

IRU submission to Department of Foreign Affairs and Trade consultation on the development of a Foreign Policy Whitepaper

This submission to the consultation on the development of a Foreign Policy Whitepaper sets out the issues of importance to higher education.

Central to these themes is the importance of International Education to Australia, as a quality export, but also as a job-creator. Austrade, International Education 2025 stated, “*International education is currently one of Australia’s top service exports, valued at \$19.65 billion in 2015 (including fees and associated expenditure) and supports over 130,000 jobs in cities and regions throughout Australia*”.¹ In any period of economic uncertainty, education or re-tooling will always be sought after.

From an outward facing prism, the role education plays in transforming lives should not be underestimated. Australia’s National Strategy for International Education stated two global trends to be mindful of in this context. Firstly, that with an increase in global development and industrialisation in the Indo-Pacific region will increase demand for skilled workers². Secondly, that with a global economy increasing mobility across the workforce, there is an opportunity for Australia’s education system to play in offering lifelong learning opportunities to students, professionals and researchers.³

In this context, this submission addresses the questions of most concern to universities, namely:

1. Which countries will matter most to Australia over the next 10 years? Why and in what ways? How should we deepen and diversify key relationships?
2. What steps should be taken to maximise our trade and investment and expand commercial opportunities for Australian business? How can we ensure Australia is positioned to take advantage of opportunities in the global economy?
3. How can Government work more effectively with non-government sectors, including business, universities and NGOs, to advance Australia’s interests?

IRU recommends:

- **Asia and the Pacific will continue to be regions of importance to Australia. The regional importance of Asia should mean the extension of more regional collaborations, researcher to researcher linkages and the establishment of an Asian Research and Innovation Network.**
- **Australia is well-positioned to take advantage of opportunities in the global economy as they apply to the education sector. It will extend its global competitiveness in this sector by continuing to take a whole-of-government approach to issues as they arise. Establishing multilateral research and innovation links with Asian countries will be of great importance to Australia in the short to medium term.**

¹ Australian International Education 2025,

<http://www.austrade.gov.au/Australian/Education/Services/australian-international-education-2025/AIE2025-roadmap>

² Australian National Strategy for International Education

https://nsie.education.gov.au/sites/nsie/files/docs/national_strategy_for_international_education_2025.pdf

³ Ibid

- IRU recommends greater integration of Australia's future workforce needs with immigration settings, that identify the valuable contribution that international students can make to meet these future demands.

1. Which countries will matter most to Australia over the next 10 years? Why and in what ways? How should we deepen and diversify key relationships?

The importance of linking Australia to the growth countries of Asia has been a focus of IRU members since their establishment in the 1960s and is now a priority for Government as evidenced by the soft diplomacy embedded within the New Colombo Plan, recommendations from Austrade's Australian International Education 2025 and the development of an Asian Century White Paper.

In 2015, the IRU examined the opportunities that may exist for Australia and its universities in industry collaboration and multilateral collaborations, in its' paper [Strengthening Research Across Asia](#). It looked at the investment Asian countries are placing in education and research infrastructure and noted that given Australia's declining investment in both, an opportunity presented itself to participate in collaborations between nations of researchers.

To support these linkages, IRU strongly supports the creation by Asian Governments, including Australia, of an Asia Research and Innovation Network and the need to ensure major research infrastructure is developed across countries as well as within.

Australia produces about three per cent of world research output.⁴ As benchmarks for comparison Australians represent only 0.3% of the world's population⁵ and Australian economic activity is approximately 2.1% of world GDP.⁶ Hence Australia's research output is relatively strong but as a small contributor to the global research effort it cannot operate independently of research across the world. Conducting high-level research increasingly requires the involvement of teams of researchers working within multiple institutions across many countries. This has led to international research collaborations growing at a significant rate.

Historically collaborations have been primarily with developed nations in Europe and North America. Changes in the balance of economic activity mean current growth is greater in Asian and other currently smaller economies. In part this is due to significant recent investments in research capability by East and South Asian governments seeking to raise economic output, with the contribution of Asian nations to the global research effort rapidly growing.

Asia's share of global research and development expenditure was forecast to reach almost 40% in 2014.⁷ Investment in research in many countries of Asia approaches and exceeds Australia's investment in research. According to forecast figures for 2014, Australia's Gross Expenditures on R&D were lower than that of China, Japan, South Korea and India.⁸

On current trends China will be one of the highest volume collaborating countries with IRU Researchers by 2020 as measured by joint publications. Collaborations with other Asian nations are increasing at similar rates. It will become necessary for Australian researchers to be prepared and encouraged to work ever more closely with colleagues in Asia.

⁴ Office of the Chief Scientist, <http://www.chiefscientist.gov.au/2012/04/can-australia-afford-to-fund-translational-research/>

⁵ Ibid

⁶ World Bank estimates of GDP 2013, <http://data.worldbank.org/data-catalog/GDP-ranking-table>

⁷ http://www.battelle.org/docs/tpp/2014_global_rd_funding_forecast.pdf?sfvrsn=4

⁸ http://www.battelle.org/docs/tpp/2014_global_rd_funding_forecast.pdf?sfvrsn=4

The research universities undertake should not be under-estimated for its contribution to our regional neighbours. Vital research in public health and disease management are a product of our geographical location and borne out of experiences with our climate, much the same as our geographical neighbours. To this end, NHMRC and DFAT partnered to provide funding for Tropical Disease Research Regional Collaboration Initiative. This recognises that strengthening collaboration between institutions and countries is as important as the research produced from these collaborations.

In addition, programs such as the Australia Awards, a whole-of-government initiative, offer the next generation of global leaders the opportunity to study, undertake research and professional development in Australia. Recognising that with these educational opportunities in their tool-kit, these young leaders will return to their countries focused on improving living standards and stimulating economic growth in their home countries.

Asia and the Pacific will continue to be regions of importance to Australia. The regional importance of Asia should mean the extension of more regional collaborations, researcher to researcher linkages and the establishment of an Asian Research and Innovation Network.

2. What steps should be taken to maximise our trade and investment and expand commercial opportunities for Australian business? How can we ensure Australia is positioned to take advantage of opportunities in the global economy?

Australia consistently ranks among the most popular study destinations for international students. In 2015, there were 498,155 students who chose to come to Australia to further their education. Australia is ranked third in the world for attracting international students in tertiary education, with around 6 per cent of the market, and we significantly outperform our competitors on a per capita basis.⁹

In its National Strategy for International Education, the Australian Government made a commitment to the education sector it would take a whole of government approach in supporting the important International Education sector. This will be required to protect this multi-billion-dollar industry. International education is currently one of Australia's top service exports, valued at over \$19 billion in 2015 (including fees and associated expenditure). The sector currently supports more than 130,000 jobs in Australia.

Importantly, international education offers Australia far more than just economic benefits. It offers opportunities to build enhanced bilateral and multilateral relationships, which increase cultural awareness and social engagement. In addition, soft diplomacy is advanced through Australian educated alumni who develop lasting connections at personal, organisational and government levels, as experienced by participants of the New Colombo Plan.

With regards prosperity, the significant investment in Asian universities and changing demographics means that Australian universities need to remain focused on the quality of service delivery to their students. In addition, it requires ongoing and stable investment in the higher education sector if our export education industry is going to continue to be a significant earner for Australia, as well as the importance of appropriate immigration settings that allow Australia to benefit from its geographic location.

⁹ National Strategy for International Education...

Producing 3% of world research Australia needs good links with the world research community and the capacity to ensure research outcomes are taken up around the world. The success of the National Innovation and Science Agenda depends on strengthening innovation across Australia linking to international markets and opportunities. Australia cannot rely on existing academic networks to achieve this, it requires active Government support to establish links and encourage cross-national research. The creation of an Asia Research and Innovation Network would be a major step to support this outcome.

Australia is well-positioned to take advantage of opportunities in the global economy as they apply to the education sector. It will extend its global competitiveness in this sector by continuing to take a whole-of-government approach to issues as they arise. Establishing multilateral research and innovation links with Asian countries will be of great importance to Australia in the short to medium term.

3. How can Government work more effectively with non-government sectors, including business, universities and NGOs, to advance Australia's interests?

Australia's National Strategy for International Education is a key achievement for implementing a shared national vision for a global approach to education and research. It will underpin Australia's profile as a world leader in international education and research through the Strategy's three pillars and associated goals and relevant actions. The IRU strongly supports the application of the National Strategy for International Education across all Government agencies to ensure coherence of purpose. It is particularly important in welcoming international students to Australia, with settings that ensure that students who follow the rules will have the opportunity to apply to stay longer term.

International Education plays an important role in strengthening understanding of Australia around the world and in linking Australian students to the opportunities the world holds for them.

This requires cohesive and purpose-driven action across all levels of Government in Australia to ensure that no imbalances arise in outward-facing Government activity. Currently an imbalance exists between the National Strategy for International Education and current Immigration policy. Comparable international strategies for New Zealand and Canada address the relationship of international education with the country's immigration policies, reaching beyond the question of student visas and post-graduation work entitlements to consider the implications of international students for immigration and related policies.

The issue has been fraught in Australia, with the tendency to not discuss it. Australia has had extensive discussion about ensuring that international students adhere to visa requirements to ensure that there are few notional students using the student visa to gain a minimal qualification and then ongoing rights to work. The actions to address that have largely worked which permits us to consider the longer term opportunities.

The approach should be that those who breach visa requirements should be identified and action taken; those who do not, but operate within legal parameters, should be permitted to aim at longer term residence.

Currently the test of being a legitimate student can err in rejecting a potential student who indicates longer term residence aspirations. An effective Australian Strategy should be clear that international students are a legitimate source of applicants for skilled migration places consistent with Government immigration targets year by year.

We should affirm that attaining a qualification from an Australian university or other provider is a positive outcome for a person in demonstrating their relative standing for skilled immigration visas.

These students have shown a capacity to live in Australia for the period of study and understand well the country they are applying to live in.

In addition, when implementing a change to a policy setting, as experienced in the Simplified Student Visa Framework (SSVF), a whole-of-government approach is needed to ensure the damage inflicted on a valuable sector is not lasting. Higher education providers are still experiencing the tail-end of the implementation of the new system. More extensive communication with all in the sector including at Australian missions as well as agents in country, could have eased some of the difficulties experienced.

As recognised in Australia's National Strategy for International Education, *"Australia has a well-deserved reputation as one of the world's most attractive places to study and live. Australia consistently performs well in surveys on education and research quality, liveability, student satisfaction and employment outcomes."* With the right policy settings and a whole-of-government desire for success, Australia will continue to offer a desirable education product capable of being globally competitive.

IRU recommends greater integration of Australia's future workforce needs with immigration settings, that identify the valuable contribution that international students can make to meet these future demands.

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