

# The Economics of International International Education: The Australian Experience

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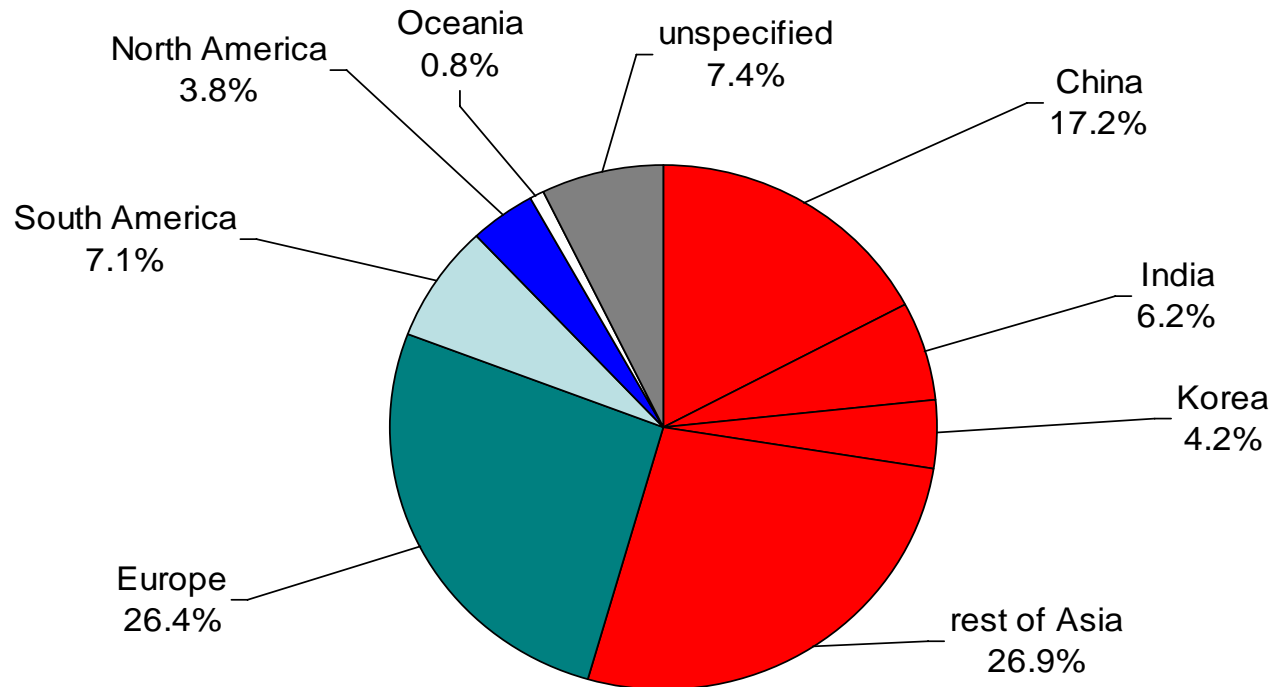
## International Education: A significant industry

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- 3<sup>rd</sup> largest export earner in Australia earning over A\$17 billion in 2008-09; largest services export sector
- Most of this is on-shore earnings (A\$ 16.6 billion)
- 491,565 international students in Australia in 2009
- 196,007 in universities; remainder in vocational education sector
- China and India largest source countries; Asia largest region

## Education imports by region, 2007 (sources of students) OECD data

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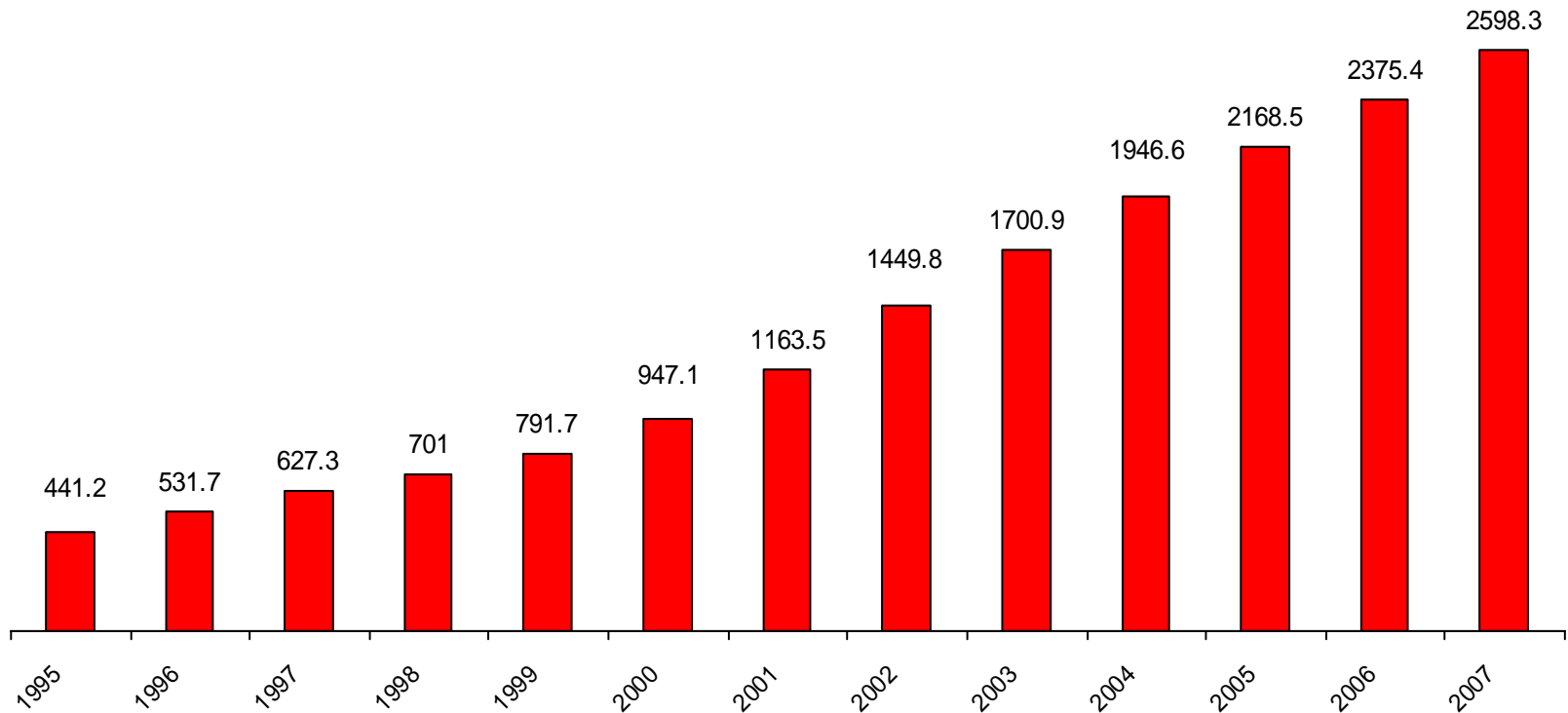
## Growth Industry

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- 2008 to 2009, growth of 12.2%
- Since 2005, annual growth rate of 5.7%
- Higher proportion in Vocational Sector
- Post-graduate enrolments have increased dramatically since 2002 (by 81%) so that in 2007, 77,178 enrolments in PG Courses
- Indications that growth has peaked and slowed down.

## International student fee revenue higher education in Australia 1995-2007 AUD \$s million (Australian government data)

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## Why such growth?

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- Internationalisation of education
- Demand exceeds supply in source countries (e.g. China, India)
- Australia a very attractive destination
- Education as a means of mobility and migration
- International graduates an attractive source of skilled labour



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# International Business Education

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- Business programs particularly attractive (56% enrolments in coursework masters in Management and Commerce)
- Over 50% international students at Griffith enrolled in business programs (more than 5,000 students)
- Business management and accounting listed on desired occupations/skills (migration)
- Business degrees popular to take back to home country – perceived employment opportunities

## Consequences for Business Education

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- High proportion business students are international; at Griffith more than 50% of all business students
- In some popular courses (e.g. Accounting/finance), can be 80-90% international
- Rapid growth in PG Coursework programs especially in accounting and finance areas (specialised masters degrees)
- Considerable contribution to business school budgets
- **BUT** high exposure to international market

# Challenges to Business Education

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- Opportunity for real international education experience but does not simply “happen”
- Providing genuinely international curriculum and experience
- English language competency may not be at desired level
- Facilitating “team” and effective group work
- Work placements (internships) more difficult to achieve

# Griffith Business School Students

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- Approximately 11,000 students in 2009
- Just under 50% international students

## Our international students come from...

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- China 31%
- Hong Kong 11%
- South Korea 10%
- India 8%
- Taiwan 4%
- Japan 3%
- Zimbabwe 3%
- Vietnam 2%
- Canada 2%
- Malaysia 2%
- Sweden 1%
- Thailand 1%
- Indonesia 1%
- United Arab Emirates 1%

(Griffith International data 2009)





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# Risks

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- High level of financial exposure, especially if one or two source countries dominate
- “pushback” or resentment from local Australian students confronted by large numbers of internationals
- Faculty frustration and unhappiness
- Lower quality of courses to make it easier for international students
- Unhappy graduates if cannot find jobs

# Strategies to Facilitate International Student Success (Griffith story)

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- Manage the numbers (avoid too rapid growth)
- Encourage diversity (not solely from Asia)
- Train faculty to work with and use positively cultural diversity
- Ensure instruction is not Australian-centric but international
- Provide additional academic support (e.g. English language)
- Provide opportunities for cultural fusion or mixing (GI Mates)
- Recognise it is the total experience that counts not just academic achievement



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