

# The Australian

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## Sector faces perfect storm

- Andrew Trounson and Guy Healy
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**UNIVERSITIES Australia yesterday warned that the sector faces a "perfect storm" of factors threatening vital international student revenue next year.**

UA warned the industry was threatened by the strong Australian dollar and rising competition, as well as the Gillard government's tougher visa conditions and tighter migration settings aimed at cracking down on rorts.

While noting that the government was "properly" enforcing standards, UA warned "perceptions that Australia is no longer welcoming to international students have arisen and universities have been caught up in the collateral damage".

UA's warning came as reports from China suggested the decline in 2011 student enrolments from that country may be worse than expected, with student recruitment agents predicting falls of between 30 per cent and 50 per cent.

The Australian Technology Network, which hosts most of the overseas students, said it was "greatly concerned" by the predicted downturn.

Preliminary modelling pointed to relatively stable enrolment data for 2010, ATN executive director Vicki Thomson said. "But it's beyond this that we start to see a concerning trend and the current debate around migration will not be helpful in turning this predicted downturn around."

University of Melbourne international education expert Simon Marginson yesterday warned that neither side of politics acknowledged the problem.

With some universities dependent on international student fees for up to a third of their revenue, he warned of serious difficulties ahead. "It will be a crisis that, whatever government is in power, will have to be addressed."

So far in the election campaign Prime Minister Julia Gillard has signalled a tough stance on asylum-seekers and has retreated from Kevin Rudd's "big Australia" population policy. Opposition Leader Tony Abbott wants to reduce immigration numbers and has singled out international students as the largest contributors to net overseas migration.

"It shows that both sides of politics are very sensitive to anti-immigration feeling in the electorate," said Professor Marginson.

UA chief Glenn Withers yesterday said "the way the electoral debate has developed is very worrying [and] we invite the parties to step back and lower their rhetoric."

The head of University of Western Australia's international centre, Kelly Smith, criticised the government's tighter immigration and visa settings as an "extremely blunt" policy that was "being rolled out too quickly and threatening genuine visa applicants to high quality programs".

Mr Smith also hit out at the opposition. "The opposition policy, by including the international student program in the overheated rhetoric about immigration in general, now looks to add insult to injury by showing that the program is under threat irrespective of the outcome in August," he said.

The sector is facing keen competition from Britain, where government budget cuts are expected to drive universities to increase international enrolments.

La Trobe vice chancellor Paul Johnson suspects some British universities will offer places below cost to secure cash flow.

In Britain on study leave, University of Melbourne vice-chancellor Glyn Davis said most of the London-based institutions he had visited planned to combat the cuts with international enrolments. The export education industry is also facing increased competition from the US, which is experiencing unprecedented demand from international students.

The news from China came as the federal government admitted on Monday that its student visa crackdown was driving the decline in overseas student numbers, and the downturn was expected to become more severe.

Interviewed by the ABC, Population Minister Tony Burke defended the government's student visa crackdown.

"Where you have people in Australia making money out of something that lacks integrity and was never for educational purposes, then yes, we have acted to improve the integrity of those visas and, in policy terms, I think that's the right thing to do."

University of Melbourne skilled migration expert Leslyanne Hawthorne said universities may be less negatively affected than is generally believed, because the new emphasis on quality would favour them relative to the training sector.

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