

**Submission to the Australian Senate Committee Inquiry into Australia's
Relations with China**

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Submitted by:

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The Impact of an FTA with China on the demand for educational services.

According to a report published in May 2005 by the Committee for the Economic Development of Australia (CEDA) titled China in Australia's Future, "Chinese demand for foreign education is forecast to grow annually at 15 percent...China is expected to be the world's greatest single source of foreign students by 2020.

Educating foreigners is an Australian strength. Education is our third-largest service export industry and contributes 5.3 per cent of GDP."

According to the Australia-China Free Trade Agreement Joint Feasibility Study "Education is an important and expanding sector in bilateral services trade and provides many benefits for both [Australia and China]. China was the top source country for international enrolments in Australian educational institutions in 2003 with a total of 57,579 Chinese nationals enrolled in all sectors of Australian education in Australia. For 2004, the estimated number of students studying Australian programs in China was 30,000."

There are a number of assumptions contained in these assessments that need to be unpacked.

1) If the demand for Australian educational services is growing so strongly and expected to continue to do so, it is not at all clear as to why an FTA is needed to take advantage of something that we already have. If I were to be cynical, it would seem to me that the government is picking on obvious areas such as education, where there is already a strong demand and hoping to use it in the future to prove that an FTA contributed to something greater in this sector, which present trends already indicate—in the absence of an FTA.

2) The projection of a continued strong demand for Australian educational services seems to be predicated on a mistaken and ill-informed or deliberately narrow view of what Australia has to offer in terms of quality of education. At the moment, it seems that one of the key reasons for overseas demand for Australian education is that it is relatively cheaper than education offered by places such as the UK and the USA. However, it is far from certain that students will continue to be swayed by cost considerations when quality is in decline. Overseas students expect to obtain a return from their educational investment; they expect to be able to come out of their education with a range of skills and knowledge associated with that degree. Australia is losing its ability to deliver in this regard.

Meanwhile, China is keen to improve the quality of its education in a genuine way, in much the same way as Singapore has been doing.

In my position I have received and continue to receive a enormous amounts of feedback from hundreds of overseas students.

There are increasing complaints and dissatisfaction with what Chinese (and other overseas students) perceive as being a progressive and discernible decline in the quality of education offered by Australian higher education institutions. There are a number of reasons for these complaints:

1) The increasing casualisation of academic staff is having a very real and unavoidable impact on the quality of staff that universities can attract, and the commitment of that staff to quality teaching services, given the poor salaries and insecure positions that a large number of university staff occupies. Casual staffs are only expected to be on campus the days and hours that they teach. In fact, because of the limited shared space available to such staff in

terms of offices, they are in some cases chastised for coming in on days that they are not supposed to be teaching as this creates pressure and cramped office space, with lots of traffic and an inability of staff to be able to think at their desks and to consult with students minus background noise interference. Many students complain that they feel as if they are waiting in a supermarket line. This they say is not different to the lack of access and resources in their own countries.

2) I understand that a few of the sandstone universities have been toying with the idea of putting on tutorials on for the last few weeks of a semester in order to save money. In terms of the students needs for learning, this is far from satisfactory.

3) The numbers in tutorials are also growing and often resemble mini lectures. This is NOT what a tutorial is supposed to represent. Tutorials like this offer students little or no value, yet the price of education in Australia is growing, though the services are declining in quality and the only improvement seems to be in rhetoric, glossy marketing and substance.

4) These are only a couple of examples of what is wrong with higher education in Australia. With such trends, and the importance of rumor and reputation in Asian culture, it won't take long for the word to spread around about the slap-dash unprofessional and unethical manner in which educational services are provided. In this case, the poor reputation that Australia will come to acquire will linger and require a great deal of time and resources to restore. The poor quality and unprofessional education experience that Chinese students will have, may probably have flow on effects with their general dealings with Australians in business. This cannot be a good outcome.

It seems that those in the various sections of DEST either lack proper coordination, or have poor measures and evaluation techniques.

5) Meanwhile, I note that the UK and USA are making a concerted effort to tap in on the qualitative aspects of education in order to compete with Australia for educational services and I feel that they will succeed in this regard. An FTA cannot stop private consumers deciding that they are deserving of quality of service for the money that they are paying.

6) The forecasts contained the statements above seem to be based on a suspension of reality—that China will continue to demand western education because it is not capable of improving

its own educational standards sufficiently. By 2020 one would expect that the number of Chinese students who have studied overseas, combined with the experience that they will have acquired, will be sufficient to place them in a strong position to be able to offer their education services in China, thus stemming demand somewhat.

It is these western educated students who are in a superior position to have local connections, and have a sophisticated understanding their own country, that will be in strong position to compete for jobs in foreign companies working in China.

An FTA is not needed to take advantage of a growing demand for western education by Chinese, but a departure from cosmetic reforms and rhetoric is needed to keep the momentum going. The complaints of myself and others in this regard continue to fall on deaf ears.

Bad people to people experiences as what happened with Indonesia and also the creation of an image of Australia as not be very professional, reliable ethical or diligent in its dealings.