

Dr Michael Spence
Vice-Chancellor and Principal

29 May 2015

Ann Baly
c/o Strategic Policy Team
International Strategy Branch
Department of Education and Training
Canberra ACT 2601

Online at: www.internationaleducation.gov.au

Dear Ms Baly,

Draft National Strategy on International Education

The University of Sydney welcomes the development of a National Strategy for International Education. International education is a significant export services industry for Australia and Australia's largest, valued at \$16.3 billion in 2013-14 and expected to grow. HSBC Australia, in a recent report on the topic, noted that services exports, including international education are likely to provide the growth to rebalance the economy in the wake of the mining investment boom and could potentially create more jobs than that boom.

The remarkable success story that has been international education is the result of a confluence of factors. These include the rise of the Asian middle class, our proximity to Asia and the improved accessibility of air travel. They are also the result of some key domestic policy pillars that have been tuned deliberately by successive governments to work together to provide an environment that has allowed international education to flourish. These include decades of strong public investment in education and research excellence in our universities; visa, migration and tax policies; educational quality assurance through generally strong regulation; the absence of fee-regulation for international students; and our overall approach to international relations in Asia, among many others.

This is a complex policy environment, and results in a highly diffuse spread of responsibilities across Government, with at least four federal departments and five ministers involved. The Productivity Commission's recent report on International Education Services also noted this spread of governance responsibilities and the limited incentives for different Government departments to work together. In addition to the Federal Government, State Governments also play a role in various aspects related to international education and its success. This National Strategy is necessary to provide a coherent vision that can guide all of these different players in further developing this important industry.

While there has rightly been some focus on international education as an export important industry for Australia, it does far more than provide an important funding stream for universities, jobs and economic stimulus. International students fundamentally enrich university life and their presence underpins the development of enduring people-to-people links between countries. Australia is fortunately positioned on the doorstep of major emerging economies, but to take full advantage of this requires forming deep and lasting

relationships that can foster cultural understanding and transform our economy as we move forward into the Asian century.

The University of Sydney is at the forefront of international engagement. Our Greater China Strategy provides a basis for whole-of-university sustainable engagement and aims to achieve a coherent strategic approach to research and student recruitment opportunities for the next five years. We were the first University to create research links with the People's Republic in the early 1960s. The University hosts a China Studies Centre and around 140 academics across all faculties are engaged in cultural, scientific, economic and social political research about China. Each year, the University hosts the Sydney China Business Forum to bring together Australian and Chinese Industry and Government leaders, just one of the outcomes of our strong focus and engagement with this important partner.

Engagement with China is critical, as Australia's largest trading partner and the largest source of international students. Overwhelmingly, the international education services market is dominated by Chinese students who come to Australia to study business and economics. The reliance of the market on a single stream of students studying in a narrow discipline area is a vulnerability. Government could take the lead in promoting diversity to protect the market as part of embracing opportunities to grow international education.

There are significant opportunities in research collaboration with China as well. China's own university sector is developing rapidly, with 2,500 universities now established and 7.5 million graduates each year. However, only 25 per cent of Chinese academics have PhDs. While China has aspirations to become world-class in research, the system is still significantly underdeveloped. Australia could position itself as a key intellectual partner for researchers in China, and aim to achieve lasting research partnerships in areas such as engineering and information technology, agriculture, environment and health sciences.

The University of Sydney hosts the Sydney South East Asia Centre, which is Australia's premier centre of interdisciplinary academic excellence on South East Asia. It fosters regional engagement and equips Australian graduates to interact professionally and culturally in the region. In looking for ways to diversify the international education market, Government would do well to consider promoting education linkages with South East Asian countries, many of which are generating large numbers of potential students.

The University also has partnerships, including research collaborations, with many of the leading universities in Latin America, as well as a growing network of alumni. In the Middle East, we are working to expand our relationships from a focus on student recruitment to develop research and teaching interests in areas of key mutual interest, such as food and water security. The University has been a major partner with the Government in developing the New Colombo Plan and we look forward to continuing to participate actively in new programs as part of this.

The complexity of the policy environment for international education means that decisions made in one policy space often have ramifications across the sector. Thus, there is a need to continue to seek ways to harmonise policy settings across all levels of government.

At the State Government level, important enablers of international education include public transport, safety, housing, community engagement and social services for international students. The roles of State bodies, such as StudyNSW, also need to be examined for consistency and alignment with State and Federal strategies.

As well as coordinating those areas with direct responsibility for the sector, Government should also ensure that policies of general application do not inadvertently impact the international research and education collaborations we are seeking to build. Recent changes to 457 visa regulations, tax, and new strengthened export control and sanctions legislation, have all impacted on international engagement activities undertaken by universities, often increasing the regulatory burden. Increased coordination across Government could avoid such unintended consequences.

There is a critical nexus between the adequacy and sustainability of domestic funding arrangements for education and research, and the long term ability of Australian universities to compete internationally on quality, value, and brand. Maintaining institutional quality is crucial to the continuing success of international education as an export services industry. Thus, the Government should seek to resolve the issues surrounding domestic Higher Education funding swiftly, with a view to providing a sustainable basis for the quality that has seen Australia's institutions achieve such high international rankings, and underpinned the growth of international education.

Some more detailed responses to the consultation questions posed are attached. Should any further information be required from the University in regards to the draft National Strategy, please do not hesitate contact Mr Tim Payne, Director Higher Education Policy and Projects in my office, 02 9351 4750, tim.payne@sydney.edu.au.

Yours sincerely,

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Dr Michael Spence

Vice-Chancellor and Principal

Attachment University of Sydney comments on specific consultation questions

The University of Sydney

Draft National Strategy for International Education questionnaire

Are any significant goals for international education not adequately covered?

The Strategy notes (p 15) the rise of some Asian universities, yet does not suggest any practical ways to leverage these beyond maintaining our own universities' excellence. One major change taking place is the increasing number of students who will study in their home countries and the region (inter-regional mobility) as local tertiary education institutions move to the next phase of development. An interrelated issue is Australia's dependence on China. While China is currently the largest source of international students it is not necessarily going to continue to provide as many students as its own higher education system grows and improves in quality. The Australian Government can do much more to take advantage and promote education linkages with Southeast Asian countries, many of which have potential to generate large numbers of students. Perhaps another focus could be on establishing deeper relationships with these emerging Asian powerhouses.

Under *section 1 creating a world class education system and strategic action 1.2*, the Australian Government will invest in world class research. It is important that the Australian Government maintains Australia's world class interdisciplinary expertise on Southeast Asia and priority countries like Indonesia. This will be particularly important as the number of high quality higher education institutions in Asia continue to increase and more seek to develop research partnerships.

Under *strategic action 2.3*, the Government could consider a strategy to engage with the significant changes that will occur as ASEAN universities adjust to the 2015 Association for Southeast Asian Nations Free Trade Agreement (ASEAN FTA). The region is in the midst of an ambitious drive to create an ASEAN Economic Community – AEC – a multifaceted model for greater cooperation that will see the free movement of goods, services, investment, skilled labour (and freer flow of capital) from 2015. Reflecting this ideal, the ASEAN states established an ambitious plan in 2009 to drive towards greater integration of the region's 6,500 higher education institutions, through a 'Common Space of Higher Education'. This is based around four main priorities: student mobility; credit transfers; quality assurance and research clusters.

Under *strategic action 2.3* there is also room to work more with state governments.

Can you identify the strategic actions which best support your goals for international education?

The University of Sydney welcomes *strategic actions 3.1 and 3.2*, and looks forward to actively participating in future New Colombo Plan programs. We also welcome the focus on rejuvenating language study and note the importance of this commitment being supported by significant financial resources.

What are some case studies that best illustrate Australia's success? Please provide examples.

Under *strategic action 2.2*, the strategy could mention the work of the Australia Indonesia Centre (of which the University of Sydney is a part) as an example of high quality research engagement alongside the ACSRF and AISRF. While it does not currently have the same funding as the other two schemes, it is worthwhile considering for future endeavours as our relationship with Indonesia shifts away from foreign aid to other collaborations, one of which will be through higher education and knowledge exchange.

What would you like to see progressed as a priority for the strategy in the first year?

The focus on improving language skills for Australians is very welcome. This should be prioritised, but significantly improving second language capacity across the Australian population will require a long term bi-partisan commitment from the Commonwealth and States to work in partnership, with the school and higher education sectors.

Outside of Chinese-Australians, there are more students studying Latin at high school than study Mandarin Chinese. Given the importance of China as a trading partner to Australia, this is of grave concern. There needs to be a concerted campaign to make Mandarin more widely available as a subject in Australian schools.

Is there anything else you would like to raise that will help develop the final National Strategy for International Education?

Another major development impacting Australia's ability to attract high quality students (Goal 4) is the increasing number of local scholarship providers. The Australian Government could consider partnering with local private sector organisations and governments in source countries to attract the best and brightest.

It is of increasing importance that Australia recognises the contribution of Chinese and other international students studying in Australia, and works to improve their experiences. These students are Australia's best asset for its aspirations to be a service provider with China in the future, and supporting them now will assist us greatly in creating the deep relationships that are necessary to allow that development. It is also worth noting that negative media reports targeting international students do significant damage to the Australian education brand in China and elsewhere.

Continual vigilance in relation to the robustness of regulation and quality assurance arrangements is vital. It is also essential that while relevant visa and migration policies are internationally competitive, foreign students choose to study in Australian primarily to obtain a high quality education and life experience.