

Export bonanza hits \$37.7bn record

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11:45AM AUGUST 14, 2019 • 4 COMMENTS

Australia's booming education exports have hit a new record of \$37.7 billion in 2018-19, recording double-digit growth for the fourth successive year and cementing the sector's position as Australia's premier growth export.

New figures from the Australian Bureau of Statistics show that education export revenue grew 15.5 per cent in 2018-19 and has doubled in the past five years. The strong revenue growth is being driven by expanding student numbers from a resurgent India, which has replaced China as the main growth market.

In the first five months of this year 35,825 Indian students started new courses in Australia, 48 per cent more than the previous year

The number of students from Nepal — another strong growth market — starting new courses was 32 per cent higher.

In contrast, the number of commencing students from China, the main country driving the past six years of export growth, was unchanged in the first five months of this year.

Education has moved decisively ahead of tourism to be by far Australia's largest service export. Tourism earned \$22.3bn in export revenue in 2018-19.

However, the strong education export growth may not continue because of uncertainty about student numbers from India and other countries in the subcontinent where universities and other tertiary education providers are making a strong push for new students amid fears about declining standards.

The Tertiary Education Quality and Standards Agency, which regulates higher education, and the Australian Skills Quality Agency, which regulates vocational education, have signalled they are paying close attention to the international student market.

Education providers recently have seen delays occurring in visa approvals.

International Education Association of Australia chief executive Phil Honeywood said there was a push for "quality over quantity" in international students, and education export revenue was likely to follow a slower growth path. Currently nearly 30 per cent of international students come from China and 15 per cent of students are from India.

Mr Honeywood said the sector needed to make further efforts to diversify its source countries.

"In order to achieve this we are going to require greater alignment between Austrade promotions (in international student markets) versus the Department of Home Affairs inclination to delay visa approvals from new markets," Mr Honeywood said.

Education export revenue has many components, including tuition fees paid by international students in Australia and their spending on living expenses, accommodation, entertainment, travel and so on. In 2017, education providers earned \$13.7bn in tuition fees from international students, including \$10.1bn that went to universities.

About two-thirds of the economic benefit of education exports flows to Melbourne and Sydney, which are the magnet cities for international students.

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