

COMMUNICATION FROM AUSTRALIA

Negotiating Proposal for Education Services

The following communication has been received from the delegation of Australia with the request that it be circulated to the Members of the Council for Trade in Services.

I. INTRODUCTION

1. This paper sets out a negotiating proposal from Australia for the education services sector. Australia reserves the right to submit further and more detailed proposals on this sector at a later date.

2. Australia recognises that governments across the globe play a significant role in the financing, delivery and regulation of education, alone and/or in partnership with individuals and other private and non-governmental organisations. This reflects the importance of education in the preparation for life as a citizen, the transmission of values and culture, and development of national well being. Accordingly, Australia believes that governments must retain their sovereign right to determine their own domestic funding and regulatory policies/measures.

II. ROLE OF TRADE LIBERALISATION IN ENHANCING EDUCATIONAL OPPORTUNITIES

3. Trade in education services is of increasing international significance, but the sector remains one of the least committed under the GATS. Very few WTO members have documented commitments in the GATS on the openness of the education sectors in their country¹.

4. Australia views the liberalisation of trade in education services primarily as a means of providing individuals in all countries with access to a wide range of educational options. The benefits associated with liberalising education services and facilitating greater cross-border flows of students and education service providers include the following:

- facilitating access to education and training courses that in qualitative and quantitative terms are not otherwise available in the country of origin; and
- providing a competitive stimulus to institutions with flow-on benefits to all students.

5. Australia also sees the liberalisation of trade in education services as the most effective way of encouraging the internationalisation of education and enhancing flows of students between countries. The long-term benefits accruing from internationalising education include:

¹ Report to the APEC Group on Services 2000, *Measures Affecting Trade and Investment in Education Services in the Asia-Pacific Region*, published by the APEC Secretariat, page 7.

- fostering a knowledge and appreciation of other languages, cultures and societies. The skills and knowledge that are acquired will benefit students both professionally and culturally;
 - facilitating an exchange of people, ideas and experiences. These exchanges add a richness of diversity at the national and international levels, as well as contributing to the international cross-fertilisation of academic knowledge;
 - networking relationships among individuals, groups and institutions which can facilitate future economic, political and socio-cultural alliances.
6. These significant benefits underpin the desirability of facilitating greater cross-border flows of students as well as educational services providers.

III. IMPEDIMENTS

7. Research² undertaken by the Australian Government identifies a number of impediments to further liberalisation of the education services sector. These include:

Consumption Abroad:

- Visa requirements regulating the free flow of international students;
- Foreign exchange requirements regulating the free flow of international students;
- Qualification recognition issues which act as a deterrent to gaining qualifications at overseas institutions.

Commercial Presence:

- Limits on ownership/foreign equity;
- Rules on twinning arrangements which restrict the development of these institution-to-institution arrangements;
- Lack of transparency of government regulatory, policy and funding frameworks.

Presence of Natural Persons:

- Visa issues regulating the free flow of academics;
- Employment rules regulating the free flow of academics;
- Restrictions on the use/import of educational materials (academic tools of trade).

Cross-Border Supply:

- Erection of new barriers as governments respond to growing use of the internet for delivering education services;
- Restrictions on the use/import of educational materials (academic tools of trade).

² Report to the APEC Group on Services 2000, *Measures Affecting Trade and Investment in Education Services in the Asia-Pacific Region*, published by the APEC Secretariat.

IV. PROPOSAL

8. Australia believes that the following specific principles are relevant to achieving liberalisation of trade in education services.

- (a) The education services negotiations should aim to give consumers (students) in all countries access to the best education services wherever they are provided and through whatever mode of supply they are provided.
- (b) The education services negotiations should not prevent Member countries from establishing their own education policy objectives, or prevent Member countries from applying regulatory measures necessary to achieve those objectives.
- (c) The education services negotiations should not prevent Member countries from providing public funds for education to meet domestic policy and regulatory objectives.
- (d) There are significant linkages between the regulatory frameworks governing the international trade in education services and other service sectors (for example, the telecommunications/audiovisual sector and movement of natural persons). Given these linkages, the education services negotiations should be viewed within the context of a comprehensive services round.
- (e) The education service negotiations should continue to recognise the sovereign right of Member countries to continue to determine their right to screen for temporary entry immigration purposes.

9. Australia currently enjoys the benefits of having a relatively open education and training regime. This openness is reflected in the significant number of commitments that Australia has entered in its current GATS schedule for the following educational services: secondary education, higher education and other education services. Australia believes that all Members should, in the context of the current round, consider entering commitments on education services similar to those already entered by Australia. This particularly applies to those Members who have previously failed to enter any commitments in relation to education services.
