PEOPLE AND PLACE

# OVERSEAS STUDENTS IN AUSTRALIAN HIGHER EDUCATION: TRENDS TO 1996

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*Universities have been under pressure to diversify their funding base and one of their responses has been the more vigorous recruitment of fee-paying overseas students. Although they now comprise eight per cent of all university enrolments, there have been few changes in the distribution of overseas students by country of origin or by university between 1989 and 1996. Much of the overseas student expansion has gone into the business field, the choice of about 48 per cent of overseas students.*

## INTRODUCTION

One of Australia's 'easiest' exports is education. Export income is earned by utilising the teaching and physical infrastructure which has, in the main, already been put in place to provide higher education to Australian students. The Industry Commission's 1991 report indicated that, in 1990, fees paid by higher education students amounted to $154 million.[1] In addition, the Centre for International Economics estimates, on the basis of survey evidence, that overseas students studying in Australia spent about $188 per week on their living expenses in 1990.[2] On these figures, the total income stream from higher education's overseas students in 1996 is likely to have amounted to $1000 million.

In the 1950s and up until the early 1970s Australia's overseas students mainly arrived under the Colombo Plan, a foreign aid scheme to assist developing countries. Other overseas students were sponsored by their own governments, or were private students, paying the same fees as local students. From 1974 until the early 1980s, neither local nor overseas students paid any fees. By the 1980s, overseas students fitted into one of three categories: Australian 'foreign aid' students; part-fee 'subsidised' students, who paid a charge to the government; and private 'full-fee' students, who paid fees directly to individual universities. From 1990, with the exception of overseas students financed by AIDAB, nearly all were admitted on the basis of 'full-fee' payment. Fees were required to cover both costs of tuition and a capital component.

## ISSUES

In the 1990s, there has been great pressure on all universities to reduce their financial dependence on government funding. Overseas students provide a relatively convenient alternative source of income and, because of this, there has been a scramble to recruit such students. This paper uses unpublished data from the Department of Employment, Education, Training and Youth Affairs (DEETYA) to examine the success of this recruitment, and the consequent characteristics of overseas students by 1996. Are overseas students displaying preferences for particular courses and universities? And from which countries and language groups does Australia draw these students?

There has been remarkable growth in the number of overseas students. In 1996 there were over 53,000 fee-paying overseas students in Australia, paying annual course fees of between $9,000 and $26,000. Table 1 summarises the growth in numbers of total enrolments since 1989.

The table reveals both that overseas student enrolments increased at a much higher rate than did enrolments for students overall and, as a consequence, their proportion of the total student population increased from five per cent to eight per cent.

**Table 1: Overseas and all higher-education student enrolments, 1989, 1992 and 1996**

| | 1989 | 1992 | 1996 | Increase 1989-96 |
|---|---|---|---|---|
| Overseas students | 21,010 | 33,850 | 53,188 | 153% |
| All students | 441,076 | 559,365 | 634,094 | 44% |
| Overseas as % of all | 5% | 6% | 8% | |

## CHARACTERISTICS OF OVERSEAS STUDENT ENROLMENTS

Table 2 compares enrolments of overseas students with those of all students by sex, by enrolment type, by course level and by field of study.

**Table 2: Overseas and all higher-education student enrolments, 1989 and 1996, by sex, attendance and course level**

| | 1989 | 1996 | | |
|---|---|---|---|---|
| | Overseas as % of all students | Overseas students | All students | Overseas as % of all students |
| **Sex** | | | | |
| Female | 3 | 24,660 | 344,222 | 7 |
| Male | 6 | 28,528 | 289,872 | 10 |
| **Enrolment Type** | | | | |
| Full Time | 6 | 36,809 | 372,316 | 10 |
| Part Time | 3 | 10,593 | 176,690 | 6 |
| External | 12 | 5,786 | 85,088 | 7 |

| | | | | |
|---|---|---|---|---|
| **Course Level** | | | | |
| Research Higher Degrees | 18 | 4,050 | 33,560 | 12 |
| Other Postgraduate | 5 | 10,274 | 98,935 | 10 |
| Undergraduate | 4 | 38,864 | 501,599 | 8 |
| **Broad Field of Study** | | | | |
| Agriculture | 7 | 620 | 12,059 | 5 |
| Architecture | 10 | 1,715 | 14,704 | 12 |
| Arts | 2 | 5,493 | 146,308 | 4 |
| Business/Admin/Eco. | 9 | 25,752 | 143,583 | 18 |
| Education | 1 | 1,530 | 70,525 | 2 |
| Engineering | 11 | 5,665 | 48,733 | 12 |
| Health | 3 | 4,111 | 73,262 | 6 |
| Law | 3 | 575 | 24,995 | 2 |
| Science | 6 | 6,440 | 91,986 | 7 |
| Veterinary Science | 7 | 105 | 1,658 | 6 |
| Non Award | 8 | 1,182 | 6,281 | 19 |
| Total | 5 | 53,188 | 634,094 | 8 |

Female students are under-represented among overseas students (46 per cent), in contrast to the overall distribution of women in the higher-education population (54 per cent). The situation has changed since 1989, however, when females comprised a more modest 38 per cent of overseas students.

As might be expected, overseas students are more likely to be full time than are students overall. It is also notable that, in 1996, nearly 11 per cent of overseas students were ‘external’, meaning that they were ‘off-shore’ students, not actually studying in Australia. A number of courses are such that preliminary years are undertaken in students’ own countries, with some later year attendance here. Other courses are conducted entirely off-shore.

As to course selection, the greatest impact of overseas students has been in the business/administration/economics fields of study. In fact, over 48 per cent of overseas students were enrolled in business courses. They constituted about 18 per cent of all students enrolled in this field of study in 1996, up from nine per cent in 1989. With such heavy concentrations of overseas students, it could be said that business faculties at many universities have become dependent on the overseas student dollar for their viability. Most universities offer programs in this field of study, but particularly high concentrations of overseas students can be noted at some universities.

**Table 3 Overseas student enrolments, 1989 and 1996, by university of enrolment**

| University | 1989 | 1996 | | |
|---|---|---|---|---|
| | University's share of total overseas students (%) | Number of overseas Students | Overseas students as % of university enrolments | University's share of total overseas students (%) |
| Monash | 9 | 5,448 | 14 | 10 |
| RMIT | 6 | 5,020 | 19 | 9 |
| UNSW[a] | 11 | 3,979 | 15 | 7 |
| Curtin | 7 | 3,931 | 19 | 7 |
| USQ | 3 | 2,514 | 16 | 5 |
| Melbourne | 5 | 1,976 | 6 | 4 |
| Sydney[a] | 4 | 1,926 | 6 | 4 |
| Wollongong | 3 | 1,864 | 15 | 4 |
| UWS | 1 | 1,731 | 7 | 3 |
| Other Universities | 50 | 24,799 | 6 | 47 |
| Total | 100 | 53,188 | 8 | 100 |

[a] Figures for UNSW and Sydney are slightly understated for 1989, due to institutional divisions and student redistributions.

In 1996, there were 6,898 business/ administration/economics students enrolled at Curtin University of Technology, and 2,831 (41 per cent) of these were overseas students. RMIT also had a high concentration: 33 per cent (2,773) of its business students were overseas students. At the University of Southern Queensland (USQ) 29 per cent of the total number of 6,723 students enrolled in business courses were overseas students, including 1,400 who were off-shore students. Monash had 2,742, or 24 per cent, of its business students drawn from overseas students, of whom 662 were off-shore.

In the past, engineering/surveying courses were perceived as having heavy concentrations of overseas students. In fact, Table 2 shows that only about 12 per cent of engineering students are overseas students, the same proportion as for architecture students. As far as the trend since 1989 is concerned, changes in the enrolment pattern of overseas students in other fields of study were fairly small, typically one per cent or two per cent.

## WHERE DO OVERSEAS STUDENTS STUDY?

Overseas students are not uniformly distributed across the Australian higher education sector. Table 3 examines their presence by university in 1996.

The most popular universities for overseas students are Monash and RMIT (Victoria), the University of New South Wales (UNSW), and Curtin University (WA). The proportions of overseas students attending these institutions has changed little since 1989. Although all universities are now chasing the overseas dollar, there has not been much of a change at the top. The four largest universities contained one third of the country's overseas students in both years, although there has been some relative slippage from the University of New South Wales. All in all, there has not been a significant shift in the distribution of the overseas market. Newer players have not captured market share from the long-time market leaders.

**Table 4: Overseas student enrolments, 1989 and 1996, by country of home residence**

| Country | 1989 | 1996 | % increase 1989-1996 |
|---|---|---|---|
| Malaysia | 7,026 | 10,877 | 55 |
| Hong Kong | 2,486 | 7,572 | 205 |
| Singapore | 2,287 | 10,265 | 349 |
| Indonesia | 1,569 | 4,746 | 202 |
| PR China | 936 | 1,549 | 65 |
| India | 195 | 1,877 | 863 |
| All Other Countries | 6,511 | 16,302 | 150 |
| Total | 21,010 | 53,188 | 153 |

Some universities, (such as Monash and UNSW) have always had a strong 'international' focus. Others, including some older 'traditional' universities, as well as some of the newer universities, are relatively new entrants to the overseas market. It needs to be remembered also that there were 5,786 'external' (off-shore) enrolments in 1996. Some universities had large numbers of external overseas student enrolments, in particular the USQ, which had 70 per cent (1,772) of its overseas students enrolled externally. Monash had 1,445, or 26 per cent, of its overseas students enrolled externally.

## WHERE ARE OVERSEAS STUDENTS FROM?

Table 4 summarises overseas student enrolments by their country of home residence.

Enrolments from the four largest source countries represented about 63 per cent of the total in both 1989 and 1996. Malaysia remains the largest supplier of overseas students but, in growth terms, the increase of 55 per cent in Malaysian numbers was modest. The main growth since 1989 has come from Singapore, which, by 1996, supplied nearly as many students as Malaysia. Historically, India had not been a large supplier of overseas students but, from a low base, there has been a spectacular eight-fold growth between 1989 and 1996.

But these aggregated figures mask some important changes in enrolment patterns by country. Table 5, which details commencing enrolments in 1989 and 1996, demonstrates the relative decline of Malaysia. Singapore's increasing share of commencing enrolments (up from 12 per cent to 19 per cent of overseas commencing enrolments) suggests that Singapore will soon overtake Malaysia as the main supplier of overseas students. The Indian figures for commencing students in 1996 indicate that a major new market is opening. Australia appears set to join the USA as an important study base for Indian students.

**Table 5: Commencing overseas student enrolments, 1996 and 1989 by country of home residence**

| **Country** | 1989 | | 1996 | |
|---|---|---|---|---|
| | No. | % | No. | % |
| Malaysia | 2,341 | 24 | 4,942 | 18 |
| Hong Kong | 1,369 | 14 | 3,487 | 12 |
| Singapore | 1,137 | 12 | 5,240 | 19 |
| Indonesia | 825 | 8 | 2,476 | 9 |
| China | 469 | 5 | 861 | 3 |
| India | 117 | 1 | 1,292 | 5 |
| All Other Countries | 3,508 | 36 | 9,613 | 34 |
| Total | 9,766 | 100 | 27,911 | 100 |

**Table 6: Overseas student enrolments, 1996, Malaysian residents by language spoken**

| **Language** | No. | % |
|---|---|---|
| Chinese Languages | 5,256 | 48 |
| Malay | 3,277 | 30 |
| English | 1,712 | 16 |

| | | |
|---|---|---|
| Indian Languages | 286 | 3 |
| Other lang./not known | 346 | 3 |
| Total Malaysian | 10,877 | 100 |

### Malayasian students

As noted above, enrolments by students whose country of home residence is Malaysia appear to be reaching a plateau. The possible reasons for this include market saturation, bad publicity, a change of country of preference by Malaysian students, and improved provision of facilities in Malaysia, in both local and Australian off-shore operations.

Only seven per cent of overseas students spoke Malay (see Table 7) yet Malaysia provided over 20 per cent of all Australia's overseas students. The reason for this apparent discreancy is that the majority of students from Malaysia are drawn from the Chinese and Indian minorities who face restrictions of access to higher education in their home country. Malaysia has engaged in a form of 'positive discrimination' in favour of the native Malay population for many years.[3] This relative displacement of ethnic Chinese students helps explain why Malaysia is still the prime source of overseas students, and why, as shown in Table 6, 48 per cent of Malaysian students identified themselves as Chinese speakers.

## WHICH LANGUAGES DO OVERSEAS STUDENTS SPEAK?

The distribution of overseas students by language group has a potentially important social impact on Australian universities, including the need for planning for the provision of social welfare support. Taken collectively, the largest single language group is Chinese, followed by English, Malay and Indonesian. The number of speakers of Indian languages has also increased in recent years. Overall there has been little change since 1989 in the distribution of enrolments according to the principal languages spoken by overseas students.

### Chinese language speakers

As shown in Table 7, 'Chinese' is the most common language among Australia's overseas student population. The Chinese language group includes Cantonese (7,739 speakers) and Mandarin (7,483), as well as a few other un-identified or unclassified Chinese languages. Table 8 shows the distribution of these Chinese speakers by country of permanent home residence. In general there is nothing notable in this distribution, other than the fact that a quarter of Australia's Chinese speaking overseas students are residents of Malaysia.

**Table 7: Overseas student enrolments, 1996, by language spoken**

| Language | No. | % of total |
|---|---|---|
| Chinese | 21,117 | 40 |
| English | 11,094 | 21 |

| | | |
|---|---|---|
| Malay | 3,947 | 7 |
| Indonesian | 3,937 | 7 |
| Thai | 1,540 | 3 |
| Japanese | 1,041 | 2 |
| Korean | 993 | 2 |
| Hindi | 960 | 2 |
| Vietnamese | 522 | 1 |
| Tamil | 465 | 1 |
| Other lang./not known | 7,572 | 14 |
| Total | 53,188 | 100 |

**Table 8: Overseas student enrolments, 1996, Chinese language speakers by country**

| Country | No. | % |
|---|---|---|
| PR China | 1,373 | 7 |
| Indonesia | 192 | 1 |
| Hong Kong | 6,526 | 31 |
| Malaysia | 5,256 | 25 |
| Singapore | 5,986 | 28 |
| Macau | 110 | 1 |
| Taiwan | 1,204 | 6 |
| Other | 470 | 2 |
| Total | 21,117 | 100 |

## SUMMARY AND CONCLUSION

The 153 per cent increase in overseas student numbers since 1989 constitutes a healthy growth trend, as does the existence of 53,000 overseas students paying full fees for their tuition. But in 1996, as in 1989, the strength of overseas numbers was heavily dependent on four countries. In 1989, enrolments from Malaysia, Hong Kong, Singapore and Indonesia constituted 63 per cent of all overseas student enrolments. In 1996, it was about the same (62 per cent). Many universities are spreading their marketing wings to other countries such as

India, but it will be a long time before enrolments drawn from new sources can match those from the four major countries.

Based on experience in the USA, it would seem that Japan could provide a larger overseas student market. In 1992, there were nearly 37,000 Japanese students studying in the USA.[4] They comprised the largest national block of overseas students, providing even more enrolments than from neighbours Canada and Mexico (which supply the USA with 12,000 and 8,300 students respectively). Fewer than 1,200 Japanese students were studying in Australian higher education in 1996.

It is also noteworthy that, in relative terms, the overseas student presence has not increased in most areas, with the exception of business/administration/ economics courses.

In 1996 two new factors emerged which could affect the attractiveness of Australian universities to fee paying overseas students in the future:

- the race debate;
- declining government funding and questions about the perceived quality of the higher education system.

Some commentators fear that the Hanson-ignited furore on immigration and race issues could lead to a reduction in the appeal of Australian higher-education courses. Much of the reported comment on the issue from overseas has come from Malaysia, a country which is still not able to meet the higher education access needs of its own residents. However, Malaysia's relative position as a supplier of overseas students has declined and, on the basis of trends in commencing numbers, will continue to do so.

But at least as important as the race issue is the concern about the quality of Australia's higher education. The recent financial cutbacks in higher-education funding by the government are seen in some quarters as reducing the attractiveness of Australia's higher education to prospective students.

It remains to be seen whether these factors deter overseas student enrolments. The first indication will be in a few months when 1997 enrolment figures become available.

**References**

1 Industry Commission Report No. 12, 14 August 1991. *Exports of Education Services*, Table 3.2, p. 37

2 ibid., Table 3.5, p. 39

3 D. Smart, 'Recruitment and financing of candidates to study overseas: the case of Malaysia and its implications for Australia', *Australian Universities' Review*, no.2, 1988, p. 26

4 US Immigration and Naturalization Service, *Statistical Yearbook of the Immigration and Naturalization Service*, 1992, US Government Printing Office: Washington DC, 1993, Table 39, p. 104

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