The International Education Market in China

A report commissioned by Australian Education International in the Australian Government Department of Education, Science and Training

AIEC Perth October 2006 AEI China

China in the Global Education Market

- The number of Chinese students abroad, including in Australia, continues to grow
- According to OECD figures, China accounts for 15% of all international students, making it the single biggest source country

Source: OECD Education Statistics

AIEC Perth October 2006 AEI China
China in the Global Education Market

• The number of students from China enrolled in Australian institutions rose by 17.8% between 2004 and 2005
• Higher education saw the largest increase, with year-on-year growth of 32.6%
• VTE saw growth of 22.7%
• Elicos grew by 8.6%
• The only sector to witness a decline was schools, with enrolments from China falling by 13.7%

China in the Global Education Market

• At the same time, China is joining the competition to draw international students
• The number of international students at Chinese universities is projected to rise to 120,000 next year, up from 86,000 in 2004
• The top three sources of international students in China are the Republic of Korea (41%), Japan (19%) and America (8%)
Research scope and objectives

- Analyse key developments and trends affecting demand for international education in China and the likely impact on demand for Australian education
- Analyse the range of issues affecting demand for international education in China
- Analyse the competitiveness of the Australian education and training industry in China
- Identify strategies for the industry to pursue to better position itself in the future

Main findings

- Demand for Australian education will remain high
- The flow of Chinese students to Australia will be determined by the following factors
  - Increased quality and capacity of domestic higher education
  - Intensifying competition from other countries
  - Continued establishment of educational joint ventures in China
  - The employment prospects of students who study overseas
Twinning programmes: Higher education

• What do students think?
• Interviews and focus groups suggested that programmes offered in China are only for:
  – Students who cannot gain entrance to top universities
  – Students who cannot afford overseas study
• Students also believed that only second-tier (or worse) foreign institutions entered into such arrangements in China
• Employers were more positive about such programmes, provided that the local partner is a reputable university

Twinning programmes: Outlook

• Intensifying competition
• Increased scrutiny and more stringent registration criteria
• Switch to articulation programmes, or complete withdrawal to avoid difficulties of operating in China
Foundations

• How are they viewed?
  – Preparation for university, particularly with English competency
  – A way to improve language skills and job prospects

• Are they effective?
  – The success rate of students going from foundation programmes in China to prominent universities abroad is low
  – Chinese partners seek to offer programmes with the possibility of entry to several institutions

Pathways and foundations: Outlook

• The potential for pathway and foundation programmes is generally positive
• Foundation programmes could meet the needs of families concerned about the ability of their child to succeed abroad
  – Pastoral care
  – Ability to cope in new education system and different culture

• The Ministry of Education is believed to be in favour of foundation programmes conducted in China
ELICOS

• Interest in stand-alone English programmes is minimal. Why?
  – Lower income levels in China compared to Japan and Republic of Korea
  – Product offerings not well understood
  – Perception that language requirements for visas are too difficult
  – Government directive that seems to discourage such study
  – Affiliations of education agents with domestic English-language programmes

Elicos: Outlook

• Demand for English-language training in China will continue to rise
• Potential to develop the market for study tours
Schools

- Why is the number of high school students going to Australia to study declining?
  - High cost
  - Language requirements (perception that visa requirement is unpredictable)
  - Parental concerns about safety
  - The difficulty of admission to good private schools and lack of choice over state schools

VTE

- There is a strong tendency for VTE projects to be supported by substantial funding from bilateral aid programmes or international development agencies
- Operators from competing countries suggest that few programmes are self-supporting. Exceptions:
  - business-related courses
  - pathway programmes
VTE: Outlook

- Demand for VTE will increase as China seeks to meet the needs of the labour market and ease unemployment
- The Ministry of Education is likely to unveil a new policy that synthesizes the “best practices” of various VTE models

Benchmarking

- Australia ranked third overall, behind Canada and China

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>5.25</td>
</tr>
<tr>
<td>Canada</td>
<td>5.21</td>
</tr>
<tr>
<td>New Zealand</td>
<td>5.01</td>
</tr>
<tr>
<td>Singapore</td>
<td>5.75</td>
</tr>
<tr>
<td>UK</td>
<td>5.16</td>
</tr>
<tr>
<td>EU</td>
<td>5.08</td>
</tr>
<tr>
<td>China</td>
<td>5.55</td>
</tr>
</tbody>
</table>
**Benchmarking: Strengths and weaknesses**

- Australia scored highly on national education market environment and financing
- It scored less well on ease of entry and macroeconomic and demographic outlook (economic growth projections and relative size of various age groups)

**Benchmarking: Strengths**

- Australia ranks highly (ie first or second) for the following variables:
  - **National education market environment**
    - Number of available places for study at the graduate level compared with number of applications
    - Average programme length for undergraduate and the VTE sector
    - Number of overseas students (per 100 total students in higher education)
    - Budget for promotion of education in China
## Response

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Response</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prepare for increased scrutiny of TNE programs, tougher audits and focus on quality</td>
<td>• Transnational Quality Strategy; seminars on QA for TNE; promotion of Australian TNE</td>
<td>Oct 2006; May 2007</td>
</tr>
<tr>
<td>• Concentrate on pre-departure preparations, pathway and foundation programs</td>
<td>• SIA; agent training programs; exhibitions</td>
<td>06-07 FY</td>
</tr>
</tbody>
</table>

## Timing

### AIEC Perth October 2006

#### AEI China

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Response</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase whole of govt collaboration to consistently brand Australia</td>
<td>• Combined exhibitions; second tier city focus; greater coordination across government agencies</td>
<td>06-07 FY</td>
</tr>
<tr>
<td>• VTE model promotion</td>
<td>• Support for VTE model at national and provincial levels; continued support at policy and operational level</td>
<td>Late 06; June 07</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Response</td>
<td>Timing</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>• Alumni development</td>
<td>• Support for alumni activities</td>
<td>06-07 FY</td>
</tr>
<tr>
<td></td>
<td>• Chapter establishment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>though Auscham</td>
<td></td>
</tr>
</tbody>
</table>