The Nature of International Education in Australian Universities and its Benefits

Strategy Policy and Research in Education Limited

Prepared for Universities Australia

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Foreword

This study documents important non-economic benefits of international education. As well as through the economic sphere, international students enhance in many less easily measurable ways the social and cultural fabric of the universities at which they study and the communities in which they live while in Australia, or while studying at Australian overseas campuses. They bring back new understanding and insights to their own countries. The internationalisation of education is therefore important for these social, cultural and intellectual benefits. It potentially facilitates depth of understanding and cooperation among people from different countries, their governments and international communities.

Former United States under secretary of state, Karen Hughes argued that there was “no doubt in my mind that student exchanges have been our single most effective public diplomacy tool in the past 50 years – there is simply no substitute for bringing people here where they learn with us and from us and make up their own minds about America”\(^1\). In Australia this explicit connection between education and the extension of international understanding is occasionally asserted but has not been systematically examined.

However we must recognise that any resulting benefits can be brought undone by negative experiences and adverse outcomes among the international student body anywhere across the entire tertiary education sector. The benefits come from a well-managed, high quality student experience and from wider and deeper education and research integration. To this end, Universities Australia is working with key stakeholders to ensure the welfare of the student is foremost with the release of a ten point plan of action\(^2\) on 9 June 2009 which consolidates a range of ongoing initiatives directed at securing the foundations and providing continuous improvement.

As Australia’s universities further approach a desired third wave or new vision for internationalisation\(^3\), it is timely to reinforce the strong commitment to international education for all the benefits it brings to our students and to Australia, and to work tirelessly to ensure those benefits can be delivered as they should.

Universities Australia is releasing this commissioned report as a contribution to the public debate on international education and its benefits. The views expressed are those of the authors and should not be attributed to Universities Australia.

Glenn Withers, AO
Chief Executive Officer
Universities Australia

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\(^1\) Hughes K 2007
\(^2\) Universities Australia 2009c
\(^3\) Universities Australia 2008d
Executive Summary

This is a study of the nature of international education in Australian universities and its benefits.

The study opens with a literature review of research which describes the nature of international education in Australia and the benefits which it brings to the Australian tertiary education system, its students and graduates, and the wider Australian community. Of the many benefits of international education, its effect on Australia’s international relations has been least researched. The study includes an attempt to remedy this by providing some original research on the impact of international education on Australia’s public diplomacy.

A history of international education in Australia starts with the Colombo Plan, describes the move from aid to trade, suggesting that the halcyon days of the aid phase were less than idyllic, and floats a third phase involving a broadening in focus.

Conceptual Framework for Internationalisation

Chapter 1 defines internationalisation of higher education as the process of integrating an international/intercultural dimension into the teaching, research and service of the institution, and describes an established Australian conceptual framework for internationalisation and a more recent OECD framework.

International Student Program

As in Chapter 2, increasing globalisation of the world economy has led to growth in the number of international students at tertiary level. On UNESCO estimates, at least 2.5 million tertiary students were studying outside their own countries in 2004, up from 800,000 in 1975. From OECD data, 19.7% of all undergraduates in Australian universities in Australia in 2006 were international students. This is the highest figure in the OECD.

Economic, Job Creation, Community Impacts

From Chapter 3, Australia’s exports of education were worth $15.5 billion in 2008. Education as an export has displaced tourism as Australia’s largest service export. Education is Australia’s third largest export, behind only coal and iron ore. Australia’s international student program generates a total of 126,240 jobs, increasing employment in Australia by about 1.2%.

Broad Internationalisation: Impacts on Universities

Chapter 4 describes the development of international education in Australia and its broader impact on universities, including internationalisation of research, internationalisation of curriculum, transnational education and pathways to higher education.
From OECD data, and as reported in Bradley’s Review of Australian Higher Education, 19.1% of all postgraduate research students in Australian universities in 2006 were international students. Australia is by no means highest in the OECD on this measure, behind Switzerland, the UK, the USA, as well as New Zealand, Canada and Belgium. But Australia at 19.1% in 2006 was above the OECD average 15.9%. Australia’s competitiveness in the market for international postgraduate research students is demonstrated by its universities’ commitment of funds to scholarships. Bradley is seeking a more diverse international student body and a greater proportion of higher degree research students, focusing more on international research collaborations and effective connections to global innovation and research networks.

Impacts on Students in Australian Universities

Chapter 5 explores the impacts of the international student program on students in Australian universities through student measures such as academic performance and retention and opportunities for outgoing international study experiences.

International students perform academically just as well as Australian students. This has been the consistent finding in three studies over 12 years of students in Australian universities, suggesting that Australian universities are attracting talented international students to Australia, are setting entry standards at about the right levels, and are achieving successful outcomes in educating these international students.

A study of retention and attrition in 32 Australian universities in 2008 found that international students stayed the course better than Australian students: 7.6% of the 102,686 international students dropped out; compared with 11.3% of the 383,297 Australian students who dropped out.

Australia’s Deputy Prime Minister and Education Minister has pointed out that many benefits flow our way as our own students study overseas in greater numbers and are exposed to other cultures and education systems. A study of outgoing international student mobility in 2007 reported that nearly 6% of completing undergraduates in Australian universities have undertaken an international study experience by the time they graduate. Sixty per cent of these international study experiences are supported by university funds.

In a 2008 study of comparative academic performance, female students in 2007 passed 93.3% of what they attempted and did better than male students, who passed 89.9%. In the 2008 study of attrition and retention, 9.9% of female students dropped out, staying the course better than male students; 11.2% dropped out. In terms of outgoing international student mobility, the study in 2007 found that women dominated all types of international study experiences. A comment on the gender agenda suggests that girls do better than boys to the extent that, in any research on outcomes of higher education, it may be that a cohort dominated by women will do better than a cohort dominated by men. Gender needs to be on the agenda.
Outcomes for International Graduates and Alumni

Chapter 6 suggests that we actually know very little about the outcomes over time of the graduates of Australian international higher education. Research that tracks graduates of any kind through the medium to long-term development of their careers is very rare.

In 2005, Australian Education International commissioned research to assess the satisfaction of international students studying in Australia. Overall, the vast majority of international higher education respondents were satisfied with their study experience: 85% were either very satisfied or satisfied with studying in Australia, 98% would recommend studying in Australia to friends and family, 83% were either very satisfied or satisfied with the course they were completing and 67% would recommend their course to friends or family. However, social integration aspects such as Australian attitudes towards international students, as well as forming close friendships between international and Australian students, were potential areas for improvement.

The Overseas Student Education Experience Taskforce in Victoria in 2008 sought to address some of these issues.

In terms of links between Australia’s international student program and its skilled migration program, Universities Australia had put the case to government

   The Australian migration program is integral to the nation’s development. It has contributed much. This is recognised. What is less recognised is that the nation’s universities have been the key to building that program in recent decades.

   Australia’s universities have provided the backbone of Australia’s modern migration system. Overseas students or former overseas students have provided over half of the increase in skilled migration over the last decade.

Australia’s Minister for Immigration and Citizenship in December 2008 affirmed Australian Government policy

   The Government welcomes overseas students and appreciates the contribution they make to academic life and to the communities where they live and study. International students who have studied here are an excellent source of skilled applicants.

Impacts of International Development Assistance Programs

It was through the provision of education as aid to Colombo Plan fellows that many Australian institutions commenced the processes of internationalisation. In the 35 years after 1950, some 40,000 people from Asia came to study in Australian institutions under the Colombo Plan.

More broadly, Australia contributed to scholarships and training through UNESCO, the Colombo Plan, the Commonwealth Scholarship and Fellowship Plan and the Commonwealth Cooperation in Education Scheme, as well as through various schemes since then. From the 1940s until 1985, around 200,000 students were assisted by Australia, other donors or their own governments to study in Australia.
As reported in Chapter 7, Australia in 2006 announced a doubling in the number of educational scholarships it offers in the Asia-Pacific region, providing funding over five years for more than 19,000 scholarships.

Scholarships for development assistance purposes, in the spirit of the Colombo Plan, remain an important component of Australia’s international student program.

**Impacts on Public Diplomacy**

As in Chapter 8, public diplomacy is not the primary purpose of Australian universities’ international activities but it is clear that universities do create significant public diplomacy benefits for Australia. The benefits fall into two categories: creating a positive image for Australia and opening doors and exerting influence. There is scope to maximise these benefits without compromising universities’ fundamental missions of education and research.

Governments need to fund universities to a level where they can build up world-class centres of research which build their international reputations and which successfully compete in the global hunt for the best students.

Australia also needs to show its serious interest in the region through, for example, more teaching of Asian languages and encouragement to students to spend time studying at overseas universities through exchange programs.

**Impacts on Conventional Diplomacy and Trade Links**

As described in Chapter 9, Australian diplomats have successfully used the Australian alumni network to gain access and advance diplomatic objectives.

Because Australian alumni have generally had a higher profile in government than in business, more needs to be done to strengthen the networks of Australian alumni in business. A program of internships for international students would be a very effective way to introduce international students to Australian business and encourage them to continue working with Australian companies as their career progresses.

In this context, Universities Australia recently released a discussion paper on the Development of a National Internship Scheme. While this paper was developed for the whole Australian student cohort it has special relevance for international students – both those seeking migration following their studies and those who plan to return home following completion of studies with both a quality education and useful work experience in their area of study.
Looking Forward

Chapter 10 examines the outlook for international education in Australia. The expectation is that growth in Australian international student numbers will continue at a sustainable pace.

With international education now a major Australian export industry, contributing 1% of GDP, it follows that universities should have a greater voice in government trade policymaking forums.

Coordinated national action by government and stakeholders is necessary to find the innovative solutions that will help international education move into its ‘third phase’ of mature, long-term growth.

The Appendix lists selected notable alumni of Australian universities from a number of sources including a survey of Australian universities in October 2008.
Introduction

Australia’s Deputy Prime Minister and Minister for Education, the Hon. Julia Gillard, opened the Australian Education International Industry Forum in 2008 with some remarks on the extraordinary contribution that international education is making to Australia’s education system and national prosperity, and on the economic, trade and skilled migration benefits.

International education’s significance is much broader than economics. It reaches into every sphere of our lives. And it reflects the intrinsic values of education itself – the spread of knowledge, skills, understanding and cross-cultural dialogue.

It’s a central part of our international diplomatic efforts and contributes to the development of good relations with our neighbouring countries.

In the widest sense, it produces global citizens who form networks and collaborations to foster wider international business engagement, achieve diplomatic solutions to world pressure points, develop innovations in science and technology to improve quality of life and environmental sustainability, tackle global challenges like climate change and embrace cultural differences that enrich our social experiences.

And, of course, international education plays an enormously beneficial role assisting economic development in some of the world’s poorest countries. It allows people from developing nations to access world class education and be exposed to advanced social, legal and financial systems beyond the limits of their home countries. By interacting with us, people from developing nations gain access to innovative ideas and broad networks of people with common interests.

The reverse is also true. Many benefits flow our way, as our own students study overseas in greater numbers and are exposed to other cultures and education systems. Such exchanges deepen and improve our own education system and I look forward to seeing a real growth in numbers of Australian students taking the opportunity to study overseas.

This is a study of the nature of international education in Australian universities and its benefits.

The study opens with a literature review of research which describes the nature of international education in Australia and the benefits which it brings to the Australian tertiary education system, its students and graduates, and the wider Australian community. While much research has been done on many aspects of international education and its impacts, this study summarises these research results in a consolidated form which emphasises the breadth of the impact and the wide range of benefits which stem from the international education programs in Australian universities.

Of the many benefits of international education, its effect on Australia’s international relations has been least researched. The study includes an attempt to remedy this by providing some original research on the impact of international education on Australia’s public diplomacy.

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4 Gillard The Hon. J 2008
Our intent is to provide an accessible document which describes how international education has become Australia’s foremost service export, its third largest export overall, and one of the main avenues for building Australia’s international reputation and its ties with other countries.

To make the document accessible, it starts with a history.

**History**

Launching *Australia and the Colombo Plan 1949-1957* in Canberra in 2005, Australia’s then minister for foreign affairs, the Hon. Alexander Downer⁵, said

> The Colombo Plan occupies a prominent place in the history of Australia’s relations with Asia. It is best remembered here for sponsoring thousands of Asian students to study or train in Australia’s tertiary institutions.

It is difficult to imagine today that most Australians up until the 1950s rarely encountered people from Asia nations and near neighbours in their daily lives in Australia.

Furthermore, the limited nature of people-to-people exchanges between Australians and the countries of South and South-East Asia no doubt had an impact on Australian engagement with Asia at that time.

But the Colombo Plan helped to change this state of affairs by introducing students from many parts of the region into our society.

Cuthbert, Smith and Boey⁶ acknowledge that it was through the provision of education as aid to Colombo Plan fellows that many Australian institutions commenced the processes of internationalisation.

Back et al⁷ trace the history

> Australia was a key player when the Colombo Plan for Cooperative Development in South and South-East Asia was launched in July 1951. The Colombo Plan marked the first formal entry of the Australian Government into the direct sponsorship of overseas students for study in Australian institutions.

Australian universities were hosts to a steadily increasing number of overseas students, both sponsored and private, the latter being admitted to the universities on the same fee conditions and entry requirements as Australian students. The number of overseas students was controlled by immigration policies which were reviewed and amended from time to time.

An important change was made in 1979 with the introduction by the Australian Government of a ‘visa fee’ to be paid by private overseas students, later called the Overseas Student Charge (OSC), which represented about 10% of the notional full cost of a university place (from 1982 the level of the OSC was increased annually reaching a peak of 55% of the cost of a place by 1988) and thus the private students were ‘subsidised’ by the Australian Government and the education of private overseas students was, and was seen to be, a component of Australia’s aid program.

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⁵ Downer The Hon. A 2005  
⁶ Cuthbert D, Smith W and Boey J 2008  
⁷ Back K, Davis D and Olsen A 1996
The next major shift in policy followed the release in 1984 of the Reports of two substantial reviews - the Committee to Review the Australian Overseas Aid Program (the Jackson Report) and the Committee of Review of Private Overseas Student Policy (the Goldring Report). The Jackson view was that education should be regarded as an export industry whereas Goldring rejected the market-based approach to the education of overseas students.

The Jackson view prevailed. In 1985 a new Overseas Student Policy was introduced by the Australian Government whereby overseas students who were not accommodated within the quota of subsidised students could be enrolled, without numerical limits, provided they met the institutions' entry requirements and paid the full cost of their courses. This was followed by the related Policy on the Export of Education Services, designed to facilitate the recruitment of fee-paying students. A key element in the new policies was the condition that institutions could only accept an international student if there was no displacement of an Australian student.

The shift from a philosophy of educational aid to educational trade had commenced.

The new full-fee policy saw the end of implicit subsidies for private overseas students. In many cases subsidised students had been relatively well off or from relatively wealthy countries. They were not those to whom Australian aid would have normally been targeted. Under the new policy scholarships were introduced which provided more effective targeting of education assistance. In terms of the number of Australian Government sponsored students since the new policy was introduced, they have grown from about 3,500 in 1983 to nearly 6,000 in 1995.

The education of private overseas students was, and was seen to be, a component of Australia’s aid program. The move from aid to trade in 1985 ended implicit subsidies for students to whom Australian aid would not normally have been targeted and enabled more effective targeting of education aid through scholarships in a fee-paying environment. The halcyon days of the aid phase were, perhaps, a little less than idyllic.

From the mid 1980s, following the shift from the aid phase to the trade phase, most Australian universities were actively recruiting international students, with income as the key driver.

Australia’s then minister for employment, education and training in September 1992 sought to refocus policy on international education, with

a move away from a concentration on exporting student places to a recognition of the wider activities integrally involved in international education and the wider, sometimes indirect, benefits which flow from seeking to internationalise our education systems.

The second phase, the trade phase, has continued through until 2009.

Bradley’s Review of Australian Higher Education in December 2008 concluded

Australia has been a world leader in international education. It has also been extremely successful in developing education as an important export industry and Australia’s universities have been central to the development of this industry.

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8 Beazley The Hon. K 1992
9 Bradley D 2008
But the Australian higher education sector will need to build on this success and broaden the focus of its international education activities if it is to remain globally competitive.

This Study

The study has been commissioned by Universities Australia although the authors take responsibility for the content.

The study is presented in ten chapters.

The first seven chapters are based on literature review.

Chapter 1 Conceptual Framework for Internationalisation provides a theoretical framework for the study.

Chapter 2 International Student Program describes the size and shape of Australia’s international student program and, relying on OECD data, puts the Australian international student program into global context.

Chapter 3 Economic, Job Creation, Community Impacts looks at Australia’s international student program in terms of economic, job creation and community impacts, including the extent to which international student programs play a part in developing world class education cities.

Chapter 4 Broad Internationalisation: Impacts on Universities examines the broader impacts of Australia’s international student program on its universities, focusing on internationalisation of research, internationalisation of the curriculum, university offshore operations and the development of access programs to satisfy the demands of the international student program.

Chapter 5 Impacts on Students in Australian Universities explores the impacts of the international student program on students in Australian universities through student measures such as academic performance and retention and opportunities for outgoing international study experiences.

Chapter 6 Outcomes for International Graduates and Alumni reviews literature on outcomes for international graduates including employment, labour market and migration outcomes in Australia and overseas.

Chapter 7 Impacts of International Development Assistance Programs explores the benefits to Australia from the international development assistance programs of Australian universities.

The next two chapters are different, reporting original research on the impact of Australia’s international student program on Australia’s public diplomacy.

Chapter 8 Impacts on Public Diplomacy explores the benefits to Australia from the international student program in influencing public opinion and building ties with people in other countries.
Chapter 9 Impacts on Conventional Diplomacy and Trade Links explores the impact of the international student program on Australian diplomacy and its trade and investment links with other countries.

Finally, Chapter 10 Looking Forward examines what actions are needed to ensure that international education transforms successfully from a young, fast-growing industry into a mature industry with sustainable, long-term growth.

Universities Australia commissioned Strategy Policy and Research in Education Limited www.spre.com.hk, an Australian owned company in Hong Kong, to carry out this study.

For SPRE Limited, Alan Olsen, Tim Dodd and Rebecca Wright contributed to the study.

Alan Olsen, an Australian living and working in the Hong Kong Special Administrative Region of China, is Director of Strategy Policy and Research in Education Limited. Alan is a consultant in international education, carrying out research, strategy and policy advice for client institutions and organisations on international education, transnational education and international student programs. He has worked in international education in Australia, Singapore and Hong Kong and has published extensively, with 37 items on Australia’s Database of Research on International Education. Alan has a Bachelor of Arts with First Class Honours in Philosophy from The University of Sydney and a Graduate Diploma in Finance from University of Technology, Sydney.

Tim Dodd worked with SPRE Limited on this study. Tim is currently engaged on a part-time basis as External Relations Manager for IDP Education Pty Ltd. He has worked with IDP since October 2005. Previously, Tim was a journalist with the Australian Financial Review (AFR) where he established the weekly Education section in the AFR in 2003, setting a new benchmark in Australia for reporting and analysing higher education policy matters. From 1999 to 2003 Tim was the AFR South East Asia Correspondent based in Jakarta. Tim spent seven years from 1988 to 1995 based in the Canberra Press Gallery writing on economic policy for the AFR, and a year, 1984/1985, as a policy officer in the Department of the Prime Minister and Cabinet. Tim has a Bachelor of Science with Honours from The University of Adelaide.

Rebecca Wright, an Australian living and working in Hong Kong, is a Researcher with Strategy Policy and Research in Education Limited. Admitted as a Solicitor in New South Wales and in the High Court of Australia, Rebecca worked in Australia as a Solicitor with Allen & Robinson in Brisbane, and earlier as a Law Graduate and Paralegal and as a Casual Electorate Officer and Research Assistant for a member of the Queensland Parliament. She has a Bachelor of Laws with First Class Honours and Bachelor of Business in International Business from Queensland University of Technology and a Graduate Diploma in Legal Practice from the College of Law, Sydney.
The development of international education in Australia has had a major impact on universities, affecting curriculum, the way courses are delivered and where they are delivered. The growth of international student numbers and broader international engagement by universities have motivated much research on the internationalisation of higher education and ways it affects universities.

Knight and de Wit did pioneering work in the 1990s on historical and conceptual perspectives around the notion of internationalisation of higher education10 11.

For the Australian context, Back, Davis and Olsen were commissioned by the Department of Employment, Education, Training and Youth Affairs in 1996 to research and write *Internationalisation and Higher Education: Goals and Strategies*12, drawing their conceptual framework from Knight and de Wit.

Based on Knight, Back et al used a definition of internationalisation

Internationalisation of higher education is the process of integrating an international/intercultural dimension into the teaching, research and service of the institution.

Back et al developed a conceptual framework for internationalisation, including a series of organisation and program strategies, and the concept that good practice in internationalisation of a university involves a flow of funds from the international student program to other organisation and program strategies for internationalisation.

Knight in 200413 remodelled her conceptual framework, streaming strategies into Internationalisation at Home and Internationalisation Abroad, acknowledging that many students and staff in universities do not have the opportunity to cross borders in order to have an international study experience.

For an Australian university in 2009, Internationalisation at Home would involve

- Policy and Culture of Internationalisation
- Internationalisation of Research and Research Links
- Internationalisation of Curriculum and Teaching
- Internationalisation of Staff
- International Student Services
- Community Outreach.

10 Knight J and de Wit H 1995
11 Knight J 1997
12 Back K, Davis D and Olsen A 1996
13 Knight J 2004
Internationalisation Abroad would involve

- International Student Program, where international students study on campuses in Australia, in higher education and in pathways to higher education
- Transnational Education Program, including delivery of courses outside Australia, partnerships offshore and pathways offshore to universities in Australia
- International Student Mobility, where students undertake outgoing international study experiences, of a range of types, away from home campuses
- International Projects, where staff carry out project work or customised training, outside Australia or for clients outside Australia, for development assistance or commercial purposes.

**OECD**

The Organisation for Economic Cooperation and Development in 2008 in its report *Tertiary Education for the Knowledge Society*\(^{14}\) provided an international investigation of tertiary education policy across its many facets – governance, funding, quality assurance, equity, research and innovation, academic career, links to the labour market and internationalisation.

OECD’s policy directions for shaping internationalisation strategies in the national context provide a second theoretical framework. It is not surprising that OECD’s first policy direction is development of a national strategy for internationalisation.

In terms of **overall strategy and steering of internationalisation policy**, OECD’s policy directions are

- develop a national strategy and comprehensive policy framework for internationalisation
- improve national policy coordination
- encourage institutions to become proactive actors of internationalisation
- promote sustainable strategies of internationalisation
- create structures to assist institutions in their internationalisation strategies.

In terms of **attractiveness and international competitiveness of the tertiary education system**, OECD’s policy directions are

- create structures to promote the national tertiary education system
- enhance the international comparability of tertiary education
- develop alternatives to current global rankings
- improve information to prospective international students
- foster centres of excellence at post-graduate level…
- … but ensure quality provision in under-graduate cross-border education as well.

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\(^{14}\) OECD 2008a
In terms of **internal dimension of internationalisation**, OECD’s policy directions are
- develop on campus internationalisation
- encourage the mobility of domestic academic staff and students.

In terms of **optimisation of internationalisation strategy**, OECD’s policy directions are
- inform policy-making in the area of internationalisation
- take advantage of international complementarities
- manage the migration impact of internationalisation.

In the chapters that follow, Australian universities’ international student programs, their policies and cultures of internationalisation, their internationalisation of research, their internationalisation of curriculum, their internationalisation of staff, their transnational education programs and their programs of outbound mobility for students in Australian universities are all strategies within the Australian and OECD internationalisation frameworks.
International Student Program

In the past few decades, increasing globalisation of the world economy has led to a substantial increase in the number of international students at tertiary level. On United Nations Educational, Scientific and Cultural Organization (UNESCO)\textsuperscript{15} estimates, at least 2.5 million tertiary students were studying outside their own countries in 2004, up from 800,000 in 1975.

During this period, from 1975 to 2004, the internationally mobile student population has been rising, with three noticeable surges in growth, between 1975 and 1980, between 1989 and 1994, then from 1999 to 2004.

There are some gaps in the data, but, in this period of 30 years, there was not a single year with a dip in aggregate numbers, as in Chart 2.1 International Mobile Students by Region of Study 1975 to 2004 from UNESCO.

\textbf{Chart 2.1}

\begin{center}
International Mobile Students by Region of Study 1975 to 2004
\end{center}

\begin{center}
\begin{tikzpicture}
\begin{axis}[
    title={How has the absolute number of mobile students changed since 1975?},
    xlabel={international mobile students by region of study, 1975 to 2004},
    ylabel={Mobile students (in thousands)},
    ytick={0, 500, 1000, 1500, 2000, 2500},
    yticklabels={0, 500, 1000, 1500, 2000, 2500},
    legend pos=north west,
    legend style={font=\scriptsize},
]
\addplot[red] table [x=year, y=north america] {data.csv};
\addplot[blue] table [x=year, y=western europe] {data.csv};
\addplot[green] table [x=year, y=central and eastern europe] {data.csv};
\addplot[orange] table [x=year, y=east asia and the pacific] {data.csv};
\addplot[purple] table [x=year, y=sub-saharan africa] {data.csv};
\addplot[olive] table [x=year, y=south and west asia] {data.csv};
\addplot[gray] table [x=year, y=latin america and the caribbean] {data.csv};
\addplot[dark gray] table [x=year, y=central asia] {data.csv};
\addplot[light gray] table [x=year, y=arab states] {data.csv};
\legend{North America, Western Europe, Central and Eastern Europe, East Asia and the Pacific, Sub-Saharan Africa, South and West Asia, Latin America and the Caribbean, Central Asia, Arab States}
\end{axis}
\end{tikzpicture}
\end{center}

Australia’s International Student Program

Since 1975 the number of international tertiary students studying in Australia has grown steadily.

\textsuperscript{15} UNESCO 2006
From the Higher Education Statistics Collections of the Department of Education, Employment and Workplace Relations (DEEWR)\textsuperscript{16}, there were 21,112 international students in Australia’s universities in 1989 and 257,363 in 2007, including 174,957 in Australia on student visas in 2007.

Australia now has the highest proportion of international tertiary students of any member country of the Organisation for Economic Co-operation and Development (OECD)\textsuperscript{17}, which defines international students as students who have crossed borders expressly with the intention to study. On this basis, 17.8% of all tertiary students in Australia in 2006 were international students, but this includes students in vocational education and training.

Focusing on university undergraduates, and using OECD data, 19.7% of all undergraduates in Australian universities in Australia in 2006 were international students, as in Chart 2.2

**International Students as Proportion of Tertiary Students – Undergraduates.**

This is the highest figure in OECD.

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<th>Country</th>
<th>Proportion</th>
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<td>Australia</td>
<td>19.7%</td>
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<td>United Kingdom</td>
<td>7.3%</td>
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<td>New Zealand</td>
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<td>Switzerland</td>
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<td>Belgium</td>
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<td>OECD Average</td>
<td>7.3%</td>
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The DEEWR Higher Education Statistics Collections\textsuperscript{18} include international students studying at universities in Australia, as well as those studying outside Australia, in transnational education. For consistency with OECD, the analysis focuses on international students who have crossed borders expressly with the intention to study, and who are in Australia.

\textsuperscript{16} Department of Education, Employment and Workplace Relations 2008

\textsuperscript{17} OECD 2008b

\textsuperscript{18} Department of Education, Employment and Workplace Relations 2008
From analysis of DEEWR student data for 2007, there were 257,363 international students among the 986,299 students in Australia’s universities. These numbers included 82,406 international students studying outside Australia in transnational education.

The 174,957 international students, studying in Australia on student visas, made up 19.4% of the university student population in Australia.

As noted above, the proportion of university students who are international is higher in Australia than any other OECD country. However the large international component of the Australian student population is in line with the multicultural nature of Australian society. From the 2006 census, 22.2% of Australian residents in 2006 were born overseas and 21.5% spoke a language other than English at home. This multiculturalism sets the context in which 19.4% of students in universities in Australia are international.

Cook provides the comparable data for the US and the UK. In the UK, 8.3% of the population in 2001 was born overseas, while OECD reports that 14.1% of all tertiary students in 2006 were international. In the US, 11.7% of the population in 2003 was born overseas, while the OECD reports that 3.3% of all tertiary students in 2006 were international.

Field, Level, Home Country

Australia’s international student program is highly concentrated in Business, at the undergraduate and postgraduate coursework levels, and in numbers of students from China and India.

From data provided by Australian Education International, 48% of international students in Australian universities, onshore in Australia, in 2008 were studying Management and Commerce. Twenty-seven per cent of international students in UK universities in 2007/08 were studying Business and Administrative Studies and 20% of international students in US universities in 2007/08 were studying Business and Management.

From the same sources, 56% of international students in Australia in 2008 were undergraduates and 44% postgraduates, including 5% in higher degrees by research. Fifty-one per cent of international students in the UK in 2007/08 were undergraduates and 49% postgraduates, including 12% in higher degrees by research. Thirty-nine per cent of international students in the US in 2007/08 were undergraduates and 44% postgraduates, with another 17% in English language and practical training programs.

Twenty-eight per cent of international students in Australian universities in 2008 were from China and 15% from India. These two countries made up 43% of Australian universities’ international student programs. In the UK in 2007/08, 13% were from China and 8% from India. In the US in 2007/08, 15% were from India and 13% from China.

18 Australian Bureau of Statistics 2007
20 Cook H 2008
21 Australian Education International 2008b
22 Higher Education Statistics Agency 2009
23 Institute of International Education 2008
Economic, Job Creation, Community Impacts

Finances of Australia’s Universities

From analysis of DEEWR’s finance data for 2007\textsuperscript{24}, Australia’s universities in 2007 earned $2.6 billion from international student fees, up from $2.4 billion in 2006 and $2.2 billion in 2005. Revenue from international student fees made up 15.0% of all revenue in 2007, unchanged from 15.0% in 2006 and 15.2% in 2005.

Writing in The Australian newspaper on 4 February 2009\textsuperscript{25}, Stephen Connelly, President of the International Education Association of Australia, suggested that ‘this is not a picture of a university system increasingly over-reliant on foreign student income. Fifteen per cent looks more like a balanced diversification of income streams’.

Economic Impact

International education has a broader economic impact than the impact on university finances. The definitive source on the economic impact of Australia’s exports of education services is a Reserve Bank Bulletin June 2008\textsuperscript{26}.

Since 1982, education services exports have grown at an average annual rate of around 14 per cent in volume terms, with their share in the value of total exports increasing from less than 1 per cent to almost 6 per cent in 2007. They have now displaced leisure travel services as Australia’s largest service export. Indeed, education exports are now Australia’s third largest export, behind only coal and iron ore.

In 2007, tuition fees accounted for 39% of overseas student expenditure in Australia, with the balance representing spending by international students on goods and services, such as food, accommodation, transport and entertainment.

Higher education has grown most and makes the largest contribution to exports of education services. It represented around 60% of the value of education services exports in 2007.

The Bank concluded

Education exports have sustained a strong pace of growth over an extended period and ranked as Australia’s largest services export in 2007. This growth has been supported by demand for higher education services from Asia and the greater export orientation of Australian universities. In particular, not only has rapid growth in China and India been reflected in demand for Australian mineral resources, it has also supported a marked increase in Australia’s education exports since the start of the decade.

\textsuperscript{24} Department of Education, Employment and Workplace Relations 2008
\textsuperscript{25} Connelly S 2009
\textsuperscript{26} Reserve Bank of Australia 2008
However, Asian countries have been investing in domestic education capacity and there are signs Australian universities may not be able to accommodate further significant increases in overseas student numbers. Although these factors are likely to result in a slowing in growth in Australia’s education exports in the medium term, education exports are expected to outpace aggregate export growth such that their share in Australia’s exports is likely to continue to increase over coming years.

The Australian Bureau of Statistics (ABS)\textsuperscript{27} in September 2008 reported the value of Australia’s education exports to be $13.7 billion for 2007/2008.

From data supplied by ABS, Chart 3.1 \textbf{Australia’s Top Exports 2007/08 $ millions} puts the value of education as an export for Australia into context.

\begin{center}
\textbf{Chart 3.1}
\textbf{Australia’s Top Exports 2007/08 $ millions}
\end{center}

The latest ABS data in September 2009\textsuperscript{28} updated the value of education exports to $16.6 billion in 2008/09.

Detail on the contribution of education as Australia’s third largest export industry is now posted on the Universities Australia website\textsuperscript{29}. There is, in Australia in 2009, a broad understanding of the value of education as an export for Australia.

\textsuperscript{27} Australian Bureau of Statistics 2008
\textsuperscript{28} Australian Bureau of Statistics 2009
\textsuperscript{29} Universities Australia 2009a
While international students themselves are “super tourists” spending large sums of money on food, accommodation, transport, tourism, entertainment and services during their stay in Australia – there is also a multiplier effect as they help attract tourists to Australia when family and friends visit them during their stay or post graduation. It is not uncommon for students’ families to visit Australia at the time of graduation, nor is it uncommon for students to return to Australia at a later stage to catch up with friends made while in Australia. It is likely that Australia’s Tourism industry would not be the same without the strong presence of international students in Australia. The Access Economics Report, *The Australian education sector and the economic contribution of international students*, for the Australian Council for Private Education and Training (ACPET) in 2009 showed that friends and family visitors of international visa students during 2007-2008 added $314.7 million to the Australian economy.

In terms of international comparisons, *Open Doors* for 2008 reported that, in 2007/08, international students contributed $15.5 billion to the US economy through living expenses for themselves and accompanying dependents, as well as through expenditure on tuition, books, fees, and other education-related expenses. This figure of $15.5 billion is a net figure, after expenditure of $10.6 million on tuition and $11.4 billion on living expenses is reduced by $6.5 billion of US support (campus-based funding). In the UK, a study for the Higher Education Policy Institute found that, combining the figures for tuition fees and other expenditure, the total net injection into the economy by international students in 2004-05 was around £3.74 billion: £866 million by EU students and £2.87 billion by non-EU students.

### Job Creation

Access Economics P/L studied *The Australian education sector and the economic contribution of international students* for the Australian Council for Private Education and Training in 2009 and reported on the employment impact of Australia’s international student program.

International student expenditure in Australia contributes to employment in the Australian economy. It is estimated to have generated just over 122,000 FTE positions in the Australian economy in 2007-08, with 33,482 of these being in the education sector. Total student related expenditure (spending by students and visiting friends and relatives) generates a total of 126,240 FTE positions.

With 10.8 million employed persons in Australia in March 2009, Australia’s international student program increased employment in Australia by about 1.2%.

### Australia’s Knowledge Cities

Forbes suggested in 2009 that growing competition among Australian cities has seen several try and position themselves as knowledge cities of one kind or another, with a particular emphasis on working with universities to attract international students. The support of state...
governments has generally, but not always, been an important catalyst. Adelaide, Perth, Brisbane and Melbourne all have launched initiatives.

The Committee for Melbourne commissioned the preparation of a Global University City Index from RMIT University. As described by Forbes, the study focused on four clusters of measures centred on global university recognition (30%), urban amenity (30%), education inputs and performance (20%) and research inputs and performance (20%). It ranked 20 cities, Melbourne achieving 5th spot, and bragging rights over Sydney, which came in 6th. In the 2008 survey both cities went up one position with Paris dropping from 3rd to 7th.

Controversially, only cities with populations in excess of two million were included in the survey, drawing some criticism from the UK\textsuperscript{35}, where London is the only city with such a population. On this criterion, Oxford and Cambridge are too small to be Global University Cities.

Dodd in 2008 looked at the impact on communities of Australia’s international student program\textsuperscript{36}. Several published reports examine the impacts of international education on particular Australian cities. These reports focus on quantifiable economic impacts, but there is some attention to quality of life impacts.

The report \textit{Melbourne: Australia’s knowledge capital}\textsuperscript{37} notes that Melbourne has a high concentration of international students living and studying in the inner city area and credits them for making a significant contribution to the lifestyle, culture and vitality of the city, as well as generating substantial demand for housing and food, retail and entertainment services.

Melbourne’s then lord mayor, John So, spoke in August 2008 at the opening of new offices in Melbourne for IDP Education Pty Ltd. He pointed out that Melbourne’s cultural scene offered students an outstanding quality of life, but that the city’s culture was also partly created by the students.

\begin{itemize}
  \item In the city centre a potent mix of diverse multicultural heritage and student creativity has resulted in an explosion of music, theatre, fashion and nightlife.
  \item Our heritage also sees ethnic community groups provide support to international students who have recently arrived.
\end{itemize}

A 2008 Fact Sheet on \textit{The Economic Impact of International Education}\textsuperscript{38} from Education Adelaide reported that international education brought revenue of $673 million to South Australia in 2007/08, and generated 3,250 jobs in the State.

South Australian Further Education Minister Paul Caica confirmed in August 2008\textsuperscript{39} that the State Government is committed to reinforcing Adelaide’s reputation as a University City.

\begin{itemize}
  \item Our international student numbers have doubled to more than 23,300 in just five years, and that growth has provided significant spin-offs for developers, education providers and the building industry.
\end{itemize}

\textsuperscript{35} UK International Unit 2008
\textsuperscript{36} Dodd T 2008
\textsuperscript{37} City of Melbourne 2007
\textsuperscript{38} Education Adelaide 2008a
\textsuperscript{39} Education Adelaide 2008b
Adelaide Lord Mayor Michael Harbison in August 2008 committed Adelaide City Council to increasing accommodation for international students, and reported that a record number of projects were approved in 2007.

‘We are thrilled that an increasing number of international students want to live, study and work part-time in the city centre,’ Mr Harbison said. ‘They are helping to restore tired areas of the city, and because they often study and work at odd times, they are increasing foot traffic and making the city streets safer’40.

Community Impacts

In a very direct way the Australian community benefits from the international student program through greater knowledge, understanding and integration with students from other countries and cultures. Universities run a number of programs such as the Homestay program whereby international students live in an Australian home, experiencing community and family life during their time in Australia. This close relationship builds long standing friendships, and a depth of cultural understanding for participating Australian families.

The community also benefits from programs that work to build connections between students and the general community. There are many interesting programs designed to enhance contact between international students and the community, two of which are briefly outlined below.

The University of Newcastle - Community Connections

The Community Connections program provides opportunities for volunteers from the local community to welcome, befriend and support international students.

Through this program volunteers and students share their culture, learn from each other and develop greater understanding and tolerance of individual and cultural differences. The program serves as a mechanism for sensitively educating the community about cultural differences.

RMIT University

An innovative approach to engaging international students with the local community is the GLoBALL Program.

A joint initiative of the Essendon Football Club, the City of Melbourne, the Australian Federation of International Students (AFIS) and RMIT University, the program aims to assist international students to connect with the community and other students while immersing themselves in the Australian culture and way of life. Students participating in the program attend Essendon games, sit with the Essendon Cheer Squad, are allocated a buddy from the Essendon membership, and attend skills days as they choose.

The program enables international students to understand Australian Rules Football, become a part of their community and join in conversations with local students about football.

40 ibid
This chapter examines the broader impact of Australia's international student program on its universities, focusing on internationalisation of research, internationalisation of the curriculum, university offshore operations, and the development of access programs to satisfy the demands of the international student program.

**Internationalisation Policy**

Policy and Culture of Internationalisation is one of the strategies under Internationalisation at Home in the Australian conceptual framework for internationalisation.

In *Benchmarking: A manual for Australian universities*[^41], McKinnon, Walker and Davis suggested:

> The internationalisation of a university depends to a significant degree on the successful implementation of conscious, ethical strategies developed by the senior executive leadership of the university. A significant degree of internationalisation will not be achieved if individual initiatives are not directed to agreed outcomes and objectives.

The Australian Universities Quality Agency, in its *Internationalisation of Australian Universities: Learning from Cycle 1 Audits*[^42] interprets the concept of internationalisation widely, to include:

- Arrangements for the teaching and learning of international students in Australia (including partner arrangements and campuses)
- Arrangements for teaching and learning of international students overseas (transnational education, including partner arrangements and campuses)
- Internationalisation of the curriculum
- Other international activities, such as research collaboration, study abroad, staff mobility.

**Internationalisation of Research**

Without question, the global competition for high quality research students is intensifying. In a paper to the European Association for International Education in 2007, Forbes[^43] suggested at least four main drivers of this competition:

- research students make a significant contribution to current research and development activities, either through their original contributions of intellectual property, or through the support they provide to the overall research groups to which they belong

[^41]: McKinnon KR, Walker SH and Davis D 2000
[^42]: Stella A and Liston C 2008
[^43]: Forbes D 2007
after graduation research students provide essential expertise for knowledge economies
research students provide the next generation of academic and research staff in universities
research students can help facilitate collaboration among research groups.

The UK International Unit in 2008 presented a popular, but misleading, view of Australia’s competitiveness in this global market for research students.

Australia has been the most successful country at international student recruitment over the last ten years or so. Its main strength, however, has been in undergraduate recruitment from East and South East Asia. Australia has not been as successful at the postgraduate research level. This relative underperformance is being addressed and more focused strategies for PGR students are emerging.

The International Unit report points out that UK universities have been very successful in recruiting international postgraduate research students and numbers have grown consistently at a rate over 4% per year.

Over the nine years 1998 to 2007, numbers of international postgraduate research students in Australian universities grew, on average, 10% per year. In 1998, 4,047 international postgraduate research students made up 11.4% of Australia’s 35,577 postgraduate research students. In 2007, after growth of 10.3% per year, the number of international postgraduate research students had more than doubled to 9,836, 19.7% of Australia’s 49,819 postgraduate research students.

**Chart 4.1**
Proportions of International Students and International Research Students

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44 Kemp N, Archer W, Gilligan C and Humfrey, C 2008
45 Department of Education, Employment and Workplace Relations 2008
As in Chart 4.1 *Proportions of International Students and International Research Students*, above, the proportion of postgraduate research students who are international grew from 11.4% in 1998 to 19.7% in 2007, at the same time as the proportion of onshore students in Australian universities who are international grew from 8.3% to 19.4%. The Australian experience shows that it is possible to grow an international student program at the same time as an international postgraduate research student program. They are not mutually exclusive.

Australia’s competitiveness in the market for international postgraduate research students is demonstrated by its universities’ commitment of funds to scholarships. In a survey of universities that is not in the public domain, 29 universities in 2009 reported spending in 2008 $79.1 million on scholarships and stipends for commencing international postgraduate research students, the equivalent of 4.1% of total revenue of $1,941 million from international student programs in these 29 universities. This flow of funds from the international student program to scholarships for international postgraduate research students is an example of good practice in internationalisation of Australia’s universities.

From OECD data, and as reported in Bradley’s *Review of Australian Higher Education* 46, 19.1% of all students in advanced research programs in Australian universities in 2006 were international students. Australia is by no means highest in the OECD on this measure, behind Switzerland, the UK, the US, as well as New Zealand Canada and Belgium.

But Australia at 19.1% in 2006 was above the OECD average 15.9%, as in Chart 4.2 *International Students as Proportion of Tertiary Students – Advanced Research*.

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46 Bradley D 2008
For Australia, the overall figure of 19.7%, where 19.7% of all research students in 2007 were international, led to the representation of international students in research fields as shown in Chart 4.3 Dependence of Fields on International Research Students\(^\text{47}\).

More than 30% of research students in Engineering in 2007 were international.

### Chart 4.3
Dependence of Fields on International Research Students 2007

![Dependence of Fields on International Research Students 2007](chart)

In the UK, 59% of research students in Law, 58% in Engineering and Technology, 58% in Business and Management, 53% in Social Studies and 51% in Mathematics and Computing are international\(^\text{48}\). In the US, the Survey of Earned Doctorates, quoted by Kemp et al, suggests that, in 2006, the proportion of doctorates awarded to international students was 33%, including 67% of Engineering doctorates and 53% of Physical Sciences doctorates.

For Bradley, this was one area where the Australian higher education sector would need to build on its success. Bradley sought

- a more diverse international student body and a greater proportion of higher degree research students
- greater focus on international research collaborations.
- more effective connections to global innovation and research networks.

Australia’s Education Minister confirmed on 16 March 2009 that Australia would upgrade its recruitment of overseas students to aid the country's research efforts\(^\text{49}\).

In particular I would like to stress the economic and educational benefits that flow from increasing the proportion of international research students in the tertiary sector.

\(^{47}\) Department of Education, Employment and Workplace Relations 2008

\(^{48}\) Kemp N, Archer W, Gilligan C and Humfrey, C 2008

\(^{49}\) Gillard The Hon. J 2009
These research scholars help build Australia’s future research capability and academic workforce. They become both the source and conduit of the new knowledge, ideas and technologies that Australia will continue to need, if we are to meet the local and global challenges that lie ahead.

**Internationalisation of Curriculum**

Internationalisation of curriculum is a key strategy in Internationalisation at Home, in the Australian conceptual framework for internationalisation, and an element of on campus internationalisation in the OECD framework.

For an Australian university, there are two issues in internationalisation of the curriculum.

First is the commonly expressed objective that all students will be able to gain exposure to international experience through the curriculum and through direct exposure to international environments. A recent Canadian study makes this point.

An internationalized curriculum provides a means for Canadian students to develop global perspectives and skills at home and it also makes the teaching/learning process more relevant for international students on campus. The literature speaks to a number of rationales that drive internationalization on campus and points to the expanding breadth and depth of knowledge, skills and attitudes that graduates need to work effectively in a more global environment.

The second issue is the diversity of Australia’s university student population.

From analysis of data downloaded from the former Department of Education, Science and Training, 68% of students in Australian universities in Australia in 2006 were Australians or Australian residents who spoke English at home: 19% were international students, 12% were Australians or Australian permanent residents who spoke a language other than English at home, 1% were Indigenous Australians and 1% were New Zealanders, as in Chart 4.4 **Australian University Student Onshore Population 2006: Diversity** below.

In addition to this cultural diversity, there are issues of diversity such as gender, race, disability, sexuality, socio-economic status and cultural background.

In response to this diversity, Australian universities have developed inclusive curricula, to enable teaching with diversity, at the same time as they have developed international curricula to provide an international perspective for all students.

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50 Association of Universities and Colleges of Canada 2009
51 Department of Education, Science and Training 2006
Australia’s Academic Staff

Internationalisation of staff is a strategy under Internationalisation at Home in the Australian framework.

Academic staff in Australian universities may be more diverse than the student population.

Anderson et al\textsuperscript{52} reported that, in 1996, 39% of academic staff in Australian universities had obtained their first or their highest qualification overseas. Overall, 61.1% (\textit{true blues}) obtained their first and highest qualifications in Australia, 9.8% (\textit{venturers}) obtained their first qualification in Australia and their highest qualification overseas, 7.7% (\textit{migrants}) obtained their first qualification overseas and their highest qualification in Australia, 21.4% (\textit{foreign recruits}) obtained their first and highest qualifications overseas.

Transnational Education

Transnational education is a strategy under Internationalisation Abroad in the Australian framework, and receives a specific mention as part of \textit{attractiveness and international competitiveness of the tertiary education system} in the OECD framework.

\textsuperscript{52} Anderson D, Arthur R and Stokes T 1997
Australia’s Industry Commission53 explored the notion of transnational education as early as 1991.

Exports of education services are most commonly thought of as students coming to Australia to study but they can also include correspondence courses for overseas students, the electronic transmission of lectures and courses overseas, and Australians travelling overseas personally to provide various forms of education.

The Industry Commission elaborated

Education services are also exported when Australian institutions send teaching staff overseas or provide lectures through correspondence to students overseas. Eight institutions have been established as Distance Education Centres. Australia also undertakes aid activities in the education sector of developing countries and provides training assistance as an element of such projects.

The Industry Commission’s examples included one where Flinders University had a twinning arrangement to teach the first year of a commerce degree at Sunway College in Malaysia.

Twinning programs represented the model which typified Australia’s early involvement in transnational education. As described by McBurnie and Pollock54, twinning programs are similar to the concept of locally supported distance education programs, except that they are fully taught programs following the same syllabus and timetable as the relevant home campus program. Students have the same materials, lectures and examinations as their peers in the provider institution. The academic staff are usually locally engaged, but selected by the provider institution according to its usual criteria.

Within the Australian system, twinning normally means that part of the course is carried out in the host country and part in the provider country. Two years in Malaysia followed by two years in Australia is a typical format, for example.

The Industry Commission’s early explorations of other modes of delivery of international education are consistent with the later World Trade Organisation (WTO) General Agreement on Trade in Services (GATS)55 typology of modes of supply of services

- consumption abroad
- commercial presence
- cross-border supply
- presence of natural persons.

In terms of education exports these modes can be applied as follows56

- consumption abroad: the consumer (in this case the student) crosses national borders in order to obtain the service (in this case the education); this on-campus mode is the predominant mode for trade in education services

53 Industry Commission 1991
54 McBurnie G and Pollock A 1998
55 World Trade Organisation 2006
56 Davis D, Böhm A and Olsen A 2000
• commercial presence: the service provider (in this case the education institution) establishes a commercial presence (an offshore campus) either as a stand-alone entity or as a twinning arrangement

• cross-border supply: the service provider (in this case the education institution) remains in one territory and the purchaser (in this case the student) remains in another territory, receiving education by distance education or flexible delivery or online

• presence of natural persons: the producer (in this case a teacher on behalf of an education institution) travels to another country to produce and/or deliver the service for the purchaser (the student) in another country, for example where a teacher (perhaps a lecturer in Nursing) in one country travels to a workplace (perhaps a hospital) in another country to deliver blocks of lectures as part of a program to deliver a qualification (perhaps a Nursing degree to hospital-trained Registered Nurses) in that country.

Davis, Böhm and Olsen suggested in 2000 that it was inevitable that all four modes for supply of education services for export would be used once Australia decided in 1985 to encourage the export of education.

Ministers for Education and Training across Australia in 2005 agreed a Transnational Quality Strategy framework to protect and promote the quality of Australian education and training delivered in other countries. The strategy focused action in three areas: communication and promotion of Australia’s quality arrangements to all stakeholders, increased access to data and information about Australia’s transnational education and training, and a strengthened national quality framework.

Australia’s Education Minister in April 2008 announced the AusLIST initiative, an online directory of Australian providers who deliver courses offshore to a standard comparable to those they deliver in Australia. Through AusLIST, students in other countries and potential employers are able to determine the standing of Australian providers and the courses they deliver offshore.

Universities Australia in 2007 surveyed Australian universities on their offshore programs. The number of programs, 307 in 1996, grew to 1,009 in 2001, peaked at 1,569 in 2003 and fell back to 1,002 in 2007.

There may have been consolidation in the number of offshore programs, but demand for these programs continued to increase. Australia’s universities in 2007 had 82,406 students enrolled in transnational education of all types, 8.4% of total enrolments and up from 58,491 students in 2001. On comparison, the UK in 2007/08 had 196,640 students studying outside the UK for qualifications awarded by UK HE institutions.

57 Australian Education International 2008c
58 Gillard The Hon. J 2008
59 Australian Education International 2008d
60 Universities Australia 2007b
61 Department of Education, Employment and Workplace Relations 2008
62 Higher Education Statistics Agency 2009
**Monash University – The Academy**

Indian Institute of Technology at Bombay (IITB), a world renowned educational and research institute in India, and Monash University have established a Research Academy called the IITB-Monash Research Academy. This multi-disciplinary Research Academy (referred to as “The Academy”) is a first-of-its-kind in India and will aim to exploit the synergies generated by the combined and complementary strengths of both institutions to develop a high-quality international research capability.

The Academy will engage in research that is theme-based, inter-disciplinary, and goal-directed. This effort would contribute to the quality and quantity of research both at IIT Bombay and Monash University. The Academy's research outcomes will be of benefit to India, Australia, global businesses as well as society. A joint PhD program has been developed. This enables doctoral students to receive a joint accredited PhD degree from both Monash University and IIT Bombay.

**Deakin University Transnational Education Program**

Deakin University and the Regional Centre for Education in Science and Mathematics (RECSAM) are working together to educate teachers in the Aceh Province of Indonesia, following the devastating tsunami in December 2004. In 2009, 11 teachers funded by the Aceh Government enrolled in the Deakin Master of Education with advanced standing. These teachers will have completed the new RECSAM Postgraduate Diploma of Education in Teaching Science and Mathematics in English.

**Pathways to Higher Education**

Cook\(^{63}\) describes the background to the development of pathways programs to higher education for international students.

Mature age, second chance and special entry have historically been offered to non Year 12 Australians to facilitate wider participation in the higher education sector. For international students, innovative pathway programs have developed in English language, schools, foundation, diploma, bridging and VET programs, based on clear inter-sectoral study links.

These tailored programs build the students’ English language ability in an academic setting to meet future degree entry requirements. Purpose designed bridging and diploma programs have emerged from both public and private providers.

These programs often replicate some or all first year units of a degree program or VET qualification while accepting students with lower English proficiency into smaller, personalised classes. Students come to their principal course having faced cultural and academic adjustment issues during their preparatory programs.

These pathways programs have been successful, to the extent that 33,558 of the 78,070 international students who commenced higher education in Australia in 2008 came from pathways programs in Australia. From analysis of Australian Education International data for

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\(^{63}\) Cook H 2008
2008, 43% of newly enrolling international higher education students already were in Australia in pathways programs, including 19% in English language courses, 3% in schools, 15% in vocational education and training and 6% in foundation studies programs.

Pathways originally intended for international students to enter university are now also being used by Australian students as an alternative path of entry.

**Impacts on Universities**

These impacts on universities of Australia’s international student program are consistent with the conceptual framework for internationalisation, drawn from Knight and de Wit and published in the Australian context in 1996. Universities’ delivery of international education is consistent with World Trade Organization theory on modes of supply of services for export.

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64 Australian Education International 2008  
65 Knight J and de Wit H 1995  
66 Knight J 1997  
67 Back K, Davis D and Olsen A 1996  
68 World Trade Organization 2006
Impacts of the international student program on students in Australian universities can be explored through student measures such as academic performance and retention and opportunities for outgoing international study experiences.

### Comparative Academic Performance

International students perform academically just as well as Australian students. This has been the consistent finding in three studies over 12 years of students in Australian universities.

The definitive Australian study in this area is the Dobson, Sharma and Calderon 1998 paper69, which provided an extensive background on the use of the student progress rate methodology. In that study, international bachelor degree students in Australian universities in 1996 passed 84.3% of what they attempted and outperformed Australian bachelor degree students who passed 79.3%.

In 2006, Olsen, Burgess and Sharma70 used the student progress rate methodology to study the academic performance of 338,445 full-time students at all levels in 22 Australian universities in 2003. International students performed as well as Australian students. The 73,929 international students passed 88.8% of what they attempted; the 264,516 Australian students passed 89.4%.

Olsen71 in 2008 carried out a similar study in cooperation with the Group of 8 (Go8), a coalition of leading Australian universities, intensive in research and comprehensive in general and professional education.

The 2008 study involved two enhancements, in that it excluded postgraduate research students and added a third cohort, offshore students. The study included international and Australian full-time students in undergraduate and postgraduate coursework programs who were enrolled in 2007. Specifically it included study abroad and exchange students. The study excluded part-time students, because there are no international part-time students with whom to compare Australian part-time students, and excluded postgraduate research students on the ground that student progress units for research students are just about meaningless.

In this elite group of Australian universities, 195,694 students in 2007 passed 91.8% of what they attempted. The 46,852 international students on campus in Australia passed 91.6% of what they attempted, and did just as well as the 140,903 Australian students, who passed 92.0%. The 7,939 international students offshore, resident outside Australia but studying at a Go8 university, including those at offshore campuses and those international students studying by distance or online, passed 89.2% of what they attempted, as in Table 5.1 International and Australian Students: Student Progress Rates below.

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69 Dobson I, Sharma R and Calderon A 1998  
70 Olsen A, Burgess Z and Sharma R 2006  
71 Olsen A 2008a
Table 5.1
International and Australian Students: Student Progress Rates

<table>
<thead>
<tr>
<th>Population</th>
<th>Student Progress Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Onshore</td>
<td>46,852</td>
</tr>
<tr>
<td>International Offshore</td>
<td>7,939</td>
</tr>
<tr>
<td>Australian</td>
<td>140,903</td>
</tr>
<tr>
<td>Total</td>
<td>195,694</td>
</tr>
</tbody>
</table>

In terms of student progress rates
- women did better than men
- postgraduate coursework students did better than undergraduates
- international students on campus in Australia did as well as Australian students and did better than international students offshore.

Chart 5.1 Student Progress Rates by Groups compares the student progress rates for these seven groups with the total population.

The study concluded that Go8 universities are attracting talented international students to Australia, are setting entry standards at about the right levels and are achieving successful outcomes in educating these international students.

Retention and Attrition

A recent study on student completion found that international students were more likely to continue with, or complete, their courses than Australian students. This research, on retention and attrition, was published by Olsen in 2008 in cooperation with the Australian Universities International Directors Forum (AUIDF).

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72 Olsen A 2008c
The study looked at retention and attrition for 485,983 students in 32 Australian universities in 2006. The retention figure was 89.5%: that is, 89.5% of students either completed the course in 2006 or continued to 2007. Conversely the attrition figure was 10.5%: that is, 10.5% of students dropped out.

In staying the course

- women did better than men: 9.9% of female students dropped out, staying the course better than male students, 11.2% dropped out
- undergraduates did better than postgraduate coursework students: 10.4% of undergraduate students dropped out, staying the course better than postgraduate coursework students, 11.5% dropped out
- international students did better than Australian students: 7.6% of the 102,686 international students dropped out, staying the course better than the 383,297 Australian students, 11.3% of whom dropped out.

Chart 5.2 Attrition Rates by Groups compares the attrition rates for these six groups with the total population.

Overall, across all fields of education, 10.5% of students dropped out. Students in Health, Engineering, Management/Commerce, Architecture and Education did better than this, and stayed the course better than students in Science, IT, Creative Arts, Society/Culture and Agriculture/Environment. In every broad field of education, international students stayed the course better than domestic students.

Across the population, 99.8% of students were aged between 17 and 60 years old. Nineteen to 23 year olds, 58% of the student population, did better than average. At every age, international students stayed the course better than Australian students.
Outgoing International Student Mobility

Human Resources and Social Development Canada, a department of the Government of Canada, has a useful description of the concept of international skills\(^73\). The goal of its International Academic Mobility programs is to contribute to Canada’s economic growth and prosperity by helping Canadian students gain the international skills they need to compete in today’s global economy.

International skills allow young Canadians to find employment in a competitive and rapidly changing international marketplace and to excel in their chosen career fields. These skills include

- cultural understanding and knowledge of diversity
- resiliency and coping skills
- a positive attitude toward change
- advanced language skills
- a capacity for discovering new or innovative ways to solve problems
- flexibility and adaptability
- an ability to work effectively with co-workers and in teams.

Australia’s Deputy Prime Minister and Education Minister in April 2008\(^74\) referred to the benefits of international study experiences for Australian students.

Many benefits flow our way, as our own students study overseas in greater numbers and are exposed to other cultures and education systems. Such exchanges deepen and improve our own education system and I look forward to seeing a real growth in numbers of Australian students taking the opportunity to study overseas.

Outbound international mobility of students in Australian universities is an internationalisation strategy specifically included in both the Australian and OECD frameworks.

Australia as a destination for international students is well researched. Less is known about the numbers of students in Australian universities who undertake international study experiences during their courses, the characteristics of those students, their types of experiences, their fields of education, and their destinations. Again in cooperation with AUIDF, Olsen\(^75\) carried out research on outgoing international mobility of Australian university students in 2007.

The study found that nearly 6% of undergraduates in 37 participating Australian universities undertake an international study experience by the time they complete their degrees.

Most students go overseas on exchanges or other semester or longer programs, more than on short term programs or work placements. Of international study experiences in 2007, 58% were undertaken by women. Management and Commerce (20.3% of experiences) and Society and Culture (19.6%) were the most common fields of education. The most popular destinations were in Europe (39% of experiences), Asia (31%) and the Americas (25%).

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\(^73\) Human Resources and Social Development Canada 2005
\(^74\) Gillard The Hon. J 2008
\(^75\) Olsen A 2008b
There were 145,274 undergraduate completions in 2007 in the 37 universities that participated in this study. The number of international study experiences undertaken by undergraduate students in 2007, 8,354, was equivalent to 5.8% of undergraduate completions in 2007, suggesting that 5.8% of completing undergraduates in Australian universities undertake international study experiences.

Two years earlier, 33 universities in Australia took part in a similar study and reported 5,577 international study experiences by undergraduates in Australian universities in 2005 and 117,315 undergraduate completions, suggesting that 4.8% of completing undergraduate students in Australian universities in 2005 undertook international study experiences. This proportion grew from 4.8% in 2005 to 5.8% in 2007 (more precisely, from 4.75% to 5.75%), growth from 2005 to 2007 of 21.1% in the rate of access to international study experiences by completing undergraduates in Australian universities. This growth is likely to have been driven by links and funding.

The Universities Australia survey in 2007\textsuperscript{76} found that the number of formal links for the purpose of student exchange (reciprocal movement) had grown from 2,004 in 1999 to 3,482 in 2007 and the number of formal links for the purpose of study abroad (one way movement) had grown from 408 in 1999 to 1,120 in 2007.

Funding for outgoing international student mobility from the Australian Government and from universities grew from 2005 to 2007.

The 37 participating universities reported in aggregate $16.6 million in funding for international study experiences in 2007, up from $7.9 million in 2005 in a smaller number of 33 universities, including

- $12.9 million in university funds, up from $6.1 million in 2005 in a smaller number of universities
- $3.5 million in funds from Australian Government programs, up from $1.8 million in 2005 in a smaller number of universities.
- $144,000 from private funds or foundations in Australia.

Universities reported a further $8.6 million in loan funds from OS HELP, the Australian Government’s Higher Education Loan Program to assist eligible undergraduate students to undertake some of their course of study overseas\textsuperscript{77}, up from $3.1 million in 2005 in a smaller number of universities.

Sixty per cent of all international study experiences of all types in 2007 were supported by university funds, up from 56% in 2005.

The increase in university funding for outgoing international student mobility may reflect the concept that good practice in internationalisation of a university involves a flow of funds from the international student program to other organisation and program strategies for internationalisation, such as outgoing mobility of students in Australian universities.

\textsuperscript{76} Universities Australia 2007a
\textsuperscript{77} Department of Education, Employment and Workplace Relations 2009
To put the figure of 5.8% for Australia in 2007 into context, Open Doors 2008\textsuperscript{78} reported that the US 216,248 study abroad students in 2006/07 were equivalent to 9.4% of the 2,299,524 undergraduate completions in US in 2006/07 from the National Center for Education Statistics.

The US is at least 50 years ahead of Australia in its development of a culture and tradition of study abroad.

In the middle of the twentieth century, the foreword to Open Doors 1951/52\textsuperscript{79} included

Over the past thirty-two years the Institute of International Education has worked, together with government and other private agencies, to stimulate the exchange of students between the United States and other countries as a means of promoting international cooperation and understanding.

Today, when the need to strengthen America's bonds with other nations is greater than ever, IIE is expanding its exchange programs for students, both American and foreign, for professors, and specialists of all kinds.

It is in this context that Australia’s 5.8% in 2007 compares with 9.4% in US in 2006/07.

Universities run specific programs to enable short term international study and work experiences for their students. Two examples of this can be seen below.

**Deakin University – Faculty of Arts and Education Study Tours**

The Faculty conducted its first *Bollywood Film Study Tour* in collaboration with two important Mumbai partners, Whistling Woods International (India’s largest and most prestigious privately-owned film and television educational institution), and Xavier Institute of Communications (a postgraduate college affiliated with the University of Mumbai). Students and staff from the School of Communication and Creative Arts engaged in workshops, seminars and lectures alongside local Indian students, and also participated in visits to “Studio City” in Bollywood, various film screenings and other cultural activities. The program was a resounding success and is expected to be conducted annually.

**The University of Newcastle – Beijing Olympic Games**

The Beijing Organising Committee of the Olympic Games selected 40 Newcastle students to work with the international media contingent as ‘flash quote’ reporters – gathering information from competitors and providing it quickly and accurately to reporters. The Beijing Foreign Studies University trained the students prior to the Olympics and hosted them during the Games and Paralympics.

The students' preparation included training in Chinese language and culture and enabled them to form friendships with Chinese students.

\textsuperscript{78} Institute of International Education 2008

\textsuperscript{79} Institute of International Education undated
Cultural Understanding

Australian university students are primarily impacted by the physical presence of international students on campus. As outlined earlier, the numbers and diversity of international students in Australian universities have been growing steadily over the last 25 years. There are definite and yet less tangible benefits from the presence of international students on campus. These include benefits to Australian students of seeing people from other backgrounds around the campus, in their classes, and interacting with them in their workgroups, thereby exposing them to a wider, international perspective.

The Gender Agenda

It is important to take gender into account in considering outcomes of higher education.

In the 2008 study of comparative academic performance, female students in Go8 universities in 2007 passed 93.3% of what they attempted and did better than male students (89.9%)\(^80\). This gender difference was consistent with the prior 2006 study of 22 universities in 2003, where female students passed 91.6% of what they attempted; male students 86.5%\(^81\).

In the 2008 study of attrition and retention in 32 universities in Australia in 2006, 9.9% of female students dropped out, staying the course better than male students; 11.2% dropped out\(^82\). This is consistent with a 2005 study in New Zealand which concluded that

> Women are more likely to complete a tertiary qualification successfully than men. For degree-level qualifications and below, the rate at which men complete is 6% to 9% lower than the rate for women\(^83\).

In terms of outgoing international student mobility, the 2008 study of 37 universities in Australia in 2007 found that women dominated all types of international study experiences. The 37 universities reported that 57.5% of students with international study experiences in 2007 were women\(^84\). This is similar to the gender gap in the US, where 65.1% of all study abroad students in 2006/07 were women\(^85\).

*Girls do better than boys* to the extent that, in any research on outcomes of higher education, it may be that a cohort dominated by women will do better than a cohort dominated by men. For this reason, gender needs to be on the agenda in any consideration of academic outcomes.

\(^{80}\) Olsen A 2008a
\(^{81}\) Olsen A, Burgess Z and Sharma R 2006
\(^{82}\) Olsen A 2008b
\(^{83}\) Scott D 2005
\(^{84}\) Olsen A 2008c
\(^{85}\) Institute of International Education 2008
Outcomes for International Graduates and Alumni

What Do We Really Know About the Outcomes of Australian International Education? A Critical Review and Prospectus for Future Research\(^\text{86}\), suggests that we actually know very little about the outcomes over time of the graduates of Australian international higher education.

Cuthbert, Smith and Boey suggest that ‘graduate outcomes research generally remains limited to the annual *four month out* snapshot prepared by the Graduate Careers Council of Australia’ and that ‘the primary problem we have identified is the narrow time frame of most research to date that is restricted to examining graduate outcomes within 2 years of the international graduates’ completion of study’. Similarly, ‘research that tracks graduates of any kind through the medium-to long-term development of their careers is very rare’.

**AEI International Student Survey**

In 2005, Australian Education International (AEI) commissioned research to assess the satisfaction of international students studying in Australia. Overall, the vast majority of international higher education respondents were satisfied with their study experience:

- 85% were either very satisfied or satisfied with studying in Australia
- 88% would recommend studying in Australia to friends and family
- 83% were either very satisfied or satisfied with the course they were completing
- 67% would recommend their course to friends or family\(^\text{87}\).

International respondents generally regarded Australia as a safe country with plenty to see and do, and the majority felt that Australia offered suitable accommodation. However, Australia did not perform as well on the cost of living and factors relating to finding part-time employment\(^\text{88}\).

The AEI International Student Survey concluded that to retain high satisfaction levels among students (both international and Australian), it is imperative that perceptions about costs are addressed to better explain the benefits of the course relative to costs. Another driver of international respondents’ Overall Stay Satisfaction was Australian students’ attitudes toward them. As discussed, the findings show that social integration aspects such as Australian attitudes towards international students, as well as forming close friendships between international and Australian students, were potential areas for improvement\(^\text{89}\).

\(^{86}\) Cuthbert D, Smith W and Boey J 2008
\(^{87}\) Australian Education International 2007
\(^{88}\) ibid
\(^{89}\) ibid
In 2007 AEI conducted a follow-up study regarding the employment and further education outcomes of international and Australian graduates who had participated in the 2006 benchmark survey. The follow-up survey found that the majority of employed graduates were working in Australia, and the majority of those enrolled in new courses were studying in Australia. More than 60% planned to live in Australia in 12 months time, and around 70% have, or plan to apply for, permanent resident status.

Specifically with respect to employment outcomes, the follow-up found:

- 41% of international, and 57% of Australian respondents, were working full-time or had accepted a full-time position; another 27% of international, and 25% of Australian respondents, had a part-time job.
- 69% of international, and 97% of Australian respondents, with a full- or part-time job, were working in Australia.
- 18% of international, and 10% of Australian respondents, were undertaking further study, either full-time or part-time, and not seeking immediate employment.
- only 5% of international and 1% of Australian respondents reported being unemployed and actively seeking a job.

The social integration issues pointed to in the 2006 International Student Survey were taken up in 2008 by a task force in Victoria.

The task force concluded:

One of the most positive aspects to come out of the consultation process of the Taskforce was that overwhelmingly, the experience by overseas students in Victoria is a positive one. This is consistent with earlier student satisfaction surveys commissioned by Australian Education International since 2005. The fact that of the total number of skilled migrants who chose to make their home in Victoria in 2007, 30 per cent were those who studied in the state before migrating supports this further.

The task force commented:

If Victoria is to continue to grow its involvement in international education it is essential that overseas students not only gain the educational outcomes that they are seeking but also enjoy the overall experience of being here.

As summarised by Victoria's Minister for Skills and Workforce Participation, key recommendations in the report included:

- That the Victorian Registration and Qualifications Authority and relevant bodies conduct an audit of providers to ensure the highest quality education and training is being delivered and maintained.
- Reviewing the restrictions on the ability of overseas students to do paid work while they study in Australia.

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90 Australian Education International 2008
91 ibid
92 Overseas Student Education Experience Taskforce (Victoria) 2008
• Strengthening the requirements of education providers to have social inclusion and safety policies for overseas students in place
• Considering the feasibility of establishing a student ‘hub’ dedicated to overseas students.

Action following these recommendations remains work in progress.

**Graduate Careers Australia**

Banks and Lawrence\(^93\) analysed unpublished data from Graduate Careers Australia and found that, since 1999, international students available for full-time employment have experienced employment levels between 67% and 83% per year when surveyed four months after completion of studies. This Graduate Careers Australia data also showed that employment levels for international students who returned home were higher than for those who remained in Australia. In 2005, 65% of all international graduates available for full-time employment were in full-time employment, including 75% who were outside Australia. In 2007, the overall figure was 67%, including 77% outside Australia.

**2008 Study**

Banks and Lawrence carried out their own survey of 1,940 graduates from the five universities in the Australian Technology Network of Universities (ATN) in cooperation with ATN. These graduates had studied in Australia as international students in undergraduate or postgraduate coursework programs in an ATN university for at least one year and had completed their studies in 2005 or earlier, at least three years before the study was carried out in 2008.

Of the total sample, 34% said they secured their first full-time position immediately on completion of their studies, 75% were employed within six months and by 12 months 89% were in full-time employment. Consistent with Graduate Careers Australia data, the study found that 78% of graduates located outside Australia had found their first full-time job within six months, compared with 66% for those located in Australia.

At the time of the survey
• 23% were living in Australia, 28% had gained residency
• 33% worked in a multinational company, 19% in a national company and 15% in government
• 11% worked in Education and Training, 10% in Banking, Accounting and Finance, 9% in Health, 9% in Information Technology, 7% in Manufacturing and Production and 7% in Engineering and Technology
• 47% were highly satisfied with their current job, while 7% were highly dissatisfied
• 43% were highly satisfied with their career to date, while 7% were highly dissatisfied
• 93% had experienced that their Australian qualification was recognised by their employers.

\(^93\) Banks M and Lawrence R 2008
Banks and Lawrence commented

The outcomes and impacts of Australia’s international student program go global. As our graduates return home or stay in Australia they develop and maintain networks in Australia and in their country of origin driving social, cultural, political and professional exchanges. The location of international graduates in third destination countries extends their social, cultural and professional networks globally, across borders and across cultures driving global exchanges.

**Skilled Migration**

Australia’s Minister for Immigration and Citizenship in December 2008\(^{94}\) announced changes to Australia’s Skilled Migration Program for 2008/09, to take account of factors including the global financial crisis.

In its submission to the review process, Universities Australia\(^ {95}\) noted the importance of international students and former international students to the skilled migration program.

The Australian migration program is integral to the nation’s development. It has contributed much. This is recognised. What is less recognised is that the nation’s universities have been the key to building that program in recent decades.

Australia’s universities have provided the backbone of Australia’s modern migration system. Overseas students or former overseas students have provided over half of the increase in skilled migration over the last decade.

The Minister’s statement acknowledged this

The Government welcomes overseas students and appreciates the contribution they make to academic life and to the communities where they live and study. International students who have studied here are an excellent source of skilled applicants.

Since 2001, international students completing qualifications in Australia have been permitted to apply for permanent residence in Australia as skilled migrants, without having to leave Australia. In 2007, the then ministers for immigration and education, science and training\(^ {96}\) announced that policy was to be adjusted to benefit applicants with advanced Australian tertiary qualifications, Australian skilled work experience and strong English language skills.

In its submission, Universities Australia pointed out that

Universities’ responses to these changes to further enhance the English language capabilities and ‘work readiness’ of their graduates will be realised in the graduates from 2008 and 2009 onward.

\(^ {94}\) Evans The Hon. C 2008  
\(^ {95}\) Universities Australia 2008a  
\(^ {96}\) Andrews The Hon. K and Bishop The Hon. J 2007
Impacts of International Development Assistance Programs

The prominent place of the Colombo Plan in the history of Australia’s relations with Asia, the aid and trade phases of international education in Australia, and the need for a third phase, characterised by a broader focus, have all been described in the Introduction.

This chapter focuses on the impact of international development assistance programs, and specifically on the impact of scholarships for development assistance purposes.

In his speech launching *Australia and the Colombo Plan 1949-1957* in Canberra in 2005, Australia’s then minister for foreign affairs, the Hon. Alexander Downer, suggested that, in the 35 years after 1950, some 40,000 people from Asia came to study in Australian institutions under the Colombo Plan.

The broader view of education aid was expressed by Downer’s Department of Foreign Affairs and Trade (DFAT) in 2005:

> From 1950, Australia contributed to scholarships and training through UNESCO, the Colombo Plan, the Commonwealth Scholarship and Fellowship Plan and the Commonwealth Cooperation in Education Scheme, as well as through various schemes since then. From the 1940s until 1985, around 200,000 students were assisted by Australia, other donors or their own governments to study in Australia.

Australia has continued to provide education as development assistance through such targeted scholarships.

As described by DFAT, from 1998, the Australian Development Scholarships (ADS) scheme became the principal mechanism by which Australia provided scholarship assistance for individuals from developing countries to undertake studies at Australian education institutions.

With approximately 1,000 students receiving awards each year, there were around 2,500 ADS students per year from 34 countries.

In April 2006 Australia announced a doubling of the number of scholarships it offers in the Asia-Pacific region.

A joint statement by Australia’s then minister for foreign affairs, the Hon. Alexander Downer, and the then minister for education, science and training, the Hon. Julie Bishop, revived the spirit of the Colombo Plan, and included:

> We are pleased to announce that Australia will double the number of educational scholarships it offers in the Asia-Pacific region. The new program, to be called Australian Scholarships, will provide nearly $1.4 billion in funding over five years for more than 19,000 scholarships.

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97 Downer The Hon. A 2005
98 Department of Foreign Affairs and Trade 2005
99 ibid
100 Downer The Hon. A and Bishop The Hon. J 2006
Mr Downer said scholarships have a proven record in promoting political and economic reform and enabling regional leaders to develop enduring connections with Australia. 'This initiative revives the spirit of the Colombo Plan,' he said. 'It demonstrates the high value Australia places on building relationships with countries within the region.'

Ms Bishop said scholarships also enhance Australia’s reputation as a provider of high-quality education for international students. ‘Australia is committed to fostering closer ties through education and through study exchange programmes,’ Ms Bishop said.

From May 2006, DEST will provide up to 9,700 scholarships under an expanded Endeavour Programme.

AusAID will provide 6,600 scholarships through the Australian Development Scholarships program and 3,200 Australian Leadership Awards. The Australian Leadership Awards will focus on current and future leaders in business, education and government within the region.

Endeavour Scholarships will provide international education experiences across the vocational and technical education and higher education sectors, as well as postdoctoral research and professional development opportunities in Australia and overseas.

The Australian Development Scholarships programme supports development needs in recipient countries.

Scholarships for development assistance purposes, in the spirit of the Colombo Plan, remain an important component of Australia’s international student program.
Impacts on Public Diplomacy

What is Public Diplomacy?

The term ‘public diplomacy’ describes efforts to influence public opinion in other countries. It is distinct from conventional diplomacy which endeavours to achieve foreign policy goals by engaging the leadership of other nations. Public diplomacy takes a different, broader approach. It tries to influence other nations by engaging a wide range of non-government groups. Sometimes public diplomacy is aimed at the opinion making elite. On other occasions it is aimed at the public at large.\(^{101}\)

The modern definition of public diplomacy was introduced in 1965 by Edmund Gullion, a founder of the Edward R. Murrow Center of Public Diplomacy, which was established that year at Tufts University in the US. (Previously public diplomacy usually meant diplomacy conducted in public as opposed to diplomacy conducted in secret.\(^{102}\) Since 1965, public diplomacy – under its modern definition – has come to be recognised by governments, by foreign ministries and foreign policy academics as an important branch of diplomacy which plays a key role in international relations.

Public diplomacy was widely practiced during the Cold War, particularly by the US through the former United States Information Agency. After the end of the Cold War it was accorded a lower priority. However since the 2001 terror attacks, public diplomacy techniques have been increasingly used by the US and other Western governments as a means to persuade moderate Muslims around the world to condemn Muslim extremism. In a sign of growing US emphasis on public diplomacy in 2005 then US president George W. Bush appointed a former close aide, Karen Hughes, as under secretary of state for public diplomacy and public affairs.

There is no general agreement about the scope of public diplomacy. At its narrowest, public diplomacy is defined as specific efforts made by governments to influence non-government groups in other countries. The US State Department’s 1987 Dictionary of International Relations Terms said

> Public diplomacy refers to government-sponsored programs intended to inform or influence public opinion in other countries; its chief instruments are publications, motion pictures, cultural exchanges, radio and television.\(^{103}\)

\(^{101}\) Senate Standing Committee on Foreign Affairs, Defence and Trade 2007 p. 7
\(^{102}\) Cull N J 2006
\(^{103}\) Public Diplomacy Alumni Association 2008
However one of the early brochures of the Murrow Center of Public Diplomacy offered a wider description, saying that public diplomacy deals with the influence of public attitudes on the formation and execution of foreign policies. It encompasses dimensions of international relations beyond traditional diplomacy; the cultivation by governments of public opinion in other countries; the interaction of private groups and interests in one country with those of another; the reporting of foreign affairs and its impact on policy; communication between those whose job is communication, as between diplomats and foreign correspondents; and the processes of inter-cultural communications.

Significantly, the Center recognised that trans-national relations between non-government groups, and communication between different cultures, were forms of public diplomacy.

Generally speaking, the definition of public diplomacy has expanded over the years. In a 2005 International Policy Statement, Canada said that its citizens who interacted with people abroad — citing artists, teachers, students, travellers, researchers, experts and young people — were engaged in public diplomacy, building Canada’s credibility and influence in other countries. The Canadian statement recognised that public diplomacy need not be an organised activity. It occurs whenever a citizen of a country projects an image of their country to somebody of another nationality. More specifically, the statement said

Public diplomacy includes cultural events, conference, trade shows, youth travel, foreign students in Canada, Canadian studies abroad and visits of opinion leaders.

In its 2007 report on public diplomacy, Australia’s Senate Standing Committee on Foreign Affairs, Defence and Trade also endorsed a broad definition. It adopted the basic concept that public diplomacy is work or activities undertaken to understand, inform and engage individuals and organisations in other countries in order to shape their perceptions in ways that will promote Australia and Australia’s policy goals internationally.

Other sources interpret public diplomacy even more broadly. The University of Southern California Center on Public Diplomacy sees it as closely linked to ‘soft power’. Thus it studies the impact of private activities - from popular culture to fashion to sports to news to the Internet - that inevitably, if not purposefully, have an impact on foreign policy and national security as well as on trade, tourism and other national interests.

Significantly the USC Center on Public Diplomacy does not regard public diplomacy as necessarily a planned or organised activity. Although governments regularly undertake planned public diplomacy campaigns, many positive public diplomacy outcomes – which lead to an improved national image overseas – are secondary effects of other government programs, for example Australia’s massive aid response to the 2004 tsunami.

Other important public diplomacy activities are not under government control. While governments can set conditions which help create people-to-people linkages in business, education, culture and tourism, once these ties are established they take on a life of their own.

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104 Edward R. Murrow Center of Public Diplomacy 2008
105 Senate Standing Committee on Foreign Affairs, Defence and Trade 2007 p. 10
106 Senate Standing Committee on Foreign Affairs, Defence and Trade 2007 p. 12
107 University of Southern California Center on Public Diplomacy 2008
This suggests that public diplomacy has an organic nature. Seeds are sown which may not sprout immediately. But when they do, conventional diplomacy receives a huge boost. One observation is that, in public diplomacy, the work is done before it is needed, not afterward. Another observation is that public diplomacy paves the way for traditional diplomacy. It lays the groundwork\textsuperscript{108}.

**The Role of International Education in Public Diplomacy**

It is widely agreed that international education activities have very positive public diplomacy outcomes. For example the decline in international student numbers in the US due to tougher visa regulations and immigration procedures after the 2001 terror attacks was widely decried as a failure of public diplomacy which damaged America’s reputation as a country which offered opportunity to talented, hardworking newcomers. During his election campaign US President Barack Obama, himself the son of an international student from Kenya, lamented the post-2001 decline in the US international student program saying that it ‘used to be one of the single best public diplomacy tools in our possession\textsuperscript{109}’.

Interestingly, even among Muslim populations which were hostile to the US after 2001, US education was still held in high regard. A Zogby International poll found that respondents in Indonesia, Pakistan, and Lebanon had a broadly favorable attitude toward US education, averaging 80 percent approval, with little difference among the countries\textsuperscript{110}.

Karen Hughes, former undersecretary of state for public affairs and public diplomacy, said in 2007, when she held the post

I believe our academic-exchange programs, our student-exchange programs, have been our single most successful public-diplomacy tool over the last 50 years. When you bring people here, and they have an opportunity to see America for themselves and make up their own minds, they have a much more positive and long-lasting appreciation and understanding of our country. We’re educating the leaders of the world, and I meet them. They are leaders in their countries; they are leaders in industry; they are leaders in the non-profit sector, and they tell me, ‘Oh, I studied in such-and-such institution 20 or 30 years ago\textsuperscript{111}.’

Australia too has benefited greatly from its role in educating talented international students in its universities who have later gained leadership positions in their homelands. This is particularly true of students who studied in Australia on scholarships as part of the Colombo Plan between 1950 and the early 1980s.

Joseph Nye, Dean of Harvard University’s Kennedy School of Government, argues that a government must use public diplomacy, or ‘soft power’, to have an effective foreign policy. Governments no longer have a monopoly on information. They compete for credibility and attention, not only with other governments but also with the media and new sources of

\textsuperscript{108} Senate Standing Committee on Foreign Affairs, Defence and Trade 2007 p. 11  
\textsuperscript{109} Alden E 2008  
\textsuperscript{110} Advisory Group on Public Diplomacy for the Arab and Muslim World 2003  
\textsuperscript{111} Hughes K 2007
information which have become available. Nye says that under these conditions, ‘increasingly the soft sell may prove more effective than a hard sell’.

In his book *Soft Power: The Means to Success in World Politics*, Nye identifies three dimensions of public diplomacy which are used by governments to sell their message. The first is daily communication in which the context of government decisions is explained. The second is strategic communication which follows a simple set of themes. The third is ‘the development of lasting relationships with key individuals over many years through scholarships, exchanges, training, seminars, conferences and access to media channels’.

Australian universities, through their international activities, are naturally allied to government efforts to utilise the third dimension of soft power. Overseas alumni return to their home countries after having spent time in Australia at a formative time of their lives, with a qualification which opens new possibilities for their career. Peter Hartcher, Political Editor of the Sydney Morning Herald, is a former foreign correspondent who has lived and travelled extensively in Asia. He says that, from his observations, Australian universities’ international alumni ‘take an ongoing stake in Australia's well-being’.

Fiona Buffinton, then chief executive officer of Australian Education International, said

> Many [international students] have gone back with a perspective of Australia that has been very positive for our diplomacy and they have probably been some of our greatest advocates and ambassadors.

Aside from educating international students, Australian universities have other international activities which make a lasting impact on people’s lives in other countries. They operate campuses in other countries, they offer scholarships to international students, they undertake research cooperation and student exchanges, they send Australian students to study overseas and they take part in development assistance programs. Through all of these means universities support government efforts in the third dimension of public diplomacy.

Public diplomacy, and the exercise of Australian soft power, are not the primary goals of universities' international activities. Naturally, education has primacy. The public diplomacy benefits, while very welcome, are secondary effects. Neither are the benefits predictable. Ric Smith, a former secretary of the Department of Defence and a former Australian ambassador to China and Indonesia, recalls that when he was Ambassador to Indonesia in 2001 and 2002, at one point five members of the Indonesian Cabinet were Australian educated and this assisted Australian diplomacy at a time when relations were tense. This was not an outcome which could have been foreseen years before when these ministers were students in Australia.

In recent decades the Australian National University has enjoyed success in seeing its economics graduates rise to influential positions in their home countries. ANU has world-recognised expertise in Asian economies – particularly Indonesia, China and Vietnam – and has built a network of influence among senior economists of the Asian region that reaches into high levels of government decision-making.

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112 Nye J S 2004
113 Hartcher P 2008
114 Senate Standing Committee on Foreign Affairs, Defence and Trade 2007, Official Committee Hansard 11 April 2007 p. 52
115 Smith R 2008
According to Ric Smith, the role that ANU economist Ross Garnaut played developing Chinese economists was ‘remarkable’. ‘For a time those [ANU trained] economists exerted disproportional influence in China,’ he said 116.

One leading Chinese economist who was a protégé of Garnaut is Justin Lin Yifu, now the chief economist of the World Bank. When Lin was out of favour in China following the 1989 Tiananmen crackdown, Garnaut arranged for Lin to be appointed an adjunct professor at ANU and for a few years he visited ANU regularly 117. Through Lin, two of today’s leading analysts of the Chinese economy, Yiping Huang and Xiaolu Wang, came to ANU for their doctoral studies and Huang currently holds an adjunct professorship at ANU.

ANU has long had world-leading expertise in the Indonesian economy, an effort originally led by Heinz Arndt, who founded the university’s Indonesia Project in 1965. One notable ANU graduate is the current Indonesian Minister for Trade, Mari Pangestu, who also remains an ANU adjunct professor.

In Vietnam ANU’s graduates are represented in the ranks of economic policy makers. According to Hal Hill, ANU’s H.W. Arndt Professor of South East Asian Economies, the university’s success in Vietnam was assisted by the fact that the US shut out Vietnamese students until recently.

Hill said that ANU’s record of educating leading Asian economists and economic policy makers is an example of ‘soft power’ 118. He said that, until the 1980s, the ‘best and brightest’ economics students from Asia would choose US and UK universities for their postgraduate work.

‘Things have changed. We are getting the best and the brightest,’ he said. Hill now sees a generational effect where ANU graduates, now in academic positions in their home countries, are recommending their students go to ANU for postgraduate study.

He emphasises that the University concentrated on developing its expertise in order to attract students and develop its reputation in this area. ‘We have developed and maintained reasonable strength in their economies,’ Hill said. He also acknowledges the importance of Australian Government scholarships offered through AusAID, in helping to attract the best international postgraduate students to Australia.

Former ANU vice-chancellor Deane Terrell says that an important ingredient of ANU’s success in developing academic expertise on the Asian region was acquiring strength in language studies. ‘If we were to make a real contribution to our region it required strength in languages,’ he says 119.

The National Security Editor of The Australian newspaper, Patrick Walters, warns that there are too few younger scholars in Australia with Asian expertise to replace the current generation, and that Australia’s reputation and influence in this field is likely to flag 120. He is concerned that

116 ibid
117 Callick R 2009
118 Hill H 2009
119 Terrell D 2009
120 Walters P 2009
Asian studies in general, and Asian languages in particular, is not receiving sufficient emphasis. He calls for more direct government assistance to remedy this.

**Colombo Plan and Aid Scholarships**

The Colombo Plan, which grew from an Australian proposal put to the Commonwealth foreign ministers at a meeting in Colombo, Ceylon in 1950, was a wide-ranging plan for international cooperation to assist the economic development of Commonwealth countries in South and South-East Asia. The aspect of the plan best remembered today is the scholarships offered to students to study in universities in developed countries.

The initial members were the Commonwealth countries - Australia, Canada, Ceylon (now Sri Lanka), India, New Zealand, Pakistan and the United Kingdom. Later the scheme was expanded to bring in other nations including Malaya, Indonesia, Thailand and the Philippines. About 40,000 students are estimated to have studied in Australia under the Colombo Plan.\(^{121}\)

Ric Smith calls the Colombo Plan 'the most successful intervention we ever made'. He says it created a group of elite graduates who were well-connected to Australia while also meeting the education needs of the countries concerned. Paul Kelly, Editor-at-Large of The Australian newspaper, has called the Colombo Plan ‘the best example of Australian soft power’.\(^{123}\)

Colombo Plan historian Geoff Sauer, editor of *The Colombo Plan for Cooperative Economic Development in South and South East Asia 1951-2001: The Malaysian-Australian Perspective*, believes that one of the reasons the Colombo Plan students had a major impact is because it came at a time when their countries needed skills and expertise as they emerged from colonialism. Many professional roles previously carried out by expatriates were now open to local people. Sauer also believes that the fact that Colombo Plan scholarships were offered with no strings attached greatly benefited Australia’s image in the region.\(^{124}\)

Many Colombo Plan students went on to distinguished careers and maintained both professional and personal contact with Australia. Notably, some of them emerged in leadership roles in Malaysia, Singapore and Indonesia. Generally speaking, the students who studied in Australia in the Colombo Plan period achieved higher distinction in their home countries than students who studied here later.

Smith points out that the Colombo Plan students were an educational elite at a time when there was a shortage of university educated people in their home countries, which helps explain why they went on to eminence. Later, as huge numbers of students took up overseas study, international graduates were no longer part of an exclusive group which was marked for leadership roles. Sauer believes that many of the Colombo Plan students had the attitude that they had been given an exceptional opportunity and wanted to use their career to give something back.\(^{126}\)

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\(^{121}\) Downer A 2005  
\(^{122}\) Smith R 2008  
\(^{123}\) Kelly P 2002  
\(^{124}\) Sauer G 2008  
\(^{125}\) Smith R 2008  
\(^{126}\) Sauer G 2008
There is another explanation as to why the Colombo Plan students appear to shine brightly against those who followed them in the fee-paying era for international students which began in the late 1980s. Murray Cobban, former Australian consul-general in Hong Kong and now Regional Director, Europe and Hong Kong for the University of Sydney, believes that the achievements of Colombo Plan students are widely-known because they have reached, and in many cases passed, the peak of their careers. However the far larger wave of fee-paying students is still to hit their career pinnacle\(^{127}\). In other words, expect to see more eminent Australian alumni emerge soon into senior roles in Asian countries.

Some Colombo Plan students married and had children with their Australian partners. One such student was Francis Wong, a Malaysian architect who is the father of the Australian Minister for Climate Change and Water, the Hon. Penny Wong\(^{128}\).

The last Colombo Plan students arrived in Australia in 1983, and since then government-funded scholarships have been offered to international students through aid funding.

The 2001 terror attacks, the 2002 Bali bombing and the 2004 Australian embassy bombing in Jakarta focused attention on Muslim extremism in the Asian region and the threat it posed to Australia. Part of the Australian government’s response has been to boost the numbers of students studying in Australia from Asia, with a particular focus on Muslim countries. As a result, there is a renewed emphasis on achieving public diplomacy outcomes through education aid programs.

In January 2005, just after the tsunami which devastated the Indonesian province of Aceh, the Australian government announced the Australia Indonesia Partnership for Reconstruction and Development which included a doubling of the number of scholarships for Indonesian students to 600\(^{129}\). In November 2005 the then prime minister, the Hon. John Howard announced 500 scholarships for Pakistani students. Then in April 2006 the government announced the Australian Scholarships program which doubled the total number of scholarships offered in the Asia-Pacific region to 19,000 over five years. The then minister for foreign affairs, the Hon. Alexander Downer, said the program ‘revives the spirit of the Colombo Plan. It demonstrates the high value Australia places on building relationships with countries within the region\(^{130}\).’

In the Indonesian case, the generous Australian response to the tsunami, with a total of $1 billion in aid, was a critical factor in re-establishing good relations between the two countries following the tension generated by East Timor in 1999 and the rise of Muslim extremism. The scholarship program, and the public diplomacy benefits it generated, played a role in this.

**People-to-People Ties**

The US Information Agency Alumni Association recognises the importance of people-to-people ties in public diplomacy and the role which an international student program plays in creating these ties.

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\(^{127}\) Cobban M 2009  
\(^{128}\) Sauer G (ed) 2001  
\(^{129}\) AusAID 2009  
\(^{130}\) Downer The Hon. A and Bishop The Hon. J 2006
With US public diplomacy under greater scrutiny, the larger number of international students is one of the few pieces of good news for that part of American policy. Experiencing the US first-hand provides a richer experience for foreign students than they can gain from a distance, even with web sites, e-mail, and inexpensive international telephone calls. Students can use the experience to develop a more sophisticated and complex understanding of American life, culture, and ideas. And foreign students make friends and gain professional contacts that continue for years after they return home\textsuperscript{131}.

The same analysis applies to Australia's international student program. From living in Australia, students have the opportunity to gain a nuanced understanding of Australian life. Sauer observes that

If you study in another country you can't help but absorb some of the local customs and mores which become intertwined with your own value system\textsuperscript{132}.

The experience helped students to become used to working with other cultures. Malaysian engineer Ir Chek Wan Samsudin Bin Che Wan Ahmad, a Colombo Plan scholar and 1981 graduate of the University of Western Australia, enjoyed success in business and professional engineering bodies in his homeland. He said: 'The opportunity [of studying in Australia] has moulded me to be a versatile person, able to adapt and adopt with multi-national companies easily\textsuperscript{133}.'

Students studying in Australia also make friends and professional contacts. A 2008 study by IDP Education Pty Ltd of 1,940 international graduates of the five Australian Technology Network universities – Curtin University of Technology, Queensland University of Technology, RMIT University, University of South Australia, and University of Technology Sydney – gathered information about international students' social networks\textsuperscript{134}.

It found that 45% of the graduates surveyed said they formed networks with Australians during their time in Australia. Less than a quarter (23%) said that they had not formed networks with Australians during their stay. While this result indicates that large numbers of students are building ties with Australians there is still a minority which is not. Interestingly, as is seen in Chart 8.1 \textbf{International Student Networking}, below, more students networked with other international students than with Australians, with 64% saying they had formed networks with people of their own nationality and 66% saying they had formed networks with people of other nationalities.

\textsuperscript{131} USIA Alumni Association 2007
\textsuperscript{132} Sauer G 2008
\textsuperscript{133} Sauer G (ed) 2001
\textsuperscript{134} Banks M and Lawrence R 2008
The survey also provided information on another key question: how many international students remain in contact with people they met in Australia after they graduate. The students surveyed had graduated at least three years beforehand and so had time to establish a pattern of communication with people they had met while studying. Chart 8.2 *International Student Communication Patterns*, below, shows that graduates are more likely to be in frequent contact with friends who were international students (56% more than once a year) and people they met off campus (also 56% more than once a year), than with Australian student friends (42% more than once a year).

However according to Chris Manning, head of the Australian National University’s Indonesia Project, more needs to be done to maintain contact with students after they graduate in order to maintain ties.

We do not have any integrated program of supporting Indonesians when they go back, or any foreign students in fact, and I think that is a problem. My experience over a long period of time is that the association with Australia does dissipate quite significantly over time. So by the time these guys get into important positions their Australian experience often is no particularly significant to them. That may be five or ten years afterwards.\(^{135}\)

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\(^{135}\) Joint Standing Committee on Foreign Affairs, Defence and Trade 2004, Official Committee Hansard 13 October 2003 p. 479
One current initiative to maintain better contact with alumni is the online networking website Ozmate (www.ozmate.org) in Indonesia which was set up by Australian Education International’s Indonesia office in 2007 and now has nearly 4,000 members from a pool of an estimated 30,000 to 40,000 Australian alumni living in Indonesia.

People-to-people ties are likely to be created from the international student program in a lasting and positive way if students are generally satisfied with their Australian experience. In 2006 the International Student Survey, commissioned by Australian Education International\textsuperscript{136}, found that 87\% of final year international students were satisfied with their overall study experience. The same cohort of 569 students was asked the same question after graduation in a follow-up survey in 2007 and slightly fewer of them (81\%) said they were satisfied with their overall study experience.

As asked in 2006 whether they would recommend the university they attended to others, 78\% of the same cohort of final year international students said they would. In the follow-up survey a year later the proportion (of the same cohort of students) who would recommend their university to others fell to 71\%.

People-to-people ties resulting from the international student program have other positive impacts for Australia’s ‘soft power’.

\textsuperscript{136} Australian Education International 2008a
Some have a very personal and lasting impact. One of the most eminent Australian alumni in Singapore, Colombo Plan scholar and former Singapore Airlines chief executive Cheong Choong Kong, has written about his friendship with an ‘ordinary Australian’, Stan Jaensch, which began when they were on a railway platform in Adelaide waiting for a train and Jaensch invited Cheong home for tea. ‘To me, Stan represented everything good in the Australian character – spontaneous, genial, helpful and generous with his time and friendship,’ Cheong wrote in a publication of the Adelaide University Alumni Association of Singapore. ‘Whenever I have doubts about the make-up of an Australian, I would resurrect pleasant memories of Stan Jaensch, his family and the Colombo Plan137.’

Others have a wider effect. The presence of international students boosts tourism because family and friends visit students in Australia. One important incentive for parents to visit is to attend their child’s graduation ceremony. Overall, family and friends who visit are likely to see Australia in a positive light.

Another is that many international graduates remain in Australia and become permanent residents. Under changes to immigration regulations made in 2001, graduates can apply for general skilled migration if they pass a points test which assesses whether their qualifications and experience will help alleviate Australian skill shortages.

With large numbers of international students migrating to Australia in recent years, intensive people-to-people ties are being created between these migrants and family members in their home country.

With the recent onset of the economic slowdown, the Australian government has narrowed the criteria for skilled migration and indicated that numbers will fall. But during the period of strong economic growth up to 2008, international students who became skilled migrants played a major role in helping Australian compete in the global market for skilled labour.

In one interesting case, rather than international education strengthening people-to-people ties, it was the other way around. People-to-people ties came first. The current President of Chile, Michelle Bachelet, took refuge in Australia in 1975 after being tortured by the Pinochet regime. In 2008 her government signed a Memorandum of Understanding with Universities Australia, agreeing to establish a scholarship program to fund up to 500 Chilean students each year to study, or undertake research, in Australian universities138.

Other University Contributions to Public Diplomacy

Aside from the impact which universities have on Australia’s public diplomacy through the influence of their international graduates, universities engage in a number of other activities which enhance public diplomacy.

Universities contribute to a positive image of Australia overseas through their presence on the ground in other countries, their contact with foreign universities and government agencies, and their portrayal of Australia as a creative and innovative country.

137 Adelaide University Alumni Association Singapore 2006
138 Government of Chile – Universities Australia 2008
According to RMIT University in a 2007 submission to the Senate committee inquiry into public diplomacy, universities are able to make a significant contribution to Australian public diplomacy efforts.

Universities are a positive force for the promotion of Australian influence and standing, not so much because they are concerned with redressing ‘anti-Australian’ feeling or advancing policy goals as because they have a strong stake in selling Australia as a study destination to the world, and selling the quality of Australian education.\(^{139}\).

One of the reasons that they are effective in the public diplomacy arena is because of their strong role in the international exchange of knowledge and ideas.

As leading teaching and research institutions, they are global players in knowledge networks, bringing together creators and disseminators of knowledge and ideas in Australia and internationally.\(^ {140}\).

Certainly top Australian researchers, such as Barry Marshall and Robin Warren, who won the 2005 Nobel Prize for Medicine, boost Australia’s reputation for knowledge and ideas. Marshall is a graduate of the University of Western Australia and Warren is a graduate of the University of Adelaide. Another world-renowned Australian researcher is Terence Tao, who won the world’s top award for mathematics, the Fields Medal, in 2006. He was a mathematics prodigy who graduated from Flinders University at the age of 16 and is now a professor at the University of California, Los Angeles.

The Asia-Pacific Editor of The Australian newspaper, Rowan Callick, believes that scholars in Australian universities are important in projecting Australian ‘soft power’ and creating cultural ties. ‘Charismatic and committed Australian university teachers are continuing to play quite a role in influencing people in the region,’ he said.\(^ {141}\).

Callick, who has extensive experience reporting from China, names Pierre Ryckmans, formerly of the ANU and the University of Sydney, Geremie Barmé of the ANU, David Goodman of the University of Sydney and John Fitzgerald of La Trobe University as being influential in China. He sees Tim Lindsey, Director of the Asian Law Centre at the University of Melbourne, as having similar influence in Indonesia, where he has advised on reforming Indonesia’s legal system.

However RMIT University also argues that the role which universities play in public diplomacy is generally not well supported by government.

The Australian Government’s recent response to the report on Australia’s public diplomacy by the Senate Standing Committee on Foreign Affairs, Defence and Trade tends to confirm this view. The committee’s recommendations which related to education, including that

- the government take a more active role in working with educational institutions on alumni programs for international graduates
- strategies be developed by the Department of Foreign Affairs and Trade to facilitate more productive engagement by universities in Australia’s public diplomacy

were noted but not accepted.\(^ {142}\).

\(^{139}\) RMIT University 2007
\(^{140}\) ibid
\(^{141}\) Callick R 2009
\(^{142}\) Senate Hansard 5 February 2009 pp. 57-65
Universities have a major international presence and extensive contact with educational institutions overseas. Data collected from universities by Universities Australia show that in 2007

- Australian universities had 5,168 formal agreements with overseas higher education institutions. These agreements covered a number of areas including student exchange, study abroad arrangements, staff exchanges and academic/research collaboration. The agreements were widely spread geographically. There were 13 countries – the US, China, Japan, Germany, the UK, France, Canada, Korea, Sweden, Thailand, Malaysia, Indonesia and Italy – with which universities had over 100 agreements143.

- Australian universities had 1,002 offshore programs with overseas higher education institutions. More than 70% of offshore programs are in Singapore, Malaysia, China and Hong Kong144.

Some of these programs are offered through offshore campuses of Australian universities. Universities with offshore campuses include Monash University (Malaysia and South Africa), Curtin University of Technology (Malaysia), Swinburne University of Technology (Malaysia), RMIT University (Vietnam) and University of Wollongong (Dubai).

Through their efforts to enrol international students, universities conduct intensive activities overseas in a wide variety of countries to promote Australian education. These include participation in a heavy program of education exhibitions in a wide variety of countries, and stationing staff in some countries which are large student source markets. From a survey of Australian universities in 2008, which is not in the public domain, 19 universities reported having 50 offices overseas

- 44 offices in Asia: twelve in China, ten in India, five each in Indonesia and Thailand, four in Singapore, two each in Japan, Malaysia and Viet Nam, and one each in Hong Kong and Taiwan

- six offices elsewhere: two in the United Arab Emirates, and one each in the US, Canada, South Africa and Ukraine.

Universities also conduct student graduation ceremonies overseas which are highly significant occasions for students and their family and friends. In 2005 the University of Sydney took the notable step of arranging a graduation ceremony for its Chinese students in the Great Hall of the People in Beijing, a first for any foreign university in China.

Universities also engage in overseas development work which is mainly funded by the Australian government or multi-lateral organisations. In 1969 Australian universities set up the Australian-Asian Universities’ Cooperation Scheme which was funded by the Australian government to help overseas universities strengthen teaching and research145. Today the organisation exists as IDP Education Pty Ltd, a company 50% owned by Australian universities, which continues to implement development contracts in the education area.

143 Universities Australia 2007a
144 Universities Australia 2007b
145 Lazenby A and Blight D 1999
Today universities carry out overseas development work in a variety of ways. Some is contracted work which is funded by competitive tender with government or multi-lateral organisations. There is also development work which follows an agreement with a foreign government, and work which students engage in as part of a particular course of study. (See case studies below.)

Another significant contribution by universities to public diplomacy is through Australian students who study at universities overseas. These go overseas on exchanges, semester or year programs, short-term programs, placements or practical training programs or research programs. In 2007, 10,718 students at all levels undertook such international study experiences which are arranged through an Australian university. Universities provided the funding for 60% of these students.146

Former vice-chancellor of Macquarie University Di Yerbury believes that the practical assistance and support which universities have offered international students in times of need have bolstered ties and ‘shown that we are not fair weather friends’.147

She recalls the positive response from students when tuition fees were postponed or waived during the Asian Economic Crisis a decade ago. She also remembers the appreciation from Muslim students after the 2001 terror attacks when Macquarie University made it clear it would take measures to protect them if they felt their security was at risk. Shortly afterwards, women Muslim students from Indonesia asked to attend a university memorial ceremony for those who had lost their lives where they mixed with US exchange students. A new perspective was opened for both sides.

**Eight Development Case Studies**

A survey of Australian universities for this study revealed these case studies of development aid being provided by institutions which help contribute to positive public diplomacy outcomes.

### The University of Sydney – Faculty of Health Sciences

The Faculty of Health Sciences undertakes regular fieldwork placements of its students to assist communities in developing countries. **Operation India** has been underway for some years and involves formal fieldwork placements in India in which small groups of students are assigned to a community or health care facility and work on projects which can be sustained after they leave. Students spend four to six weeks at the facility and are inevitably immersed in the culture of the community because they stay with local families. In 2008, 27 students from the disciplines of Occupational Therapy and Physiotherapy worked on such community-based rehabilitation projects with Operation India. More details at: [www.fhs.usyd.edu.au/ols/collaboration/operation_international.shtml](http://www.fhs.usyd.edu.au/ols/collaboration/operation_international.shtml).

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146 Olsen A 2008b
147 Yerbury D 2009
The University of Melbourne – Faculty of Medicine, Dentistry and Health Sciences

With sponsorship from the Government of Botswana, seven students from Botswana were admitted to undergraduate Medicine degrees at the University of Melbourne in 2000. Building on this relationship, a formal agreement was signed in 2003 between the University of Botswana and the Faculty of Medicine, Dentistry and Health Sciences at the University of Melbourne to collaborate on the establishment of a medical school in Gaborone around 2009.

The University of Botswana plans to start training its first medical intake in 2009 and is also now developing a Faculty of Health Sciences, which will include a School of Nursing, a School for Public Health and a School for Allied Health. Continued collaboration is expected with the University of Melbourne in these new developments, and the two institutions are currently considering the renewal of their existing agreement. The University of Melbourne is also providing advice in the recruitment of human resources to the new discipline areas at the University of Botswana.

Charles Sturt University – School of Community Health

The School of Community Health runs a student training program which sends final year students studying speech pathology, occupational therapy and physiotherapy to work at the Phu My Orphanage in Ho Chi Minh City, Vietnam which is home to about 300 children with disabilities. The goal is for the students to support and train the staff at Phu My to better care for and rehabilitate the often severely disabled children in their care. In return, the students gain a unique insight into the lives and experiences of people from a vastly different culture, while further developing their own clinical skills. Though supported for some of the placement by CSU staff, it is an intense professional experience that forces the students to trust in their own skills and judgment.

The University of Western Australia – Institute of Agriculture

In 2008, 27 Iraqi agricultural scientists were trained in advanced integrated plant disease management at the UWA Institute of Agriculture. During a five week intensive course, trainees learned to identify and manage pathogens and saw how to translate these skills into practice at field research stations. The training, sponsored by AusAID, helped address the impact which war, drought and limited access to technological advances have had on agriculture in Iraq. Iraqi crop production is poor by international standards, due to poor integrated crop management practices and a lack of widespread access to improved plant varieties. ‘This gap can be closed with training, new equipment and study tours to countries such as Australia, which face technical issues in agriculture similar to those in Iraq,’ said IoA Director, Professor Kadambot Siddique. Ten students from the Iraqi Ministry of Agriculture began their Masters studies in various fields of agriculture at UWA in 2009 with funding support from AusAID.
### Queensland University of Technology – Faculty of Health

Following several years of support for the development of a sustainable health system in Vietnam, QUT’s Faculty of Health secured significant philanthropic funding in 2008 for a four year project to build Vietnam’s capacity to produce nurses who will meet international standards. Under this project, QUT is working with two leading universities in Vietnam (Hanoi Medical University and Ho Chi Minh University of Medicine and Pharmacy) to help them develop their curricula. It will boost local tertiary education for nurses, create more locally trained nurse academics, and increase the competence and number of workplace nurses throughout the country. There is currently only one Master of Nursing program offered in Vietnam, and the country only has one nurse with a PhD. QUT is also providing funding to support a number of PhD scholarships for Vietnamese nurses to study at QUT.

### The University of Newcastle

PhD students from Botswana will benefit from a scholarship scheme launched in late 2008 by the University of Newcastle and the Government of Botswana. The initiative, valued at up to $2.64 million, will see fees waived for up to 30 government-sponsored research higher degree students to study at the University of Newcastle in Australia over the next three years. The scheme will support students to study in the fields of education, international affairs, public health, engineering and public sector reform. This scholarship scheme builds on the University's existing fee waiver scholarship program, which has operated in Botswana, Rwanda, Lesotho and Tanzania in recent years. A similar program is being established with the Government of Kenya.

### Monash University Campus in South Africa

The Monash South Africa (MSA) Saturday Program is a collaborative effort with Hope Worldwide which provides educational support to the children of the Zandspruit informal settlement, located approximately 2km from MSA in Ruimsig (25km north-west of Johannesburg). MSA staff (academic, administrative and general) and members of the Student Volunteer Program provide academic assistance in mathematics, science and computer literacy. The Saturday Program also includes a life-skills component and a chess group, which is funded by Nedbank Capital. MSA buses collect up to 170 students between the ages of six and 16 from Zandspruit and transport them to the campus to participate in the program. The students are provided with a meal before returning to Zandspruit.

### RMIT University Campus in Vietnam

RMIT Vietnam projects offer students from Melbourne and Vietnam the opportunity to work together with client organisations to solve real issues while gaining credit towards their degrees. Students participate in work-integrated learning projects in a cross-cultural context and at the same time make a positive contribution to the aims of non-profit organisations. Projects include the development of a viable water bottling business in an Ho Chi Minh orphanage and assisting the Da Nang Hospital to redesign and develop their paediatric ward in partnership with Melbourne’s Royal Children’s Hospital.
Risks to effective public diplomacy

In 2009, attacks on Indian students in certain areas of Sydney and Melbourne and quality issues in some private colleges offering vocational education and training (VET) courses to international students have badly damaged the reputation of Australian education in India.

A policy brief from the Lowy Institute for International Affairs said

The Australian government spends millions of dollars each year on public diplomacy, trying to foster a positive image of this country abroad. Any gains made by these programs can be reversed quickly by incidents such as attacks on foreign students.\textsuperscript{148}

The negative impact of these issues on public diplomacy was magnified by intense coverage in the Indian media, both of the attacks on students and of criticism of Australian education standards (mainly directed at the vocational education and training sector).

In response, the Australian government mounted a major diplomatic effort in India. Five senior ministers in the Australian government, including the Prime Minister and the Deputy Prime Minister, either have visited, or plan to visit India in the latter half of 2009.

The Australian government, in cooperation with State governments, has also announced stricter requirements on education providers offering courses to international students, a roundtable meeting with international student representatives, and a review of the Education Services for Overseas Students Act (2000).\textsuperscript{149}

The problems experienced by Indian students in Australia are attributable to the very rapid expansion of numbers of Indian students in Australia, many of whom were seeking permanent residency, rather than education, as their primary goal and came to Australia with marginal financial resources. As can be seen from a comparison of numbers of Indian students, the problems due to this rapid expansion arose in the VET sector rather than in higher education. While the number of Indian students enrolled in higher education in Australia rose by 24\% from 22,061 in 2005 to 27,401 in 2008, the number of Indian students enrolled in VET grew over 13-fold in that period, rising from 3,838 to 52,165.\textsuperscript{150}

The damage caused to Australia’s public image and to the reputation of Australian education in India is likely to take years to undo. While the problem was not caused by Australian universities, the universities are suffering from it. Nonetheless, they are playing a major role in reversing the damage by promoting quality Australian education in India.

Conclusion

Public diplomacy is not the primary purpose of Australian universities’ international activities but it is clear that universities do create significant public diplomacy benefits for Australia. The benefits fall into two categories

\textsuperscript{148} Wesley M 2009
\textsuperscript{149} Gillard J 2009
\textsuperscript{150} Australian Education International 2009
- Creating a positive image for Australia
- Opening doors and exerting influence.

There is scope to maximise these benefits without compromising universities’ fundamental mission of education and research.

However the large numbers of international students being educated in Australia means that any major problems which arise in international education have the potential to cause significant damage, both to the reputation of Australian education overseas and Australia’s broader public image internationally. Universities, and all stakeholders in international education including government, need to be aware of the potential risks and behave accordingly.

Creating a Positive Image

Universities are in a position to interact with hundreds of thousands of international students and their family members each year and so have a major influence on Australia’s image overseas. Only the tourism industry makes contact with more foreign citizens than international education. But education has the ability to make a deeper impact on developing Australia’s image because students stay here much longer than tourists. Students, and their families, also have far more invested in the outcome of their stay in Australia than a tourist does.

Given that an Australian education is a lifelong investment for an international student, it is crucial to ensure that students have a good experience in Australia. Students who are satisfied with all aspects of coming to Australia to study are far more likely to view this country positively.

There are opportunities for governments, at federal and state level, to work more with education institutions to ensure that students’ reasonable expectations are fulfilled.

Opening Doors and Exerting Influence

Given the clear diplomatic benefits which have flowed from maintaining contact with international alumni, more needs to be done to cultivate international graduates, and identify alumni of influence. While some universities have very active alumni programs others are less efficient at this task. Government can also play a major role, particularly as some of the benefits of alumni programs flow to government through the assistance which is given to diplomacy.

Universities also need actively to pursue promising postgraduate students overseas – people who are likely to rise high in their careers and become part of an influential network of Australian alumni. Even though the number of government scholarships awarded to international students has risen since 2004, there is still more need for adequately-funded scholarships which will help attract the best students to Australia.
Governments need to fund universities to a level where they can build up world-class centres of research which build their international reputations and which successfully compete in the global hunt for the best students.

Australia also needs to show its serious interest in the region through, for example, more teaching of Asian languages and encouragement to students to spend time studying at overseas universities through exchange programs.
International education is enmeshed with Australian diplomacy and the conduct of Australian foreign policy.

Staff of the Department of Education, Employment and Workplace Relations are located in 23 Australian diplomatic missions in 19 countries. These staff, part of the departmental group Australian Education International, work as part of diplomatic missions to promote the capability of Australian education, research and training\textsuperscript{151}.

The Australian government utilises the international connections of Australian universities in its dealings with other governments. Upon the request of the Prime Minister, the Hon. Kevin Rudd, Universities Australia updates the Prime Minister's Office with a database of universities showing individual universities' international collaboration with overseas education and research institutions. As a result the Prime Minister is able to showcase the capabilities and the local collaboration of Australian universities when he travels overseas. The database currently lists 58 countries.

Australian universities have educated the sons and daughters of a number of influential foreign leaders. Notably, the son of Indonesian President Susilo Bambang Yudhoyono, Edhie Baskoro Yudhoyono, graduated from Curtin University of Technology in 2005\textsuperscript{152}.

The fact that children of powerful people become international students in Australia has also been used by the Australian government for diplomatic leverage. In 2007 the then minister for foreign affairs and trade, the Hon. Alexander Downer, revoked the visas of eight students from Zimbabwe because they were children of senior members of President Robert Mugabe’s regime. 'These are people who are doing enormous damage to the ordinary people of Zimbabwe and their children shouldn’t have privileges extended to them by the Australian people,' he said\textsuperscript{153}.

Education is also used by the Australian government to build security ties with other nations, in particular Indonesia. Indonesian military officers participate in courses at Australian staff colleges and both military officers and civilian defence officials are provided with scholarships for postgraduate study in Australia.

The education effort is also aimed at Australian military officers. The Australian Defence Force Academy, which partners with the University of New South Wales, says Indonesian language skills and an understanding of Indonesian society and culture ‘will be an asset for your career in the services with a focus on the Asia-Pacific region\textsuperscript{154}.’

There are also positive outcomes for Australian diplomacy stemming from the large number of Australian alumni who have held, and hold today, leadership roles in government. In South-
East Asia, particularly Malaysia, Singapore and Indonesia, there is a history of Australian graduates holding ministerial positions.

Peter McCawley a visiting fellow with the Australian National University’s Indonesia Project, noted, when interviewed for this study, that Indonesia’s three top ranking economic policy makers have close links with Australia155. Boediono, former governor of the central bank, Bank Indonesia, did his undergraduate degree at the University of Western Australia, his masters degree at Monash University and was later a research assistant at ANU. Trade Minister Mari Pangestu did her masters degree at ANU. Finance Minister Sri Mulyani is not Australian educated, but her daughter is currently enrolled at an Australian university.

Boediono was selected by Indonesian President Susilo Bambang Yudhoyono to be his vice-presidential running mate in the July 2009 presidential elections and, following Yudhoyono’s resounding win, became Vice-President of Indonesia. His new position caps a very successful career in academia, public administration and government. He has held three influential economic posts in Indonesia since 2001 and is highly regarded for his role in restoring Indonesia’s economy following the economic crisis of 1998. Firstly he was finance minister, then coordinating economic minister and, finally, was appointed central bank governor in 2008.

Boediono has also maintained extensive professional and personal ties with Australia. He is on close terms with Australian economists, particularly those in the Indonesia Project at the ANU. Given Australia’s foreign policy interest in a stable Indonesia, firstly educating Boediono in economics, and then maintaining academic links with him over the years, is a very clear win for Australian public diplomacy. Both Boediono and Pangestu have been long-standing members of the editorial board of the Bulletin of Indonesian Economic Studies, a highly-regarded journal which is edited at the ANU.

Before the fall of Soeharto in 1998 another long-serving Indonesian economic minister, Hartarto Sastrosoenarto, was a line of communication for Australian officials. According to Greg Earl, Asia-Pacific Editor of the Australian Financial Review and at that time the newspaper’s Jakarta Correspondent, Hartarto, a graduate of the University of New South Wales, played an important role in facilitating the relationship between Soeharto and former Australian prime minister, the Hon. Paul Keating156. He also visited Australia, filling the gap left by Soeharto who would not visit Australia for many years because of the demonstrations he would face.

The greatest test in Australia’s relationship with Indonesia in recent years came in 1999 over East Timor which set the scene for further tension over boat people in 2001. During this period, when Australia was highly unpopular with the Indonesian public, Indonesia’s Australian alumni association IKAMA, was solid in its support and did not condemn Australia as did other organisations and individuals who had been regarded as friends of Australia. While IKAMA’s isolated stance did not materially change Indonesian public opinion about Australia, it made an impression on Australian diplomats who were working in a hostile environment.

However the number of Australian alumni in Indonesia is not as high as in Malaysia, a much smaller country where holding an Australian degree became very common among the middle class. About 250,000 Malaysians are estimated to have been educated in Australia, creating deep and lasting ties between the two countries. As a result, a healthy relationship was maintained at a business level and a people-to-people level through a number of tense periods,

155 McCawley P 2008
156 Earl G 2008
particularly the ‘recalcitrant’ row in the 1990s between the two countries’ respective prime ministers, Mahathir Mohammad and Paul Keating.

Ric Smith, who was Ambassador to Indonesia during part of the tense period in Indonesian relations in 2000 and 2001, says

In a way the education ties provided a sort of ballast in the relationship [with Malaysia], the kind of ballast we didn’t have in Indonesia157.

Australian alumni have served as ministers in Malaysia – Adenan Satem, Mustapa Mohamed, Sayed Hamid Albah, Effendi Norwawi and Maximus Ongkili – and Singapore – Tony Tan, Ong Teng Cheong, Mah Bow Tan, Yeo Cheow Tong, Khaw Boon Wan and Raymond Lim. Ong went on to become, in 1993, Singapore’s first directly-elected President.

Australian alumni have also served in numerous other senior positions in government in Singapore and Malaysia. For example in Singapore: Lim Siong Guan became head of the civil service and head of the Department of Finance; S Iswaran became managing director of Temasek Holdings, a major investment company owned by the Singapore Government, and later deputy speaker of the Singapore Parliament; and Peter Ong became head of the Ministry of Trade and Industry. And in Malaysia Abdul Taib Mahmud became chief minister of Sarawak.

One consequence for foreign leaders of having an Australian, or Western, education may be that they are more comfortable, and better able to deal, with Australia. In Papua New Guinea three prime ministers – Julius Chan, Mekere Morauta and Rabbie Namaliu – who all had some education in Australia, or in Namaliu’s case Canada, have had better relations with Australia, according to Rowan Callick, Asia-Pacific Editor of The Australian.158.

‘Their relations with Australia are characterised as workmanlike and benign. Other prime ministers, without those connections, have often had more testy relations,’ he said.

The number of ministers in the region who are Australian alumni does, in some cases, assist Australian diplomats in access at the highest levels of government. And other Australian alumni who hold positions at senior levels in government and business give the relationship depth. There is also the broader benefit that the decision-making group in neighbouring South-East Asian countries generally has a very good understanding and appreciation of Australia due to the international student program.

Even so, there is an undercurrent in these relationships, which is sometimes expressed, that Australia does not fit with Asia and Australians do not fully understand their regional neighbours. This may be correct. It is notable that there is a high imbalance between large numbers of international students coming to Australia from Asia and the very few Australians studying at Asian universities. For this reason it is plausible to suggest that Malaysians and Singaporeans understand Australians better than we understand them.

Although Australia’s international student program is, overall, a positive for Australian diplomacy, it does pose risks. China and India, the two largest source markets for students coming to Australia, are both countries which vigorously pursue the interests of their nationals overseas. These two countries keep a close watch on the welfare of their students in Australia and any threat to them is pursued by their governments.

157 Smith R 2008
158 Callick R 2009
This became very clear in 2009 after well-publicised attacks on Indian students in certain areas of Melbourne and Sydney and quality problems in some private vocational colleges serving international students created tension in the Australian-Indian relationship.

The possibility also exists that education could also become a pressure point in Australia’s relationship with China. In September 2008, the Chinese Ambassador in Australia, His Excellency Zhang Junsai, addressed the China Education Centre at the University of Sydney and offered veiled advice to Australia to maintain quality of education and to improve student accommodation

we should take measures to guarantee our quality of education to protect our students’ interests. Especially in the last few years, while more and more Chinese students come to Australia, the accommodation capability of a few Australian universities has become overstretched. I hope it will be addressed properly159.

It sends a clear message that the Chinese government is paying attention to its students’ well-being.

The Ambassador’s speech also illustrated the potential for enhancing the Australian-Chinese relationship through education, proposing a bilateral education summit, new scholarships, research co-operation and graduate work exchanges.

But in remarks which were not part of his prepared speech, Zhang also said that the smooth running of the Olympic torch relay in Australia (which contrasted with violent demonstrations in other countries) had sparked renewed interest among Chinese in sending their children to Australia160.

However, in August 2009, after the Australian Government issued a visa to exiled Uighur leader Rebiya Kadeer, commentators in China called for a boycott on Australia by Chinese students and tourists.161

**Trade and Investment Links**

In a speech in April 2008, the Minister for Education, the Hon. Julia Gillard, illustrated the linkages between international education and trade links.

International education is also important to Australia’s international trade. With well over a million international alumni who have studied in Australia and returned home, and more than 450,000 current enrolments across Australia, these ‘people connections’ are vital to the future prosperity of our country – constituting part of what’s known as the ‘global supply chain’ and ensuring that Australia is truly ‘globally connected’ going into the future162.

A 2007 report by Oxford Economics on the economic impact of international students on London identified how ongoing ties between graduates and the place where they studied

159 Zhang J 2008
160 Armitage C 2008b
161 Garnaut J and Coorey P 2009
162 Gillard The Hon. J 2008
brought trade and business benefits. It said that international students studying in London were likely to develop a preference for UK products\textsuperscript{163}.

Austrade's Senior Trade Commissioner in Jakarta, Michael Abrahams, gave a first-hand account of this effect at work in evidence to a parliamentary committee.

One of the reasons why the trade relationship [with Indonesia] is so dynamic is that so many people have been educated in, or worked in, or lived in Australia. The largest retailer in Indonesia has something like 70 stores across the archipelago and 2,500 Australian lines in their flagship supermarkets. That influence has not come from us to a large extent; it has come from the students who have come back and want their violet crumble bars and their cherry ripes and all those sorts of things\textsuperscript{164}.

The IDP Education study of international graduates of the five Australian Technology Network universities also assessed how many graduates were actively engaged in trade involving Australia. Just over one fifth of graduates said that they managed or controlled an international supply chain involving an Australian business or industry\textsuperscript{165}.

Australian international alumni are not as numerous at the very senior levels of business as they are in government. However there are successful examples, including Cheong Choong Kong, a University of Adelaide mathematics graduate who was Singapore Airlines chief executive from 1984 to 2003, during which time he oversaw an extraordinary expansion of the business.

Callick hypothesises that, when an international graduate from an Australian university takes charge of an investment portfolio, their familiarity with Australia makes them more likely to invest in Australia\textsuperscript{166}.

‘The amount of Singapore government investment in Australia could be explained by number of analysts at middle level who feel at ease with Australia,’ he said.

If trade and investment links do follow from international students studying in Australia and becoming familiar with the country, then Australia is well positioned for the future. Over 180,000 international students enrolled in higher education in Australia in 2008 and, of these, 28% are from China and 15% are from India – the two countries poised to be economically dominant in Asia\textsuperscript{167}.

Despite the high numbers of Chinese and Indian students in Australia, a critical question is whether there are enough students to make Australia a significant provider of higher education in these two countries. In fact Australia does hold its own reasonably well with the US in terms of numbers of Chinese students. In 2008 Australia had just over 51,000 Chinese students enrolled in higher education compared to 81,127 Chinese students enrolled in the US in 2007-08\textsuperscript{168}.

\begin{thebibliography}{99}
\bibitem{163} Oxford Economics 2007
\bibitem{164} Joint Standing Committee on Foreign Affairs, Defence and Trade 2004, Official Committee Hansard 30 April 2003 p. 179
\bibitem{165} Banks M and Lawrence R 2008
\bibitem{166} Callick R 2009
\bibitem{167} Australian Education International 2008b
\bibitem{168} International Institute of Education 2008
\end{thebibliography}
Scott Sheppard, formerly Australia's Minister-Counsellor, Education and Science in Beijing, concedes that Australia does not attract the very best students from China.

The bulk of the students who come here and succeed are not in the top 1%, who get scholarships to Harvard and Yale. But they are from the aspirational middle class.

In this context it needs to be remembered that educating, and thus influencing, young people of the aspirational middle class in a rapidly developing country like China is an enviable position to be in.

Sheppard also points out that there is a prospect that Australian alumni in China will make an impact in business in key areas because of a concentration effect. After they return to China, alumni tend to congregate in major centres no matter where they are originally from.

Most graduates go back to Beijing, Shanghai, Guangzhou or Nanjing and, sectorally, a lot of these folk go into high grade service industries such as banking, finance, telecommunications and real estate.

According to Catherine Armitage, a former China correspondent for The Australian newspaper and later the newspaper’s higher education editor, it was common in China for her to meet people who had studied in Australia.

There are a lot of successful business people who have studied in Australia and who trade with Australia.

Former Ambassador to China Ric Smith said

Students from the middle class saw Australia as a business opportunity and began trading while they were here as students. I think the Vietnamese do that too.

Conclusion

Australian diplomats have successfully used the Australian alumni network to gain access and advance diplomatic objectives. The suggestions made in Chapter 8 to improve public diplomacy outcomes, that is, improve alumni programs and cultivate alumni of influence, also apply here.

However because Australian alumni have generally had a higher profile in government than in business, more needs to be done to strengthen the networks of Australian alumni in business. This could have the secondary benefit of encouraging alumni to trade with, and invest in, Australia in the future.

More could also be done to ensure that international students studying business, finance or commerce subjects become familiar with Australia's business community. A program of internships for international students would be a very effective way to introduce international students to Australian business and encourage them to continue working with Australian companies as their career progresses.

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169 Sheppard S 2008
170 ibid
171 Armitage 2008a
172 Smith R 2008
In this context, Universities Australia recently released a discussion paper on the Development of a National Internship Scheme. While this paper was developed for the whole Australian student cohort, it has special relevance for international students – both those seeking a migration outcome following their studies and those who plan to return to their home countries following completion of their studies with both a quality education and useful work experience in their area of study\textsuperscript{173}.

\textsuperscript{173} Universities Australia 2008c
International education has grown very rapidly to become a significant part of the Australian higher education system, a major contributor to Australian economic growth, and a highly effective ‘soft power’ means of building alliances, enhancing Australian influence and creating cultural understanding between Australia and Asia.

The industry is one of the most notable success stories of the series of Australian government initiatives to open up the Australian economy. The 1985 decision to allow universities to enrol full-fee paying international students and retain the fee revenue was a well-timed policy change. It promoted growth in education exports at a time when Asian countries were ready to send students to full-fee higher education courses in English speaking countries. As a result Australia was very well positioned to take advantage of the growth in globalisation, which created demand for internationally recognised qualifications and provided new opportunities for cross-border study and employment.

Today Australia is a major global player in international education, accounting for one-tenth of the world market in international higher education174. And the nature of international education brings other economic benefits aside from the sheer size of export revenue which is generated – $16.6 billion in 2008/09. Unlike other major Australian exports, international education is a knowledge industry and it employs skilled knowledge workers. It also has a very wide impact across the economy providing boosts to accommodation, retailing, transport and other areas in which students spend.

However, although international education is of major economic benefit, contributing just over 1% of Australia’s GDP in 2007-08175, it does not yet have a public profile which is commensurate with its economic importance. Nor does it yet have the influence with government that an industry of its size and importance would be expected to have.

Universities Australia, in its submission to the Federal Government's Review of Export Policies and Programs in 2008, proposed this should be rectified, saying: ‘Universities should gain greater representation in government trade policymaking forums, in line with the position of education as Australia’s largest services exporter176.’

It is noteworthy that Australia’s other major services export, tourism, receives far greater attention from government, with ministers assigned to tourism portfolios at both federal and state levels. Universities Australia points out that international education receives only ‘a small fraction of the tourism industry’s level of promotional funding’177. However international education has grown at a significantly faster rate than tourism for some years. In 2008 education overtook tourism to become Australia’s largest services export and third largest export overall and the gap has widened since.

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174 Bradley D 2008
175 Access Economics 2009
176 Universities Australia 2008b
177 ibid
The outlook for the international education industry continues to be positive. Forecasting work suggests that the high growth rates seen in education exports over the past two decades will moderate, due to increasing competition from other countries which are providing both international student places and more places for their own domestic students. But the expectation is that growth in Australian international student numbers will continue at a sustainable pace.

In Global Student Mobility: An Australian Perspective Five Years On\(^{178}\), Banks, Olsen and Pearce forecast that demand for international student places in Australian universities will grow at 4.25% a year to 2010, then slow to 3% a year to 2015 and then slow further. That same study found that there are limits, at around one quarter of the total student population, to universities’ appetites and capacities for international students. The Reserve Bank of Australia in its Bulletin of June 2008\(^{179}\) said it expected a slowing of growth in Australia’s education exports in the medium term. However education exports were expected to outpace aggregate export growth such that their share in Australia’s exports was likely to continue to increase over coming years.

The global economic crisis may affect the short-to-medium term outlook for Australia’s education exports. But it is too early to gauge the impact of the crisis except to note that education exports have initially withstood the international economic conditions better than other export industries. Families in countries such as China and India, lacking facilities to provide quality education to their most capable young people, do not see education as discretionary spending and they continue to focus on an overseas education for their children. The fall in value of the Australian dollar since September 2008 has made Australia more attractive as an education destination for such families.

Given this outlook, what actions are needed to assist Australia’s international education industry to transition to what Bradley, in the Review of Australian Higher Education\(^{180}\), characterised as the ‘third phase’ in which the industry capitalises on strengths to develop long-term growth and sustainability?

A policy debate has arisen on this topic and many contributors call for better government support and coordination in a range of areas to improve the international student experience. Concerns include the cost and lack of availability of international student housing, exploitation of international students in the workplace, the cost of public transport, and the cost of school education for children of international students.

Universities Australia\(^{181}\) advocates using the Council of Australian Governments to resolve problems including

- differences between the states in how student visa holders are charged for their children’s education
- absence in some states of student transport concessions for international students
- poor pathways from vocational education to higher education for international students
- planning processes which delay student housing developments.

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\(^{178}\) Banks M, Olsen A and Pearce D 2007

\(^{179}\) Reserve Bank of Australia 2008

\(^{180}\) Bradley D 2008

\(^{181}\) Universities Australia 2008b
In the Review of Australian Higher Education, Bradley\textsuperscript{182} also calls for a greater focus on the quality of experience for international students both on and off campus, and more preparation for students who plan to seek employment in Australia. Universities Australia advocates greater access for international students to study-related work opportunities\textsuperscript{183} with industry and government working with universities to integrate work placements with university courses.

The Victorian Government has examined what issues would improve the experience of international students in Victoria. The Overseas Student Education Experience Taskforce concluded in its 2008 report\textsuperscript{184} that equity in pay and conditions needed to be addressed for international students who worked to support themselves. It recommended that allowing flexibility for international students to work longer than the presently permitted 20 hours a week be considered, provided their academic performance was taken into account.

Other concerns have been raised in the current debate, including whether Australia should improve its long-term sustainability by diversifying its source markets to rely less on Asian countries, particularly China and India, and diversifying the types of courses in which international students enrol. Currently more than half of international students study Management and Commerce\textsuperscript{185}. While it is difficult, and possibly unwise, to try to change consumer preferences, one outcome of the global financial crisis may be that it causes more diversification in these areas.

Bradley also raised other issues which would contribute to a ‘holistic and long-term sustainable strategy’\textsuperscript{186} including

- attracting more higher degree research students with government and university supported scholarships
- more coordination across government of policies for developing international education, regulation and quality assurance, and facilitating skilled migration
- more focus on building international research collaboration and research networks.

Bradley identifies the lack of public funding for universities, which causes universities to use international income to subsidise other university activities, as a factor which leads to poorer facilities and services for international students. She says

If higher education institutions receive appropriate funding this would enable them to focus on developing a sustainable base for their international activities. It would ensure that more of the income generated from international students could be used to improve services for those students, in addition to using the funds generated from this activity for other quite appropriate purposes, such as increasing the institution’s research effort\textsuperscript{187}.

Universities Australia says that while ‘international students should certainly pay their way, it is not sustainable in a competitive market for international students to cross-subsidise under-funded domestic students, as is the case at present\textsuperscript{188}.

\textsuperscript{182} Bradley D 2008
\textsuperscript{183} Universities Australia 2008c
\textsuperscript{184} Overseas Student Education Experience Taskforce (Victoria) 2008
\textsuperscript{185} Bradley D 2008
\textsuperscript{186} ibid
\textsuperscript{187} ibid
\textsuperscript{188} Universities Australia 2008b
Although it is beyond the terms of reference of this study, a report for Universities Australia by KPMG\(^{189}\) shows that implementation of the recommendations of Bradley's *Review of Australian Higher Education* will drive Australian recovery and growth, and provide increases in future skills, productivity, exports and GDP.

Given the issues which face the international education industry in moving to the ‘third phase’, and given the many government and stakeholder interests which are present, nationally coordinated action is needed.

The President of the International Education Association of Australia, Stephen Connelly, calls for government and stakeholders to develop a national strategy for international education. He asks what this would look like.

Clearly it needs to articulate Australia's goals for inbound students, not just numbers or revenue, but also critically in terms of the student experience, in terms of their integration into Australian society and in terms of migration outcomes. A statement regarding internationalisation objectives for Australian students, covering activities at home (such as curriculum) and overseas (e.g. mobility), is needed. Sustainability initiatives, including long term staff development planning, should be central planks of a national strategic direction for the industry, as well as consideration of the role of private and public providers across all sectors\(^{190}\).

In the nearly 25 years since Australian universities created international education as an export industry they have contributed many innovations which have proved successful. As a direct result, Australia is a world leader in marketing international education, in the logistics of enrolling international students, in consumer protection for international students, and in foundation courses. Each step has kept Australia in advance of overseas competition and helped maintain the strong growth in the industry.

But in 2009 international education is facing the challenge of dealing with fallout from attacks on Indian students, unscrupulous education agents operating in some markets and quality problems in some private VET colleges which serve international students.

It is important to find broad solutions which stabilise international education and transform it from a young, fast-growing export industry to a stable, mature industry which will continue to make major contributions to Australia for many decades to come.

But according to Universities Australia, ‘At the moment, vehicles for creative coordination to assist education exports do not seem to be in place, and should be considered as a matter of priority’\(^{191}\).

Across government and at all levels of government there needs to be engagement with universities and other international education stakeholders to plan coordinated action to strengthen education exports and improve the experience of studying in Australia.

\(^{189}\) Universities Australia 2009b
\(^{190}\) Connelly S 2009
\(^{191}\) Universities Australia 2008b
Appendix

Selected Notable Alumni of Australian Universities

Malaysia

Ananda Krishnan, influential businessman, owner of Maxis Communications
Tajol Rosli Ghazali, Chief Minister of Perak
Mustapa Mohamed, Minister for International Trade and Industry
Maximus Ongkili, Minister for Science, Technology and Innovation
Effendi Norwawi, Minister in the Prime Minister’s Department
Adenan Satem, Minister of Natural Resources and the Environment
Nik Hashim Nik Yusoff, Chairman of Utama Banking Group
Jimmy Lim, Architect/Designer
Abdul Khalid Ibrahim, Chief Minister of Selangor
Abdul Ghani Othman, Chief Minister Johor
Abdul Taib Mahmud, Chief Minister of Sarawak
George Chan, Deputy Chief Minister of Sarawak
Loke M Tan, award winning architect
Bin Tean Teh, world-recognised cancer researcher
Yahya Bin Awang, cardiothoracic surgeon, performed Malaysia's first heart transplant
Abu Bakar Suleiman, Director-General of Health
Abdul Rahman, Director-General, Labuan Offshore Financial Services Authority
Michael Yeoh, CEO, Asian Strategy & Leadership Institute
Christopher Joseph, Lawyer and Principal, Christopher Joseph & Associates
Fauziah Noordin, Assistant Vice-Chancellor (Leadership), Universiti Teknologi MARA
Puvan Selvanathan, Executive Director CRT Malaysia
Tan Sri Dr Jeffrey Cheah, Chairman, Sunway Group of Companies
Mohd Bakri Nasrul Azam, Head of Internal Audit, Malaysia Deutsche Bank
Yeong Chee Meng, Senior General Manager, Syabas
‘Ar Haji Esa bin Haji Mohamed, Managing Director Akitek Jurnrancang

Indonesia

Boediono, Governor of Bank of Indonesia
Mari Pangestu, Minister of Trade
James Riady, Deputy Chairman of Lippo Group
Mukiat Sutikno, General Manager of General Motors Indonesia
Dewi Fortuna Anwar, academic, researcher and political analyst
Edy Tri Baskoro, eminent mathematics educator, head of Combinatorial Mathematics Research Group, Bandung Institute of Technology
Andrey Andoko, Vice Rector II, Universitas Multimedia Nusantara
Erna Nuraini, Head of District Health, District Health Office, Pemalang (Central Java)
Tonny Pongoh, Vice President – Students and Alumni, University of Atmajaya, Yogyakarta
Mr Budijanto (Budi) Soedarmo, Senior Vice President, Hong Kong & Shanshai Bank
Murti Utami, Head, Division of Administration and Protocol, Ministry of Health
Alvin Tjitrowirjo, Designer, alvinT; Lecturer in Furniture and Interior Design
Donny Gunadi, Head of Solution Sales, Nokia Siemens
Tiarma Sirait, acclaimed artist and fashion designer
Umar Fahmi Achmadi, Deputy President, (Health) University of Indonesia: Former Director General, Communicable Disease Control and Environmental Health, Ministry of Health

Singapore

Ong Teng Cheong, President of Singapore
Cheong Choong Kong, Chief Executive of Singapore Airlines, Chairman of Overseas-Chinese Banking Corporation
Tony Tan Keng Yam, Deputy Prime Minister, Minister for Defence, Minister for Finance, Minister for Trade and Industry, Chairman and Chief Executive, Overseas Chinese Banking Corporation
Lee Boon Yang, Minister for Information, Communications and the Arts
Raymond Lim, Minister for Transport
Mah Bow Tan, Minister for Communications, Minister for the Environment, Minister for Trade and Industry
Yeo Cheow Tong, Minister for Transport, Minister for Health, Minister for Trade and Industry, Minister for Communications
Khaw Boon Wan, Minister for Health
S Iswaran, Managing Director of Temasek Holdings, Deputy Speaker Singapore Parliament
Lim Siong Guan, head of the Singapore Civil Service
Susan Lim, surgeon, performed Singapore’s first successful liver transplant in 1990
Rameshwari Ramachandra, author and entrepreneur
Teo Ming Kian, Permanent Secretary of the Ministry of Finance and Permanent Secretary of National Research and Development in the Prime Minister’s Office
Tan Koon Meng (Danny), Artistic Director, Odyssey Dance Theatre
Lee Lai Huat, Chief Executive Officer, Holiday City
Carmee Lim, Chairman, Integrative Learning Corporation
Ng Chip Keng, Senior Vice President, Weber Shandwick Worldwide
Simon Ho (Khee Lim) – Simon Ho & Associates
Douglas Foo Peow Yong, Chief Executive Officer of Apex-Pal International
Mark ES Heah, First Deputy Director of the Maritime and Port Authority of Singapore
Beng Cheah, Director Corporate Services at the Institute for Infocomm Research (I²R)
Kia Ngee Chew, Deputy Chairman (ret.), PriceWaterhouseCoopers
Richard Quek, General Manager/Director Accede Technology Pty Ltd
Mary K C Tan, Head, International Alliances & Development, Land Transport Authority
William Lim, Architect, William Lim Associates
Teo Yeok Tee, Chief Audit Executive and Director of Internal Control, Sinar Mas Group
Cheong-Chua Koon Hean, CEO Urban Redevelopment Authority & Deputy Secretary Ministry of National Development

China

Yiping Huang, Head of Asia Pacific Economic and Market Analysis, Citigroup
Xiaolu Wang, Deputy Director National Economic Research Institute, China Reform Foundation
Rao Zihe, President of Nankai University
Ping Li, Head of China Practice, Blake Dawson
Thian Chew, Executive Director, Goldman Sachs & Co
Mu Congjun, Vice-Dean, Shanghai Institute of Technology
Choi Kam – Cheong (Geoffrey), Partner, Ernst & Young
Dermot O’Gorman, Chairman WWF Global Conservation Committee
Jason Hui, Vice-Chairman and Executive Director of Shimao Property
Sally Gong, Executive Dean, Sydney Institute of Language & Commerce, Shanghai University
Po-Yang Chung, Co-founder of DHL International
Liu Qiyong, Director Science Division, Chinese Centre for Diseases Control and Prevention
Daniel Chen, Vice President Beijing Olympic Sponsorship, UPS Asia Pacific
Shi Zhengrong, CEO SunTech

**Hong Kong**

Ng Ching-Fai, President and Vice-chancellor of Hong Kong Baptist University
Larry Kwok, Managing Partner, Hong Kong and mainland China, Mallesons Stephen Jaques
Joseph Kwan MH, Managing Director, Universal Design & Accessibility Consultants
Clarence Shun Wah, Assistant Director, Marco Polo Hotels Limited
Enoch Yiu, Senior Business Reporter, South China Morning Post Publishers Limited
John Yeung OBE, Managing Director of Cross Harbour (Holdings) Ltd
P M Kam, Chief Financial Officer, Jardines
Jeffrey Hui Kam-Fai, Senior Vice-President CRO, European Financial Group
George Cheung Ki-Wing, Managing Partner of Reisner Inc. and VCN Office Co
Dennis Yeung Yue-Hung, Managing Director, Oracle Systems Hong Kong
Barnabus Fung, High Court of Hong Kong

**Further Countries**

Bundit Ungrangsee, Principal guest conductor, Seoul Philharmonic (Thailand)
Thiraphot Vajrabhaya, Chairman of Shell Company of Thailand (Thailand)
Pasuk Phongpaichit, economist and anti-corruption campaigner (Thailand)
Pichaya Saisaengchan, Chief of ASEAN, South Asia and South Pacific Market Promotion and Development, Tourism Authority of Thailand (Thailand)
Nahatai Chandrasakha, Commander, Royal Thai Navy (Thailand)
Sompong Amnuay-ngerntra, Chairman, Mahidol University International College (Thailand)
Suthep Buranakunaporn, Department of Quantitative Economics, Ramkhamhaeng University (Thailand)
Nguyen Huy Nga, Director-General, Vietnam General Department of Preventative Medicine and Environment (Vietnam)
Ly Qui Trung, Co-founder and Managing Director of Nam An Group (Vietnam)
Nguyen Huy Nga, Director General, Department of Preventative Medicine and Environmental Health (Vietnam)
Kappa Yarka, Minister for Defence (Papua New Guinea)
Benjamin Poponawa, Parliamentary Secretary for Treasury and Finance (Papua New Guinea)
Joseph Pagelio, Secretary for Education, Department of Education (Papua New Guinea)
Sam Kari, Director Centre for Melanesian Studies, University of Goroka (Papua New Guinea)
Kiran Mazumdar-Shaw, Chairman, Managing Director and Founder, Biocon Ltd (India)
Rajendra Tanwar, Surveyor General of India (India)
Abhishek Mehra, Vice President CITI Group (India)
Savita Nandan, Deputy Director of Tourism, Department of Tourism (Solomon Islands)
Derek Sikua, Prime Minister (Solomon Islands)
Jin-Ding Lin, Taiwan National Defence Medical University (Taiwan)
Trilock Dwarka, Chairman, National ICT Regulatory Authority (Mauritius)
Isabel Amaral Guterres, Welcome, Truth and Reconciliation Commissioner (East Timor)
Sovathero Nouv, Undersecretary of State (Cambodia)
Sotheary Ly, Executive Director, Healthcare Centre for Children (Cambodia)
Brigadier Tuan Meedin, Sri Lanka Army (Sri Lanka)
Ngconde Balfour, Former Minister of Corrections, Former Minister for Sports and Recreation (South Africa)
Mark J. Ahn, President and Chief Executive Officer, Hana Biosciences (United States of America)
Abdullah Shariat, Author and Diplomat (Afghanistan)
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