How many international students can Australia accommodate?

Christopher Ziguras

Predictions of Increasing Demand

- IDP forecasts international demand for onshore Australian higher education to:
  - Grow from 163,345 in 2005 to 290,848 in 2025
  - Increase by “4.25% per year to 2010, then slow to 3% per year to 2015, then slow further”

- If domestic student numbers were to remain unchanged, the proportion of international students would increase from 19% of students on Australian campuses now to 28% in 2025

Source: IDP Education Australia (2007) Global Student Mobility: An Australian Perspective Five Years On
How many international higher education students is enough?
Non-citizens constituted 29 per cent of higher education enrolments in 2006

(including: New Zealand citizens, Permanent Residents, Permanent Humanitarian Visa holders, Onshore and Offshore international students)
Are Public Universities Big Enough?

• Drove the growth in international student numbers in the 1990s, also spurred demand in VET and ELICOS
• Now show little appetite for significantly increasing their international (or domestic) student numbers
• Focusing energies on building quality/prestige of international activities by:
  – Improving international students’ experience and employment outcomes
  – Building international research linkages
  – Growing short-term student mobility inbound and outbound
• Nervous about expanding physical facilities to cater to increased international enrolments given unpredictability of future numbers
The Diversification Agenda

• Diversification is a key feature of the government’s plans for sustainable growth
• AEI’s diversification agenda involves:
  – “widening the range of countries with which Australia engages
  – broadening fields and levels of study
  – developing sector policy plans
  – strengthening delivery offshore and online”*

Growing Offshore Enrolments Through Quality Assurance

- Offshore provision enables Australian institutions to grow enrolments while avoiding home campus capacity constraints
- The Australian Universities Quality Agency has closely scrutinised offshore delivery since its inception in 2000
- AEI initiated a Transnational Quality Strategy in 2005 and AusLIST - The Australian List of Institutions and Courses in Other Countries in 2008
At its height in semester two 2000, 37 per cent of international students in Australian universities were studying offshore. By semester two 2007, the proportion had declined to 27.3 per cent.

### Income from Offshore Delivery is Minimal

<table>
<thead>
<tr>
<th></th>
<th>Export income (A$ millions)</th>
<th>Percentage of total education exports</th>
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<tbody>
<tr>
<td>Onshore</td>
<td>11,312</td>
<td>96.8</td>
</tr>
<tr>
<td>Lecturers/consultants offshore</td>
<td>118</td>
<td>1.0</td>
</tr>
<tr>
<td>Business to business transactions</td>
<td>233</td>
<td>2.0</td>
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<tr>
<td>(partner-supported programs and</td>
<td></td>
<td></td>
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<tr>
<td>distance/online)</td>
<td></td>
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<tr>
<td>Offshore student fees (offshore</td>
<td>24</td>
<td>0.2</td>
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<tr>
<td>campuses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11,687</td>
<td>100</td>
</tr>
</tbody>
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Growth is Still Concentrated in Melbourne and Sydney

Onshore International Students in Higher Education by State, 2002-07

2006 domestic
2007
2006
2005
2004
2003
2002

[Bar chart showing the distribution of onshore international students in higher education by state from 2002 to 2007, with a concentration in NSW and VIC.]
Which Universities Could Grow?

Universities with greater than average proportion of international onshore students, 2006, by EFTSU
Students are Increasingly Concentrated in Business Faculties

International Onshore Enrolments in Higher Education by Broad Field of Study

- Other
- Management and Commerce
- Information Technology
- Society and Culture
- Engineering and Related Technologies
- Health
- Natural and Physical Sciences

Postgraduate Programs are Growing

International Enrolments in Higher Education by Level of Study
The VET and ELICOS Sectors are Taking Market Share from HE
Private Providers are Growing Faster
Share of Total International Onshore Enrolment Growth 2005 and 2007, by Type of Institution

- Non-Govt Other: 0%
- Govt Higher Education: 11%
- Non-Govt ELICOS: 28%
- Govt VET: 7%
- Govt Schools: 1%
- Govt ELICOS: 6%
- Govt Other: 1%
- Non-Govt Higher Education: 1%
- Non-Govt VET: 44%
Private Providers are Highly Concentrated in Sydney and Melbourne
Where the Action is

Indian International Students in Victoria

- Non-Govt Other
- Non-Govt ELICOS
- Non-Govt Schools
- Non-Govt VET
- Non-Govt Higher Education
- Govt Other
- Govt ELICOS
- Govt Schools
- Govt VET
- Govt Higher Education
Conclusions

• Private providers are proving much more responsive to rapid changes in demand, particularly in Sydney and Melbourne, and are unconcerned about domestic-international mix

• The capacity for continued future growth will be determined more by labour market conditions and skilled migration levels

• Differences between public and private sectors will grow, centering around national branding and regulation of private providers