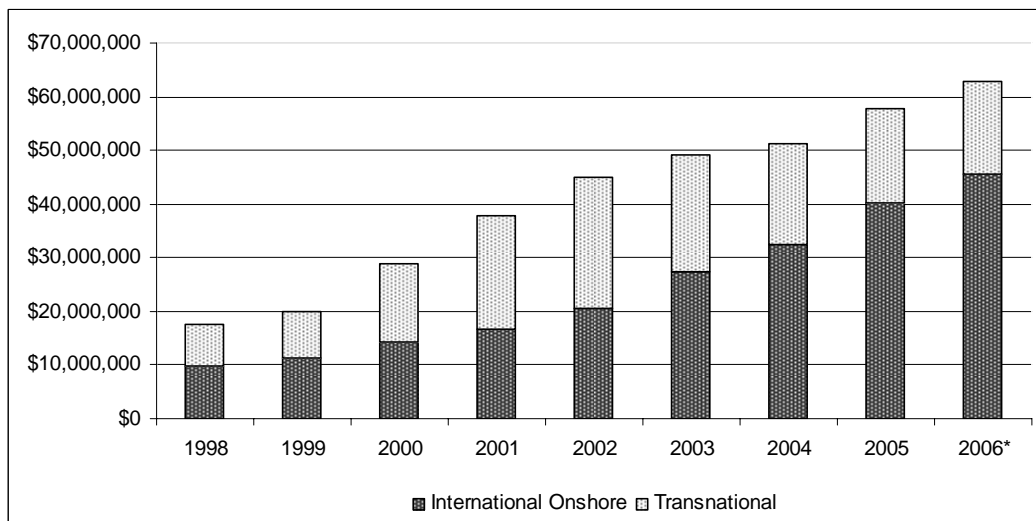
In transnational education, the greatest number of UniSA’s enrolments were in Hong Kong, followed by Singapore, Malaysia, Taiwan and China.

Figure 5: Transnational Student Profile – Top 5 Source Countries



In terms of financial impact, in 2005 UniSA received \$17.5 million from transnational revenue and \$40.2 million from international onshore revenue, accounting for 16.5% of total revenue.

Figure 6: UniSA revenue from transnational and onshore international students, 1998 - 2005



* represents predicted income



This performance has been achieved with a strong commitment to quality assurance. UniSA has been recognised nationally and internationally by the Australian Universities Quality Agency (AUQA) and the European Foundation for Management Development (EFMD), for the delivery of high quality international and transnational programs.

In 2004 the Division of Business was accredited by the European Quality Improvement System (EQUIS), an EFMD standard which represents the leading international system of quality assessment, improvement, and accreditation of higher education institutions in management and business administration. Accreditation involves a rigorous assessment by a panel of international academics and business people, and institutions must demonstrate high quality in all dimensions of their activities, including academic programs and research, resources and student services, and connections with the corporate world. The Division is to date the only Australian business school to receive EQUIS accreditation for both its onshore and transnational programs.

Also in 2004 UniSA was audited by AUQA. As part of the audit, the panel Chair and AUQA Executive Director Dr David Woodhouse, spent a week visiting eight transnational programs with five partners in three countries. In its report, AUQA commended UniSA 'for its quality assurance system for transnational programs' and the panel noted that it was satisfied that the University's systems are effective in detecting problems and taking action when needed. The Audit Panel also commended UniSA for the information and support services it provides to international onshore students. AUQA stated that 'throughout the international students' life cycle from recruitment to graduation UniSA is providing excellent information and support services'.

UniSA also collaborates with external organisations to develop best practice models for all Australian universities. In 2005 we were one of fifteen universities conducting DEST-funded research as part of the Offshore Quality Assurance Project, and were the only university to have won funding for two projects in this scheme. These were:

- A framework for quality assurance in the development and delivery of offshore programs in languages other than English
- A Professional Development Framework for Offshore Teaching.

Both projects are contributing to quality improvement at the national level.

Apart from our contribution to the tertiary sector, UniSA is also committed to growing the international component of the non-tertiary sector through our involvement with the Centre for English Language in the University of South Australia (CELUSA). CELUSA is the largest language centre in South Australia and last year increased its capacity from 250 students to 350 students. This commitment also extends to our relationship with the South Australian Institute of Business and Technology (SAIBT), which is expected to considerably grow its enrolments over the next five years.

Because of the inquiry's focus on education as a services export, this submission has concentrated on the economic and financial impacts of international education. It is, however, important to emphasise that the benefits from international education run far beyond this monetary dimension. Less tangible benefits are equally valuable. Adding to the cultural diversity of the student population, international students help bring to life the University's aim of being a truly international institution. Through their sharing of unique skills, knowledge and experiences with domestic students and staff, international students enrich the programs provided by UniSA and contribute to the internationalisation of our programs to the benefit of all our students. These cultural, social, educational and financial benefits are not restricted to the University, but can be felt State-wide.



Facilitating Export Performance: The Role for Commonwealth Government

UniSA has supported moves to establish a national quality assurance framework for both international onshore and transnational delivery. South Australia cannot detach itself from the overall reputation of the Australian higher education sector and the actions of providers outside of the State can have negative impacts. In this respect, UniSA has confirmed its commitment to such measures as the ESOS Act and the requirement to register as a provider under CRICOS. However, whilst supporting a quality assurance framework, the University also acknowledges the need to maintain the academic autonomy of universities.

Further the University is opposed to any notion of separate quality frameworks for transnational and onshore education. UniSA has taken great pains to ensure our quality frameworks are inclusive of all aspects of our educational activities. We believe that separate processes could contribute to the perception at home or abroad that one or other system is superior in assuring educational quality. Our approach has been vindicated by our excellent AUQA Report in 2004.

UniSA believes that the Commonwealth Government would best facilitate export performance by focussing on continuing support for the existing quality assurance framework (national protocols, national brand strategy, ESOS – consumer protection, AUQA), however we believe that the Government needs to balance the need for solid quality assurance by ensuring that compliance costs are not excessive, and do not create a barrier to export success, or reduce Australia's competitive position. Specifically, the national code framework should support Higher Education Providers without crossing the boundary into academic jurisdiction, or imposing unsustainable compliance costs.

In relation to visa requirements, the University believes there is a need for the immigration regulatory environment to be:

- responsive to changing regulations among competitors
- open enough not to be a barrier, but stringent enough not to flood the market beyond university capacity (ie New Zealand example).

In relation to the Bologna process, we believe the Government needs to:

- develop regional discussion regarding the intermeshing of our framework within an Asia Pacific context
- ensure system-to-system recognition of Australian degrees and Australian graduates.

Finally, in terms of current bilateral FTAs, these should be a vehicle to focus on:

- the need for transparency within transnational quality assurance frameworks throughout free trade agreements
- improving the portability of qualifications
- benefits from ASEAN FTA – strong support for closer regional integration regarding trade in education, and reducing barriers to Australian universities trading in those countries
- the facilitation and ease of student and academic movement.



Appendix A: UniSA International Research Performance

Percentage of Research Students Who Are International and Number of Research Students: 2004

University	Penetration %	Penetration Rank	Number of PGR Students
Bond University	44.9%	1	69
University of South Australia	32.0%	2	1,096
The University of Notre Dame Australia	27.7%	3	47
Curtin University of Technology	27.1%	4	1,562
University of the Sunshine Coast	26.8%	5	71
The Australian National University	24.6%	6	1,992
Victoria University of Technology	23.8%	7	580
Macquarie University	21.9%	8	1,304
The University of New South Wales	21.5%	9	2,914
Southern Cross University	21.2%	10	514
University of Southern Queensland	21.2%	11	203
James Cook University	20.2%	12	693
University of Technology, Sydney	19.7%	13	1,195
University of Wollongong	19.4%	14	1,183
Charles Sturt University	17.4%	15	391
Royal Melbourne Institute of Technology	17.2%	16	1,711
The University of Western Australia	17.1%	17	1,900
The University of Queensland	16.2%	18	3,682
Edith Cowan University	15.8%	19	615
The University of Adelaide	15.5%	20	1,737
Swinburne University of Technology	15.2%	21	545
The University of Melbourne	14.4%	22	4,307
University of Canberra	14.2%	23	282
Monash University	14.1%	24	3,135
The University of Newcastle	13.4%	25	1,248
The University of Sydney	12.7%	26	3,696
The Flinders University of South Australia	12.0%	27	893
Queensland University of Technology	11.8%	28	1,330
La Trobe University	11.4%	29	1,289
The University of New England	11.3%	30	763
University of Ballarat	10.8%	31	185
Griffith University	10.7%	32	1,314
Murdoch University	9.6%	33	827
Central Queensland University	8.8%	34	283
Charles Darwin University	8.8%	35	217
Deakin University	8.7%	36	943
University of Western Sydney	8.2%	37	887
University of Tasmania	8.0%	38	1,064
Australian Catholic University	5.3%	39	374
Median	15.5%		943
Average	16.9%		1,206