Global Student Mobility 2025
Forecasts of Demand for Pathways to Higher Education

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Global Student Mobility 2025: Forecasts of Demand for International Students in Australia on Pathways to Higher Education

Building on the research IDP undertook in 2002, Forecasts of Demand for International Students in Australia on Pathways to Higher Education provides an understanding of the importance of education ‘pathways’ to the Australian international education industry, an analysis of the key drivers behind the growth in pathways in the future, and forecasts of the global demand for pathways to Australian higher education to 2025.

Pathways to higher education increase the attractiveness of an Australian education experience by offering flexibility and easier accessibility. As such, they are believed to be one of the key factors behind the success of the Australian international education industry in particular source regions, especially in Asia.

Forecasts for Pathways

The paucity of high quality data on international students in the vocational education, schools and ELICOS sectors in Australia’s major competitor countries, combined with the significant differences in the structure and systems of vocational education in the major English speaking destination countries, makes comparison of student numbers in the non-higher education sectors difficult.

Therefore, IDP has been unable to forecast international students in Australian VET, schools and ELICOS sectors in the same way as it has done for higher education. However given that a high proportion of the demand for an international education in the non-higher education sectors, is from students who are on a pathway to Australian higher education, IDP has been able to use available data to forecast demand for pathways. In this context, students on pathways to higher education are defined as:

International students enrolled in those programs, delivered in the non higher education sectors in Australia, that assist international students to access a higher education program at a university

As such, the forecasts for this demand are ‘derived’, based on the forecasts for international students in Australian higher education in the future.

What are the forecasts for pathways education among international students in Australia?

The Pathways Access Ratio, calculated for each of the three non-higher education sectors, predicts the proportion of commencing students in higher education who have previously studied in another sector in Australia. It is calculated for 144 source countries. The ratios were estimated by IDP based on:
1. The results of an IDP survey with Australian universities, in which universities were asked about the prior education of the commencing international student cohorts.

2. Historical relationships between enrolments of international students in Australian higher education, and enrolments in Australian vocational education, schools and ELICOS.
Schools

The global forecasts for pathways in the school sector are shown below:

Of this global demand, 95% in 2005 and 98% in 2025 will be from Asia. China is the largest driver of growth in demand for schools pathways, moving from 53% (11,958 students) of all global demand in 2005 to 74% (85,947 students) in 2025. The next largest country in 2025, Vietnam, has forecast demand of only 4,703 students. Other leading countries in 2025 include Indonesia, Hong Kong, Malaysia and Thailand. Pathways in Australian schools education make up very large proportion of the total demand by international students for Australian school education. That is, most of the international students in Australian schools are on pathways to an Australian higher education.

VET

The global forecasts for pathways from the VET sector to Australian higher education are shown below:

The proportion of international students in Australian VET who are on pathways is not as significant as it is for Australian schools, for most source countries – hence, the forecasts for VET pathways are less than for schools. However there will be a significant proportion of the demand for an Australian VET education that is not predicted in this project i.e. those on stand-alone courses.
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Once again, 96% of the demand in 2025 is from Asia, up from 91% in 2005. However, unlike for schools pathways, this demand is spread evenly across South East Asia, South Asia and East Asia.

The leading pathways source countries for VET in 2025 are forecast to be China (20,446 students in 2025, up from 2,721 in 2005), Indonesia (10,340 students in 2025, up from 3,076 in 2005), Malaysia, Hong Kong, India and Nepal.

ELICOS

The global forecasts for pathways from the ELICOS sector to Australian higher education are shown below:

Once again, 97% of the demand in 2025 is from Asia, up from 91% in 2005. Similar to the schools sector, most of this is from China (37,132 students in 2025), with Thailand and Indonesia being the only other source countries with forecast demand of over 3,000 students in 2025. These are also three of the leading four source countries (along with Korea) at the beginning of the forecast period in 2005.

Why Pathways could become MORE prevalent in future

- Global Change drivers
  - ‘Students as Consumers’, demanding flexibility. Hence customised, modularised courses, with easy transition and recognition of prior learning, are demanded by students.
  - Emergence of private education sectors, who can respond quickly to changes in student demand and preferences.
  - Demand for lifelong learning facilitating the need for several education programs over a person’s lifetime.
  - New business models in education institutions such as vertical integration and articulation arrangements.
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> A more competitive education market in which institutions strive for competitive advantage and a pipeline of students, by establishing articulation arrangements offering guaranteed articulation.

- Emergence of associate degrees in Australia, which may end up being a pathway to a full degree as they are in the US.
- Universities raise academic and English entry standards, as a response to control supply in the face of increased demand.

Why Pathways could become LESS prevalent in future

- Increased provision of courses in Australia in languages other than English, decreasing need for English preparation courses.
- Academic standards in domestic education systems improve, decreasing need for academic preparation courses.
- English language standards in source country improve, decreasing need for English preparation courses.
- Global competition from US/UK/Canada/NZ/other in offering pathways could reduce Australia’s competitiveness.

How are Australian institutions positioned for the future for pathways?

- Understanding the pathways market involves understanding the global change drivers (as mentioned above)
- There is a blurring of sectoral boundaries as institutions change structure (e.g. vertical integration and articulation arrangements), in part due to demand for pathways - hence, VET providers offering degrees and associate degrees, and higher education providers offering diplomas and associate degrees
- There are issues of diversity, as mentioned earlier, due to the high forecast demand from Asia.
- IDP strongly recommends that institutions collect and analyse pathways information in the future so that institutions know their students better and allocate their marketing resources more effectively.

Data Issues

A major problem for IDP in attempting to determine accurate Pathways Access Ratios (which help determine the eventual forecasts) was a lack of good data held by institutions (in particular, universities) concerning the prior learning of their commencing students (for all non-higher education sectors, but especially for ELICOS). Less than half of those institutions approached by IDP were able to supply IDP with quality information concerning this at a source country level. Most universities either did not collect information concerning where their
students were coming from in Australia, or else collected only some information that was not easily accessible. This was a surprising finding given that it could be expected that such information should be important in the marketing strategies of international offices, as they try to allocate marketing resources most effectively and understand their students better.

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