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**Abstract**

In the past few decades, the additional revenues available via higher education exports (through both relatively higher prices and increased enrolments) have attracted the attention of providers in many developed countries, not least in Anglophone countries like the USA, the UK, Canada and Australia. However, while the revenue case is strong, the institutional cost structures underlying the provision of higher education services for international students remain relatively unknown at the sector level. Accordingly, we offer a comprehensive analysis of the cost economies underlying higher education provision for international students using a sample of 37 Australian public universities over the period from 2003 to 2012. The findings suggest that it is appealing to enrol additional overseas students given their lower average and marginal costs and the significant economies of scale prevailing in higher education generally. Further, while we find evidence of economies of scope for overseas students only in smaller institutions, there is no evidence of diseconomies of scope, implying the

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current number of overseas students and their joint production with domestic students at the least does not lead to unnecessarily higher overall costs. (HRK / Abstract übernommen) Zhang, Liang-Cheng,  
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