

Contemporary challenges of the Australian international education industry: Analysis of a bureaucratic myopia

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Abstract

In order to respond to the contemporary issues of the International Education Industry (IEI) and the long-term skill shortage goals, Australia amends the IEI and relevant immigration policy from time to time. Some of the amendments have been impacting the IEI and its stakeholders despondently. A literature review has been conducted to realize the contemporary challenges of the Australian IEI. The study shows that the lethargic impact of the continuous policy changes on the IEI and its stakeholders is resulting from a kind of bureaucratic myopia: the failure of setting a direction for international education. The findings outline the contemporary key challenges of the Australian IEI, surrounding to this myopia, where further deliberation is required. Also, the findings convey a message to developed or developing economies, who want to establish, maintain and enhance their international education industry, and to be vigilant against the prospective challenges of an IEI in order to smoothen a worthwhile experience of the stakeholders, associated with their IEI.

Keywords: Australian International Education Industry; international education industry; bureaucratic myopia; international students; internationalization

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1. Introduction

Australia has been sourcing skilled workforce through its immigration policy, especially through the international students, who are undertaking study in Australia relevant to Australia's long-term skill shortages (Owens, 2011; Australian Government, 2011). Therefore, Australia has established an International Education Industry (IEI), which helps to meet long-term skill shortage goals, where the IEI also contributes significantly to Australian economy. In order to respond to the contemporary issues of the IEI and the long-term skill shortage goals, Australia amends the IEI and relevant immigration policy from time to time. Some of the amendments have been impacting the IEI and its stakeholders despondently. As a result, a bureaucratic myopia has emerged, because of the continuous policy changes associated with international students, the IEI and relevant immigration issues focusing to the skill shortage goals. A literature review (the contemporary media and scholarly reports and articles) has been conducted to realize the contemporary challenges of the Australian IEI. The study shows that the lethargic impact of the continuous policy changes on the IEI and its stakeholders is resulting from a kind of bureaucratic myopia: the failure of setting a direction for international education. The findings outline the contemporary key challenges of the Australian IEI, surrounding to this myopia. The contemporary challenges of the Australian IEI, identified in this study highlight the key issues, where further deliberation is required. Also, the findings convey a message to developed or developing economies, who want to establish, maintain and enhance their international education industry, and to be vigilant against the prospective challenges of an IEI in order to smoothen a worthwhile experience of the stakeholders, associated with their IEI.

2. Aim and methodology

The aim of the study is to realize the contemporary issues and challenges of the Australian IEI that have been hindering the promising status of the industry that the IEI has attained and still to offer. Here, the promising status signifies the capability of the IEI to contribute to the Australian economy, as well as to contribute to the international students' education and associated aspiration. Moreover, a further concern of the study is to realize how these issues and challenges are impacting the key stakeholders (students, educators, and associated public and private sector businesses) of the industry.

Literature review, as an inclusive research method (Friedman, 2006) has been undertaken here to:

- Realize the contemporary key issues and challenges of the Australian IEI;
- Organize, analysis and synthesize the findings of previous researchers from the literature review into a summary of what is and is not known about the Australian IEI.

Therefore, the bureaucratic myopia: the failure of setting a direction for international education, has documented from the content analysis of the contemporary media and scholarly reports and articles as a literature review, where the identified issues and challenges of the IEI is encircled to this myopia.

3. Background of the bureaucratic myopia

Feeding Australia with skilled international professionals is now a top priority, but sourcing the right people is a complex business (Cooper, 2010). Along with its enormous contribution to the Australian economy, the Australian IEI has been serving Australia to meet the goals of Australia's long-term skill shortages (Connelly, 2010). The IEI, as a recession proof industry (Australian Immigration Visas, n.d.) has tremendous capacity to

continue to contribute to both national and international goals of Australia, and this is particularly true in the troubled financial times (Gillard, 2009). Moreover, the IEI is one of the leading sources of skilled manpower to meet Australia's 1.5 million projected worker shortage by 2025 and long-term skill shortage goals (Australian Technology Network, 2010; Connelly, 2010).

Australian Government (2010) has enforced the Education Services for Overseas Students ACT in 2000 and has been amending every year to source the right people focusing on the skill shortages and cope up with the contemporary challenges. From this context, some of the initiatives have been impacting the IEI gloomily, which has been reviled by the key stakeholders in Australia. Australia depends on the IEI seriously in terms of revenues from export earnings. AU \$18.6 billion has been injected to the Australian economy by the IEI in 2009 (The Australian, 2010a). As a consequence, the government and the opposition in the Federal Parliament have been blaming each other because of this manipulated intimidation of Australia's growing and third largest export industry, resulting from a bureaucratic myopia: the failure of setting a direction for international education (International Education Association of Australia, 2009; Smith, 2010; Costa, 2010; Tindall, 2010, as cited in The Age, 2010; Morrison, 2010, as cited in Adelaidenow, 2010; Connelly, 2010).

4. The intensity of the bureaucratic myopia

Sally Tindall; a spokeswoman of Australian Prime Minister Julia Gillard, blamed as: '*the Howard government (previous government, currently in the opposition) opened up the gates for student visas without any due thought for proper regulation of the industry or its long-term viability*' (Tindall, 2010, as cited in The Age, 2010, n.p.). Former Immigration Minister of the ruling party, Chris Evans (2010a, as cited in Curtis, n.p.) clarified as:

Previous lists (Skilled Occupation List for immigration) have not looked at the long-term needs on which to base these decisions. They've been dominated by various interests lobbying to be on the list.

Conversely, the opposition immigration spokesman in the parliament, Scott Morrison (2010, as cited in Adelaidenow, 2010) denied government's recent changes as it will further damage Australia's reputation abroad. He added that 'the changes would hit the international education sector hard' (n.p.). Is that mean the government and the opposition will be continuing to blame each other for their bureaucratic myopia against the IEI and the long-term skill shortage goals, and Australia will be continuing to pay the price? Various challenges, resulting from this myopia have been demonstrated in the sub-sections 4.1 to 4.7.

4.1 Intense global competition of the IEI and brand Australia

La Trobe University vice-chancellor Paul Johnson (2010) and University of Melbourne vice-chancellor Glyn Davis (2010, as cited in Trounson & Healy, 2010) think that the British universities will offer places to international students below cost to secure cash flow and to combat the cuts with international enrolments. Glyn Davis (2010, as cited in Trounson & Healy, 2010) also added that the export education industry is also facing increased competition from the US, which is experiencing unprecedented demand from international students. Trounson and Healy (2010, n.p.) also demonstrated that:

Universities Australia warned that the sector (IEI) faces a perfect storm of factors threatening vital international student revenue next year (because of) Gillard government's tougher visa conditions and tighter migration settings aimed at cracking down on rorts.

Because of the uncertainty and unsteadiness of the immigration policy, the CEO of the Australian Council for Private Education and Training (ACPET), Andrew Smith (2010, as cited in Indian Local, 2010) described that the Western countries such as Canada are taking advantage of the situation and poaching international students. Canada and other global competitors of the IEI are making easier the Permanent Residency (PR) for

international talents (Kaur, 2010), whereas an Australian PhD holder has to wait in the queue of getting PR for four years (The Australian, 2010b) because of bureaucratic complexity of the immigration rules. Australia is thus wasting the talents and training of PhD graduates, who have proved their ability to work at the leading edge of science. As a result, the Australian PhD holders are moving and contributing to another countries through their Australian training, as well as, the investment from prospective international students are moving elsewhere (The Australian, 2010b; Smith, 2010).

Again, China and India's recent dedicated investment in education aimed at competing in global knowledge economy constitutes a threat to Australian IEI (The Australian, 2010c).

4.2 Manipulation of immigration rules

Costa (2010, n.p.) described that the 'Australian education industry has knowingly manipulated, now perceived to be damaging the Australian education brand.' Former immigration minister of the ruling party Chris Evans (2010b, as cited in Hudson, 2010) commented that under the Howard Government (previous government, currently in the opposition) people had found a backdoor way to obtain Australian permanent residency by studying short courses in areas of skill shortages such as cookery and hairdressing. Various unscrupulous Australian Education Institutions were started acting as VISA factory for international students by manipulating the immigration rules enforced by Howard Government. These institutions were prevailing the way to obtain permanent residency for international students by selling fake qualifications. Australian Government has been taking action against such phoney training colleges once Australia has started to pay the price of its immigration rule's fragilities (Costa, 2010).

4.3 Uncertainty and instability of immigration rules

Swinburne University vice-chancellor Ian Young (2010, as cited in Collins, 2010, n.p.) commented after the recent changes of immigration rules (introduced by the Rudd Government and implemented by the Gillard Government of the ruling party) as: '*our doors are effectively closed to prospective students, putting the sector at risk. They have created uncertainty*'. ACPET CEO Andrew Smith (2010, as cited in Edwards, 2010) described:

Students (whose permanent residency application can be capped based on the recent changes of immigration rules and students, who have arrived Australia during the previous immigration rules) should be allowed to stay under the previous rules. In particular, (those students) should be able to seek the outcome that was promised to them under previous policies. We understand the need for change and we support those changes, but we have a responsibility to honor the commitments we made to existing students. (n.p.)

Smith (2010, as cited in Edwards, 2010) commented and some others (Collins, 2010; Moscaritolo, 2010; ABC, 2010; Valentine, 2010; Hoj, 2010, as cited in Moscaritolo, 2010) agreed that Australian IEI's reputation has been hurting overseas and causing students to look to other countries because of this uncertainty and instability of immigration and long-term skill shortage policy. Therefore, Australia's third largest export industry is under increasing pressure. As a consequence, 'education providers say international students are now switching to other countries for their education and the Australian education market will suffer as a result' (Edwards, 2010, n.p.). The vice-chancellor of University of South Australia commented that 'we do expect there will an overall decline in international student numbers in 2011 Australia-wide' (Moscaritolo, 2010, n.p.).

4.4 Spoiling Australian employment and immigration rule's narrow view

In 2007-08, there were forty-one thousand permanent residency granted, but five thousand went to cooks and hairdressers, whereas, cookery and hairdressing were included in the skill demand list in the middle of this decade (Hudson, 2010). According to the changes of the immigration rules that affected from the July 2010, around twenty thousand permanent residency applications could be capped and application fee at an estimated

cost of AU \$14 million may be refunded to the students, who already have applied for permanent residency through cookery and hairdressing based on previous rules (Smith, 2010, as cited in Edwards, 2010; Travel & Hospitality Umbrella, 2010). Moreover, students, who are in the middle of their study, but have arrived Australia during the previous rules, now will be treated based on the new rules for their immigration issues (Smith, 2010, as cited in Edwards, 2010). As a result, industry experts 'warned the changes could see student numbers decline by half (Travel & Tourism Umbrella, 2010), whereas, Australian Technology Network (2010) expects that the rules that apply on commencing study should continue through to graduation.

The IEI may not be faced another threat because of immigration rule changes, if the student VISAs were provided with a link (based on students' willingness to obtain residency in the future) to the probable residency application. In order that students, who are enrolling today, will be eligible to apply for the residency as soon as they finish their study and meet other relevant criteria, which were set out during the period of their first student VISA application. In that case, the immigration rules change may not affect the IEI market, Immigration Department may project a provisional figure in advance about the skills, which may not be on the skill shortage demand after one or two years based on the earlier student enrolments and their intention for residency. Also Immigration Department could advise the key Australian stakeholders about their projection, so that other stakeholders would get some time to re-organise their IEI depended businesses in advance. Now, because of these sudden changes, there is going to be a catastrophic effect on the employment of Australian workers and businesses (Travel & Hospitality Umbrella, 2010), which were based on cookery and hairdressing international students. AU \$229 million will be wiped out from the budget by March 2012 as a result of this sudden policy changes and ensuing confusion (Moscaritolo, 2010). Is that mean, based on the uncertain and unstable tendency of Australian Immigration Rules, after two years, the Australian IEI and associated businesses and employments will face another threat, when Australian IEI, especially the trade education sector will reform the infrastructure, employment and resources based on today's immigration demand list professions such as plumber, electrician, bricklayer, locksmith, welder and so forth (Hudson, 2010)?

4.5 *Controversial linkage between skill shortage and immigration rules*

Universities Australia CEO Glenn Withers (2010, cited by Lane, 2010, n.p.) mentioned that the '*domestic interest in an academic or research career is quite insufficient to meet national needs.*' '*Universities will increasingly rely upon international migration to staff its institutions*' (Australian Technology Network, 2010, p. 3).

In contrast, according to the previous rules, an Australian PhD holder has to wait in the queue of getting permanent residency for four years (The Australian, 2010a). Again, as per the new rules that affected from July 2010, many Australian PhD holders may not be eligible to apply for residency as their profession is no more on the immigration demand list (The Australian, 2010d). Australian Commonwealth Scientific and Research Organization Deputy Chairman Terry Cutler argued that '*foreign postgraduates should be given residency at the drop of a hat*' (Healy, 2010, n.p.). As a result, GO8 (the Association of Australia's top eight universities) has advised a new temporary VISA should offer up to three years automatic post-degree residency and clear pathways for permanent residency for Australian PhDs (Healy, 2010), still which seems inadequate comparing global competition of the IEI as all international students pursuing doctoral degree from various universities in Canada will not need any job offers to get Canadian permanent residency (Kaur, 2010).

4.6 *International students are treated as a business cash-cow*

A survey, conducted by IDP Australia outlines that students choose a particular country because of its migration outcome (Moscaritolo, 2010), which has been exploited in Australia very aggressively by its uncertain and unstable immigration rules. IEI expert Simon Marginson (2010, as cited in Trounson, 2010) explained the key reason of the unexpected pressure of the industry is failure to see and value international students as people.

It is critical of an industry that too often inflated its virtues while hiding the problems. The international students are the prime stakeholder of the industry, but their interests have not been counted (Marginson 2010, as cited in Trounson, 2010, n.p.).

Again, a paper by Monash University's Centre for Population and Urban Research (2010, as cited in The Age, 2010, n.p.) explained:

Students were poorly served by government policy linking education, skilled labor and migration. The analysis comes after criticism that international students have been exploited as cash cows. The link between education and permanent residency attracted unprecedented numbers of fee-paying students. A lack of student-centeredness in the educational/migration/skilled labor policy meant inadequate regulation of educational standards, growth of unscrupulous agents and poor safety for students.

4.7 IEI is crying out for a national body to shape its future

Stephen Connelly (2010, n.p.), pro vice-chancellor, International and Development, at RMIT University and President of the International Education Association of Australia recently demonstrated:

International sector is crying out for a national body to shape its future. International education is more than just an economic driver. The real problem facing international education here is our inability to think and plan strategically for the future of a sector that is Australia's third-largest export earner, employing more than 100,000 people. Federal and state governments, to varying degrees, have failed in the past 10 years to set any sort of direction for international education. They have been happy to set various levers to encourage or inhibit growth in the industry but not consider the impact of the policies.

Along with other challenges, derived by an uncertain and unstable links between immigration rules and skill shortage goals, Australian IEI has been suffering for (Australian Immigration Visas, n.d.; Costa, 2010):

- Australian diplomatic relation has been suffering because of the failure of IEI sector;
- Australian attitude towards international students promotes racism;
- Australian IEI's marketing and recruitment policy also criticized.

5. Implication and conclusion

The analysis of this paper shows that Australia has failed to maintain a fruitful link between its long-term skill shortage goals and the main source of satisfying those shortages, the immigration and its policies (Connelly, 2010). Consequently, during the previous immigration policy, low-value short courses had promoted for immigration, while high value Australian PhD holders caught in limbo. Conversely, the current policy damages Australian VET, employment and associated businesses, whereas, the VET sector is one of the key sources of revenue from the IEI (International Education Association of Australia, 2009).

Seven key challenges of the industry have been elaborately discussed, as well as three more challenges are highlighted. The analysis shows that Australia has failed to maintain a close link between its international education policy and the long-term skill shortage goals. Therefore, not only the IEI is suffering some unexpected challenges, but also sourcing the skilled workforce through the IEI focusing on long-term skilled shortage goals is becoming contemptible, because of such a bureaucratic myopia. As a result, the key challenges, described in this paper indicate that there needs more and better industry research and more reliable data to measure levels of activity, outcomes and benefits of international education. Moreover, the challenges, described in this paper could be the key issues, where need further deliberation to reposition the image of the industry. Also, the

findings (contemporary challenges of the Australian IEI) convey a message to other developed or developing economy, who wants to establish, maintain and enhance international education industry, and to be vigilant against the prospective challenges of an IEI in order to smoothen a worthwhile experience of the stakeholders, associated with their IEI. More specifically, other countries may learn the lesson from Australian IEI, and can organize accordingly to avoid any myopia that can spoil their IEI.

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