

Australia – Educating Globally

Advice from the International
Education Advisory Council

February 2013



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The report can be accessed via www.aei.gov.au

The Hon Chris Bowen MP
Minister for Tertiary Education, Skills, Science and Research
Parliament House
Canberra ACT 2600

Dear Minister

The Australian Government established the International Education Advisory Council to provide advice on the challenges and opportunities facing international education. We were asked to contribute to the Government's development of a five-year national strategy to support the sustainability and quality of international education and provide advice on trends in international education and on current policies affecting the sector.

On behalf of the Council, I am pleased to present you with our advice: *Australia – Educating Globally*.

This advice has been informed through a comprehensive consultation process involving face-to-face meetings with education institutions, peak industry and key student bodies, Commonwealth agencies and state governments and the receipt of 51 written submissions, which followed the release of a discussion paper in April 2012.

The Council has also considered the Australia in the Asian Century White Paper released by the Australian Government in October 2012. International education is a pillar of the people-to-people relationships that drive economic, cultural and social outcomes for Australia in the Asian Century and it will continue to be a significant export opportunity for Australia's education institutions. Currently, 80 per cent of international students in Australia come from the Asian region. A strategy for the future of Australia's international education and training sector must focus on how best to manage the challenges and take advantage of opportunities created by Asia.

Australia is one of the world's leading providers of international education. It provides opportunities for hundreds of thousands of international students to gain a world-recognised Australian qualification while experiencing and enriching local campus and community life. Australia's international education activities generate over \$15 billion of export income annually and this revenue supports more than 100,000 jobs. Australian staff, researchers and students gain many benefits from the contributions made by international students.

While Australia's international education sector is in good shape as a leading destination, it is on the cusp of embracing a changed global future with significant competitor challenges. Among these are rising costs, including the high value of the Australian dollar, and a new generation of students for whom a global career and mobility opportunities are major driving factors in their choice of study destination.

National leadership at a time of global challenge is imperative. We cannot presume the sustainability of the sector is assured. The sector represents Australia's fourth largest export industry, and its future development will require the attention of all stakeholders. The recommendations in this advice are designed to facilitate this process.

The sector has been the subject of significant change as a result of reforms following the incisive reviews conducted by the Hon Bruce Baird AM and the Hon Michael Knight AO. These reforms have given rise to improved quality assurance and student welfare measures, streamlined international student visa processing and access to attractive post-study work arrangements.

During our consultations, many stakeholders appealed for a settling-down period during which these changes are given time to be fully implemented and evaluated. The Council supports that suggestion.

While such a settling-down period would be valuable, it is also important that Australia aspires to maintain leadership in international education. To better coordinate policy in this vital sector, the Council proposes the establishment of a high-level Ministerial Coordinating Council for International Education (MCCIE), chaired by the Minister for Tertiary Education, Skills, Science and Research. The MCCIE would lead and manage policy at the highest levels of government, industry, business and the sector itself.

The Council has considered the factors likely to influence the size and shape of the international education sector over the next five to eight years. While we acknowledge that such projections of likely outcomes are challenging, given the influence of external factors outside our control, the Council's best estimate is that Australia can expect to be hosting an additional 117,000 international students by 2020 – a 30 per cent increase on today's figure. With an appropriate focus on the recommendations proposed in this advice, in particular to ensure that Australia has excellent infrastructure to handle a student population of this size, we believe this outcome is achievable and will be able to deliver a high quality educational experience for international students.

There is additional potential to expand the internationalisation of our education sector through outgoing student flows and through online and offshore provision, as described in the advice.

I conclude with the view that Australia's success in international education has been driven in large part by the commitment and innovation of those working in the sector. The Council believes stakeholders should have an active role in developing and implementing a national strategy that moves the sector forward in a coordinated and consultative way, recognising its long-term value.

I would like to thank and acknowledge members of the Council and the secretariat for their significant efforts and commitment to developing this advice. I would also like to thank Boston Consulting Group for the pro bono analysis work they have undertaken and the many individuals and organisations with interests in the sector who took the time to meet with us and provide written submissions.

On behalf of the Council members, I would like to thank the Government for engaging us to be part of this valuable and worthwhile process. We look forward to your response.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Chaney', with a stylized flourish at the end.

Michael Chaney AO
Chair, International Education Advisory Council
February 2013

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Executive summary

Australia's world class international education, research and training sector makes a significant economic and cultural contribution to Australia nationally, to its influence in Asia and around the world and to individual communities. In particular, international students in Australia create jobs and help provide a diverse and rich education experience for Australians.

This diversity enables our education institutions to offer a wide range of internationally recognised courses and campus facilities. People coming to Australian institutions to study and Australians studying abroad promote people-to-people linkages and cross cultural experiences that benefit Australian individuals, businesses, research and industry. The initiatives of Australian education institutions offshore are helping to provide a quality education for many young people in Asia and the rest of the world.

Australia's international education sector has been built through the efforts and innovation of a myriad of stakeholders from education institutions, peak sector groups, student bodies and all levels of government.

The sector has been through a well-documented period of change and uncertainty resulting in a decline in onshore student numbers. While this period has been difficult, it has paved the way for a new era of sustainable international education growth in Australia, boasting substantially improved quality assurance and student welfare arrangements. The Asian Century makes it essential for Australia to realise the potential that this new era offers.

There are significant choices to be made if the full benefits available to Australia are to be realised. Students value the quality of the education, the qualification, the reputation of the institution and the broader international experience, including employment and work experience opportunities. Other important drivers of student choice include cost, career options and global mobility opportunities.

After assessing the opportunities and challenges facing the sector, and consulting with major stakeholders about their own expectations, the Council considers that, with a coordinated effort across the sector and governments to meet emerging challenges, Australia will be able to play a leading role in meeting the growing global demand for education.

Australia cannot be complacent about its relatively strong performance in international education to date. There are emerging competitive pressures driven by a high cost environment and the emergence of new players that require a renewed commitment to the sector and a comprehensive policy response.

While historic rates of growth will slow as some institutions reach their carrying capacity, we estimate that the most likely growth path would see Australia hosting around 520,000 students in 2020, studying across all education sectors and contributing around \$19.1 billion to the local economy. For the community, this brings direct benefits to retailers, accommodation providers and community enterprises. This will represent an additional 117,000 students over the 2012 level of 402,000 and an estimated increase of 146,000 enrolments from that year. Significant innovation and growth is also achievable in offshore and online education.

While this is considered a sustainable level of development, Australia should draw on its long, successful experience in international education to move up the value chain and to focus on providing a high quality education experience, as well as attracting more students to our Australian and offshore campuses.

The Council recognises that while the sector needs a settling-down period following times of change and uncertainty, it must continue to address a number of key issues to ensure the sustainable development of a vibrant Australian international education and training sector. The Council has identified seven key issues, developed a strategic aim for each issue and proposed a number of recommendations to address them. These key issues are coordination; quality; a positive student experience; partnerships; ensuring integrity – Australia’s student visa program; data analysis and research in international education; and competition, marketing and promotion.

To address the first and most urgent of these issues and oversight progress of a five year strategy for international education, the Council proposes the establishment of a new Ministerial Coordinating Council on International Education (MCCIE). The MCCIE would be chaired by the Minister for Tertiary Education, Skills, Science and Research and comprise relevant Australian Government Ministers and representatives from business and industry, the international education sector and state and territory governments. The MCCIE would provide the leadership required for the sector to identify and best respond to new challenges. It could also consider new approaches to tackle the major long-term issues facing the sector, such as affordable accommodation and diversification.

The Council is not well placed to make many significant recommendations on the Vocational Education and Training (VET) sector as it is currently undergoing significant change and institutional structures are in the process of adjustment. An initial work plan for the MCCIE would include consideration of the major long-term issues identified in this report as well as the VET sector as a matter of priority.

The following recommendations will require coordinated and sustained action from Commonwealth agencies such as the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), the Department of Immigration and Citizenship (DIAC), the Department of Education, Employment and Workplace Relations (DEEWR), Austrade, AusAID; the national education regulators the Tertiary Education Quality and Standards Agency (TEQSA) and the Australian Skills Quality Authority (ASQA); state and territory governments with initiatives in promotion and areas such as transport and health; along with education providers and their peak organisations.

Summary of the issues and recommendations

Issue and strategic aim	Recommendations
<p>A. Coordination</p> <p><i>Ensure improved coordination of government policy and programs for international education and better consultative mechanisms for stakeholders, in order to optimise government support for the international education sector.</i></p>	<p>A.1 Establish a Ministerial Coordinating Council on International Education (MCCIE) chaired by the Minister for Tertiary Education, Skills, Science and Research and including Ministers from relevant portfolios, drawing on expertise from across the sector, governments, business and industry to provide a coordinated approach to identifying and addressing key issues in Australia’s international education sector.</p> <ul style="list-style-type: none"> • The MCCIE would provide oversight of a five year strategy. <p>A.2 Formulate a work plan for the Government’s five year international education strategy shaped by the Vision and Mission statement and based on the issues and recommendations from this report.</p>

B. Quality

Position Australia as a provider of the highest quality education, while reducing over-regulation, duplication and overlap.

- B.1** Allow a settling-in period for the new regulatory agencies, monitoring the effects and outcomes and making adjustments as required, with a full review at the end of their first audit cycle.
- B.2** Monitor the progress of TEQSA and ASQA in refining regulatory processes, including the course approval process.
- B.3** Further consolidate the regulatory requirements for providers serving more than one sector.
- B.4** Continue to progress international recognition of Australian qualifications through government-to-government and multinational dialogue.
- B.5** Ensure that any new regulations recognise that there are significant differences within the international education sector and a 'one size fits all' approach may not be feasible.
- B.6** Investigate seeding initiatives for innovative online education delivery.
- B.7** Liaise with TEQSA and ASQA to ensure the quality of transnational education is effectively regulated.
- B.8** Require providers to establish processes that ensure international students maintain adequate English language proficiency throughout the duration of study to prepare graduates for work experience and employment opportunities.
- B.9** Grow excellence in science, technology, engineering, and mathematics (STEM) capability and increase education quality through targeting and providing further incentives for top international academics and PhD students in these fields to study and teach in Australia.
-

C. A positive student experience

Maintain and build on Australia's reputation as an open and friendly learning environment where international students are valued members of the community and are supported to achieve their goals.

C.1 Ensure that international students in each jurisdiction are treated in an equal way to domestic students with respect to transport concessions.

C.2 Ensure that international students have access to appropriate treatment in public hospitals, given that they are required to have visa length health insurance cover.

C.3 Promote meaningful engagement between international students, domestic students and communities (including through forums) across Australia to:

- highlight best practices and innovative approaches in international student welfare; and
- promote best practice in interaction between international students and domestic students and communities, promoting work integrated learning opportunities for international students.

C.4 Review off-campus accommodation by:

- conducting a sample stocktake of current student accommodation;
- developing a quality/ratings model for student accommodation; and
- commissioning a panel to investigate options for increasing access to safe, affordable student accommodation and identifying possible infrastructure investment opportunities.

C.5 Promote opportunities for international students to gain work experience during and after their studies.

C.6 Require Austrade to undertake an assessment and analysis of emerging markets, in collaboration with key stakeholders, to inform the development of a strategy to support increased diversification of Australia's international education sector.

D. Partnerships

Encourage Australian institutions and governments to develop strong and diverse international and multinational partnerships that encourage exchange, capacity building and collaboration.

D.1 Monitor changes to OS-HELP and consider extending it to private students.

D.2 Increase the proportion of school students studying a foreign language at matriculation level; with consideration given to increased subject bonuses and incentives.

D.3 Ensure that national research policy settings encourage collaboration between institutions in Australia in order to achieve the necessary scale benefits.

D.4 Ensure that national research policy settings encourage international research engagement and collaboration to build on and enhance Australia's research capabilities.

D.5 Provide incentives for the development of partnerships between Australian and overseas institutions for the purpose of exchange of students and academics; research collaborations and common teaching course and qualification development, including offering joint qualifications.

D.6 Develop specific country strategies to support partnerships between Australian institutions and providers and their counterparts.

D.7 Identify potential new links between Australian education and training expertise and Australian and overseas businesses, through the establishment of industry champions.

D.8 Encourage Australia's high quality TAFE and private VET providers to increase the commercialisation of their intellectual property and highly regarded training 'know how' in traditional and emerging markets.

D.9 Facilitate the offshore provision of education and training by Australian providers by participating in the foreign aid programs of AusAID.

D.10 Encourage institutions to identify and pursue possible partnership opportunities arising through the development of regional education hubs such as Singapore and Malaysia.

E. Ensuring integrity – Australia’s student visa program

Ensure that Australia’s student visa settings continue to be competitive and attractive in all education sectors while preserving the integrity of Australia’s international student visa program and helping to meet national skills needs.

E.1 Conduct a review of the first year of operation of the GTE criterion, identifying and addressing any unintended consequences that affect the sector, including the extent to which it may be acting as a deterrent to genuine students.

E.2 Expedite streamlined visa processing for low immigration risk providers.

E.3 Implement a whole of government approach to educating employers on the value of recruiting graduates, both domestic and international.

E.4 Consider increasing the points bonus available for an Australia education qualification in the skilled migration points test from five to 10.

F. Data analysis and research in international education

Inform Australia’s international education policy through accurate and timely data analysis and research as well as supporting increased collaboration between researchers.

F.1 Consult with researchers and organisations already active in the field, to establish an Australia-Asia International Education Research Network (and maintain a regular national symposium for international education research) where governments and the sector work together to share knowledge and establish new research priorities.

G. Competition, promotion and marketing

Market Australia as a supplier of high quality education and continue to build its core markets while pursuing diversification through engagement with emerging markets and increased offshore delivery.

G.1 Annually review Austrade’s contribution to promotion and marketing of international education, including performance and activities.

G.2 Develop and implement a communications campaign to articulate the many economic and cultural benefits that international education and students bring to Australia.

G.3 Increase and coordinate promotion of the sector in emerging regions, such as Latin America, the Middle East and Africa.

1. The importance of the international education and training sector

Australia's international education and training sector is an important part of the country's economic vitality and long-term prosperity. It delivers considerable economic wealth and cultural enrichment to Australian communities.

The sector is Australia's fourth largest export industry, earning \$15.7 billion during 2011. This is largely driven by the higher education sector, representing 65.6 per cent of total revenue during this period.

International education and training is Victoria's top export ahead of personal travel and wool, earning \$4.82 billion in the 2010/11 financial year. In 2012 there were nearly 150,000 international student enrolments in Victoria from over 160 nations. In New South Wales, international education and training is the second top export earner after coal, earning \$5.82 billion in 2010/11.

International students made up 21.3 per cent of the total student population in Australian universities in 2011. As a result, Australia has internationalised the design and delivery of its education systems, benefiting both domestic and international students.

International education is important because it enhances Australia's broader international engagement. Interaction between staff and students from a variety of cultural backgrounds helps to generate mutual understanding and lasting personal connections that continue to deliver benefits to graduates of Australian education throughout their careers.

International education also provides benefits to Australian organisations and professionals, whether that be work in international education or providing internships or employment opportunities for international students. This professional interaction is hugely valuable to introduce new perspectives within organisations and to develop professional connections between Australia and the rest of the world.

There are many examples of international engagement by Australian educational institutions that have led to the establishment of overseas operations, developing organisational and research synergies with international partners and assisting Australian institutions to access new sources of global talent.

International education enhances Australia's global standing. Our commitment to provide a high quality educational experience for students in Australia and abroad, and our contribution to the development of foreign education systems, has generated significant goodwill amongst the international community.

In this Asian Century, where around 80 per cent of international students in Australia are from Asia, international education will allow Australia to remain engaged with global knowledge development and to build on productive future relationships within our region.

2. A vision for Australia's international education and training sector

The Council proposes the following **vision statement** for the sector:

Australia's international education and training sector is valued for the benefits it provides to communities and individuals in Australia and overseas. It contributes to Australia's prosperity and social advancement and helps build Australia's international standing.

The Council proposes the following **mission statement** as encapsulating the Government's ambition for the sector:

To ensure the sustainable development of a vibrant Australian international education and training sector.

A vibrant international education and training sector is one where Australia is recognised as:

- A provider of excellent education and training within and outside its borders
- A partner of choice for training, education and research collaboration
- A country that welcomes international students and the internationalisation of Australian students and helps them to achieve their goals
- A country whose people appreciate the significant economic and social benefits which an internationalised education sector contributes

3. The journey so far

Australia's international education sector has evolved remarkably over the past 60 years, from its foundations in the aid-focused Colombo Plan, through the maturation of a market system toward the end of the 20th Century. From these foundations, Australia now provides far more scholarships than it did during the Colombo Plan era and has become a highly popular destination for self-funded international students. The Colombo Plan saw around 570 international students in Australia every year, while today almost 5,100 Australia Awards are offered annually and around 400,000 international students study in Australia at their own expense. A feature of Australia's mature international education sector is that second and third-generation international students are following in the footsteps of their parents and relatives in pursuing an Australian education experience.

Australia's diverse education system

International education is an integral part of the Australian education system, encompassing four diverse sectors:

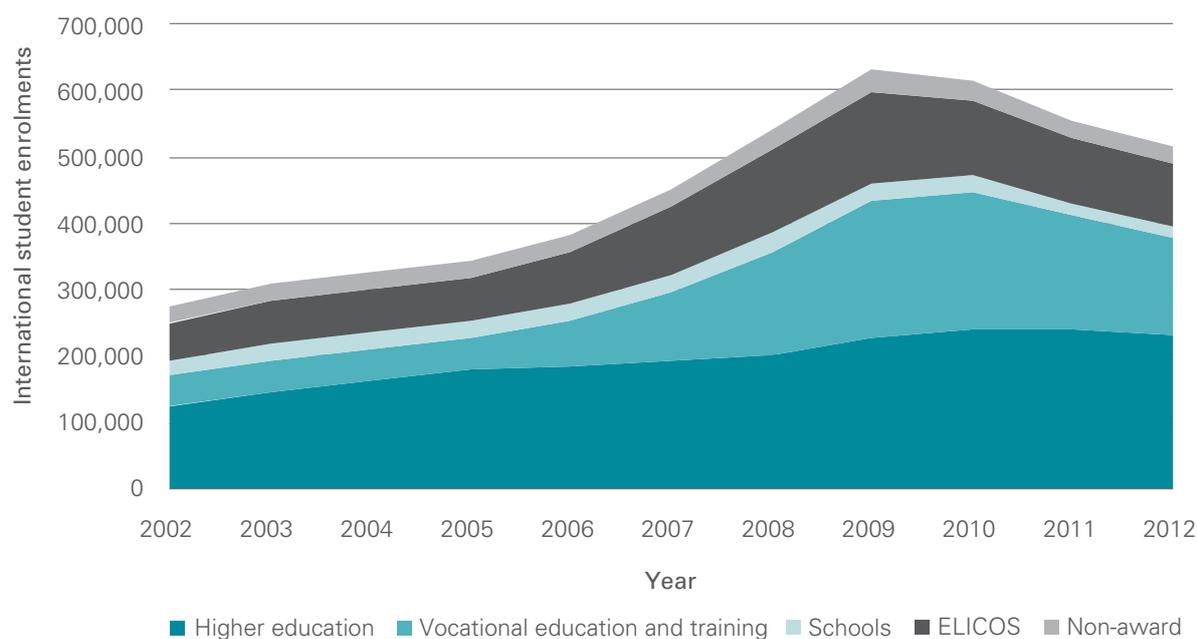
- **English Language Intensive Courses for Overseas Students (ELICOS)** - provides English language tuition and prepares overseas students for progressing to further study within Australia. The initial English language or bridging course is often the first point of contact for international students and acts as a pathway to other education institutions;
- **Schools** - which includes government and non-government institutions;
- **Vocational Education and Training (VET)** - including TAFEs, dual sector universities and private colleges. This provides practical training and education, preparing trainees for jobs at various levels from a trade to a professional position; and
- **Higher Education** - the largest sector for international students, enrolling predominantly in universities.

Australian institutions across all sectors have established operations overseas, providing high quality education through their offshore activities.

The Australian Government has moved to strengthen regulatory and compliance frameworks. In the higher education sector, regulation is conducted by TEQSA and in the VET sector by ASQA. ELICOS providers are regulated by ASQA, unless they are predominantly higher education institutions.

Growth since the turn of the century has been particularly significant. As Figure 1 shows, the total number of enrolments by international students in Australia grew by 65 per cent during the three year period from 2006 to 2009. This was primarily driven by unsustainable increases in the VET sector, which experienced annual growth rates of around 50 per cent in 2007 and 2008. Due to a number of well documented factors, enrolments have declined since reaching a peak of 630,700 in 2009. However, recent student visa data suggests that international student numbers are likely to start increasing again in 2014.

Figure 1: International enrolments by Sector (2002 to 2012)



Source: AEI international student data

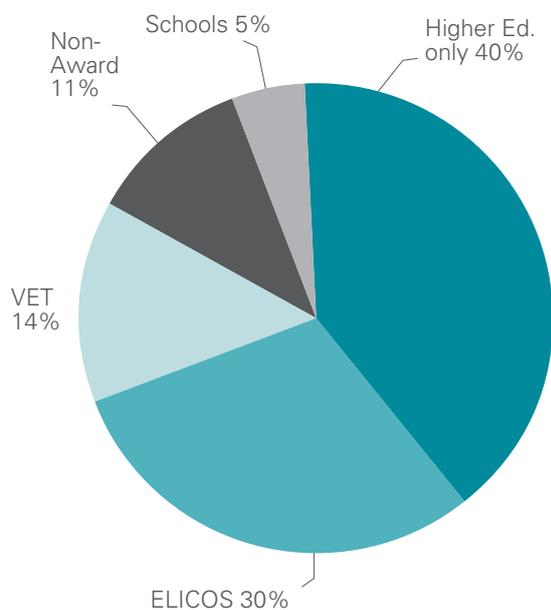
Figure 1 demonstrates that during 2012, higher education was the single largest sector, with 230,923 enrolments by international students. Of these, 55 per cent were bachelor course enrolments, 27 per cent were studying Masters by coursework and seven per cent were undertaking PhDs.

Study pathways

A feature of Australia's international education system is the well established study pathways between the four sectors, enabling students to progress through ELICOS courses, VET courses or school level courses before commencing in higher education. These pathways are vital in preparing students to undertake higher level study and the innovative activities of Australian institutions to package courses have been a key feature of Australia's success. ELICOS courses play a particularly important role, given the large number of students from the Asian region choosing to study in Australia.

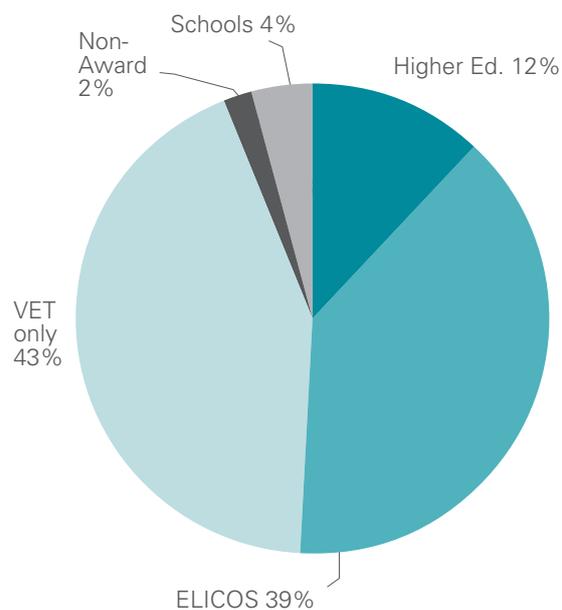
Figure 2 shows that during 2011, 60 per cent of students commencing a higher education course had followed a study pathway (i.e. were enrolled in another sector of the Australian education system), with 30 per cent undertaking an ELICOS course. Figure 3 illustrates that 57 per cent of students commencing a VET course had followed a study pathway, with 39 per cent undertaking an ELICOS course.

Figure 2: Previous step before commencing a higher education course in 2011



Source: AEI international student data

Figure 3: Previous step before commencing a VET course in 2011



Source: AEI international student data

Demand profile

Demand for Australian education is dominated by students from Asian countries (particularly China and, to a lesser extent, India). The top five home countries for students studying in Australia during 2012 have very little in common in terms of sector, reflecting the diverse demand for education products within the region. Brazil is listed in Table 1 as the non-Asian country with the greatest number of student enrolments.

Table 1: International student enrolments in Australia by country of origin (2012)

Rank	Country	Higher ed	VET	Schools	ELICOS	Non-award	Total
1	China	94,309	15,821	8,367	25,157	6,104	149,758
2	India	12,671	40,061	93	1,366	205	54,396
3	Rep of Korea	8,289	9,143	2,202	7,435	650	27,719
4	Vietnam	11,071	4,717	1,908	4,432	423	22,551
5	Malaysia	16,308	3,171	569	924	615	21,587
8	Brazil	755	5,306	191	8,556	284	15,092
11	Saudi Arabia	5,634	872	21	4,260	335	11,122
14	United States	2,409	1,453	78	27	5,584	9,551

Source: AEI international student data

Fields of study

Table 2 reflects Australia's higher education enrolments by broad fields of education. Management and Commerce courses have by far the greatest number of international students, reflecting Australia's high level of teaching expertise in these fields of study, with 115,867 or 50 per cent of international higher education students enrolled in these courses, well ahead of the next most popular, Engineering and Related Technologies with 21,956 (10 per cent). Table 3 lists international VET enrolments by field of study with 79,994 or 55 per cent enrolling in Management and Commerce, again well ahead of the next most popular, Food, Hospitality and Personal Services with 21,020 (14 per cent).

The relatively low cost of providing Management and Commerce courses increases Australia's vulnerability in these areas to competition from the United Kingdom and the United States, as well as in-country provision.

Table 2: Top 10 broad fields of education: Higher education enrolments (2012)

Broad field of education	Enrolments	Share of total
Management and Commerce	115,867	50%
Engineering & Related Technologies	21,956	10%
Society and Culture	17,439	8%
Health	17,364	8%
Information Technology	16,424	7%
Natural and Physical Sciences	12,282	5%
Creative Arts	9,793	4%
Dual Qualification	7,231	3%
Architecture and Building	4,414	2%
Education	3,847	2%
Other fields	4,306	2%
Total (all fields of education)	230,923	100%

Source: AEI international student data

Table 3: Top 10 broad fields of education: VET enrolments (2012)

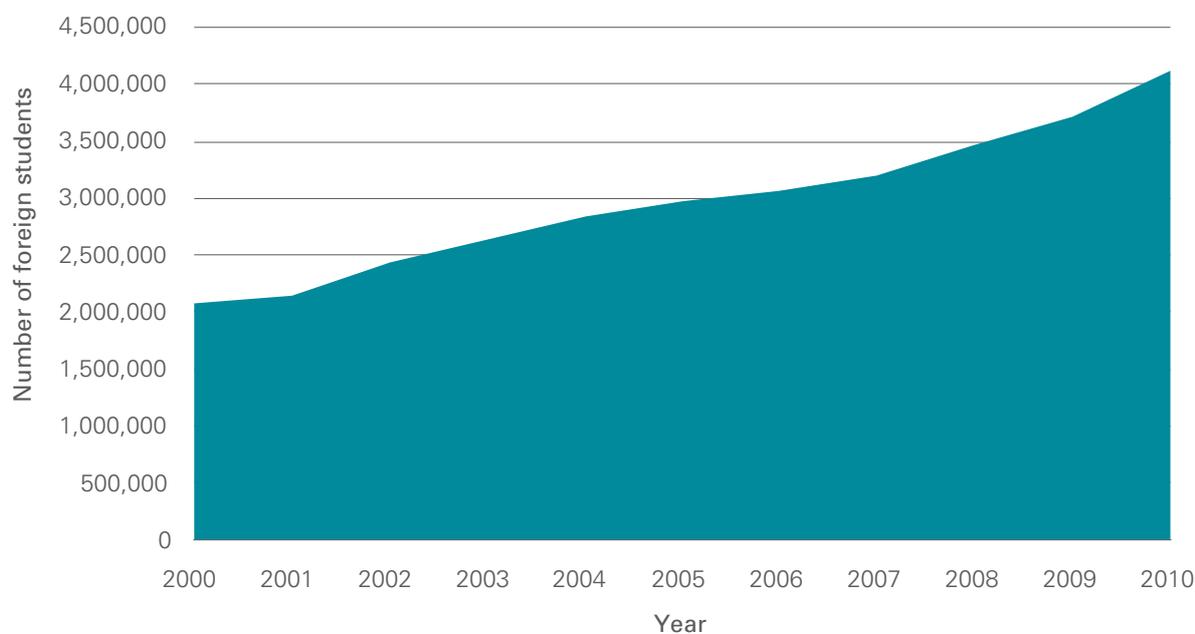
Broad field of education	Enrolments	Share of total
Management and Commerce	79,994	55%
Food, Hospitality & Personal Services	21,020	14%
Society and Culture	10,956	8%
Engineering and Related Technologies	9,087	6%
Information Technology	8,947	6%
Health	4,950	3%
Mixed Field Programmes	2,623	2%
Architecture and Building	2,560	2%
Creative Arts	2,366	2%
Agriculture, Environmental & Related Studies	1,449	1%
Other fields	1,588	1%
Total (all fields of education)	145,540	100%

Source: AEI international student data

Global market size and share

The global market for international education has grown remarkably during the period between 2000 and 2010, with the total number of international students doubling to over four million in 2010, as shown in Figure 4.

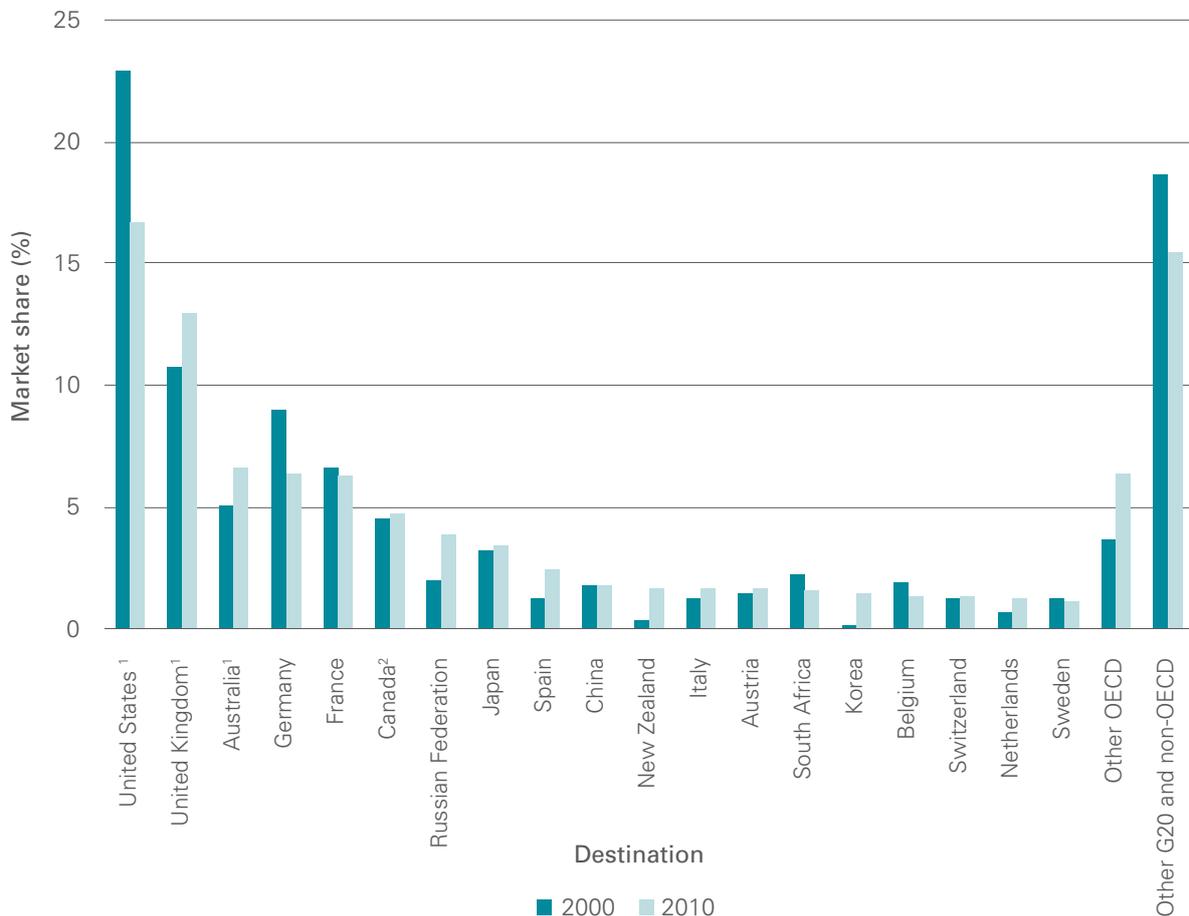
Figure 4: Number of students enrolled outside their country of citizenship (2000 to 2010)



Source: OECD and UNESCO Institute for Statistics for most data on non-OECD countries. Table C4.5. (www.oecd.org/edu/eag2012)

During this same period, the value of an Australian qualification resonated highly with international students and their families. Figure 5 demonstrates Australia's increase in market share from five per cent in 2000, to 6.6 per cent in 2010 – an increase of 170,000 students in 10 years.

Figure 5: Trends in international education market share (2000, 2010) – Percentage of all foreign tertiary students enrolled (by destination)



1. Data relate to international students defined on the basis of their country of residence.

2. Year of reference 2009.

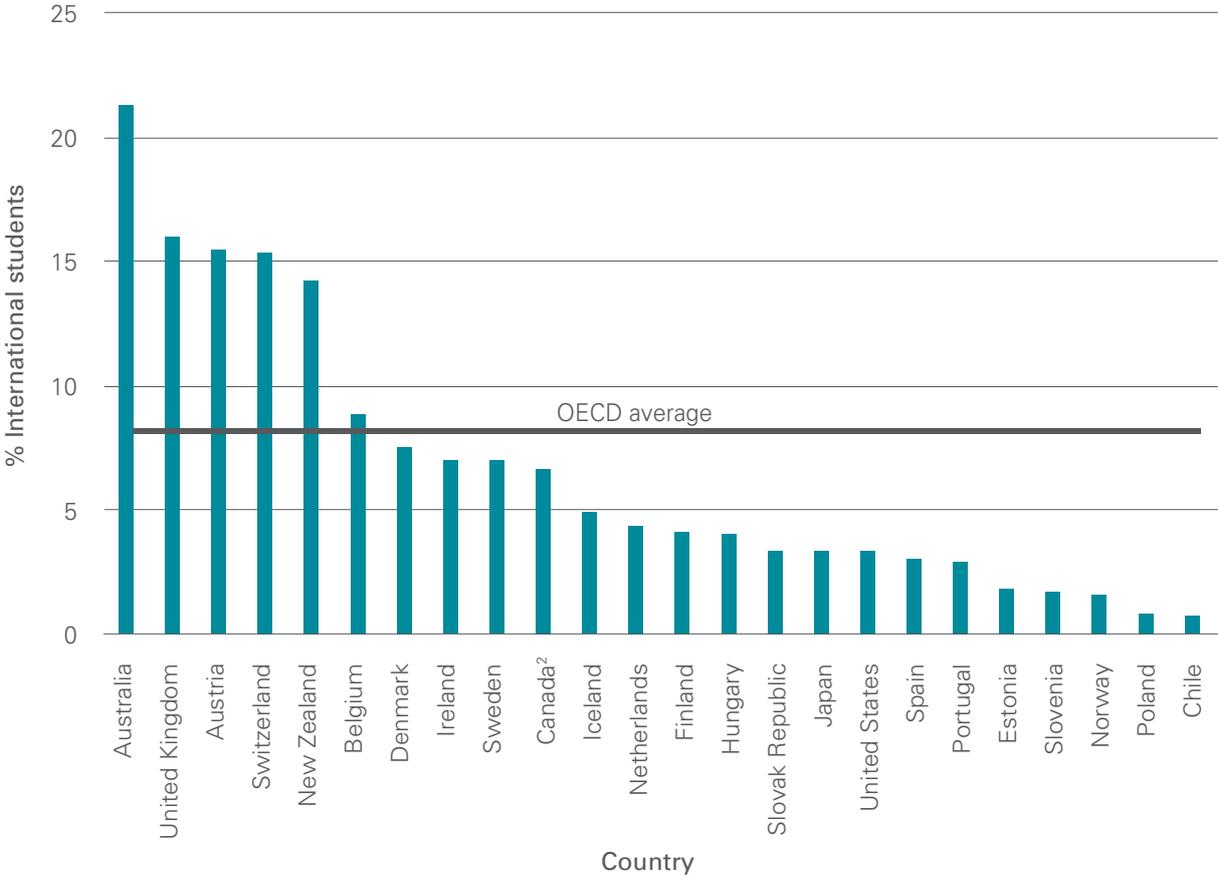
Countries are ranked in descending order of 2010 market shares.

Source: OECD and UNESCO Institute for Statistics for most data on non-OECD countries. Table C4.7, available on line. See Annex 3 for notes (www.oecd.org/edu/eag2012).

According to Organisation for Economic Cooperation and Development (OECD) Education at a Glance 2012, Australia was the third most popular destination for international students in the world in 2010, behind the United States and the United Kingdom.

Given the small size of Australia and its education system compared to that of competitor countries, international students make up a relatively high proportion of our student body, as depicted in Figure 6.

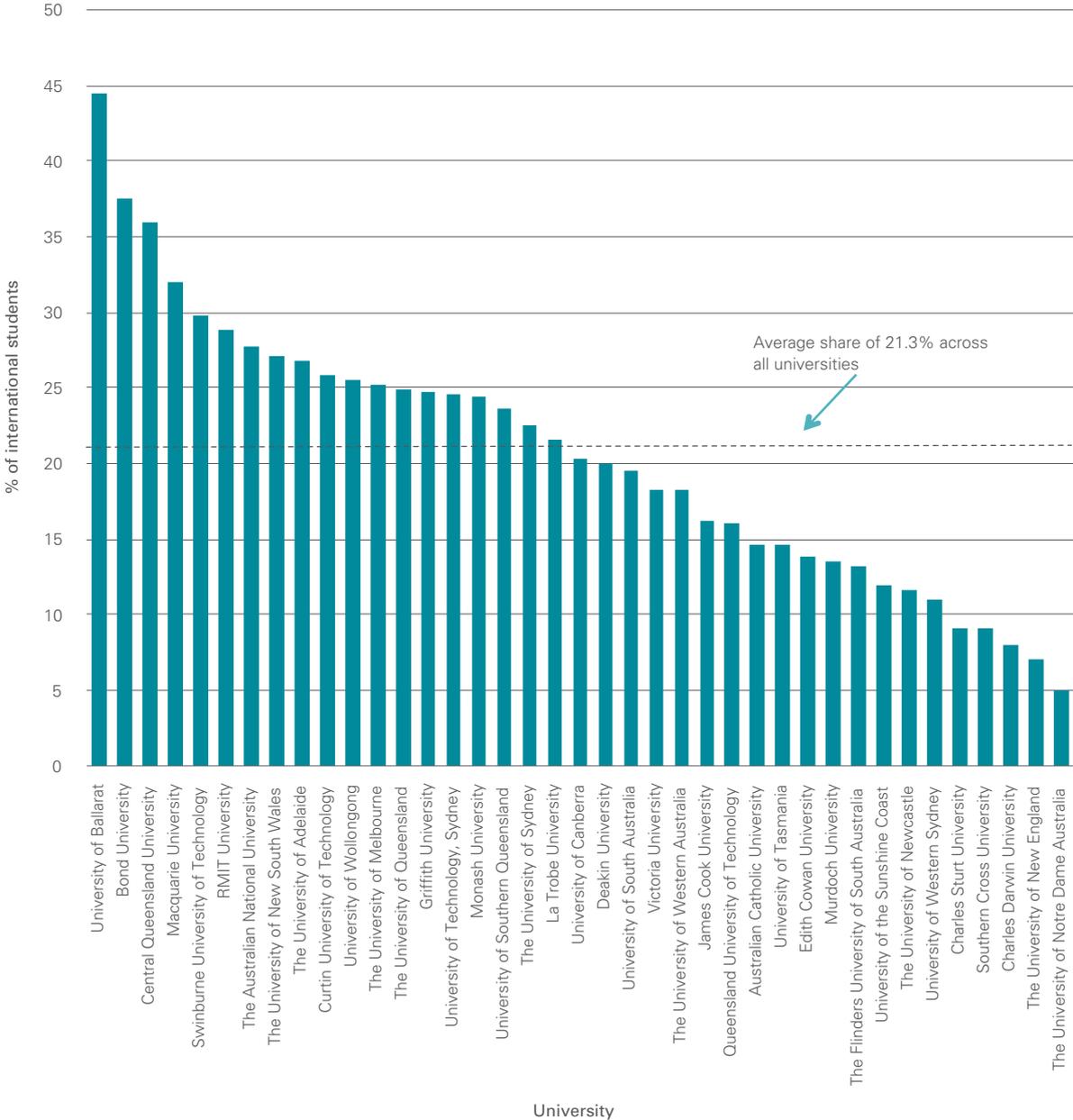
Figure 6: Internationalisation of tertiary education systems (2010) – percentage of international and foreign students in tertiary enrolments



1. Year of reference 2009.
 Source: OECD Education at a Glance 2012. Table c4.1. (www.oecd.org/edu/eag2012).

International students made up an average of 21.3 per cent of all onshore higher education students in 2011. There is, however, significant variation in the proportions between individual universities ranging from five per cent at the University of Notre Dame Australia to 44.6 per cent at the University of Ballarat, as highlighted in Figure 7. The variation reflects the different missions of individual universities and the diversity across the Australian university sector.

Figure 7: Onshore international student share of total onshore students by university, 2011



Source: Higher Education Statistics Collection, DIISRTE

Transnational education

In addition to the international students studying at onshore campuses of Australian institutions, a large number are enrolled offshore. Australian Education International (AEI) data shows that in 2011, there were 80,454 students enrolled in offshore campuses of Australian universities (representing around 26 per cent of total international higher education enrolments), and 58,516 students enrolled in offshore campuses of Australian public VET institutions, which is more than double the onshore international enrolments in public VET institutions.

The situation in the private VET sector is quite different. Onshore private VET sector enrolments (147, 608 in 2011) represent more than 80 per cent of all onshore international VET student enrolments. However, Australian private VET institutions have relatively few offshore students, with only 6,771 reported in 2011 (from a survey of Australian Council for Private Education and Training (ACPET) members).

Outbound mobility

In 2010, 10,330 Australian students were enrolled in university courses in another country. When expressed as a proportion of all domestic higher education students, the proportion of Australian students studying offshore (0.8 per cent) is comparable to countries such as the United Kingdom (0.9 per cent), India (1.0 per cent) and higher than the United States (0.3 per cent), but lower than China (1.8 per cent). The top five host countries for Australian students enrolled overseas in 2010 were the United States, New Zealand, the United Kingdom, Germany and France¹.

Data collected by the Australian Universities' International Directors' Forum indicates that during 2011 there were 20,906 international study experiences undertaken by students enrolled in Australian universities (up from 18,340 in 2010; 15,058 in 2009 and 10,718 in 2007). 32.7 per cent of these were in Asia (compared with 31.8 per cent during 2010)². Table 4 shows the top five destination countries for Australian university students undertaking an international study experience in 2011.

Table 4: International study experiences by Australian university students (2011) – top five destination countries

Destination	No of experiences	% of all experiences
United States	3,159	15.3%
China	2,009	9.7%
United Kingdom	1,812	8.8%
Canada	1,080	5.2%
Germany	1,050	5.1%

Source: Olsen, A. (2012), 2012 Research Agenda: Australian Universities International Directors' Forum

International education revenue

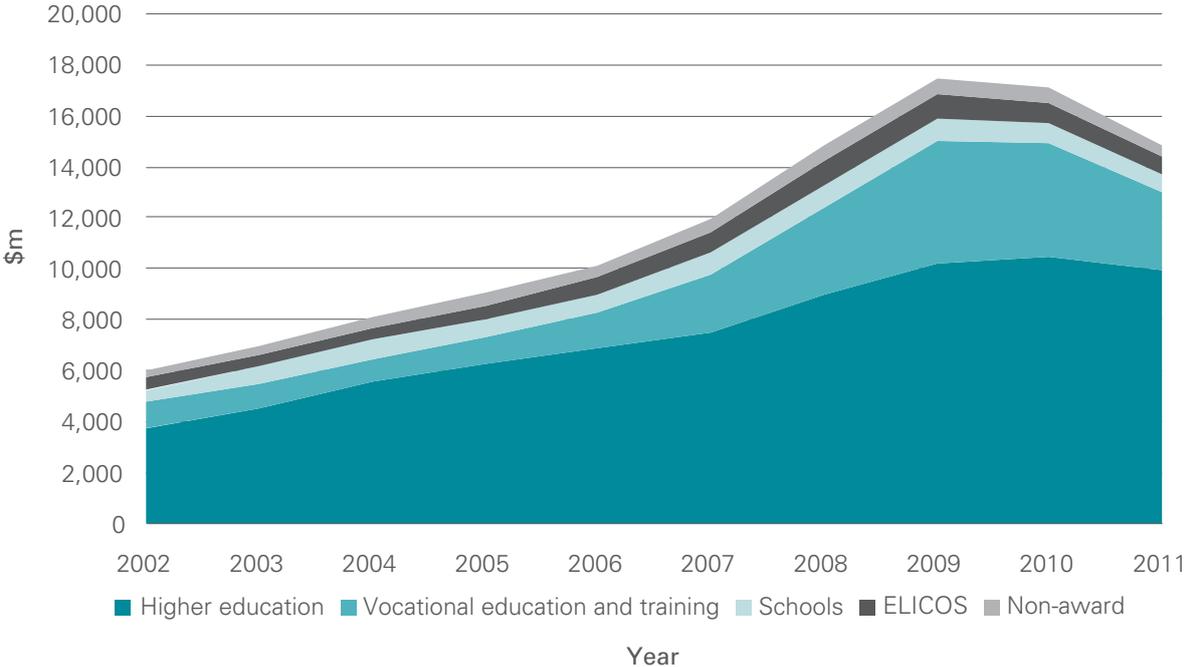
International education brings numerous social, cultural and economic benefits to Australia. Among the benefits are: revenue for Australian educational institutions, contributing to the development of world-class facilities and improved educational experiences for all students; and investments by international students in the Australian economy.

As shown in Figure 8, international education in 2011 delivered an income of \$15.7 billion to Australia, with the higher education sector representing 65.6 per cent of this total.

1 UNESCO 2012

2 Olsen A 2012

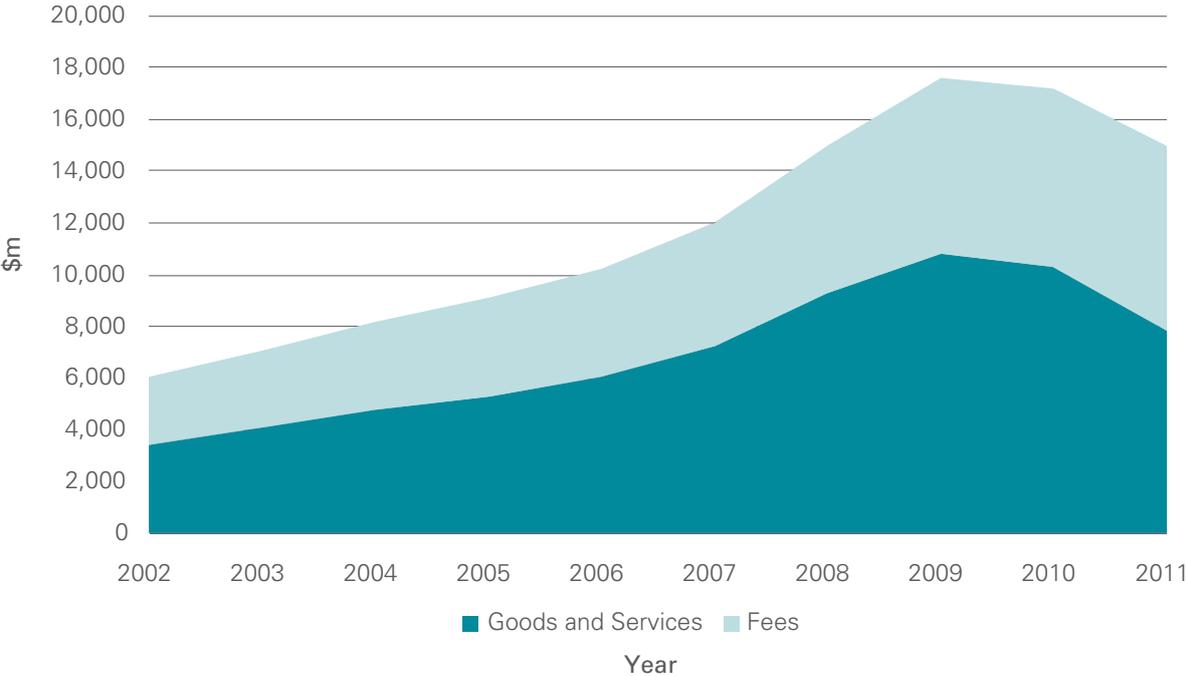
Figure 8: Export income from education services by sector (2002 – 2011)



Source: International Trade in Services by Country, by State and by Detailed Services Category, Calendar Year, 2011 (ABS cat. no. 5368.055.004)

The economic benefits from international education are not confined to educational institutions. In fact, the majority (52 per cent) of the \$15.7 billion revenue from international education in 2011 flowed to the host communities – the local shops and retail sector, accommodation providers, travel services and other community enterprises, as depicted in Figure 9.

Figure 9: Export income from education: type of expenditure (2002-2011)



Includes exports derived from onshore activity only.
Source: ABS Cat. no. 5368.0.55.004

The Asian Century

Eighty per cent of our international students come from Asia. The top five countries contributing to this are China, India, South Korea, Vietnam and Malaysia.

As the Asian region has become more affluent, the size and quality of the region's domestic education sectors have risen. While many countries are focused on making rapid improvements to their universities and governments and individuals are investing heavily in the sector, demand for high quality education is likely to continue to outstrip supply. Asia's expanding middle class will seek greater access to educational opportunities as a driver for more highly skilled and better paid jobs. Studying abroad is considered important to obtain these jobs. This preference has led to the number of students from China studying overseas almost trebling from 117,300 in 2003 to 339,700 in 2011. This has contributed to Australia and China developing strong relationships and long lasting friendships across all walks of life, including business, research, education and government.

Australia's well established international education reputation and long-lasting links with alumni and institutions throughout the Asian region positions us well to make the most of these opportunities. Many Asian economies have ambitious plans to upgrade the skills of their workforces and Australian institutions have begun to provide education services within the Asian region, either directly through collaborative arrangements with offshore partners or at fully or partly-owned campuses offshore. The majority of these programs are currently in China - although they are expanding across the region - and they often deliver Australian qualifications.

The Australian Government has announced its commitment to ensuring that Australia continues to be recognised as a partner of choice for education and that education providers adapt their existing practices to improve links with and access into the region. The Australia in the Asian Century White Paper includes a number of Government commitments to international education.

To achieve two way people-to-people links between Asia and Australia, the AsiaBound Grants Program³ will provide more than 10,000 additional grants over three years to encourage Australian students to take up approved, short term study and exchange opportunities in Asia. There will also be 12,000 Australia Awards (Asian Century) over the next five years to nations in Asia, which will include work placements and support of mid-career sabbaticals.

Other Government priorities to meet the challenges of the Asian Century include: strengthening research and teaching links between Australian institutions and those in the Asian region, expanding VET services throughout the Asian region, providing access to Asian languages in schools, implementing strategies to build cohesive relationships with priority countries, working with business to open market opportunities – especially in education, building in-country partnerships and developing complementary skills and qualification assessment and recognition.

3 Australian Government 2012, AsiaBound Grants Program

4. The outlook for international education

Australia's international education sector is built upon a long history of innovation, leadership and commitment to ensuring a high quality education and positive student experience. However, the strategic context of international education is changing, and emerging challenges will require creative, coordinated solutions. The Council has drawn on advice from submissions and consultations, data from a variety of sources, and analysis from Boston Consulting Group to develop an understanding of the outlook for international education.

Favourable conditions up to 2009

Australia's international education sector enjoyed much success in the period up to 2009, characterised by continual growth, arising from a significant first-mover advantage and complemented by the relatively lower value of the Australian dollar. Pioneering approaches from Australian institutions resulted in a customised student experience, encompassing support from pre-departure to the completion of studies. A key feature was the development of student support mechanisms, including legislated tuition protection, and academic pathways, with innovative promotional approaches helping to increase numbers of international students.

The sector was boosted by changes to Australia's migration arrangements in 2001, enabling international students with skills in demand to apply for Permanent Residency while onshore. Student visa conditions were also modified in 2007 to include access to work and skilled graduate visas. These two changes resulted in high growth in enrolments in 2002 and 2008.

This success has not gone unnoticed by other countries, which are now emulating aspects of Australia's system, as they actively seek to develop their own international education sectors. Australia's long history of success provides a strong platform to address the challenges presented by the changing strategic context of international education.

Future demand for international education

Globally, the number of internationally mobile students has increased from two million in 2000 to over four million in 2010 – a growth rate of seven per cent per annum⁴. This trend is expected to continue over the next decade, with United Nations Educational, Scientific and Cultural Organisation (UNESCO) predicting that the number of internationally mobile students will rise from 3.4 million in 2009 to seven million by 2020. At least 50 per cent of this growing cohort, or 3.5 million students, are expected to seek an English language education, whether within an English speaking destination country, or an English-language delivered qualification in a non-English speaking country.

The growing middle class in Asia, especially China, places great value on study and will drive the demand for high quality education. Government investment has rapidly increased the supply of higher education in China and has directed funding to improve the quality of a number of key universities, but demand will continue to outstrip domestic supply.

Undergraduate demand from India is an emerging growth area, again driven by rising middle class wealth, Indian students' willingness to study abroad, and the insufficient capacity of high quality domestic institutions. Unlike China, the Indian student cohort will continue to grow over the next decade. Domestic supply is likely to increase to achieve the Indian Government's goal of a 30 per cent gross enrolment rate in higher education by 2020, with particular growth from private higher education institutions, which may not necessarily have the depth of expertise of leading universities.

Addressing this demand through greater integration with Asia, as proposed in the Australian Government's response to the Asian Century, will be important. It is vital, however, that Australia does not neglect the rest of the world – Europe, North America, and emerging growth areas like Latin America, the Middle East and Africa.

Drivers of student choice

There are a number of key drivers of choice at each stage of the international student experience, with varying levels of importance and degrees to which they can be influenced. Cost, career and global mobility are the most important. Students also value the quality of education and broader international experiences – including the quality of teaching and content, safety, culture, support services, employment opportunities while studying – as well as alumni networks and work experience opportunities.

Global supply

The increasing global demand for high quality education is a key factor in driving greater competition from traditional destination countries like the United States, the United Kingdom, Canada and New Zealand, as well as from emerging competitors, particularly within Asia. Massive Open Online Courses (MOOCs) as well as commercial onshore delivery will also result in changes to the future of education delivery and the characteristics of the student experience.

A key challenge facing Australia is that competitor countries have a greater capacity to increase their onshore intake of international students, which currently represent 21.3 per cent of total tertiary enrolments in Australia, compared with 16 per cent in the United Kingdom, six per cent in Canada and three and a half per cent in the United States.⁵

Recent policy and strategy trends in major competitor countries suggest a greater focus on international education. These are driven by a number of factors, including financial challenges in universities due to their respective domestic economic situations and demographic drives for increased immigration. The increased attention on recruitment of international students by traditional competitors and emerging competitors like Malaysia has the potential to greatly increase the supply of international English language tertiary education places, potentially beyond the level of global demand.

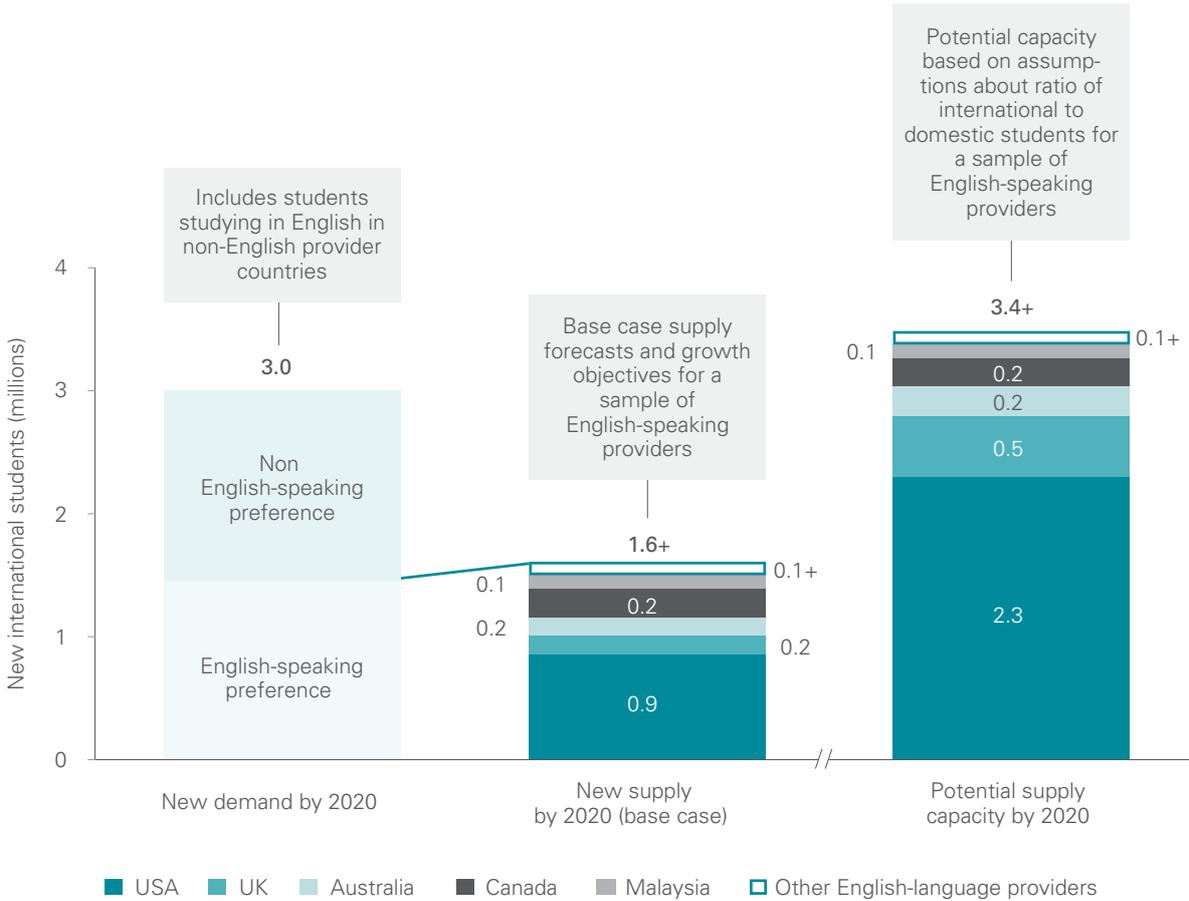
In the United States, for example, international students tend to be concentrated in a small number of highly ranked institutions - 25 universities in the United States account for 20 per cent of the total international enrolments in that country⁶ – and the average proportion for the top 200 ranked universities is 11.4 per cent. There is significant potential for other universities to increase their international student numbers.

If current growth trends continue, it is estimated that there will be an additional three million international students seeking a higher education qualification by 2020, with half of these seeking an English language-delivered qualification. If major destination countries achieve their stated goals, it is possible that global supply will exceed global demand for international higher education delivered in the English language. Figure 10 shows that for Australia to remain an attractive destination for high quality international students, it must continue to ensure a competitive value proposition.

5 OECD 2012,

6 AEI 2012, Research Snapshot, International student enrolments in United States institutions, 2010-2011

Figure 10: Possible demand for higher education in English-speaking countries compared to supply



Source: Australia's International Education Industry – Analysis of Strategic Trends, Boston Consulting Group, February 2013

Increasing cost

Australia's competitiveness has been challenged in recent years due to the rising relative cost of education (combined fees and cost of living), particularly as a result of the appreciation of the Australian dollar. The reputation of Australian universities as measured by international rankings has seen some improvement over the past few years, but studying in Australia has become significantly more expensive. Figure 11 shows that the average annual cost of studying and living in Australia in 2011 was \$44,000 compared to \$37,000 in the United States and \$30,000 in the United Kingdom.

Figure 11: Annual total cost of higher education and living costs



Source: Australia's International Education Industry – Analysis of Strategic Trends, Boston Consulting Group, February 2013

In order to reduce the impact of relative cost increases, Australian institutions will need to continue to boost other aspects of their value proposition to ensure the highest quality student experience. This highlights the need to continue to focus on the quality of education and other valued features like work opportunities, community support and Australia's legislative support for international students.

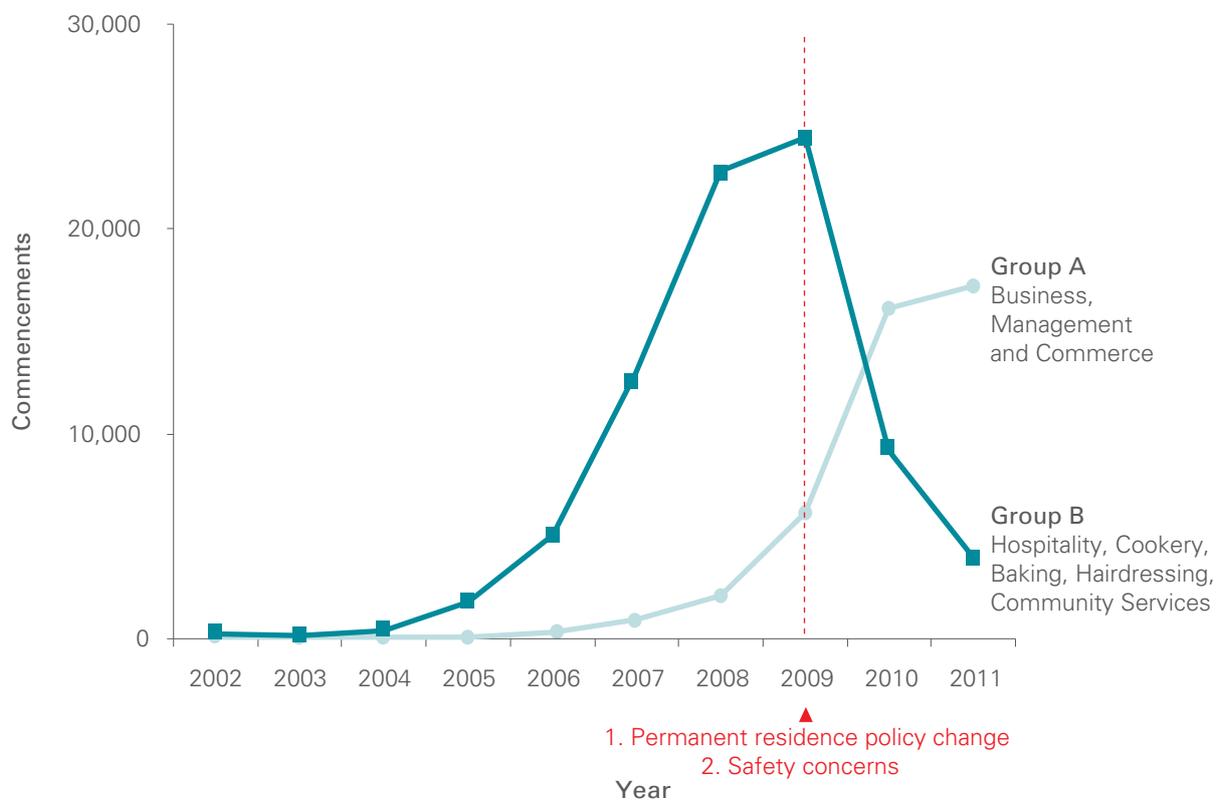
Some cost levers, such as transport concessions or accommodation availability, are beyond the control of individual institutions and require a more coordinated approach. The Council welcomes the recent decision by New South Wales to provide transport concessions to international students.

Post-study options

Data indicates that post-study options are a key factor influencing student choice and their desire for global mobility. The well documented decline in student enrolments after 2009 was driven by escalating relative cost and visa changes which explicitly removed the direct link between education and permanent residency.

While safety concerns were a factor, Figure 12 shows that enrolments declined in VET courses in specific disciplines that had traditionally been considered as contributing toward migration outcomes. During the same period, VET courses in Business, Management and Commerce experienced growth in enrolments.

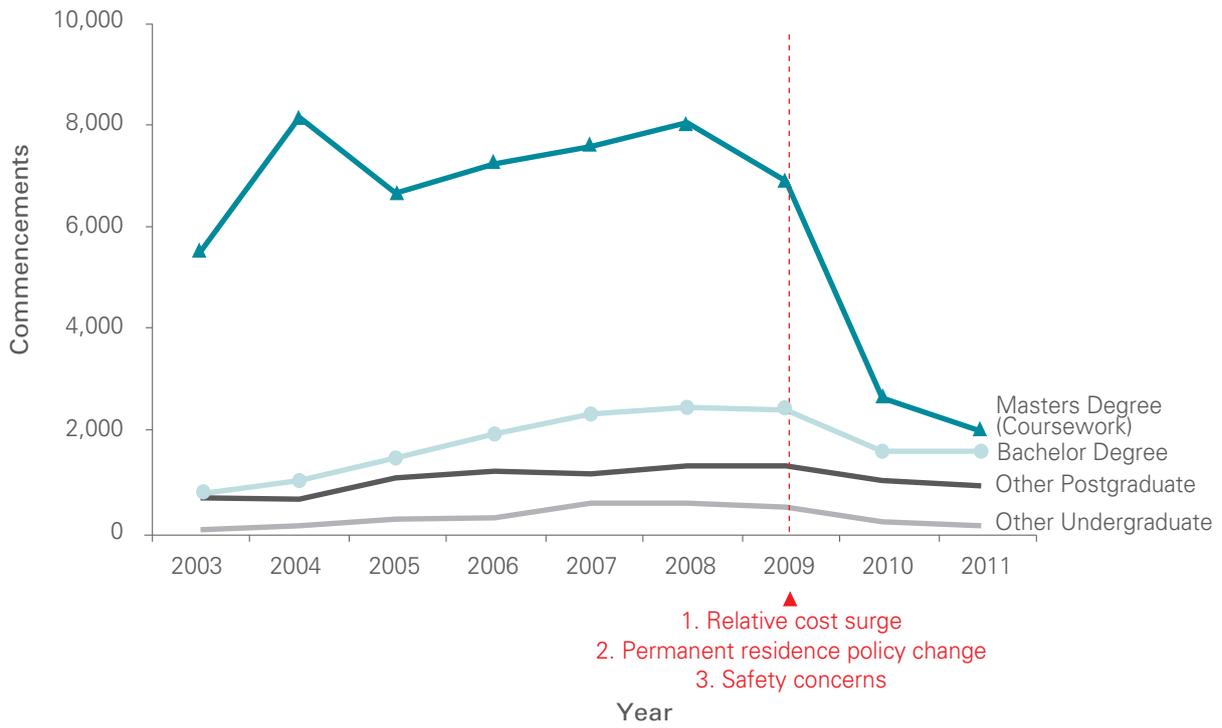
Figure 12: New enrolments in Australian onshore VET courses by Indian students (2002-2011)



Source: Australia's International Education Industry – Analysis of Strategic Trends, Boston Consulting Group, February 2013

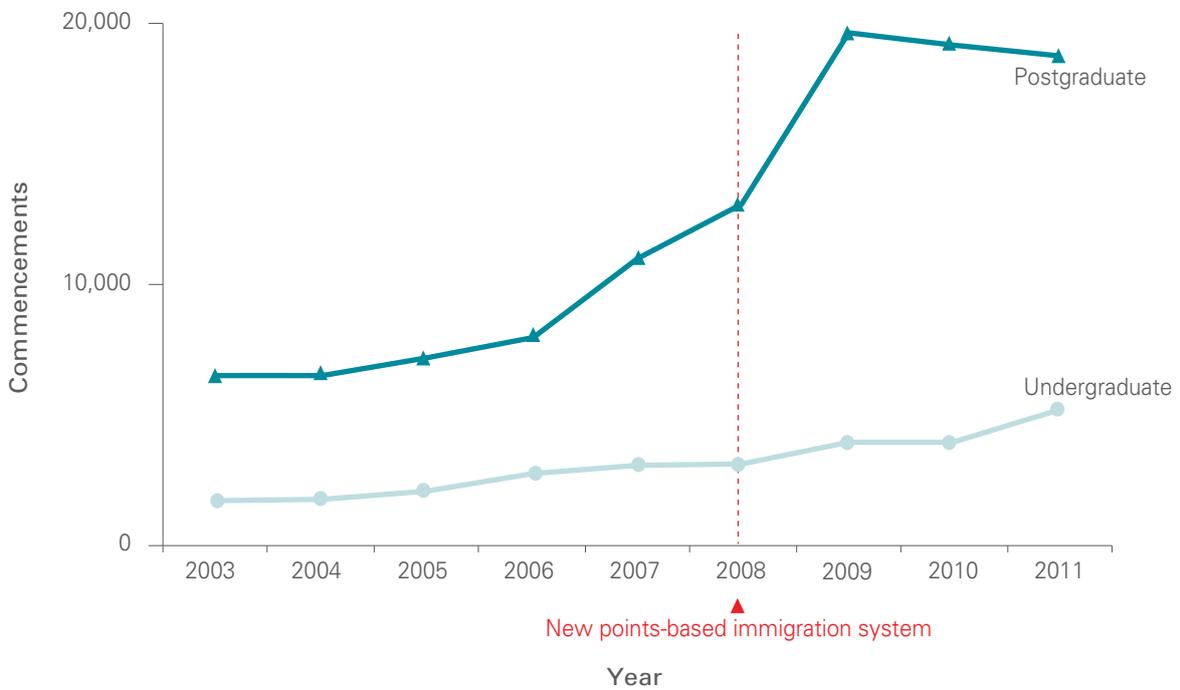
Analysis of impacts from visa settings in Australia and in other countries demonstrates the significant influence that changes to migration policy have on student choice for some countries. Figure 13a shows that the tightening of the migration pathways in Australia in 2009 resulted in a significant decrease in postgraduate coursework commencements, which were seen as a direct pathway for Indian students. This coincided with the easing of migration pathways in the UK, which resulted in a similar level of increase in Indian student commencements in postgraduate courses – shown in Figure 13b.

Figure 13a: Indian student numbers in Australia (2003-2011)



Source: Australia's International Education Industry – Analysis of Strategic Trends, Boston Consulting Group, February 2013

Figure 13b: Indian students in the United Kingdom (2003-2011)



Source: Australia's International Education Industry – Analysis of Strategic Trends, Boston Consulting Group, February 2013

The recent changes to Australia’s visa settings provide the opportunity to seek post-study employment, which will help graduates develop employability and communication skills. These changes appear to have been well received, as shown in Table 5. Offshore higher education visa grants grew strongly in 2012 following these changes, with grants in each quarter growing over the same period in 2011. These grants are likely to be reflected in commencements within pathways programs in 2013 before flowing through to higher education.

Table 5: Growth in offshore higher education visa grants

Quarter	Growth over same quarter in previous year
October to December 2011	-22%
January to March 2012	6%
April to June 2012	15%
July to September 2012	29%
October to December 2012	26%

Source: DIAC student visa program quarterly reports

Impact of technology/online

While there has been widespread attention on MOOCs and the emerging opportunities in this area, the impact of online delivery will differ depending on the complexity of the course of study. Some, such as Management and Commerce VET courses or shorter postgraduate by coursework qualifications, have a higher chance of being substituted by online delivery options (both within Australian institutions as they update their offerings, or as competitors offer an online alternative) than higher degree by research qualifications.

In addition, those courses of study requiring significant elements of face-to-face, on-campus interaction, such as intensive English language courses, will be less likely to be replaced by an online substitute. The key challenge for Australian institutions is to integrate online delivery with on-campus offerings in order to provide a comprehensive and flexible study experience.

Offshore education

The establishment of a physical presence overseas is a significant investment requiring substantial capital outlay, and commercial benefits may not be immediately evident. The longer term benefits of an offshore presence - accessing new sources of talent, tapping into fresh sources of research funding and broadening the education offering - are often the primary motivators for establishing offshore operations. The opportunities for growth in offshore education may be significant, but rely on developing effective relationships with appropriate partners. Australian institutions and regulators must ensure integrity in education delivery to manage the broader risk to brand Australia that may result from poor quality delivery outcomes.

The emergence of education hubs in South East Asia and the Middle East present opportunities for Australian education institutions to pursue offshore delivery models through appropriate partnerships.

In addition, elements of Australia’s foreign aid program, which are aimed at helping improve productivity and workforce capacity across our region, provide opportunities to draw on the expertise of Australian education institutions in offshore locations.

Conclusion

The Australian Government has acted on a number of the drivers of student choice, particularly relating to streamlining visa processing and post-study employment opportunities. In order to develop long-term competitive advantage and sustainability, we need to concentrate our efforts on influencing those drivers that require more time to change. These include broader living experiences, international reputation, industry partnerships, workplace experiences that support graduates to develop employability skills and international partnerships.

The higher education sector drives growth in pathways courses, and getting the settings right for higher education will result in benefits for other sectors as students progress through those pathways.

Australian education institutions have established a dynamic network with a range of diverse international partners, providing valuable perspectives which help to internationalise educational offerings. The ability to draw on these relationships in order to remain at the forefront of global knowledge generation is paramount. Additionally, partnerships between Australian education institutions and industry will be vital in order to support graduates to develop the necessary employability skills to operate in the workplace, and to provide employment opportunities for graduates of Australian education, both in Australia and overseas.

It is important to develop an effective way to connect the achievements across the sector, acknowledge the many benefits that international education brings, and recognise how integral international education is to Australia's domestic education system. Drawing together the individual, institutional and government efforts and communicating the benefits of a diverse international education is a challenge for the sector, requiring coordinated local, national and international action from all stakeholders.

5. Projections of inbound student numbers

A fundamental question facing the Council was the extent to which Australia should seek to maintain its share of the international student market going forward. Doing so would require an annual growth in commencements of around seven per cent – the rate at which the Organisation for Economic Cooperation and Development (OECD) estimates international student numbers will increase.

Growth at this level would result in around 760,000 international student enrolments in Australia by 2020 – a 50 per cent increase on 2012 figures. It would represent a total student body of 595,000 (the difference being that a proportion of students are enrolled in more than one course at any time), which is around 190,000 students more than are in Australia today.

Such a level would present infrastructure challenges and, in the Council's view, is unlikely to eventuate.

The relationship between students and enrolments

While the majority of international students studying in Australia are enrolled in a single course in a single sector in any given year, a number of them enrol in more than one course in a given sector, and some take on courses in more than one sector in the same year (for example, ELICOS and higher education). This means that the number of students in Australia is less than the number of enrolments.

Table 6 shows the relationship between enrolments, students and sectors in 2012. The student-to-enrolment proportion shows the average number of enrolments for each student. For example, on average, each VET student was enrolled in 1.4 VET courses in 2012.

Table 6: International student numbers by sector in 2012

Sector	Enrolments	Students	Student to enrolment proportion
Higher education	230,923	216,392	1 : 1.07
VET	145,540	103,677	1: 1.40
ELICOS	95,224	78,839	1 : 1.21
Schools	18,599	18,496	1: 1.01
Non-award	25,567	25,520	1 : 1.00
Total	515,853	442,924	1 : 1.16
Actual students	--	402,388	--

Source: AEI international student data

The difference between the sum of the number of students studying in each sector (442,924) and the actual number of international students studying in Australia (402,388) reflects those students that are studying in more than one sector (on average, students studied in 1.1 sectors in 2012). The proportions above have been used to estimate the number of students by sector and in total in 2020.

International student numbers

The principal driver of international student numbers, with the exception of the VET bubble-period of 2008-2009, has been the higher education sector. International enrolments in higher education institutions (principally universities) have grown from close to zero in 1985 to an average of 21 per cent today.

This rate of growth has slowed as institutions have approached their carrying capacity and, while additional potential exists through private-public partnerships, more modest onshore growth overall is expected. Growth in the higher education sector beyond these levels should be focused on postgraduate students and offshore development.

In order to get a better feel for this, the Council conducted an informal survey of Australia's universities to understand their expectations for international student numbers in 2020. We found that half expected modest growth in international students, 37 per cent expected to achieve significant growth and 14 per cent expected numbers to be maintained or slightly decrease.

Overall, taking account of the size of the institutions in each category, the Council concluded that student commencements are likely to increase by an average of around five per cent per annum over that period. Given that 60 per cent of higher education students follow a study pathway prior to commencing their higher education course, the other sectors would benefit accordingly.

Such a growth rate would result in Australia hosting just over 520,000 students in 2020 (with total enrolments of around 660,000), an increase of 117,000 students on today's level. We consider such an increase manageable, if appropriate steps are taken to ensure that the infrastructure underpinning the international education sector (eg. accommodation) is developed to meet such demand. Recommendations to achieve this are described in Section C of this report: A positive student experience.

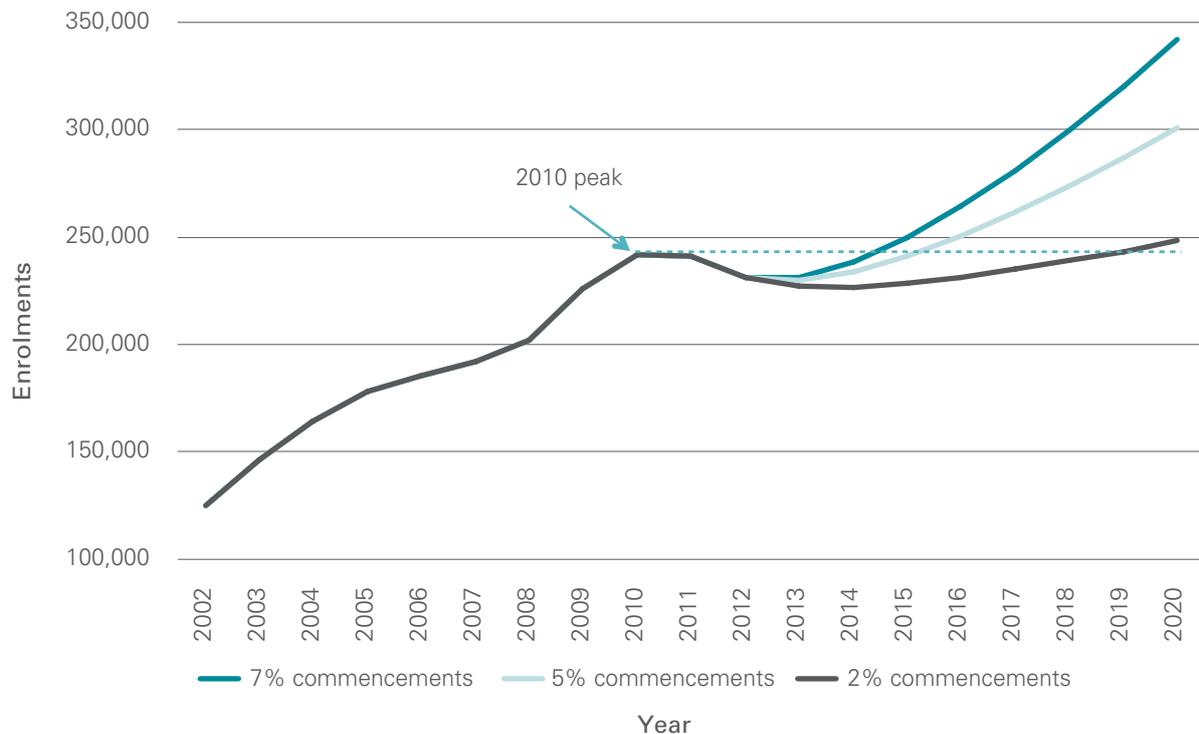
Scenarios considered

Such projections are, of course, full of uncertainties – in particular because unforeseen external events like economic disruptions, exchange rate movements and technology developments can have a significant effect on outcomes. Accordingly, the Council has considered three scenarios for annual growth in commencements in Australia; two per cent, five per cent and seven per cent. Each scenario utilised pathways analysis given the importance of the ELICOS and non-award sectors as feeders into higher education, with growth in higher education reflected in corresponding growth within these feeder sectors. School commencements have been in decline since 2008, and visa changes following the review of Australia's student visa program in 2011 make the higher education sector more attractive than the VET sector. Despite these changes, the Schools and VET sectors are also pathways for students progressing to higher education. We concluded that, taking account of these factors, the VET and Schools sectors are assumed to grow by two per cent per annum less than the higher education, ELICOS and non-award sectors in each scenario.

Higher education

Higher education projection of enrolments take into account a decline in the total number of students anticipated in 2012 to 2013, due to the large 2009 cohort completing their courses of study, and falls in the number of commencements in recent years. The increase in new visa grants witnessed this year is expected to result in a rise in commencements after 2012.

Figure 14: International higher education enrolments, three scenarios of commencement growth

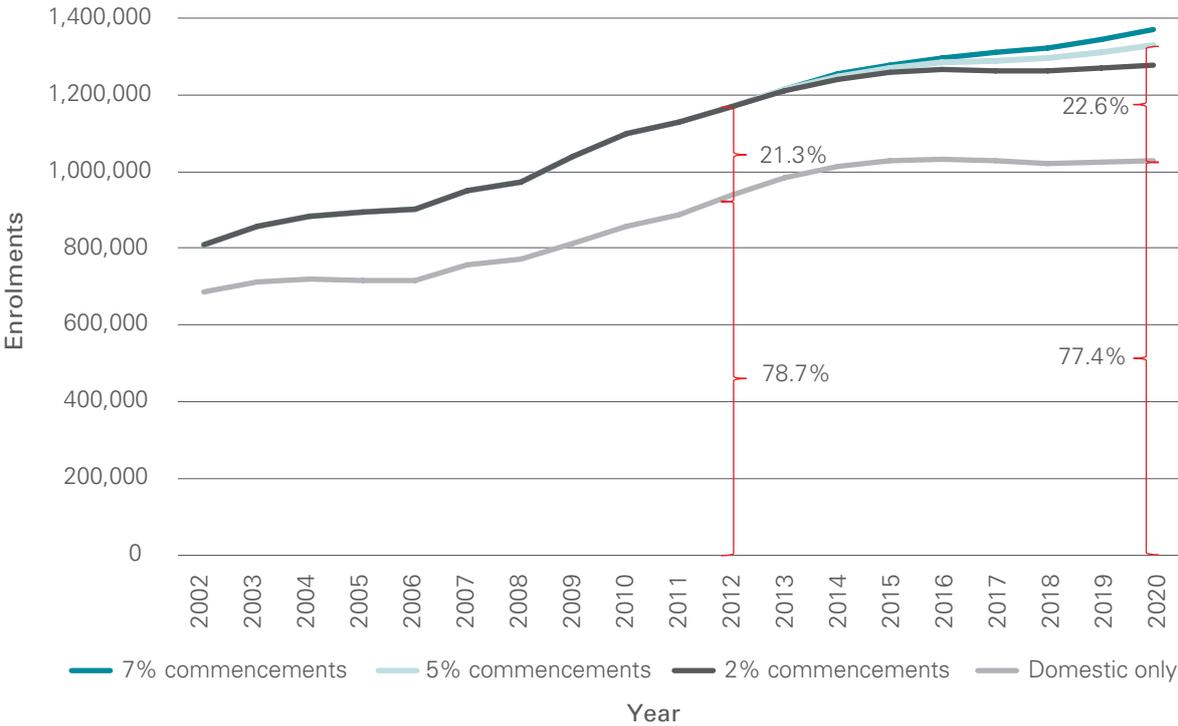


Source: AEI international student data

The number of domestic enrolments in Australian higher education is anticipated by DIISRTE to increase to around 1,030,000 in 2020, an average annual growth rate of 1.1 per cent from 2012 (this growth would achieve the Government’s target attainment rate of 40 per cent of 25-34 years olds holding at least a bachelor level qualification). Figure 15 shows that if the number of international higher education enrolments grew at the rate of three per cent (equivalent to the mid-case five per cent growth in commencements) to 300,000 by 2020, this would result in the proportion of international students to domestic students rising from the 2011 level of 21.3 per cent to 22.7 per cent. We note that this is consistent with the general view expressed by universities in our survey that they expect the international student proportion of their enrolments to remain approximately at current levels.

In this scenario, Australia will be educating 1,330,000 higher education students in 2020 compared with 1,170,000 today.

Figure 15: Higher education enrolments from domestic and international students – three scenarios of international commencement growth



Source: AEI international student data

If Australian higher education experienced growth in commencements at seven per cent per annum, which is the anticipated growth rate of global demand for international higher education, international enrolments would reach 342,000 by 2020 from an estimated 321,000 international students. International students would then represent around 25 per cent of total higher education enrolments. This would require additional supporting infrastructure and community capacity to ensure a positive student experience.

In the constrained scenario of two per cent growth in higher education commencements from international students, there would be roughly 248,000 higher education enrolments from an estimated 233,000 international students in 2020 – a seven per cent increase on current levels.

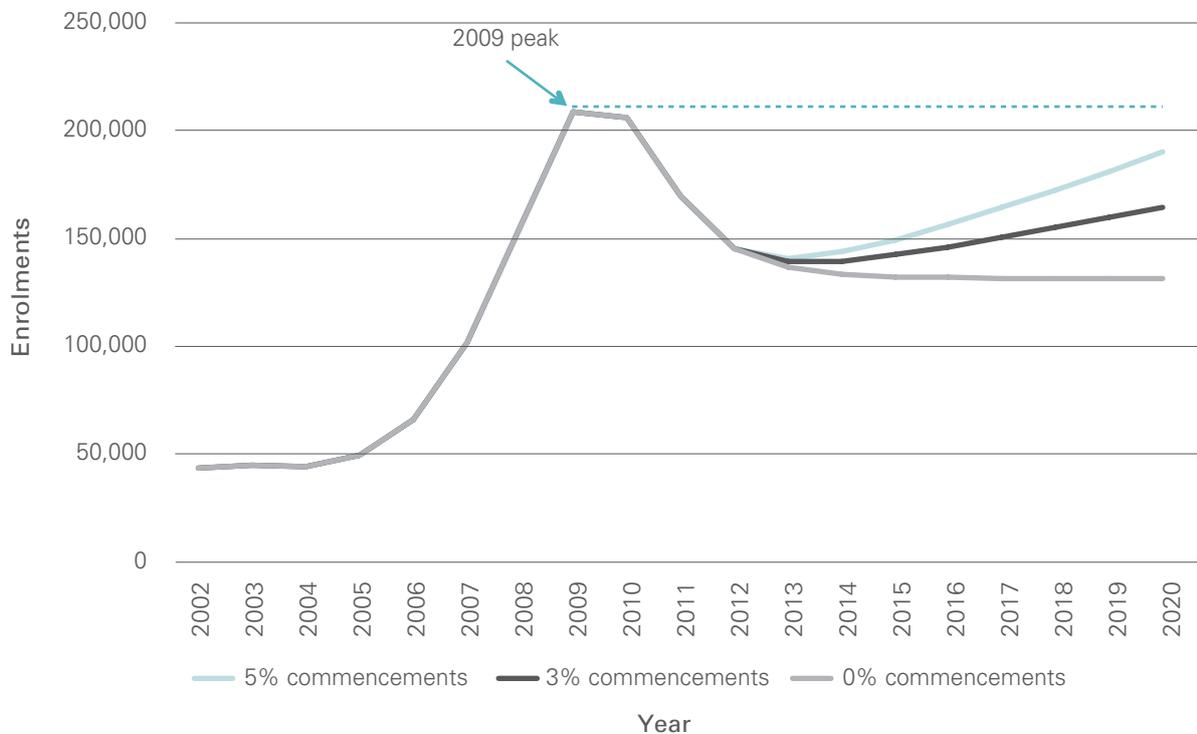
Vocational education and training

The recent changes to Australia’s student visa program have removed the migration-oriented bubble that drove unsustainable growth in the VET sector, leaving it well-placed to continue supporting genuine students. While growth here may be less than that experienced by higher education, VET qualifications will still be in demand, both as a pathway toward higher education and as a qualification in their own right. As discussed above, the Council considered growth in commencements of zero per cent, three per cent and five per cent per annum.

Figure 16 shows that a three per cent per annum growth rate for VET commencements would result in a low inflection point for VET enrolments in 2013, before reaching around 165,000 enrolments from an estimated 117,000 international students in 2020.

A high growth ratio of five per cent per annum in VET commencements would result in 190,000 VET enrolments from an estimated 135,000 international students in 2020. These figures compare with 146,000 enrolments and 104,000 students today.

Figure 16: International VET enrolments – three scenarios of commencement growth



Source: AEI international student data

ELICOS

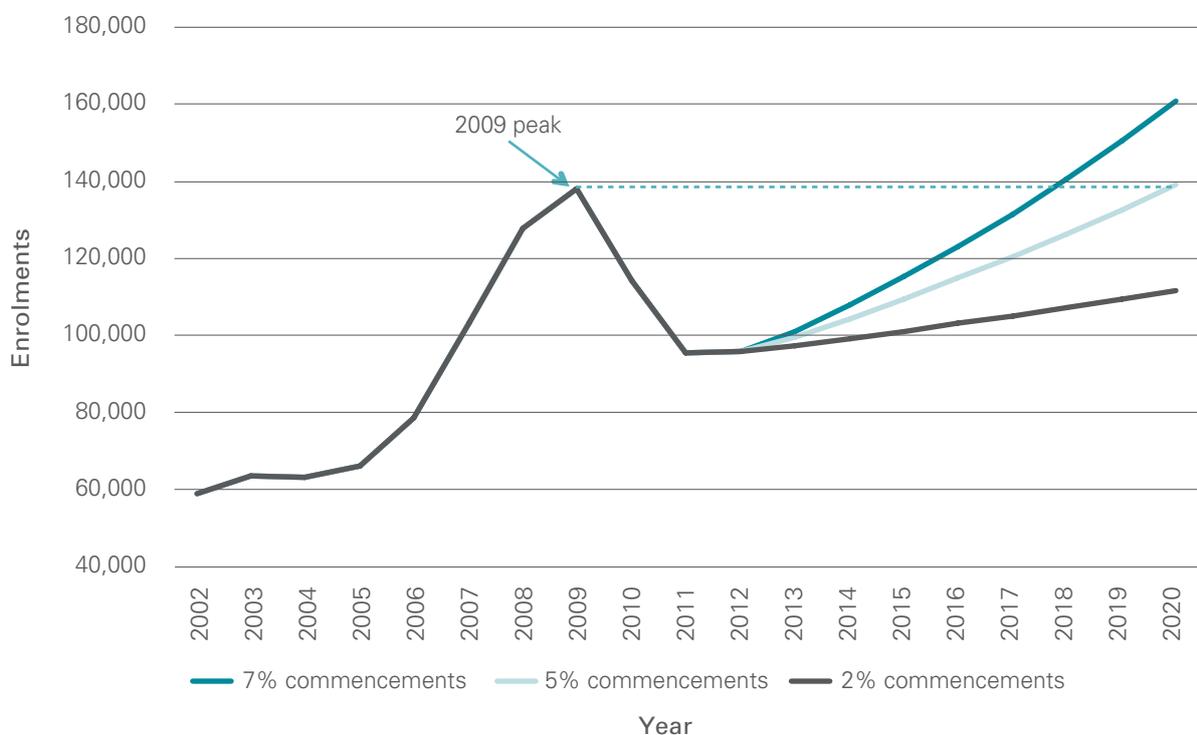
ELICOS is an important sector, both for students studying English language in its own right, and as a pathway into VET and higher education. The expected growth in higher education commencements and enrolments will have a positive impact on the ELICOS sector as students undertake English language training before starting their higher education qualifications.

In a scenario of seven per cent growth in ELICOS commencements (consistent with the expected growth of demand for international tertiary education), the number of ELICOS enrolments would reach 161,000 by 2020 with approximately 133,000 students.

Figure 17 shows that a five per cent growth per annum in ELICOS commencements would see the number of ELICOS enrolments reach 139,000 by 2020, from approximately 115,000 students.

Under the scenario of two per cent growth, ELICOS enrolments would increase from approximately 95,000 to 111,000 by 2020 – a 17 per cent increase on current levels.

Figure 17: International ELICOS enrolments – three scenarios of commencement growth



Source: AEI international student data

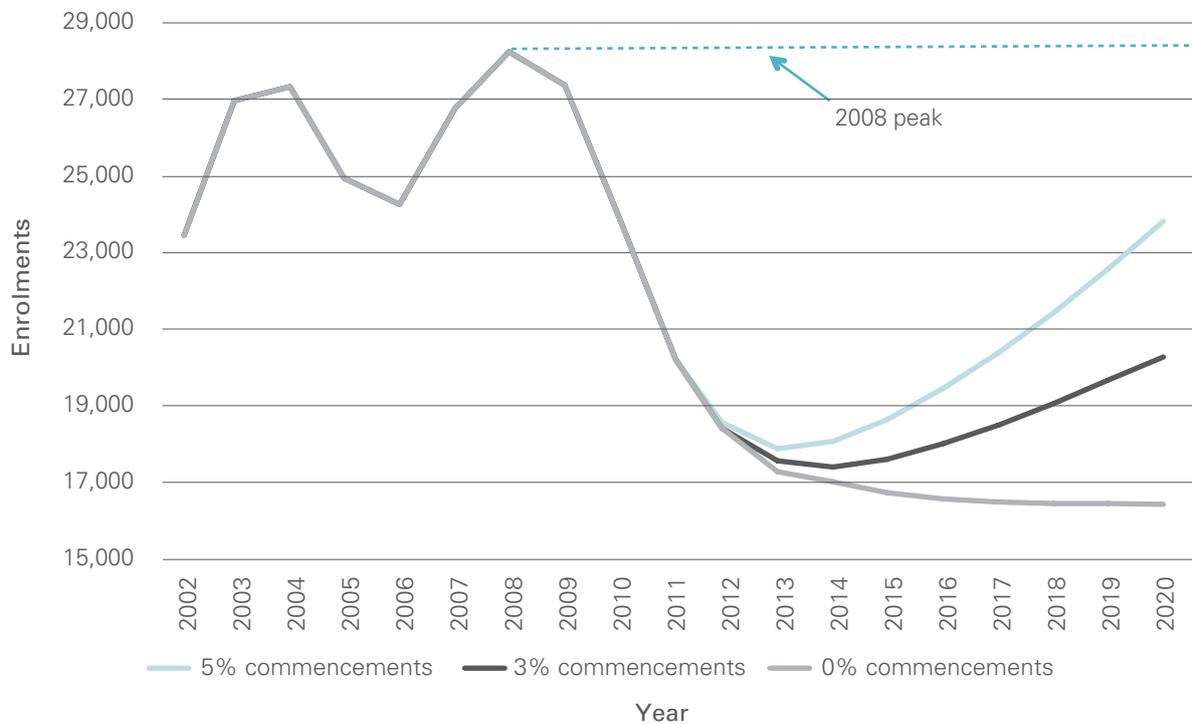
Schools

The schools sector has seen falling demand from international students for a number of years. Much of this can be attributed to the high Australian dollar, the global financial crisis, and possible parental concern of entering into a long-term commitment to a school education in an overseas country, compared with a relatively shorter tertiary education experience. The expected growth in higher education qualifications, however, may be preceded by some growth in schools enrolments as a pathway to higher education. As with the VET sector, the Council considered growth in commencements of zero per cent, three per cent and five per cent per annum.

Figure 18 shows that a three per cent per annum growth rate for schools commencements would see schools enrolments bottom out in 2014, before reaching around 20,000 enrolments from an estimated 20,000 international students in 2020.

A growth rate of five per cent per annum for schools commencements would see an estimated 23,000 schools enrolments in 2020 from an estimated 23,000 international students in 2020. These figures compare with 18,600 enrolments and 18,500 students today.

Figure 18: International school enrolments – three scenarios of commencement growth



Source: AEI international student data

All sectors

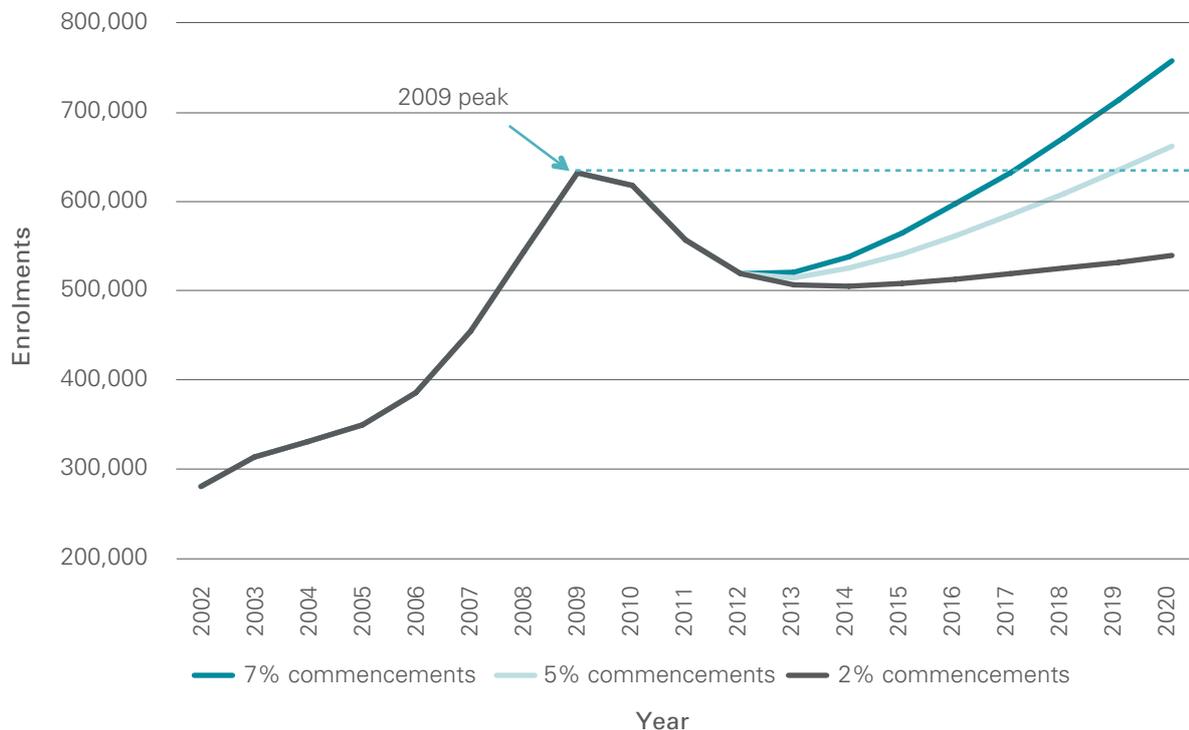
Growth in commencements from international students in Australia's universities of five per cent per annum, with corresponding growth in the respective pathways courses, would result in nearly 520,000 students in Australia (roughly 660,000 enrolments across all sectors) in 2020. This is greater than the 2009 peak, and the Council is confident that with appropriate strategies, Australia would be able to provide a high quality international study experience to this number of students.

Growth in higher education commencements from international students at seven per cent (retaining global market share) with corresponding growth in each pathways sector, would result in a total of 759,000 enrolments from 595,000 international students in Australia by 2020. This is shown in Figure 19. While this number may be achievable, significant additional investment would be required to ensure all domestic and international students are supported appropriately to maximise their study experience.

If competitors succeed in increasing their student numbers at the expense of Australia, growth may be more constrained. At a two per cent per annum growth rate in commencements, enrolments would not reach the 2009 peak by 2020 (in this case, total enrolments would equal 2012 numbers by 2017).

One implication from these projections is that Australia should continue to draw on its long and successful experience in international education to move up the value chain, focusing on attracting high quality students by providing a superior student experience.

Figure 19: International enrolments in all sectors – three scenarios of commencement growth (VET and schools 2% less growth than other three sectors)



Source: AEI international student data

6. Key issues and recommendations

The Council has identified a vision, a mission statement and seven key issues it considers vital to shape the Government's five year strategy for international education and has developed a number of recommendations to address the issues.

A national strategy for international education will position Australia to respond in a coordinated manner to the unique education and research opportunities arising through the internationalisation of education. A national strategy would be a significant contributor for shaping future generations of highly skilled and educated global leaders.

A. Coordination

Strategic aim: Ensure improved coordination of government policy and programs for international education and better consultative mechanisms for stakeholders, in order to optimise government support for the international education sector.

International education in Australia urgently requires a coordinated national approach, and the suggestions from stakeholders have ranged from greater coordination of the effort by governments, education institutions, business and industry through to variations on a new body with responsibility for international education.

A number of submissions were concerned with perceived fragmented actions across education, migration and marketing initiatives by governments, which prompted calls to improve policy coordination, representation and alignment across the sector.

There was support in a number of submissions for a new and separate body to take on a coordinating and advocacy role, though there were different views about the structure and responsibilities of a new body. Suggestions included:

- a broad, ongoing industry-led body to engage with government, business, industry and educational institutions;
- an ongoing role for the International Education Advisory Council, possibly with representative sub-groups focusing on topics such as student mobility and transnational education; and
- a new body, similar to Tourism Australia or the British Council, that would take responsibility for promotion and marketing.

Stakeholders in international education

The broad range of stakeholders involved in international education in Australia includes Australia's universities, VET institutions, English language providers and schools, peak bodies, professional associations, regulatory agencies and all Australian governments.

Responsibility for international education can lie across a number of portfolio agencies in Australian and state and territory governments. At the Australian Government level DIISRTE has the lead policy and coordinating role and convenes portfolio agencies to meet through an Interdepartmental Forum on International Education to address policy issues relating to international education.

The regulatory architecture of international education in Australia is supported by the *Education Services for Overseas Students (ESOS) Act* and the two national regulators – TEQSA and ASQA.

Australian Government and state and territory representatives meet regularly through the Joint Committee on International Education (JCIE). TEQSA and ASQA are also represented on the JCIE. A number of states, such as New South Wales, Victoria and Western Australia are concurrently developing strategies in their jurisdictions.

At sector level, there are numerous peak bodies such as Universities Australia, Group of Eight, Innovative Research Universities (IRU), Australian Technology Network (ATN), TAFE Directors Australia (TDA), English Australia, the Australian Council for Private Education and Training (ACPET), International Education Association of Australia (IEAA) and peak school bodies. Individual institutions are responsible for their own business operations and there are a range of models in place, including some operating as dual-sector (higher education/VET) operations.

The Council is of the view that there is a critical need to establish a new high level Ministerial Coordinating Council on International Education (MCCIE) to be in place for the next five years. The MCCIE would be chaired by the Minister for Tertiary Education, Skills, Science and Research and comprise relevant Australian Government Ministers and representatives with expertise in matters relating to international education, science and research from across the sector, business and industry. The MCCIE could also include the Chief Scientist for Australia, the Chair of the Australia Awards Board and state and territory governments through the Chair of the JCIE.

The new MCCIE could meet twice a year, be supported by a secretariat from DIISRTE, and draw on further expert advice as appropriate.

The functions of the MCCIE could include:

- Identifying and addressing important issues of international education, including issues related to Australia's economy, future sector developments, and sustainable development in a global environment;
- Undertaking a key foresighting role, anticipating and reporting upon likely or emerging needs, threats or opportunities for Australia and providers of international education;
- Advising on the adequacy and effectiveness of Australia's infrastructure for supporting international students;
- Assisting in the evolution of government priorities by identifying any gaps that are uncovered in the foresighting role;
- Enhancing community awareness of the importance of international education to Australia's economic and social development;
- Holding forums on international education in order to ensure effective collaboration with stakeholders; and
- Preparing an annual report on its activities and on the main issues facing the sector, including a report on progress of the Government's five year strategy.

The Council is not well placed to make many significant recommendations on the VET sector, as the sector is currently undergoing significant change and institutional structures are in the process of adjustment. In addition, states and territories have different approaches to the international marketing of VET.

The issues and recommendations from this report and further analysis of the VET and schools markets; augmented by an ongoing focus on medium and long-term issues such as diversity, strengthened social infrastructure and innovation in Information and Communication Technologies would form a work plan for the Government's five year international education strategy. The proposed Vision and Mission statement will help shape this strategy.

The broad representational structure of the MCCIE, and the functions outlined above, would mean no continuing role for the current International Education Advisory Council.

A.1 Establish a Ministerial Coordinating Council on International Education (MCCIE) chaired by the Minister for Tertiary Education, Skills, Science and Research and including Ministers from relevant portfolios, drawing on expertise from across the sector, governments, business and industry to provide a coordinated approach to identifying and addressing key issues in Australia's international education sector.

- The MCCIE would provide oversight of a five year strategy.

A.2 Formulate a work plan for the Government's five year international education strategy shaped by the Vision and Mission statement and based on the issues and recommendations from this report.

B. Quality

Strategic aim: Position Australia as a provider of the highest quality education, while reducing over-regulation, duplication and overlap.

Australia's international reputation for high quality education delivery, with well-regarded qualifications, was identified by stakeholders as a strength. This reputation plays an important role in establishing and developing educational partnerships and attracting international students.

This factor has also been recognised internationally, including in the *Economist Intelligence Unit Review of International Education National Policy Frameworks in 2010*, where Australia was ranked second of 11 countries against the criteria of openness, access and equity with a particular strength in quality assurance and degree recognition.⁷

The Australian Qualifications Framework (AQF) is working to provide a transparent national policy which articulates clear academic pathways, and supports the recognition of Australian qualifications overseas and the mobility of Australian graduates. Significant ongoing work is being undertaken at government levels to progress the international recognition of Australian qualifications.

The ability of Australian education institutions and systems to draw on their long history and experience in high quality education delivery (through mostly on-campus experiences), leverage international partnerships and adapt to global demands will be key assets in the future. The Australia in the Asian Century White Paper states the Australian Government's objective that we will remain among the world's best for research and teaching in universities and that by 2025, 10 of Australia's universities will be in the world's top 100.

National regulators

While high quality education is often recognised in research, teaching and learning, sound regulation is an essential support for these activities.

A strong regulatory environment overseen by national regulators, the TEQSA and ASQA, supports the sector to maintain standards and support international students.

The Council is of the view that a settling-in period is required for these two new agencies as they establish their roles and relationships with the sector, including arrangements for providers serving more than one sector.

TEQSA and ASQA have been created as the guardians of quality in Australia's higher education and VET sectors. Both regulate provider obligations under the ESOS Act, the legislative framework which governs delivery of education to overseas students studying in Australia on a student visa.

TEQSA registers and evaluates the performance of higher education providers against the Higher Education Standards Framework.

ASQA has the same regulatory role for the VET sector. It is responsible for registering training organisations, accrediting courses and conducting an ongoing audit process to ensure compliance across the sector.

Both TEQSA and ASQA are currently working on refining regulatory processes, including those for the approval of courses. ELICOS providers are regulated by ASQA unless they are predominantly higher education institutions.

⁷ British Council 2010

Monitoring the effectiveness of recent reforms

During our consultation, some educators expressed concerns over regulatory changes and called for the national regulators to ensure a risk-based approach to quality assurance that acknowledges diversity in the sector and does not stifle innovation. There are widely-held views that there needs to be a period of stability and that it may take some time to monitor the effectiveness of new arrangements before any further major reforms are considered.

Domestic and international stakeholders recognise that the reforms following the Baird Review - *Stronger, simpler, smarter ESOS: supporting international students* and the *Knight Review of Australia's student visa program* will assist Australia's institutions to provide a world class education experience. In addition, a high quality experience is characterised by internationally recognised qualifications, world leading student support and a high-integrity competitive student visa program catering for students' aspirations for post-study employment opportunities.

While effective regulation is fundamental to underpinning the quality of Australian education, stakeholders advised that it is important Australia does not lose focus on achieving levels of quality beyond these minimum standards. Ensuring world-leading research and innovation that informs teaching and training and utilises diverse delivery models will help ensure that Australian education remains world class. Effective English language support throughout the course of study is important to prepare students for an English speaking workplace. A positive student experience, combined with employment opportunities for students that deliver real-world workplace skills, will complete the comprehensive quality proposition.

B.1 Allow a settling-in period for the new regulatory agencies, monitoring the effects and outcomes and making adjustments as required, with a full review at the end of their first audit cycle.

B.2 Monitor the progress of TEQSA and ASQA in refining regulatory processes, including the course approval process.

B.3 Further consolidate the regulatory requirements for providers serving more than one sector.

B.4 Continue to progress international recognition of Australian qualifications through government- to-government and multinational dialogue.

B.5 Ensure that any new regulations recognise that there are significant differences within the international education sector and that a 'one size fits all' approach may not be feasible.

Emerging delivery models

Emerging delivery models, including the growth of online learning and transnational delivery, bring new challenges in monitoring quality and protecting the reputation of Australia's brand.

Increasingly, students will be seeking new and innovative ways of engagement in learning. In addition to traditional on-campus experiences, emerging delivery models are likely to include increased transnational delivery within branch-campuses or partner institutions overseas; online or distance delivery; and tailored courses to provide professionals with discipline-specific or even organisation-specific development. A measured and balanced approach to ensure quality across delivery models will be a key challenge for the sector. Australia has a long history of diverse education delivery models, and has the potential to address these challenges.

Online education

'While a relatively new phenomenon, such models are unlikely to replace the demand from international students to obtain degrees from reputable universities but rather, it offers a glimpse of how traditional models will need to be supplemented by online teaching.'

Universities Australia on emerging trends in online delivery

Improvements in technology and social changes in communication channels have seen the significant emergence of online education, which presents exciting options for global knowledge generation and transfer. Australian institutions have long been involved in this area, but global competition is intensifying in the development of online delivery methods for formally recognised qualifications and for knowledge generation activities such as online seminars or forums to discuss global issues. The well documented rise of MOOCs is just one of the many developments driving change in international education.

Australian institutions are well placed to respond to these changes in online delivery and to provide attractive and efficient integration of online content into other educational offerings. Australia's National Broadband Network (NBN) offers significant potential for continued developments in this area.

As noted in the Australian Government's National Digital Economy Strategy, the greater data capacity of the NBN will enable more intensive and immersive online interactions⁸. This will provide a valuable tool for educational institutions in refining their online pedagogies, and working with high quality international partners to remain at the cutting edge of education delivery and international knowledge generation. Seeding initiatives for innovative online education delivery will be a vital incentive for education providers to invest in future delivery models.

B.6 Investigate seeding initiatives for innovative online education delivery.

Transnational education

Many Australian education institutions are already involved with transnational delivery — the delivery of Australian qualifications or skills sets (appropriately tailored) in another country — and demand for this style of education continues to grow. Around 26 per cent of total international higher education enrolments are in offshore campuses of Australian universities. The diverse methodologies and missions of these transnational activities provide a valuable avenue to increase the internationalisation of Australia's education system and contribute to building the capacity of education systems in the host country. These activities also present opportunities for synergies and enable access to new sources of talent and research funds that support the development of foreign and Australian institutions.

The value of transnational delivery goes beyond branch campuses and online opportunities; transnational delivery is a practical way to integrate with Asia and the rest of the globe. This will further ensure a hallmark of active leadership which internationalises Australia's education institutions.

While the opportunities may be significant, there is a need to ensure integrity in education delivery in order to manage the broader risk to Australia's brand that may result from poor quality.

Entrepreneurial providers have responded well to the opportunities, but institutions should be encouraged to learn from others' experiences, with support from governments and effective regulation.

8 Australian Government 2011

B.7 Liaise with TEQSA and ASQA to ensure the quality of transnational education is effectively regulated.

English language

Graduate employability is a reflection on the quality of education, and English language proficiency in the workplace is an integral part of this. It is important that processes are in place to ensure that students continue to develop English language proficiency throughout their period of study in Australia.

The ELICOS sector is internationally respected for delivering targeted training for students seeking to improve English language skills and as an important pathway for students from non-English speaking backgrounds planning further study in Australia.

It is important that international students have a suitable level of English language proficiency when commencing their course, and that this is valued and maintained through the duration of their study.

This is particularly relevant given the findings of the *International graduate outcomes and employer perceptions survey*⁹. The survey showed a mismatch between what graduates thought were the most important attributes for employment and what employers were actually looking for. Only one in five international graduates thought that English language competency was one of the most important skills that employers were looking for, while employers rated English language competency as one of the four key attributes.

B.8 Require providers to establish processes that ensure international students maintain adequate English language proficiency throughout the duration of study to prepare graduates for work experience and employment opportunities.

Attracting higher degree by research students

Attracting high quality, international PhD students to Australia is central to our ongoing international competitiveness and to help address Australia's future academic and research workforce, particularly in science, technology, engineering and mathematics. Supportive policy settings are needed to attract world class international academics and students.

The Australia in the Asian Century White Paper notes that Australia will remain amongst the world's best for research and teaching in universities, delivering excellent outcomes for Australian students and attracting the best academics and students from around the world. The paper has identified a national objective that by 2025, 10 of Australia's universities will be in the world's top 100.

Many of the research activities of Australia's universities are world-class, and have contributed significantly to the nation's development. Some stakeholders have argued that the scale in major partner countries is such that current research funding arrangements would benefit from greater consolidation and targeting in specific fields to ensure Australia's continued significance on the world research stage.

Continuing to identify areas of research excellence will assist in targeting resources and, in conjunction with mobility initiatives such as scholarships, attract high quality academics and PhD candidates to study and teach in Australia.

B.9 Grow excellence in science, technology, engineering and mathematics (STEM) capability and increase education quality through targeting and providing further incentives for top international academics and PhD students in these fields to study and teach in Australia.

C. A positive student experience

Strategic aim: Maintain and build on Australia's reputation as an open and friendly learning environment where international students are valued members of the community and are supported to achieve their goals.

A positive student experience stands alongside academic quality as a major pillar supporting institutions to attract international students; this was raised with the Council throughout the consultation process.

At the heart of a sustainable international education sector is access to social and cultural infrastructure for students. The long-term sustainability of the sector needs to be reflected in adequate investment and commitment by governments, industry and education providers to ensure sufficient supporting infrastructure, including access to appropriate and affordable accommodation, health and transport. Safe, affordable accommodation for all students would fundamentally facilitate the successful integration of students.

Stakeholders identified some variability in the student experience across states, sectors and institutions. There were suggestions that greater cohesion across jurisdictions in providing student support services would enhance the international student experience in Australia.

Student wellbeing

Integration of international and domestic students in universities and colleges, as well as in broader local communities, is a vital component of the overall international study experience and was raised during consultations and in submissions, including from the Council of International Students Australia. Diversification of student cohorts, particularly within some courses, is also seen as a means to encourage interaction and integration between domestic and international students.

Australian governments and institutions, working together, have made concerted efforts to provide better information for students, easily accessible support services and clear avenues through which to raise any concerns.

The International Students Strategy for Australia (ISSA) 2010-2014, jointly developed by Australian governments, addresses four key areas affecting international students: international student wellbeing, international education quality, consumer protection and targeted information. Governments report on progress against these annually.

The Study in Australia website contains information for international students on courses, institutions and entry requirements as well as information about living in Australia, safety and support services available.

Leadership from peak bodies has resulted in well-respected initiatives that are contributing to enhancing the overall student experience. For example, Universities Australia has adopted a 10-point action plan for student safety, developed from recommendations by the Deputy and Pro Vice-Chancellors (International) of Australian universities.

The jurisdiction of the Commonwealth Ombudsman has been extended to include students of private registered providers through the Overseas Students Ombudsman. All international students studying in Australia now have access to an independent external complaints body. The Overseas Students Ombudsman investigates complaints from students about private registered providers at no cost to the providers or students.

Further support for international students is being provided through the *Principles to promote and protect the human rights of international students* released by the Australian Human Rights Commission in October 2012. The Principles identify the key human rights considerations to ensure that international students who choose Australia as an educational destination have a safe, positive and productive time during their stay.

Pre-arrival

Current and accurate pre-arrival information provides students with realistic expectations of what they may experience, while access to support services, appropriate accommodation, integration into communities and diversity of the student cohort are significant contributors to a positive student experience.

The international student experience commences with the promotional and recruitment efforts of governments, universities and colleges. First impressions are crucial.

Institutions and agents prepare students to make considered decisions when applying for a place in an Australian institution. They provide up-to-date information and support during the processes required after receiving a certificate of enrolment, including applying for a student visa.

Overall, the role of agents in the process has been successful for Australia over a long period, though as in any industry there are those that will aim to take advantage of individuals. The Knight Review recommended that institutions include the names of agents in the student's data in the Provider Registration and International Students Management System (PRISMS) and that DIAC upgrade its liaison with education agents offshore to ensure they are kept abreast of any changes. These are positive steps to further support a positive student experience.

Visa processing times were considered by the Knight Review. The introduction of streamlined visa processing and refining of processes has been well received. In some regions, the application of the new Genuine Temporary Entrant criterion has been raised as an area of concern by stakeholders; however it is an integral component of a system that supports the integrity of the student visa system and the Council anticipates that early issues will be resolved as the process is bedded down.

Costs of tuition and living

The cost of studying in Australia has risen significantly in recent years. While Australia was a high quality, low cost option for international students in the early part of the century, a combination of the rise in value of the Australian dollar and the increases in both tuition and living costs have now placed Australia as a relatively more expensive option.

These costs have been offset to some extent by more generous arrangements for access to work while studying and post-study work opportunities.

Access to support services

Treating international students in an equal way to domestic students will help Australia be seen as a welcoming and friendly country that appreciates the many benefits international students bring.

The 2012 Australian International Student Survey showed that the vast majority, some 88 per cent of over 50,000 international students surveyed, were satisfied with their living experience in Australia.

Some international students and consulates have expressed concern that they were unable to access community services and benefits available to Australian students, including affordable accommodation, concessional travel on public transport, health services and employment opportunities relating to their courses of study. Students particularly noted some inconsistencies between states and territories or communities in accessing these services and benefits.

The Council recognises the importance that state and territory governments place on international education. All are undertaking activities to enhance the international education experience for students and the Council acknowledges the role of the JCIE bringing together state and territory governments to address issues facing the sector. We particularly note that New South Wales, Victoria and Western Australia have recently released or are developing strategies for international education in their jurisdictions.

The responsibility for many of the services supporting international education in Australia is shared between different levels of government and jurisdictions. However, in the Council's view, international students should have access to services at whatever level the responsible jurisdiction considers appropriate for domestic students; we note that this is the case in most jurisdictions.

The recent New South Wales Government's decision to offer public transport concessions for international students on public transport represents a very worthwhile step forward.

C1. Ensure that international students in each jurisdiction are treated in an equal way to domestic students with respect to transport concessions.

C2. Ensure that international students have access to appropriate treatment in public hospitals, given that they are required to have visa length health insurance cover.

International integration on campus and in the community

The opportunity to engage with domestic students and local communities is fundamental to the Australian study experience.

Providing international students with a welcoming and integrated experience while they are studying in Australia will become increasingly important to our capacity to attract international students – and Australia's ability to forge the important, long lasting people-to-people links with Asian nations and the global community.

This engagement often requires concerted and coordinated efforts from local governments, institutions and community groups and from students themselves. The Council was impressed with the Education Adelaide model which represents a cohesive approach between government and institutions.

Case Study 1 – Education Adelaide

Education Adelaide is a destination marketing agency that aims to present Adelaide as a premier study destination, providing on-the-ground support for international students.

Additionally, the agency acts as a conduit between its network of members, government stakeholders and public and private sector organisations that support the welfare of international students.

The agency is part-funded by the South Australian Government and its 40 members from public universities, private universities, schools, colleges and the Adelaide City Council.

Adelaide provides an innovative and comprehensive student support program, providing community engagement opportunities and encouraging international students to immerse themselves in aspects of Australian culture.

Examples of activities in 2012 include the Lord Mayor's Welcome for international students, employment workshops, customised tours to South Australian tourist spots and the Governor's Farewell for International students incorporating the second Annual International Student of the Year Awards.

The diversity of Australia's communities and education and training institutions means there is no single approach to promoting engagement between international students, domestic students and the broader community. Experience shows that where providers, communities (including local businesses) and local and state governments work together and with international students, they can promote real opportunities for engagement, contribute greatly to positive student experiences in Australia and promote enduring and mutually beneficial people-to-people links.

There would be value in the Australian Government working with peak bodies in the sector, state and territory governments and the Australian Local Government Association to facilitate the development and dissemination of local good practice examples of international student engagement with the community.

Formal recognition of institutions and communities that have developed effective strategies and activities to engage with international students would be a further way of acknowledging best practice. Institutions and communities could use this for promotion and marketing purposes.

C.3 Promote meaningful engagement between international students, domestic students and communities (including through forums) across Australia to:

- highlight best practices and innovative approaches in international student welfare; and
- promote best practice in interaction between international students and domestic students and communities, promoting work integrated learning opportunities for international students.

Affordable and safe accommodation

Universities and colleges draw on a range of approaches to develop accommodation strategies that meet the diverse needs of their student cohort.

Australian universities are primarily designed along commuter-based models, rather than the residency-based models employed by countries such as the United States. The majority of students reside in private accommodation, outside the direct control of institutions.

Increasing the supply of affordable, quality housing available to students near where they study, and reducing the need to travel on public transport late at night, can contribute to safe living environments for students. Options for consideration include incentives to encourage private investment in affordable housing infrastructure and increasing the awareness of and availability of home-stay options.

Consideration could be given to establishing a transparent and consistent rating system for accommodation, taking into account value for money, affordability, proximity to major services (including education institutions and transport links) and community demographics. A model in South East Queensland, developed in collaboration with representatives of institutions and the real-estate industry, offers students verifiable information about accommodation options. Establishing such a scheme in the major cities would give all parties greater confidence in the quality of accommodation available to students.

The National Rental Affordability Scheme (NRAS) could promote further investment in accommodation and ensure affordable rental options for international and domestic students. A commitment from all levels of government – through both financial support and consideration of student accommodation requirements in planning and approval processes – could benefit both domestic (particularly out of area) and international students.

Home-stay providers play a valuable role in offering accommodation and supporting a positive student experience more generally, particularly immediately after the student arrives in Australia. Increasing and promoting quality home-stay opportunities would go a considerable way to improving the experience of international students and at the same time support the engagement and integration of students with the local community.

A further option for institutions to consider is to provide all students with guaranteed access to locally accredited student accommodation during their first year of study. This has been a successful approach for at least one university and allows students to settle into their courses and new lives, giving them time to make their own arrangements for the rest of their studies.

Case Study 2 – The Australian National University

The Australian National University (ANU) is taking an innovative and strategic approach to student accommodation. The ANU currently provides on-campus accommodation for the largest number of students of any Australian institution, approximately 5,100 students.

The ANU provides an accommodation guarantee for all undergraduates originating from outside the local area, including international students, in their first year. The guarantee provides prospective students and their families with peace of mind and reduces possible anxiety related to the process of finding an appropriate, safe place to live and study.

In order to support this guarantee and to meet increasing demand, the ANU has opened a new residential facility every year since 2008. The university has created architecturally unique strategies to develop sustainable and green-energy student accommodation along with multi-use social spaces and dining facilities. For example, the Ursula Hall Laurus Wing is a modular-built system based around the shell of traditional shipping containers with each unit providing an ensuite, kitchenette, living and sleeping spaces as well as a patio for the resident (a diagrammatical representation of one of these units is pictured). The modular style was chosen as the units are quick and relatively economical to assemble, and incorporate high environmental and design principles, making them compact but very liveable.

ANU has built four lodges that are managed by Unilodge, and has established the ANUEdge precinct that links the campus and city. Thousands of students now live in the City West area, and a rich community and commercial area has grown up around the colleges. The land and build has been supported by the ACT Government and by the Australian Government through the National Rental Affordability Scheme.

The ANU has also developed the Virtual Collegiate Communities (VCCs) concept to address the needs of those students unable to live within student residences. The VCCs provide a full range of programming and support, along with a rich online environment and a physical Common Room on campus. Griffin Hall is one such example of an outreach College programme providing well-being and academic support along with major sports/arts and social programs for over 350 non-residential local Canberra students. The university plans to replicate this design in the near future.

Given the importance of providing students with access to safe and affordable accommodation, the Council recommends as a priority, that a sample stocktake be conducted of off-campus accommodation across each state and territory. The stocktake would help identify what currently works well, what doesn't and potential areas for improvement; possibly leading to the development of national accommodation standards and a quality ratings model. Further, the Council sees value in establishing a national panel to review the range of options available to support increased safe, affordable student accommodation.

C.4 Review off-campus accommodation by:

- conducting a sample stocktake of current student accommodation;
- developing a quality/ratings model for student accommodation; and
- commissioning a panel to investigate options for increasing access to safe, affordable student accommodation and identifying possible infrastructure investment opportunities.

Work integrated learning

Work integrated learning for international students in an English-speaking work environment is becoming an important part of a well-rounded education and is highly valued by students.

Work integrated learning helps students to develop employability skills through exposure to workplace culture and practices where they have the opportunity to put their theoretical knowledge into practice. It also positions graduates well with potential employers who actively seek to engage employees who can transition smoothly into their organisation and workplace.

The opportunities afforded by integrated workplace learning through participation in the workplace and social interaction beyond the university or college community are also key aspects that differentiate the on-campus study in Australia experience from transnational or online options. The engagement of industry and business in providing work experience opportunities is supported strongly by the Council.

C.5 Promote opportunities for international students to gain work experience during and after their studies.

Maintaining diversity – student and course of study

International students choose Australia for the Australian education experience on offer as well as for the globally recognised, high quality qualifications. The opportunity to integrate with a diverse range of domestic and international students enhances this experience.

The need for greater diversity of the student population at universities and colleges by home country and course of study was a common theme raised during consultations. While there are many benefits for Australia and its institutions from the significant number, for example, of Chinese students that choose to study in Australia (29.0 per cent of all international student enrolments in Australia in 2012), an over-reliance on students from one country makes our institutions vulnerable, both economically and in respect of the student's cultural experience.

While we are in the Asian Century and there is a concerted effort to build on Australia's role in the region, many universities and colleges have indicated that they are also increasing their efforts to attract students from the emerging regions of the Middle East, Latin America and Africa.

There are large proportions of international students in management and commerce courses within universities (50.2 per cent of international enrolments) and colleges (55.0 per cent of international VET enrolments). While recognising Australian providers' expertise in these fields, providers are also promoting a wider range of subjects to international students to increase diversity across courses.

Australian institutions are also seeking to broaden and diversify their student population by developing strong partnerships and collaborations with institutions abroad and facilitating the growth of student exchange through these partnerships.

The Council believes that institutions should continuously monitor the diversity of their student mix, as such diversity enriches the overall quality of the student experience.

C.6 Require Austrade to undertake an assessment and analysis of emerging markets, in collaboration with key stakeholders, to inform the development of a strategy to support increased diversification of Australia's international education sector.

D. Partnerships

Strategic aim: Encourage Australian institutions and governments to develop strong and diverse international and multinational partnerships that encourage exchange, capacity building and collaboration.

There are great opportunities for the future of Australia's international education in further developing partnerships to facilitate student exchange, institutional collaboration, sharing of Australia's expertise in VET, institutional links with industry, and joint research.

Many such partnerships exist today between institutions in Australia and overseas and there is significant potential to develop these further.

That said, there are new challenges continually emerging that will impact on the future of Australia's international education sector, including advances in technology, the rapid expansion of the middle class in many regional economies, growth in MOOCs and online learning and changes to the global workforce and economy.

Australia's international education sector is still perceived by many as a one-way student recruitment model. A focus on two-way relationships built on strategic partnerships would enhance Australia's international reputation, particularly in Asia.

DIISRTE's Education and Research Counsellors are well placed to build on existing relationships and assist in developing policy dialogue between Australia and its key international partners. The counsellor network currently operates in Australian diplomatic missions in North Asia (Beijing, Shanghai, Hong Kong, Tokyo, Seoul, and Taipei), South and South East Asia (New Delhi, Jakarta, Singapore, Bangkok, Hanoi, and Kuala Lumpur), the United States (Washington) and Europe (Brussels). It has a valuable role in supporting information exchange on education, training, science and research.

Investment in people-to-people links through student mobility

Globally, students are increasingly seeking to expand their study horizons. A growing number of Australian undergraduate and postgraduate students are seeking short-term mobility options in order to obtain a truly global education experience. Stakeholders identified a strong need for a greater focus on overseas study experiences for Australian students and increased availability of foreign languages and cultural studies in schools.

The Council supports the recommendations in the Australia in the Asian Century White Paper that more Australian students need to be encouraged to take up the opportunity to study in Asia. It sees the new \$37 million AsiaBound Grants Program and changes to OS-HELP as valuable mechanisms to assist students to undertake part of their course of study in Asia. The Council does note however, that there was some decrease to the International Education and Training program in the 2012 Budget.

As part of its response to the Asian Century White Paper, the Government will offer more generous OS-HELP loans to eligible Commonwealth supported students who want to undertake some of their study overseas. Changes to the scheme include expanding eligibility for OS-HELP, including by extending it to postgraduate students; increasing the maximum OS-HELP loan amount for students undertaking part of their study in Asia; providing an additional loan for those students undertaking intensive study in Asian languages as preparation for their Asian study and reducing the amount of study required to be completed with their Australian higher education provider following their overseas study. These changes will assist more Australian students to undertake some of their study overseas including in Asia. The Council supports these changes and recommends that the Government consider extending OS-HELP loans to private students.

The Council also welcomes the commitment to provide 12,000 Australia Awards (Asian Century) over five years to nations in Asia as a further step towards encouraging people-to-people links with the region.

Language can often be a barrier to Australian students choosing to study overseas, particularly in Asia. This has become more of an issue in recent years as the numbers of Australian students studying another language through to the end of Year 12 continue to decrease. Between 2000 and 2008, the share of Australian students learning a tertiary accredited language other than English in Year 12 dropped in a time where overall student numbers increased by almost nine per cent.

The Australia in the Asian Century White Paper highlights the importance of access to priority Asian languages for students throughout their schooling years, through collaboration amongst schools and use of the NBN, and this is supported by the Council.

Many Australian schools are very active in establishing partnerships with overseas schools. These 'sister school' partnerships provide teachers and students with excellent opportunities to engage with their peers overseas and develop an appreciation of the history, culture, society and languages of their partner school country.

The Building Relationships through Intercultural Dialogue and Growing Engagement (BRIDGE) program is a very good example of Australian schools actively working to build strong partnerships with schools in Asia. Since 2008, 136 schools from all states and territories and across Australia have established partnerships with schools in China, Indonesia, the Republic of Korea and Thailand.

D.1 Monitor changes to OS-HELP and consider extending it to private students.

D.2 Increase the proportion of school students studying a foreign language at matriculation level; with consideration given to increased subject bonuses and incentives.

Maintaining and developing research partnerships

Australia has one of the highest per capita scientific outputs in the world, producing 3.4 per cent of world scientific publications with only 0.3 per cent of world population in 2010. Australian universities produce the great majority of Australian research publications - nearly 90 per cent between 2005 and 2009 - which not only contributes to institutions' international rankings but also supports Australia's productivity and growth.

International research collaboration is increasingly important with respect to achieving beneficial research outcomes and building the reputation of Australia's institutions.

In the first instance, there is a need for greater national collaboration and pooling of resources within Australia if we are to effectively and efficiently engage with international partners and participate at the cutting edge of knowledge creation.

The Australian Research Committee (ARCom) has been established to provide integrated and strategic advice on research investment, including in the areas of human capital, infrastructure and collaborative activities. ARCom will provide advice to the Australian Government on mechanisms to support strategic international research collaboration as part of the further actions outlined in the National Research Investment Plan, released in November 2012.

Through strategic collaboration, Australian scientists can enhance the quality of their work, increase the effectiveness of their research and overcome logistical obstacles by sharing costs, tasks and expertise.

D.3 Ensure that national research policy settings encourage collaboration between institutions in Australia in order to achieve the necessary scale benefits.

D.4 Ensure that national research policy settings encourage international research engagement and collaboration to build on and enhance Australia's research capabilities.

D.5 Provide incentives for the development of partnerships between Australian and overseas institutions for the purpose of exchange of students and academics; research collaborations and common teaching course and qualification development, including offering joint qualifications.

D.6 Develop specific country strategies to support partnerships between Australian institutions and providers and their counterparts.

Building links with industry

Partnerships with industry provide excellent opportunities for international students to participate in work integrated learning, while providing important recruitment avenues for business.

Strengthening the links between education institutions and industry and employers was identified by stakeholders as an area that could be further developed. Australia's low unemployment rate and productive and resilient economy, which has withstood the global financial crisis, provide significant employment opportunities for international students.

Greater collaboration and partnerships between industry and institutions would make Australia well placed to increase work integrated learning opportunities for international students.

The Council sees great value in establishing industry champions. Securing industry and business leaders to promote the value of engaging with universities and colleges and providing opportunities for students to develop employability skills in the workplace would send a powerful message both within and beyond Australia.

Industry also stands to gain from establishing collaborative partnerships with education institutions by enabling recruitment pathways for fresh, innovative and educated talent, and the opportunity through this to establish people-to-people links that can lead to long-term international partnerships.

Specific industry sector strategies to support better links between Australian businesses and their international networks in sectors where Australia has an advantage could prove valuable to both international students and industry groups. The Council believes that the new MCCIE can and should play a fundamental role in building on existing linkages and developing new opportunities for engagement with industry.

D.7 Identify potential new links between Australian education and training expertise and Australian and overseas businesses, through the establishment of industry champions.

Establishing transnational education partnerships

Governments and their offshore networks have an important role to play in market intelligence and in identifying and facilitating links between Australian institutions and partners in providing offshore education and training.

Transnational education generally refers to programs offered by Australian universities and colleges that are delivered offshore, often through collaborative arrangements. Providing education to students who are unable to acquire education and training in Australia offers them access to a more diverse range of quality programs than may be available in their home countries.

Further growth of transnational education is an exciting aspect of Australia's international education development over the next decade, providing opportunities for Australian universities and colleges to deliver education and training directly offshore and in collaborative arrangements with offshore partners, including education providers and industry. Partnerships at institutional and government levels will be essential for identifying new opportunities and building on existing arrangements.

The real value for Australian institutions is, in many cases, not in the revenue returned from offshore delivery of Australian programs, but in the opportunities it provides to further internationalise institutions and develop collaborative partnerships. Transnational education activities also include utilising Australian expertise to provide consultancy services, curriculum development and professional development advice.

The number of students receiving an Australian education offshore is significant and growing. In 2011, over one quarter of international students enrolled in Australian higher education institutions studied offshore.¹⁰

Successful education partnerships are fit for purpose, and there is no 'one size fits' all model. There would be value in developing country-specific strategies to diversify Australia's university and college partnerships with international institutions.

Australia's VET sector has also played an important role in building long-standing, successful offshore partnerships with governments, industry and employees. These partnerships have drawn on Australia's expertise and systems to stimulate local development and up-skill the available workforce to improve business growth. The Australian Government's foreign aid programs through AusAID have played an important part in building these partnerships, and could be further utilised to facilitate the provision of offshore education and training, in particular with Australian VET providers.

D.8 Encourage Australia's high quality TAFE and private VET providers to increase the commercialisation of their intellectual property and highly regarded training 'know how' in traditional and emerging markets.

D.9 Facilitate the offshore provision of education and training by Australian providers by participating in the foreign aid programs of AusAID.

¹⁰ AEI 2012, *Research Snapshot Transnational education in the higher education sector*

Collaboration through regional hubs

There is value in supporting institutions to pursue partnerships arising through the development of regional education hubs, particularly in the Asian region.

Australian universities have many successful working partnerships with Asia. The Australia in the Asian Century White Paper highlights the importance of this by encouraging every Australian university to increase its presence in Asia by continuing to create partnerships with major Asian universities as a pathway towards a key national objective of strengthening links between Australia and the region.

Many countries are increasing their engagement in international education by developing regional education hubs. This involves mutual collaboration between two or more partners offering joint degrees and innovative online delivery models.

Singapore and Malaysia are establishing hubs that offer students the chance to study in English and gain a qualification within an environment that may be similar to that in their home countries. Many other countries and institutions are now establishing branch campuses in education hubs. Globally, some 200 branch campuses now exist, serving around 120,000 students, with an additional 37 more set to open by 2013.¹¹

Regional education hubs can be an opportunity for Australian universities to partner with and contribute their expertise to international universities. The hubs can also open opportunities for cooperation in teaching and research, and contribute to the further internationalisation of Australian universities.

D.10 Encourage institutions to identify and pursue possible partnership opportunities arising through the development of regional education hubs such as Singapore and Malaysia.

Case Study 3 – Australian Student Teacher International Practicum Malaysia

The Australian Student Teacher International Practicum Malaysia is a collaborative program which was piloted in Kuala Lumpur in January 2013.

The initial pilot program supported 16 Bachelor of Education students from Deakin University, La Trobe University, Monash University, RMIT University and Victoria University who undertook a practicum at one of four nominated secondary schools in Kuala Lumpur Malaysia.

The program was developed through cooperation between the five participating universities, DIISRTE at the Australian High Commission in Kuala Lumpur and the Malaysian Ministry of Education. Students selected for the pilot spent four weeks in January 2013 in Malaysian schools with practicum assessment and oversight from a panel of Australian academics and Malaysian teachers.

A steering committee chaired by DIISRTE, comprising academics and university administrators from participating universities and the Malaysian Ministry of Education officials provided oversight of the planning and logistics for the pilot.

If successful, Australian Student Teacher International Practicum Malaysia will regularly send Australian education students to undertake part of their practicum requirements in a Malaysian school. There are also plans to expand to other South East Asian destinations.

E. Ensuring integrity - Australia's student visa program

Strategic aim: Ensure that Australia's student visa settings continue to be competitive and attractive in all education sectors while preserving the integrity of Australia's international student visa program and helping to meet national skills needs.

The Knight Review led to key reforms which further enhance the quality, integrity and competitiveness of Australia's international education sector through improvements to the integrity of the student visa program. A fundamental assumption underpinning the review was that those entering Australia on a student visa are in fact genuine students and genuine temporary entrants.

The introduction of measures from the review, including streamlined visa processing and additional post-study work visas options are attractive to international students, although some aspects of the change implementation have raised concerns amongst stakeholders.

Genuine Temporary Entrant

The Genuine Temporary Entrant (GTE) criterion for student visa applications is the first to be considered in assessing any application for a student visa. The criterion explicitly addresses whether an applicant's individual circumstances indicate that the principal aim is a temporary stay in Australia to study and then to return home, or not.

GTE was the foundation stone of the Knight Review and its implementation has made possible a number of other changes that have assisted the international education sector such as streamlined visa processing and a reduction to financial requirements for students at higher assessment levels.

A number of stakeholders have referred to a perceived inconsistency of application of the GTE and confusion over the 'double genuineness test', whereby a visa applicant has to prove that he or she is both a genuine student and a genuine temporary entrant. These two elements represent the policy intent to protect both the integrity of the migration program (GTE) and the quality and reputation of the international education sector (genuine student). The two elements reflect the fact that it is possible for an applicant to be a genuine temporary entrant but not a genuine student, or vice versa. The concerns have been that inconsistent application could lead to high quality international students being refused the opportunity to study in Australia on the basis that they had expressed a desire eventually to settle here, and perhaps choosing an alternative study destination.

The Council is of the view that a review of the GTE needs to be conducted on completion of the first year of operation.

E.1 Conduct a review of the first year of operation of the GTE criterion, identifying and addressing any unintended consequences that affect the sector, including the extent to which it may be acting as a deterrent to genuine students.

Streamlined visa processing

The introduction of streamlined visa processing for universities addressed the perception of slow processing times for visa applications, and now provides an important competitive advantage for Australia. Specifically, average streamlined visa processing times are now in the order of 10 working days, helping to make us a more attractive destination for international students.

Under streamlined visa processing arrangements, applications for a university place are treated in a similar way to the lowest risk assessment level (Assessment Level 1). This approach reduces visa application evidentiary requirements, regardless of the country of origin and assists in visa applications being processed as quickly as possible. Prospective students intending to study a pre-requisite course with an educational business partner nominated by the university are also able to access these arrangements.

A number of submissions suggested that consideration be given to extending streamlined visa processing to high quality non-university providers. This has been considered and is supported by the Council, consistent with the Council of Australian Governments (COAG) agreement "... to expedite the implementation of the revised framework for low immigration risk providers so that they are able to have access to streamlined student visa assessments in the second half of 2012".¹²

E.2 Expedite streamlined visa processing for low immigration risk providers.

Post-study work visas

The introduction of additional post-study work visa options for those international students graduating from an Australian education provider is a welcome outcome from the Knight Review. It is proposed that in addition to the existing Temporary Skilled Graduate visa (subclass 485) option, eligible graduates of Australian Bachelor, Masters and Doctoral courses will have access to a post-study work visa option regardless of their course of study.

This will enable students to work in Australia for between two and four years after they graduate. It has many potential benefits, including:

- Graduates can gain work opportunities in an English speaking environment;
- Employers have access to motivated and well-educated graduates; and
- Skills shortages are eased, contributing positively to the Australian economy.

International students, apart from their immediate study pathways, set their sights on their future career paths, whether that is at home, in Australia or a third country. The access to work is a highly valuable asset in attracting students to Australia, especially in relation to competitor countries such as the United Kingdom and United States. The take-up and outcomes of the initiative at Doctoral level should be monitored in order to determine whether a work visa in excess of four years can be considered, given the significant value of long-term international research partnerships which can flow from postgraduate research.

A number of stakeholders requested that consideration be given to extending the post-study work visas to selected low-risk VET institutions and courses. The Government has already decided to allow access to these arrangements on the basis of the graduate having completed a course of Bachelor degree level or higher, and those graduates of VET providers which offer Bachelor level qualifications will now also have access to these new visa arrangements.

The new post-study work arrangements represent a measured expansion of existing work options for international students who graduate after studying in Australia. Students who graduate from VET sector courses still have access to post-study work arrangements with the Skilled – Graduate (Temporary) (Subclass 485) visa, which provides an 18-month stay in Australia for those students who graduate with skills in an occupation in demand in the Australian labour market.

E.3 Implement a whole-of-government approach to educating employers on the value of recruiting graduates, both domestic and international.

Skilled migration

Changes introduced on 1 July 2012 by the Government include the SkillSelect system, which provides a mechanism to fill places in the migration program on a competitive basis. Around one-third of skilled migrants to Australia are former international students, bringing the benefits of their skills and knowledge to Australian firms¹³. The skilled migration program provides opportunities for motivated and well-educated graduates to remain in Australia, where their skills match Australia's labour market needs, although there is no guarantee of Permanent Residence.

Other pathway opportunities for former international students to migrate to Australia are available through the Employer Nomination Scheme and the Regional Sponsored Migration Scheme.

The skilled migration points test provides a modest bonus for applicants with a qualification obtained in Australia; and advantages those with employment experience in their nominated skills occupation in Australia; and those with superior English language skills. These factors mean international students can be very competitive in the SkillSelect system. Given the importance and relevance of gaining this experience in the Australian workforce, the Council is of the view that consideration be given to increasing the skilled migration points for an Australian qualification from five points to 10 to further recognise the quality and standing of an Australian qualification.

The existing Temporary Skilled Graduate visa (Subclass 485), which allows eligible graduates to remain temporarily in Australia with work rights for 18 months at the completion of their studies, will remain available. The 485 visa is linked to areas of skill shortage and labour market demand through the requirement that the education qualification must be linked to an occupation on the Skilled Occupation List.

In order to maximise the opportunities from the skilled migration policy settings and tap into these valuable human resources, significant focus should be put on identifying ways to link employers and their organisations with educational institutions, with a view to improving linkages with career-ready graduates.

E.4 Consider increasing the points available for an Australian education qualification in the skilled migration points test from five to 10.

F. Data analysis and research in international education

Strategic aim: Inform Australia's international education policy through accurate and timely data analysis and research as well as supporting increased collaboration between researchers.

In order for Australia to remain a provider of globally relevant, high quality education and training, education providers need to be supported with leading market intelligence to enable them to better understand the skills needs of partner countries in Asia and around the world.

International education research is essential in formulating effective policy and practice, as well as exploring emerging global trends, identifying best practice and policy and maintaining quality assurance to ensure Australia remains globally competitive. In order to respond swiftly and positively to emerging trends and competitor activity within the sector, research, data and intelligence in international education needs to be accurate, relevant and promptly disseminated.

Australia has been an early pioneer in the development of a 'professionalised' international education sector, with institutions, industry and government producing leading research into international education. Increasing global competition requires progressively sophisticated collaboration between Australian institutions and their international partners.

Australian education institutions and independent social research organisations conduct a range of activities to understand the aspirations of potential students and their families, and the requirements of international partners. DIISRTE and Austrade's offshore networks facilitate the provision of on-the-ground intelligence regarding the policy and the marketing conditions in partner countries.

The international education sector is provided with comprehensive data on international students studying in Australia through the AEI data service. Data includes student demographics, education sector, field of study and level of qualification. Additionally, one page research snapshots are provided which draw on a variety of data sources to provide the most current information on key issues, including:

- Export income from education services;
- The proportion of international students in Australian universities and TAFEs;
- Offshore delivery of higher education and VET by Australian education providers; and
- Australian student mobility offshore.

Research papers and survey-based research to investigate issues such as the international student experience and student employment outcomes after graduation are also made available to the sector.

Although Australia is currently a recognised world leader in international education research, data and intelligence, the following gaps need to be addressed to ensure that the evolution of Australian international education is supported by a progressive approach that keeps abreast of change and can continue to inform policy within the sector.

Tracking emerging education delivery models

Emerging delivery models in transnational education present challenges for data collection and research, particularly how to capture information about international students undertaking study in offshore campuses or via distance education modes, including online delivery.

Measuring the economic value of offshore education delivery is also currently difficult to assess. Moving forward in these areas requires greater collaboration and coordination between Australian governments, education providers, private research agencies and international partners.

Outbound student mobility data

Research and data collection mechanisms need to be improved in order to provide more comprehensive information on Australian students who are enrolled in a foreign education institution or include an overseas experience as part of their course of study.

While Australia has particular strengths in data regarding incoming international students, data sources on the destinations of Australian students studying offshore are still in a state of early development. This is a particularly important area for development following the recent announcement of the AsiaBound Grants Program.

Tracking graduate employment outcomes

Graduate outcomes are an important indicator of academic success and Australia could do more to monitor and communicate this information to prospective students and their families overseas.

Australia has established mechanisms to enable regular monitoring of the international student experience, but tracking the employment outcomes of graduates remains a significant challenge.

Collaboration in international education research

Stakeholders note the importance of collaboration in research across government and industry in Australia, as well as international collaboration with other countries providing international education.

An international education data working group associated with the Education Visa Consultative Committee incorporates representation from Australian governments and education peak bodies with a view to investigating opportunities to enhance the data available to all stakeholders.

The International Education Association of Australia (IEAA), with the support of AEI/DIISRTE, hosts regular research meetings, including an annual Researchers Symposium and also administers the International Education Research Network (IERN). The IERN was established with funding from AEI and is a social media-based solution, which supports established emerging industry, business and government researchers interested in all aspects of international education. The IERN could be extended to include members from across Asia.

Other research findings generated by academics and research organisations in the field are made available via the Database of Research on International Education (DRIE). The DRIE was established by AEI and is now managed by Australian Council for Educational Research (ACER) in collaboration with IDP.

AEI/DIISRTE is a founding member of the Atlas working group hosted by the USA-based Institute of International Education. The working group collaborates on producing the Atlas of Student Mobility, which aims to offer a richer data source on global student mobility than is currently available through OECD or UNESCO data collections.

F.1 Consult with researchers and organisations already active in the field, to establish an Australia-Asia International Education Research Network (and maintain a regular national symposium for international education research) where governments and the sector work together to share knowledge and establish new research priorities.

G. Competition, promotion and marketing

Strategic aim: Market Australia as a supplier of high quality education and continue to build its core markets while pursuing diversification through engagement with emerging markets and increased offshore delivery.

Competitor activity

It is important for Australia to identify and prepare for changes and challenges to the sector in order to remain an innovative leader.

The past decade has seen many global changes that affect the international dimension of Australian education and training. Some traditional competitors, whilst trying to emulate aspects of Australia's international education model, are raising the stakes with targeted marketing strategies and increasing numbers of transnational campuses.

Some are providing attractive migration policies and linking education directly to permanent migration. For example, the Canadian province of British Columbia estimates that it will have one million job openings over the next 10 years, with a significant shortfall in meeting this demand internally. Therefore, it is aiming to significantly increase the number of international students making the transition to the province's workforce upon graduation easier through a range of residency options.

The United Kingdom, as a result of a surge in student visa applications in 2009, has introduced significant changes to its visa program. The changes aim to reduce student visas granted by 25 per cent by 2015 and have seen the number of student visas issued drop by 26 per cent in the 12 months up to September 2012, compared with the same period in 2011. Changes include the requirement for increased competency in English language upon entry, stricter evidence of available funding, reduced working hours during term time for some, and the removal of the post-study work route which allowed two years to seek employment upon completion of a degree.

As the Asian region has become more affluent, the size and quality of the domestic education sectors have risen. Countries within the region are focused on making rapid improvements to their universities and investing in the capacity of their universities to conduct sophisticated research.

A number of emerging competitors such as Singapore and Malaysia are also increasing their efforts to engage in international education by establishing regional education hubs. Both countries are diversifying their student base by attracting significant numbers of students from other regions, including the Middle East. This approach may lead to building stronger institution-to-institution and government-to-government linkages between the hubs and those emerging countries.

The growing quality of Asian universities and the emergence of regional education hubs will provide some challenges for Australian universities, but also presents significant opportunities for greater engagement.

Promotion and marketing

Austrade has responsibility for the international promotion and marketing of Australia's international education and training sector on behalf of the Australian Government and maintains a national education brand through Future Unlimited. Through its network of posts in 55 countries, Austrade helps to identify opportunities for partnership between Australian institutions and their overseas counterparts and businesses while promoting Australia as a supplier of high quality education and training.

State and territory governments also maintain important marketing and other operations in international education, with educational institutions themselves undertaking a great deal of promotional activity.

Austrade has been responsible for marketing Australia's international education since July 2010. The Council proposes that, after almost two and a half years of the arrangement, it may be timely to review the role of Austrade in international marketing. An annual review of the contribution of Austrade to international marketing and promotion including its performance and activities such as Future Unlimited brand; MIP; Study in Australia website; social media; major activities in overseas markets; and involvement with major stakeholder groups would be valuable.

G.1 Annually review Austrade's contribution to promotion and marketing of international education, including performance and activities.

Public awareness

Many Australians are not familiar with the many benefits that flow from having international students in the country. Increased promotional activity, particularly at a local level, would be valuable.

Austrade's Future Unlimited brand reassures international students, and their parents, that their investment in an Australian education will be returned in the form of better career and life opportunities; it implies global career options; and reflects the idea of pathways and internationally recognised qualifications and skills.

A common theme through the consultations was that benefits of international education to Australia are not well-recognised beyond the sector, particularly with the broader Australian public. There is also little appreciation of the significant financial and personal commitment international students and their families make to study here. Negative and ambivalent public perceptions can have a detrimental effect on the student experience and news of damaging incidents can spread quickly through social media and present a real threat to Australia's reputation as a study destination.

It is important that coordinated and positive messaging on international education be further developed and promoted both domestically and overseas. This messaging should articulate the many strengths of international education and of living in Australia while studying, and how these can help to facilitate many long-lasting linkages and relationships.

G.2 Develop and implement a communications campaign to articulate the many economic and cultural benefits that international education and students bring to Australia.

Diversification

While there is a focus on Australia in the Asian Century, with 80 per cent of international students in Australia coming from Asia, it is important to develop links with the emerging regions of Latin America, the Middle East and Africa.

A number of submissions highlighted the risk of over-reliance on a particular region. Apart from the lack of diversity this may produce in the classroom, it poses a financial risk to institutions.

The Australia in the Asian Century White Paper acknowledges Australia's strong and robust relationship with Asian nations such as China, Japan, India, Indonesia and the Republic of Korea, and the need to further build on these relationships. The paper also suggests the need to assess the benefits of Australia joining with the Pacific Alliance of Chile, Colombia, Mexico and Peru to help strengthen linkages between Asia and Latin America. This approach would align with the views of stakeholders that greater diversity in the student cohort would be beneficial, and the Council looks forward to developments in this area.

Australia's long history in international education and its English language teaching and living environment provide the platform for developing valuable links with regions that are increasing their demand for high quality education and training, such as Latin America, Africa and the Middle East. Austrade has increased promotion of Australia's international education offerings within these regions and proposes that this continues in a coordinated manner with the sector.

G.3 Increase and coordinate promotion of the sector in emerging regions - such as Latin America, the Middle East and Africa.

Appendix A - International Education Advisory Council – Terms of Reference

International Education Advisory Council Terms of Reference

The International Education Advisory Council will provide high level advice about how the Government can, in partnership with stakeholders including state and territory governments, encourage quality and sustainability in the international education sector.

The membership of the Advisory Council will comprise eminent people from Australia's education and business sectors.

The Advisory Council will report directly to the Minister for Tertiary Education.

Role

The Advisory Council will provide advice to the Minister for Tertiary Education about the challenges and opportunities facing the international education sector.

The Advisory Council will release a discussion paper to gain input from stakeholders on the key issues affecting international education in Australia in April.

Following release of the discussion paper, the Chair will lead stakeholder engagement and consultation with the international education sector within Australia.

Feedback from the discussion paper and consultation will contribute toward the deliberations of the Advisory Council.

The Advisory Council will provide advice in the second half of 2012, to help inform the Government's development of a five-year national strategy to support the sustainability and quality of the international education sector.

Administration and resourcing

The Minister for Tertiary Education will appoint the members of the Advisory Council for a two-year period.

The Advisory Council will meet five to six times per year. Australian Education International (AEI) within the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) will provide secretariat support for the Advisory Council.

AEI will prepare the agenda for each Advisory Council meeting, in consultation with the Chair, and will coordinate agenda papers where appropriate.

Representatives of other Commonwealth agencies will attend meetings as appropriate. The Advisory Council will also be able to invite other people to attend meetings as appropriate.

Appendix B - International Education Advisory Council – Personnel

International Education Advisory Council

On 14 October 2011 the Minister for Tertiary Education, Senator the Hon Chris Evans, announced the formation of the International Education Advisory Council.

The Council is chaired by Michael Chaney AO. Membership of the Council comprises eminent people from Australia's education and business sectors:

Mr Michael Chaney AO (Chair)	Chairman of the National Australia Bank Chairman of Woodside Petroleum Limited Chancellor of the University of Western Australia
The Hon Bruce Baird AM	Chair of the Tourism and Transport Forum Advisory Board
Prof Ian Chubb AC	Chief Scientist for Australia
Ms Claire Field	Chief Executive Officer, Australian Council for Private Education and Training
The Hon Dr Geoff Gallop AC	Former Premier of Western Australia
Prof Margaret Gardner AO	Vice-Chancellor and President, RMIT University
Mr Ross Love	Senior Partner and Managing Director, Boston Consulting Group Australia and New Zealand
Mr Chris Madden	Pro-Vice Chancellor (International), Griffith University; Vice President, Asia Pacific Association for International Education
Dr Geoff Raby	Former Australian Ambassador to the People's Republic of China
Ms Virginia Simmons AO	Director, Virsis Consulting; former Board Member of TAFE Directors Australia
Ms Jennifer Westacott	Chief Executive, Business Council of Australia

Secretariat

The Council is supported by a secretariat within the International Education and Science Division in the Department of Industry, Innovation, Science, Research and Tertiary Education:

Ms Di Weddell	General Manager, International Strategy Branch
Mr John Barbour	Manager, International Education Advisory Council Secretariat
Mr Tony Glen	International Education Advisory Council Secretariat
Ms Bache Atkins	International Education Advisory Council Secretariat
Mr Scott Neil	International Education Advisory Council Secretariat
Mr Christopher Lawson	Research Manager, Research and Analysis Section

External advice

Boston Consulting Group (Senior Partner and Managing Director, Mr Ross Love is a member of the Council) provided advice to the Council on the impact of information technology and online teaching methods for the sector and on economic modelling of the relative competitive position of Australian education.

Appendix C - International Education Advisory Council – Consultation Process

To inform its advice to the Government, the Council released a discussion paper on 24 April 2012 and immediately commenced a consultation process with the sector. The discussion paper is available at www.aei.gov.au.

The Council met face-to-face with representatives from educational institutions, peak industry and key student bodies, Commonwealth agencies and state governments and received written submissions from the following individuals and organisations:

Australian Council for Private Education and Training (ACPET)
Australian Technology Network of Universities (ATN)
Australian Government Schools International (AGSI)
Australian Homestay Network
Australian Institute of Professional Education
Business Council of Australia
Canning College
Council of Australian Postgraduate Associations (CAPA)
Council of International Students Australia (CISA)
Educational Testing Service (ETS)
English Australia
Government Education and Training International Tasmania
Government of Western Australia
Rebecca Hall, IER Group and Paresh Kevat, GOMDA Consulting
IDP Education Pty Ltd
Independent Schools Victoria
International Education Association of Australia (IEAA)
ISANA: International Education Association
Independent Schools Council of Australia (ISCA)
Mr Philipp Ivanov
Medibank
Monash College Pty Ltd
Murray-Gould International
Dr Gavin Moodie
National Tertiary Education Union
National Union of Students (NUS)
Navitas
National ELT Accreditation Scheme Limited (NEAS)
New South Wales Government

Professor Ian Scarman
Queensland Department of Education and Training
RMIT
Skills Australia
South Australian Government
Students' Representative Council, The University of Sydney
Sydney University Postgraduate Representative Association
TAFE Directors Australia
The University of Melbourne
Universities Australia
University of New South Wales
University of Newcastle
University of Sydney
University of Western Australia
Victorian Government

Please note: Other submissions were received but submitters requested to stay anonymous.

Appendix D - Acronyms and abbreviations of titles

ACER	Australian Council for Education Research
ACPET	Australian Council for Private Education and Training
AEI	Australian Education International
ANU	Australian National University
ARCom	The Australian Research Committee
ASQA	Australian Skills Quality Authority
AQF	Australian Qualifications Framework
ATN	Australian Technology Network
AusAID	Australian Agency for International Development
BRIDGE	The Building Relationships through Intercultural Dialogue and Growing Engagement
COAG	Council of Australian Governments
DIAC	Department of Immigration and Citizenship
DIISRTE	Department of Industry, Innovation, Science, Research and Tertiary Education
DRIE	Database of Research on International Education
ELICOS	English Language Intensive Courses for Overseas Students
ESOS	Education Services for Overseas Students
GTE	Genuine Temporary Entrant
IEAA	International Education Association of Australia
IERN	International Education Research Network
IRU	Innovative Research Universities
ISSA	The International Students Strategy for Australia
JCIE	Joint Committee on International Education
MCCIE	Ministerial Coordinating Council for International Education
MOOCs	Massive Open Online Courses
NBN	National Broadband Network
NRAS	National Rental Affordability Scheme
OECD	Organisation for Economic Cooperation and Development
OS-HELP	Australian Government OS-HELP Loan Scheme
PRISMS	Provider Registration and International Student Management System
RMIT University	Royal Melbourne Institute of Technology University
STEM	Science, Technology, Engineering and Mathematics
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality and Standards Agency
UNESCO	United Nations Educational, Scientific and Cultural Organization
VCCs	Virtual Collegiate Communities
VET	Vocational Education and Training

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