

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 SUPPLEMENTARY ESTIMATES HEARING

Outcome: 2
Output Group: 2.4 – Funding for Higher Education

DEST Question No. E778_06 – Final

Senator Wong provided in writing.

Question:

Please provide enrolment numbers for international students in each year since 1995-1996 by:

- a) university
- b) level of course
- c) field of education
- d) commencing or continuing

Answer:

Overseas students enrolments

In 2005, international students in the higher education sector paid tuition fees worth \$2.508 billion (AEI fees database).

It is a long standing policy of the Australian Government that no Australian Government funding, or tuition fees or student contributions paid by Australian students should be used to subsidise the tuition provided to international students. As such, the Australian Government issues guidelines for full fee-paying international students studying at Commonwealth-funded higher education institutions. Under these guidelines, institutions can only accept fee-paying international students as long as these students do not displace, or in any way, disadvantage Australian students. Institutions are also required to charge fee-paying international students at a level sufficient to recover the full cost of delivering the course offered to that student.

International students in Australia pay billions of dollars in tuition fees (\$3.8 billion in 2005) and contribute a similar amount to the national economy through expenditure on living costs. They constitute a major export industry.

In 2004-05, the Department of Foreign Affairs and Trade (DFAT) valued the export of education services at \$7.2 billion, making education the fourth largest export after coal (\$17.1 billion), personal travel excluding education (\$10.9 billion) and iron ore (\$8.1 billion) (DFAT *Trade in Services Australia 2004-05*).

The overseas activities of Australian owned educational institutions make further significant contributions to the national economy through repatriated income. DEST estimates that the total value of international education to Australia was \$7.5 billion in 2004.

In addition to the obvious economic advantages derived from the \$7.5 billion export industry, international students bring considerable value to Australian society and to Australia's engagement with the world. In particular, international education facilitates significant intellectual, social, cultural and national security benefits for Australia. It does this through concepts such as the exchange of students and knowledge, and the development of regional and bilateral relationships, which cannot be underestimated in building Australia's standing in an ever increasingly globalised world.

Significant growth in countries such as India and China has been accompanied by a decline in traditional markets such as Indonesia and Singapore.

The likely causes of declines in traditional markets include: strong competition, tuition fee increases set by providers, capacity constraints on Australian providers and greater choice for students as more in-country places become available.

These trends may also reflect structural change taking place in the global education market. The traditional markets for Australia tend to be driven by high demand for diploma and degree level qualifications in business and IT. However, the new growth markets of China, India, the Middle East, South America and Africa are showing a more diverse mix of demand across fields and levels of study. This is highlighted by the strong growth in commencements of 18.0% for the vocational and technical education (VTE) sector.

- a) See attachment 1.
- b) See attachment 2.
- c) See attachment 3.
- d) See attachment 4.