

CHAPTER

7

The Engagement of Australian Universities with Globalization

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INTRODUCTION

Despite the common image of isolated ivory towers, universities in point of fact have long embraced the world beyond their national horizon. Initially, scholars travelled from country to country in search of a student audience. Now, students in their hundreds of thousands are internationally mobile in search of a university degree and a cross-cultural experience. Researchers often earn their doctorates in other countries and in modern times have drawn on international data and insights in the pursuit of new knowledge. And in what other sector do leading institutions routinely seek to recruit so widely from around the world?

So, in one sense, universities have always been in the global game. But it is becoming clear from the prodigious writings on the topic that globalization is a deeper and more profound phenomenon than its simpler antecedent, internationalization. Internationalization essentially meant a mobility of staff and students and the extensive exchange of ideas. But globalization drives more deeply, forcing fundamental change upon universities about how they operate in a truly borderless world: “Concepts of space and location are no longer constraining factors to either the process of production or the process of exchange... (globalization)... can apply quite easily to many areas of human endeavour, including knowledge production and dissemination”. (Marquez, 2002, in UNESCO, 2003).

For Australia, the serious inflow of international students started in the 1960s, consolidated in the 1970s and early 1980s and then grew sharply through the subsequent decades to set the foundations for what we now see to be a more intense phenomenon — globalization. The point at which interna-

tionalization gives way to globalization is not clear cut. One marker of the switchover point may be the proportion of overall enrolment drawn from full fee paying international students. The Australian experience suggests this could be around the 15% point, and with that proportion now at 25% for the sector, globalization is the single most powerful influence on university strategies. Another marker is the growing incidence of international students enrolled in offshore campuses of Australian universities (which now exceed 20 in some 15 countries).

Beyond international students, globalization brings to universities elements of competition and standards of efficiency that go well beyond national borders. These touch not just the academic function but also the style and substance of management, as well as strategic relations with staff, government and the business world. Globalization drives change to the very core of how universities organize themselves, and how they operate.

In broad terms (and with some exceptions), public funding to the 38 universities comes from the federal government. The six state governments, on the other hand, carry responsibility for the enabling legislation and its administration, as well as auditing financial affairs and appointing about a third of the typical governing body (although governance is just one area being changed by global influences). Power over the purse puts the federal government in the driver's seat for policy setting, and having at the national level since 1992 a politically conservative, economically reformist government has forced into the university sector a competitiveness borne on the winds of globalization. This is examined in three parts: the international student wave; the regulatory response of government, and the global-related strategies of the universities themselves.

THE PIVOTAL ROLE OF INTERNATIONAL STUDENTS

An enduring feature of the Australian university scene over the past decade has been the remarkable growth in the enrolment of overseas students. From only a handful of universities being active recruiters in 1989, by 2007 only two of 38 universities were inactive on this front (see Table 2). Now, for 80% of Australian universities, 15% or more of their overall enrolments are international; for 40% the international component is over 25%; and for four universities, the figure is beyond 40%. Generally, the larger universities (25,000 students and over) are more internationally intensive by this measure. This is a significant element in the funding strategies of both universities and government, and underscores the pivotal role global influences now play.

Table 1 underscores the strength of the trend since the late 1980s (when data was first reliably collected across the sector), both in terms of absolute numbers and in terms of their growing importance in the overall profile. In

Table 1: International and Domestic Enrolment in Australian Universities 1989-2005*

Year	International			Domestic	Overall	%
	Onshore	Offshore	Total	Total	Total	Internatnl
1989	18,691	2,241	21,112	419,962	441,074	5%
1990	22,470	2,528	24,998	460,068	485,066	5%
1991	25,820	3,810	29,630	504,880	534,510	6%
1992	29,276	4,800	34,076	525,305	553,381	6%
1993	31,132	6,020	37,152	538,464	575,616	6%
1994	32,374	8,120	40,494	544,941	585,435	7%
1995	35,921	9,843	46,187	557,989	604,176	8%
1996	42,280	10,483	53,188	580,906	634,094	8%
1997	47,713	14,995	62,996	595,853	658,849	10%
1998	52,024	19,812	72,183	599,670	671,853	11%
1999	55,985	26,645	83,111	603,156	686,267	12%
2000	66,188	28,114	95,607	599,878	695,485	14%
2001	112,029	45,179	157,208	684,975	842,183	19%
2002	134,646	50,412	185,058	711,563	896,621	21%
2003	154,578	55,819	210,397	719,555	929,952	23%
2004	164,519	64,020	228,539	716,438	944,977	25%
2005	175,589	63,906	239,495	717,681	957,176	25%

Source: Compiled from DEST Student Unit Record Files 1989 to 2005, by Tim Sealey at AVCC.

* From 2001 DEST reported full-year enrolments whereas previously only Semester 1 enrolments were counted. More recent numbers are drawn from institutions which qualify under the federal government's fee paying protocols, which overwhelmingly are universities.

1989, 21,112 international students were enrolled, 88% onshore and 12% studying in offshore programmes. Overall, these represented just 5% of all enrolled students. By 2005, the number of international students had grown 11-fold, and for those instructed offshore, the growth was 28-fold, mostly from and in South-east Asia.

Initially, the vast majority of international students enrolled onshore, but as communications technology changed the parameters on place and time, and as universities became more adept within a globalized environment, large numbers of international students began to study offshore for Australian

degrees. A variety of delivery modes are evident, ranging from licensing arrangements with overseas universities through online instruction, to actual branch campuses. As shown in Table 2, over three-quarters of Australia's universities are involved, to a greater or lesser extent, in such offshore delivery, and over a quarter count 10% or more of their total enrolment in this mode.

A sign that offshore engagement is lifting to a new global level was the decision in 2004 by UNSW (the University of New South Wales) to develop a stand-alone campus in Singapore. Amid much publicity, UNSW Asia was promoted as being the first "wholly owned research and teaching institution to be established overseas by an Australian University" (www.unsw-asia.edu.sg), and Singapore's first private comprehensive university. The campus, planned for a 22-hectare "garden" site at Changi, was to be enrolling some 10,000 students by 2015, up from this year's planned initial intake of 500. The same admissions criteria would apply as for UNSW Sydney and students would be strongly encouraged to complete part of their programme at the Sydney campus. Similarly, Sydney-based students would be encouraged to undertake a semester of inter-campus study at UNSW Asia to round out their regional experience. In its fully developed phase, some 30% of students were expected to be Singapore residents with 70% from elsewhere in the region — a key component of the Singapore Government's "Global Schoolhouse" strategy.

But after just one semester of operation, the University suddenly announced on 23 May 2007 that it was closing UNSW Asia and offering the 147 students then enrolled the opportunity to transfer to placement in Sydney. The University indicated that the numbers enrolling, particularly those coming from outside Singapore, did not augur well for the longer-term business plan. It is too early for reliable conclusions to be drawn about what went wrong and why. Certainly the initial media coverage has been intense and highly negative on UNSW, and possibly on "Brand Australia" in the global sense. Several preliminary observations, however, can be made. First, resources funnelled to offshore developments become a "political" issue on the home campus, particularly if the latter is effecting staff redundancies. On the other hand, to bring international students to the home campus bolsters jobs. Second, if students are going to travel internationally for higher education they probably prefer the home campus, which is usually larger and more vibrant than the branch campus. Third, when a university's leadership and the composition of the governing body change significantly, major strategies (such as the mode of globalization) will inevitably come under critical review. This is intensified where there is general instability at the top: in UNSW's case, the incoming President in 2006 was the fourth in four years to hold that position. Fourth, the forces and imperatives of globalization bring great opportunities for a wider engagement and higher institutional profiles, but they also bring (as in financial markets) greater risks. Finally, the collapse of UNSW Asia will no doubt bring greater

Table 2: Enrolment at All Australian Universities: Total and International (Onshore and Offshore) 2005

University	Actual Enrolment			Percent Distribution			
	Total	International		International/Total		Total	
	Overall	Onshore	Offshore	Total	Onshore	Offshore	
Charles Sturt University	33,560	2,537	4,539	7,076	8%	14%	21%
Macquarie University	29,985	8,798	758	9,556	29%	3%	32%
Southern Cross University	13,127	665	1,716	2,381	5%	13%	18%
University of New England	18,146	1,068	686	1,754	6%	4%	10%
University of New South Wales	39,183	8,939	64	9,003	23%	0%	23%
University of Newcastle	25,114	2,642	1,911	4,553	11%	8%	18%
University of Sydney	45,630	8,854	610	9,464	19%	1%	21%
University of Technology, Sydney	31,602	6,854	1,257	8,111	22%	4%	26%
University of Western Sydney	33,309	3,472	1,726	5,198	10%	5%	16%
University of Wollongong	22,124	5,534	3,498	9,032	25%	16%	41%
Deakin University	33,238	5,280	1,205	6,485	16%	4%	20%
La Trobe University	27,208	3,560	1,117	4,677	13%	4%	17%
Monash University	37,450	11,348	5,820	17,168	21%	11%	31%
RMIT University	28,006	7,128	7,889	15,017	19%	21%	39%
Swinburne University of Technology	10,547	3,883	718	4,601	24%	4%	29%
University of Melbourne	27,546	8,848	88	8,936	21%	0%	21%

Table 2: Enrolment at All Australian Universities: Total and International (Onshore and Offshore) 2005 (suite)

University	Actual Enrolment			Percent Distribution			
	Total	International		International/Total		Total	
	Overall	Onshore	Offshore	Total	Onshore	Offshore	
University of Ballarat	4,953	3,651	1,496	5,147	37%	15%	53%
Victoria University	14,982	3,621	2,732	6,353	18%	13%	31%
Bond University*	1,723	2,282	478	2,760	51%	11%	61%
Central Queensland University	15,145	12,512	1,325	13,837	49%	5%	54%
Griffith University	26,213	7,695	560	8,255	22%	2%	24%
James Cook University	11,180	1,828	841	2,669	12%	6%	18%
QLD University of Technology	29,215	4,993	281	5,274	13%	1%	14%
University of Queensland	26,184	6,333	0	6,333	17%	0%	17%
University of Southern Queensland	13,595	8,963	0	8,963	36%	0%	36%
University of the Sunshine Coast	3,707	1,101	0	1,101	21%	0%	21%
Curtin University of Technology	28,189	7,257	8,835	16,092	19%	23%	42%
Edith Cowan University	17,985	2,866	1,437	4,303	12%	6%	18%
Murdoch University	10,767	1,503	683	2,186	11%	5%	17%
The University of Western Australia	12,842	2,141	915	3,056	13%	5%	18%
Flinders University	10,327	1,692	1,087	2,779	12%	7%	19%
University of Adelaide	12,934	3,660	745	4,405	19%	4%	23%

Table 2: Enrolment at All Australian Universities: Total and International (Onshore and Offshore) 2005 (suite)

University	Actual Enrolment			Percent Distribution			
	Total	International		International/Total			
	Overall	Onshore	Offshore	Total	Onshore	Offshore	Total
University of South Australia	22,570	4,189	5,676	9,865	13%	18%	31%
University of Tasmania	13,802	1,806	1,924	3,730	11%	11%	22%
Charles Darwin University	3,643	218	0	218	4%	0%	4%
Australian National University	8,754	3,036	0	3,036	21%	0%	21%
University of Canberra	8,028	1,342	1,231	2,573	12%	11%	22%
Australian Catholic University	8,827	2,069	0	2,069	16%	0%	16%
TOTAL	761,340	175,589	63,906	239,495	19%	7%	25%

Source: DEST Student Unit Record Files. Prepared with the helpful assistance of Tim Sealey of the Australian Vice Chancellor's Committee.
 * Private university.

oversight by government and its agencies when it comes to offshore operations. And countries hosting global expansion may also have reason to review their strategies.

All this is reinforced by the keen awareness in Australia about the economic dimension of international student enrolment. Universities account for 65% of all international enrolments with the remainder going to vocational and technical education (15%) and secondary schools and English language programmes (20%). Overall, education exports accounted for A\$10 billion in 2005-06, just behind tourism and well ahead of wool and wheat. In higher education, about 40% of this expenditure went directly to fees and 60% to other elements such as living expenses, entertainment etc. Putting this to scale, “Australia’s education exports constitute the largest share of total services exports of any major English-speaking country.” (DFAT, “Education without Borders”, Economic Analytical Unit). Just as government leaders often talk of international education exports, university leaders now apply a similar language when lobbying for higher education funding. Part of the argument is that better infrastructure funded by government will help generate additional earnings, much as with the mining industry which regularly argues for better rail lines and port facilities to bolster exports.

UNDERLYING PRESSURES AND GOVERNMENT RESPONSES

Just how and why Australian universities grew international enrolments so intensely is something of a jigsaw, with different elements interacting to build the full picture.

History and Geography

The role of the English language, and Australia’s particular position on the globe have certainly played a part. Australia’s active support in the 1950s and 1960s for the Colombo Plan laid the foundation for subsequent recruitment of Asian students seeking immersion in a Western culture, and an English-language education (Oakman, 2004). By the 1990s quite a few of the political, business and community leaders in South East Asia had held Colombo Plan scholarships 30 years earlier, and were now opinion makers (and aware, if not active, alumni) in their own countries.

But this alone could not account for such a sharp rise in international enrolments. What became pivotal is a mix of demographic, economic and political factors internal to Australia, which revolutionized the landscape of university funding. This went hand in hand with an active, even aerobic, public policy in shaping the university sector and its regulatory framework. While there were some protests along the way, universities by and large adapted, then actively adopted strategies for global engagement.

Demography and Domestic Student Demand

From being once almost entirely funded by governments pre-1980s, public funding of university places has since succumbed to more politically powerful pressures on the federal budget. The demographic reality of an ageing population has been drawing public funding away from the university sector since the mid-1990s, and this is set to intensify. The government's 2007 Intergenerational Report forecasts that over the next 40 years, the age cohort 65 and older will nearly double to 25% of the population while those aged 85 and over will triple to nearly 6%. This brings ever rising demands for medical and hospital care and pensions support, all of which compete with university funding in the "big bucks" league for social infrastructure. Yet at the same time, the income tax revenue base is shrinking: currently there are five people of working age for each person over 65, but by 2047 the dependency ratio will have halved.

The second underlying pressure on government funding of university places is the growing domestic student demand, reflected in the higher and higher proportion of the age cohort completing secondary education and then seeking a university place: the "massification" effect.

Fee Regimes

Over the past two decades the federal government's response to these pressures has been to shift away from public sources of university funding, primarily through student fees paid by both domestic students and international students.

Australia's system of income contingent, deferred liability loans — the Higher Education Contributions Scheme (HECS) — was introduced in 1989 and has drawn considerable interest from other countries; a number, including South Africa, Chile, Thailand and Britain have adopted this approach. This itself is another dimension of globalization — international transfer of public policy settings. Through HECS (now called HECS-HELP), all domestic undergraduates contribute an (increasingly) higher proportion of the true cost of their university education. Essentially, the government provides loans to students which are passed through to their university annually, on the basis that the student will start to repay that loan through the income tax system on entering the workforce. The key variables in this scheme are: the level of the loan which is set in one of three bands, usually reflecting course costs; the income threshold at which repayments commence; the extent the marginal tax rate is adjusted upward; the period over which the loan is repaid; the groups or categories for whom the loan is forgiven; and the implied rate of interest (set at the inflation rate). This provides a rich array of settings the government can rejig in policy reformation.

Throughout the 1990s it became clear that domestic demand was outstripping supply of HECS supported places. A particular point of community grievance

ance and public debate was that international students could gain admission while some qualified domestic students could not. Indeed, many international students moved on to university after completing their secondary study in Australia, itself another element in Australia's marketing advantage. Yet sometimes these students had matriculation exam scores slightly lower than the cut-off for a HECS place, at least in courses where domestic demand drove the cut-off score well above levels actually required to successfully handle the subject matter. In some well publicised cases, the two students (one domestic and one international) were actually class mates in the same secondary school. A difficult political problem for the government was emerging, but rather than increase the number of HECS-funded places as the prime solution, in 2000 it introduced regulations allowing universities to charge full fees to qualified domestic students who missed out on a HECS place, with a cap on the numbers to not exceed 25% of the enrolment in any degree programme (which cap was subsequently abolished). These domestic students were thus put on the same basis as the international students. Even more significant, the HECS eligibility was extended to approved private providers (through the new HECS-HELP scheme). In short, global influences are at the core of quite profound policy changes in higher education.

Quality Assurance

The Australian Universities Quality Agency (AUQA) began operating in 2001. Foreshadowing its establishment in 1999, the Federal Minister for Education said: "Education is now one of Australia's major export industries in an intensely competitive market. While Australian universities compete with each other in this market, they also compete with the rest of the world. Our major competitors have external quality assurance mechanisms and countries in our largest markets look to Government verification of quality standards. To maintain market position we need to be able to advertise that we have quality assurance mechanisms in place, that they are being applied and that they are having a positive effect on outcomes." (Kemp, 1999, p. 5).

AUQA is a not-for-profit company owned by the governments of Australia. From 2005 earmarked funds are being provided for AUQA to strengthen its attention to "transnational education". It conducts overseas site visits of campuses operated by Australian universities, and increasingly is liaising with counterpart bodies in other countries (in a manner not dissimilar to the strategies of regulatory bodies overseeing other areas of global impact, such as in financial markets, agricultural markets, pharmaceuticals etc). By March 2007, AUQA had made 89 visits to overseas partner agencies and offshore campuses of Australian universities: China (13), Hong Kong (20), Singapore (22) and the remainder to Taiwan, Japan, Fiji, Malaysia, South Africa, Vietnam, United Arab Emirates, Indonesia and Thailand.

One sign of how globalization is changing the world of universities is seen in the comprehensive array of questions that shape AUQA's offshore reviews. These probe such issues as: the underlining philosophy of the operation; how the offshore partner is selected and their role; the nature of the formal contract and whether proper host country approvals are in place; governance arrangements; policies on plagiarism and Australian-themed student grievance procedures; processes of curriculum approval, teaching modes and assessment; pastoral care and community links; and the evaluation and review process. There are those who see in this the loss of institutional autonomy and academic freedom.

From its offshore review AUQA has reached various conclusions about the effect of transnational education, including:

Transnational activities are often run as a "commercial" activity rather than an "academic" activity, and there is increasing use by universities of private corporate arms to manage these activities. This changes behaviour.

There is a gradual move from thinking in terms of Australian education overseas, to thinking about locally-relevant education provided by an Australia-based university.

UNIVERSITY STRATEGIES

With the federal government pulling back per capita support for student places from the 1990s, the response by most universities has been to follow strategies that reflect the influence of globalization. There are many signs of the changed mood, but space limits consideration to four in particular: offshore marketing and recruitment; governance reforms; the new management ethos; and competitive world ranking exercises.

Offshore Marketing and Recruitment

The surge in international enrolments could not have been achieved without dedicated support services specializing in offshore marketing, themselves supported by government officers attached to some 19 Australian embassies and consulates in 14 countries. The universities most active offshore also establish offices in key places. UNSW, for example, for the past 15 years has had a substantial presence in Bangkok, Singapore and Hong Kong, for the purposes of liaising with prospective students and their families, but also to provide base support for their researchers when working in the region.

For the sector as a whole, 20% of recruitment is undertaken by IDP (originally International Development Program), a company owned by Australia's 38 universities, with 50 offices offshore in some 35 countries. In 2006 IDP entered into a commercial partnership with SEEK Limited, a publicly listed company, to boost its marketing, sales, technology and business development expertise (www.idp.com). Globalization also brings added competition for

topline domestic undergraduate students, evidenced in the growing presence in Australia of recruiters from eminent U.S. and U.K. universities, with a rich array of scholarship offerings. (Ironically, sporting scholarships from U.S. universities have long been available to elite junior athletes).

One important element in the marketing of Australian universities is the offshore graduation ceremony. Australian universities follow the British tradition of running graduation ceremonies of several hundred, structured around particular disciplines or schools/departments, rather than a single omnibus ceremony of thousands, for all graduands. A university graduating some 10,000 students per year would run about 35 separate ceremonies. In the early 1990s Monash University and UNSW were the first to hold ceremonies offshore and most Australian universities have followed suit. Now, in any one year, around 100 ceremonies are held in places such as Singapore, Bangkok, Hong Kong, Shanghai, Jakarta, Seoul and Mumbai. At one level these events cater to the interest of the home families who may not be able to get to a ceremony in Australia: it is not unusual for 500-600 family and friends to attend. At another level, the offshore graduation ceremony, featuring the Chancellor, Vice-Chancellor (i.e. President), Deans and other academics, all robed for the occasion and well reported in the local media, is a highly effective branding and recruitment strategy. Many universities report second- and third-generation graduates at these offshore ceremonies.

Governance Reforms

In the corporate world, governance reform is a particular effect of globalization (e.g. Sarbanes-Oxley in the U.S. and ASX reforms in Australia) and since 2000, these effects have flowed through to Australian universities. In the 1990s a typical governing body comprised 25 to 35 members, around half elected by stake holders such as students, staff and alumni, together with others appointed by state parliaments and/or ministers of education (where party political considerations are not always absent). The resulting culture was one of “representatives” coming from particular “constituencies”, with an orientation towards special interest issues, often intent on vetoing change. Governance transformation is well underway, as the federal government makes some funding conditional on the restructuring of governing bodies, serving to reduce their size and expand the proportion of members external to the university and with business or professional experience. The effect, in time, will be profound and should bring forward a stronger support for the new management ethos now becoming evident.

The New Management Ethos

Shifts in the styles and strategies of university management over the past decade, away from more traditional university administration, are another

pointer to the influence of globalization. Corporate plans, mission statements and KPIs are one marker; another is the trend for universities to outsource non-core services, such as payroll, security, property management, and staff and student counselling. Indeed, the very scope of the core is being rethought.

Also being rethought as part of the new management ethos are balance sheet strategies and capital raising. In Australia, the physical infrastructure — land and buildings — are vested in the universities themselves and account for up to 80% of balance sheet assets. Since the mid 1990s there is growing inclination to shed “lazy” assets and reassign capital thus released to more strategic purposes. There are now many instances of active capital management strategies. Major equipment acquisition at most of the larger universities is increasingly through lease arrangements with financial institutions. Public/private partnerships (PPPs) and BOOT schemes are no longer rare in areas such as on-campus student housing (www.clv.com.au). In Australia, some 7,000 student beds are owned and/or managed by private providers and this feature will grow as Australian universities begin to face real competition from Asian countries for the international student dollar.

Another sign of the globalization ethos is the growing willingness of university management and governing bodies to take on debt to launch innovation and transformation strategies. A handful of universities have secured credit worthiness ratings from Standards and Poor’s to provide access to cheaper capital, the first being Latrobe University in 2002. As the University of Melbourne noted in December 2006, it had “retained its S&P’s AA+ credit ranking despite Australian universities experiencing a flattening in the international student market that year”. S&P, however, have signalled that the progress of the University of Melbourne in implementing the U.S. model of four-year undergraduate degrees, and its effect on finances, need to be monitored.

These shifts have not been without some angst from staff and students directly affected, and from those on governing bodies with a philosophical objection to the new management strategies; traditional university cultures don’t embrace the centralizing pull of management efficiency. There are those who rail at “the terrible viruses of managerialism, relevance, privatization and education in the service of industry”. This view laments the passing of happier days when the university was a community of scholars engaged in teaching and research in the spirit of Erasmus of Rotterdam and Cardinal John Henry Newman. The counter argument, which is gaining ascendancy in the post-global period, is that good management should not be a perjorative term. With greater emphasis on revenue generation through fee income and growing pressure on resources, every dollar reasonably saved is a dollar to be strategically spent. There is now awareness of the imperative to maximize returns on investments and other assets; to manage financial and student data for timely and accurate information; to market imaginatively; to build and reno-

vate campus facilities, particularly when pressures are strong for expenditure of a more recurrent kind; and to do well all those prosaic things which teachers and researchers could take for granted in simpler, better funded and less competitive times (Niland, 2007, p. 69).

League Tables and Benchmarking

Globalization has induced heightened attention to how universities are perceived by their many stakeholders. International ranking exercises present an opportunity for internationally alert universities to showcase their attractiveness in recruiting both students and staff. To be ranked in the top 50 or top 100 universities worldwide in the Jiao Tong Index or to do well in the THES Survey (as is the case for five or six of Australia's research-intensive universities) is a quality marker for recruitment of both domestic and international students. Through the effects of globalization, where the old rules of status and standing are changing, much younger institutions can replace more traditional universities as the preferred destination for new generations of students. This affects behaviour in quite fundamental ways.

Benchmarking exercises of the type provided by the Association of Commonwealth Universities (ACU) or Universitas 21 typically involve a cross section of universities from different countries coming together to examine their performance within a specified framework, and to common standards. This may help inform decisions ranging from whether to adopt management software systems from Peoplesoft or SAP, to the costs and benefits of subcontracting and outsourcing, through to setting comparative international metrics on a range of scholarly performance.

While international benchmarking is less controversial, the competitive ranking exercises now familiar in many countries can generate heated debate about methodology, reliability and relevance (Sadlak & Liu, 2007). Yet to "perform" well is an irresistible promotion point when marketing for top students, especially from overseas. What once may have seemed to be unseemly self-promotion is more normal with globalization.

CONCLUSION

Australia provides an interesting case study of the influence on universities of globalization. As UNESCO noted in 2003, "international education and cooperation in higher education have, in the past decade, gained a great deal of prominence" and are most often viewed as higher education's response to the overarching phenomenon of globalization. But this is only part of the story.

The enrolment of students from other countries has provided Australian universities with an enormous opportunity to strengthen their international presence, to widen and deepen scholarship and to significantly expand fund-

ing that is independent of government. At the same time, government has seen the opportunity to wind back its real support per student of a growing domestic enrolment. To achieve and sustain this transformation, universities have had to come to grips the greater involvement (some would say intrusion) of government in setting strategic directions. This comes in the form of an active quality assurance process, particularly for offshore operations; the profound redesign of fee regimes for domestic as well as international students; and the steering toward genuine role differentiation and mission among the 38 public universities.

But the Australian experience also highlights that globalization is much more than the inflow of international students. Most significantly, it drives into the corporate world a new management ethos and this in turn (with some lag, to be sure), flows through to the universities. Here, the changing ethos about management systems and strategies brings new styles of governance, balance sheet strategies; and the outsourcing of non-core functions. All this changes the very culture of the university. Whether this is for the better is not without debate.

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