GATS and Tertiary Education

Tuesday 29th April 2003

Robert Stevens
GATS Doha Round

Education Services Negotiation

Robert Stevens
Why is DEST interested in the WTO process?

- Australia has a $5 billion p. a. education export industry, employing approx 55,000 people.

- We have a strong interest in facilitating the long term easing of market access restrictions for our education exporters – new markets/modes and lower costs.

- DEST is pursuing the lowering/elimination of barriers multilaterally through WTO and APEC, and bilaterally through agreements and a number of other bilateral initiatives.
Australia has only entered market access commitments for the private sector. This means, in terms of access to the Australian market, there can be no discrimination between foreign providers and domestic private providers.

We have not entered into national treatment commitments for public education.

Australia has also entered a commitment protecting all public research grants in all sectors.
Current GATS Negotiating Round
Timeline

■ 1993/94  Inaugural negotiating round.
■ 2000   Stocktake and information exchange.
■ 2001   Discussion on form and scope of negotiation.
■ 2002   “Request” Phase Commences.
■ 2003   “Offer” Phase Commences.
■ 2004/05? Negotiating round concludes.
Research into the types of barriers to trade in education services

- Consumption abroad:
  - host economy employment rules, visa requirements, foreign exchange requirements.

- Commercial presence:
  - limits on ownership.
  - rules on twinning arrangements.
Barriers (cont.)

- Presence of natural persons:
  - visas and immigration requirements.

- Cross border supply:
  - importation of educational materials (textbooks and software to support distance education).
  - blanket non-recognition for this mode of supply.
Barriers Mapping Research

- Identified 233 specific barriers to trade and investment in 19 selected countries.

- Across all four modes of supply.

- Intelligence gathered from offshore Posts, NGO’s; Australian providers; Commonwealth Govt agencies; State and Territory Govt’s.
Defensive Strategy

- Offer nothing.

- Our public position: “Australia is already very open – we are wanting other economies to match our commitments. Until this happens, we are not prepared to consider further liberalisation”.

- Minister Vaile’s statement (April 2003).
Offensive Strategy

- Make the case for removal and/or elimination of barriers to the free flow of trade and/or investment
  - Detailed, accurate information.
  - Highly specific Requests, targeted at particular barriers (cf: USA approach).
  - Make the case through a win-win frame.

- Be open to the possibility of bilateral deals outside of the WTO framework.

- Generate momentum for a grouping of economies that can share ideas on an informal basis within the WTO structure.
October 2002 negotiations

- 144 negotiating teams, ranging from 1 person to several dozen.
- Australian team: 12 officials from DFAT, DEST, Treasury, DTRS, DCITA, AG’s Office.
- 19 face-to-face bilaterals.
- Several informal meetings with Norway.
Outcomes – typical responses

- Thanks for asking, but no.
- Non committal.
- Happy to allow greater market access for Australian institutions, but not through GATS.
- Additional commitments promised.
Types of additional commitments

- Removal of commercial presence restrictions relating to foreign private education provision.

- Removal of commercial presence restrictions on Governing Boards.

- Institutions will be allowed to repatriate profits, provided tax is paid.
Additional commitments (cont.)

- Likely to match Australia’s commitments.

- Interested in allowing recognition of on-line education, provided quality is assured – in discussion with DEST in relation to how this can be achieved.

- Other forms of cooperation: review of qualification recognition procedures – would like Aust’s assistance to model new agency on NOOSR.
WTO Education Alliance

- Norway (convenor); Australia; New Zealand; South Africa; Japan; India; Uruguay; Argentina; Chile; Thailand; the People’s Republic of China; Egypt; Senegal; Turkey; Jordan; Kenya and Mexico.
Education Alliance (cont.)

- Development of a WTO book on education issues related to:
  - some of the underpinning policy issues in GATS as they relate to education services (in particular, public/private definition; the exercise of government authority and the provision of public subsidies for education).
  - case studies.
2004 OECD/DEST Global Policy Forum on TIES

- Australia to host.
- Release of the WTO Book.