A rising ELICOS tide lifts all international education ships. So how do we navigate for future success?

Brett Blacker
English Australia

AIEC 2015

ENGLISH AUSTRALIA
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The rising tide.

Global context

Data and trends

Policy impacts

Agents perspectives

Scenario planning

Initiatives and directions

Growth starts with a sead..

ELICOS Industry – Data

- global English Language Training industry
  - 2013 & 2014 data – competitor overview
  - 2014 agent perspectives

- Australia 2014
  - PRISMS data – student visa holders – all sectors
  - English Australia – all visa holders – ELICOS
  - pathways data 2013/2014

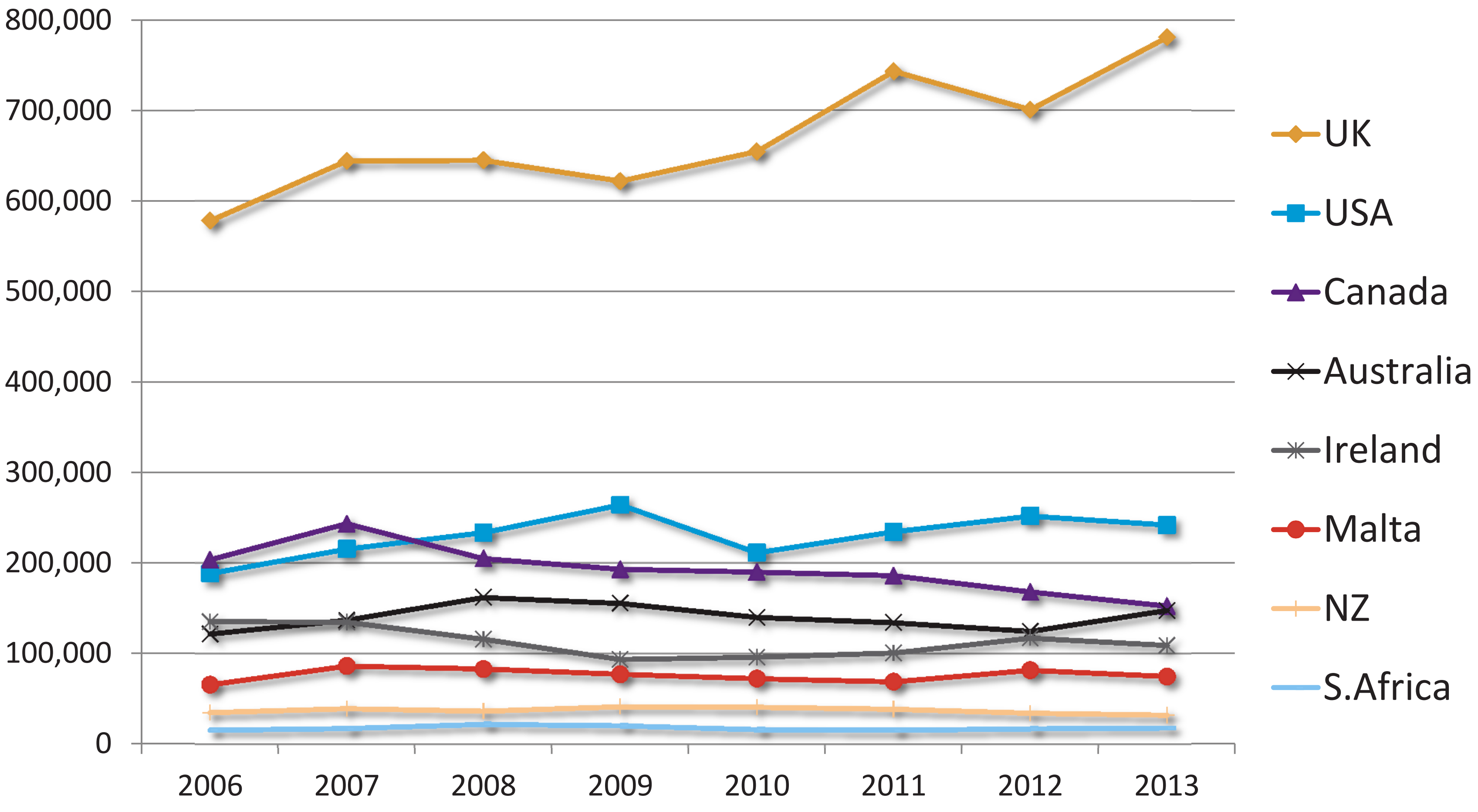
- Australia YTD 2015
  - YTD July 2015 – PRISMS data – student visa commencements

Global Context

The global ELT industry

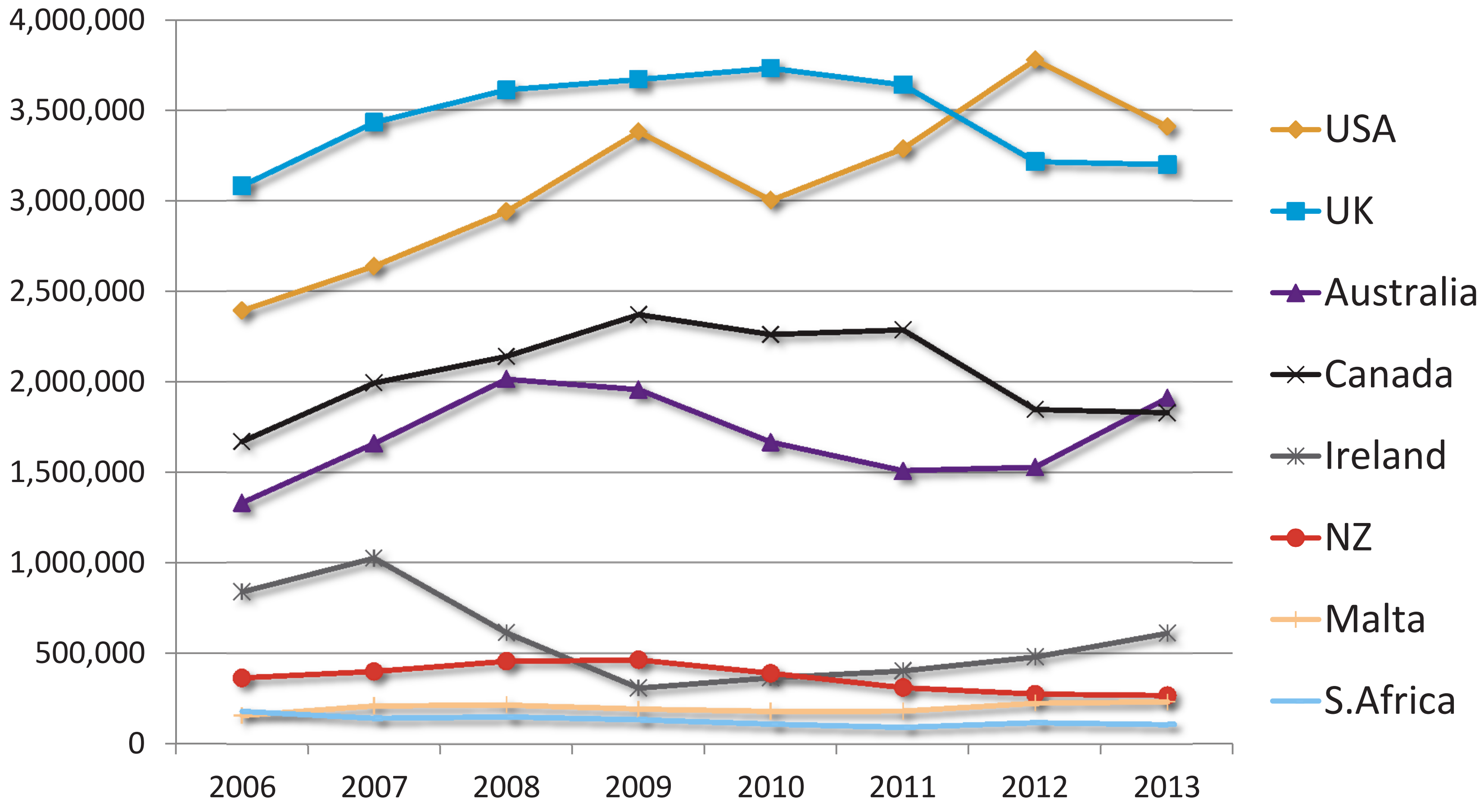
- which countries are our key competitors?
  - UK, USA, Canada, Ireland, New Zealand, Malta, South Africa
- how many students travel to these 7 countries + Australia to learn English?
  - in 2013 – over 1.5 million
- what is Australia's share of the global ELT market – in students?
  - in 2013 – 9%
- what is Australia's share of the global ELT market – in student weeks?
  - in 2013 – 17%

The Global Market for ELT – trends in students



Source: Study Travel Magazine Dec 2014

The Global Market for ELT – trends in weeks



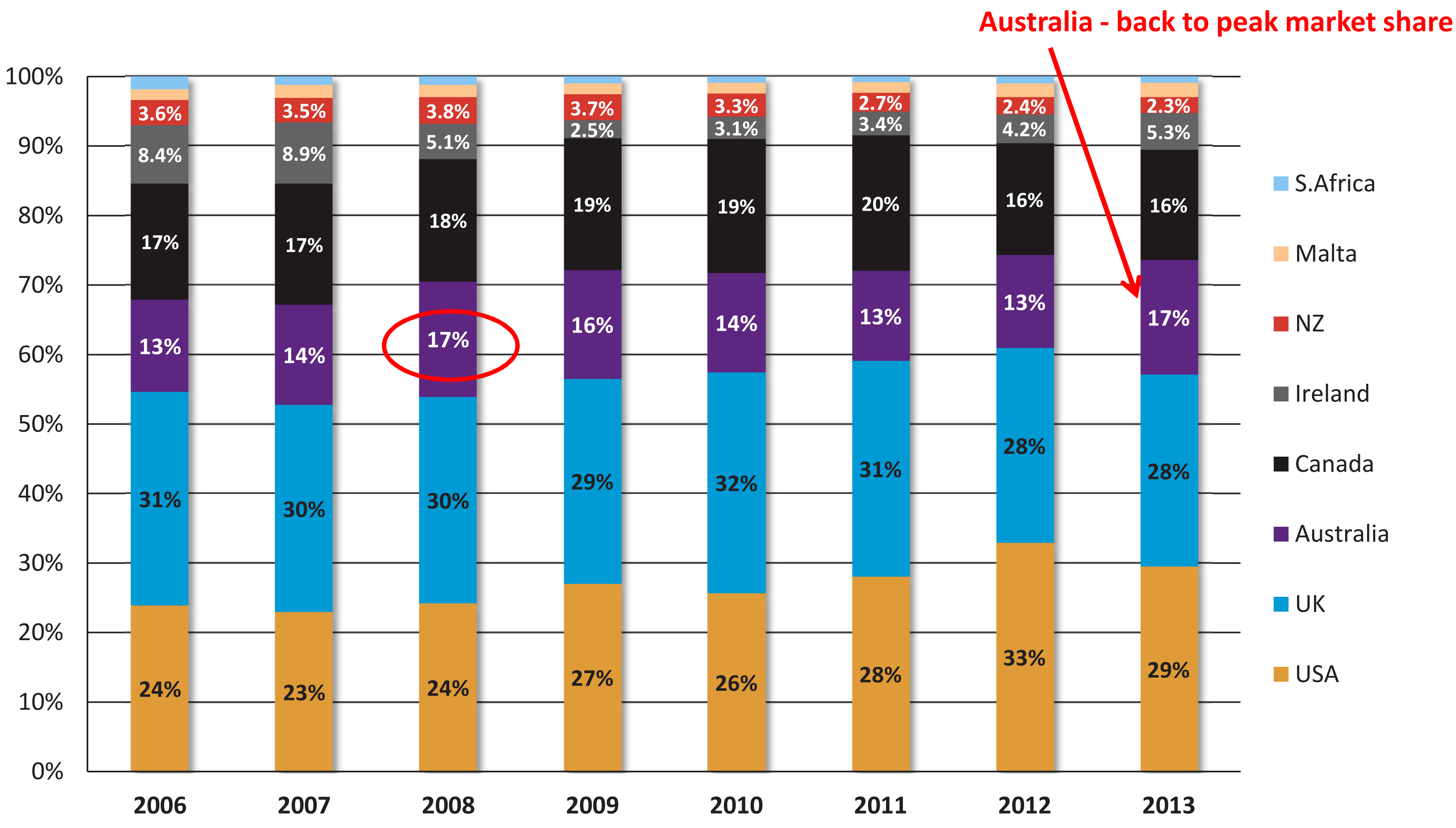
Source: Study Travel Magazine Dec 2014

The Global Market for ELT – ranking

- UK continued to record the greatest market share of students (50%), however the **USA had the greatest market share of weeks** (30%)
- **Australia #4** after UK, USA and Canada with 9.5% of **students** (up from 8.3%)
- **Australia #3** after USA and UK with 16.5% of student **weeks** (up from 13.3%)
- top 4 countries = 85% of all English language students and 89% of all weeks

Source: Study Travel Magazine Dec 2014

The Global Market for ELT – trends in weeks



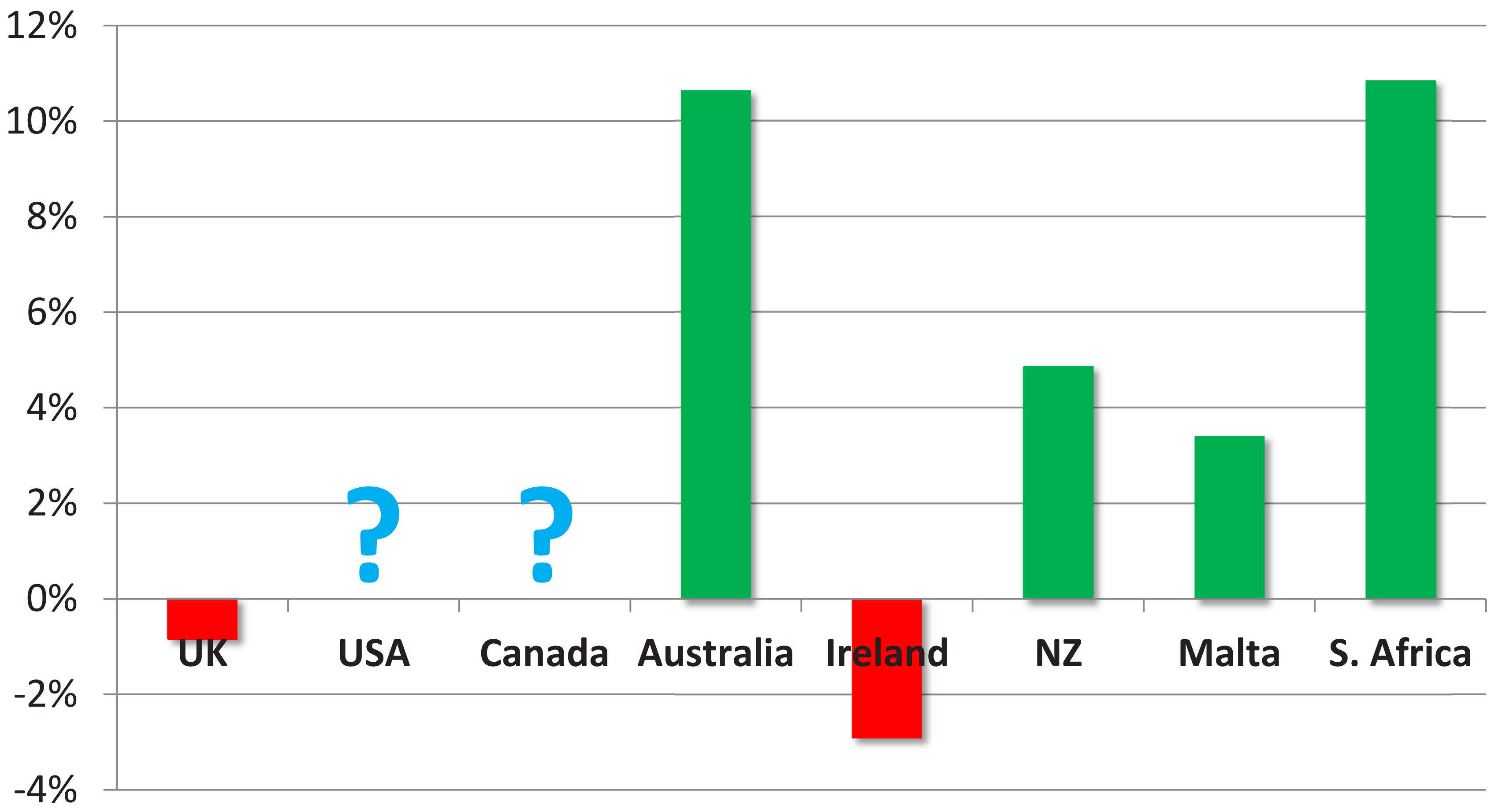
Source: Study Travel Magazine, Dec 2014

Average length of study (weeks)

	2006	2007	2008	2009	2010	2011	2012	2013
USA	**12.7**	**12.2**	**12.6**	**12.8**	**14.2**	**14.0**	**15.0**	**14.1**
Australia	10.9	**12.0**	**12.5**	**12.6**	11.9	11.2	**12.3**	**12.9**
Canada	8.2	8.2	10.4	**12.3**	11.9	**12.3**	11.0	**12.0**
NZ	10.4	10.1	**12.4**	11.1	9.5	8.0	8.0	8.3
S. Africa	11.3	8.1	6.7	6.5	6.7	5.9	6.8	**6.0**
Ireland	6.2	7.6	5.3	5.2	3.8	4.0	4.1	5.6
UK	5.3	5.3	5.6	5.9	5.7	4.9	4.6	**4.1**
Malta	2.4	2.4	2.6	2.5	2.5	2.6	2.8	3.1
average	**7.5**	**7.6**	**8.1**	**8.5**	**8.2**	**7.7**	**7.7**	**7.4**

Source: Study Travel Magazine Dec 2014

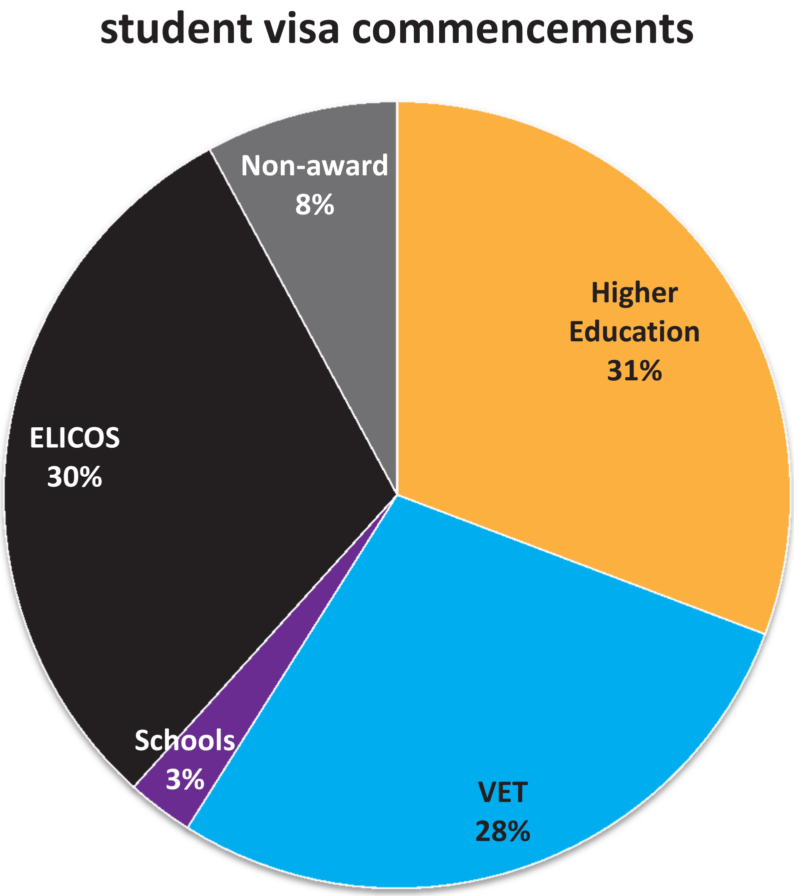
2014 – ELT % growth or decline in students

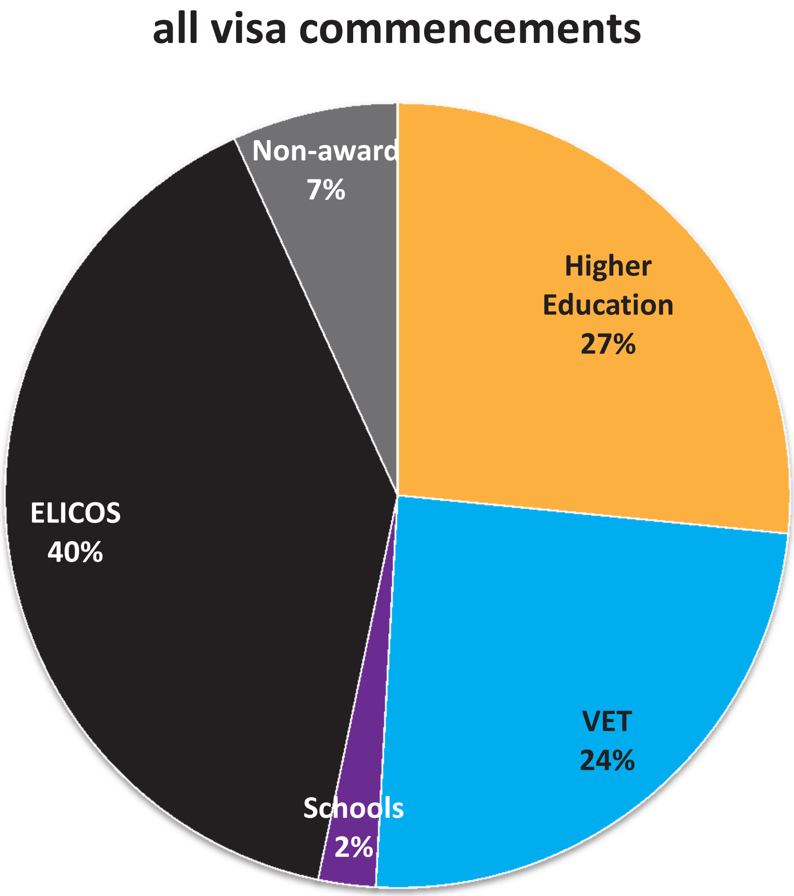


Industry Statistics – Australia 2014

- which is the biggest sector of international education in Australia?
  - ??

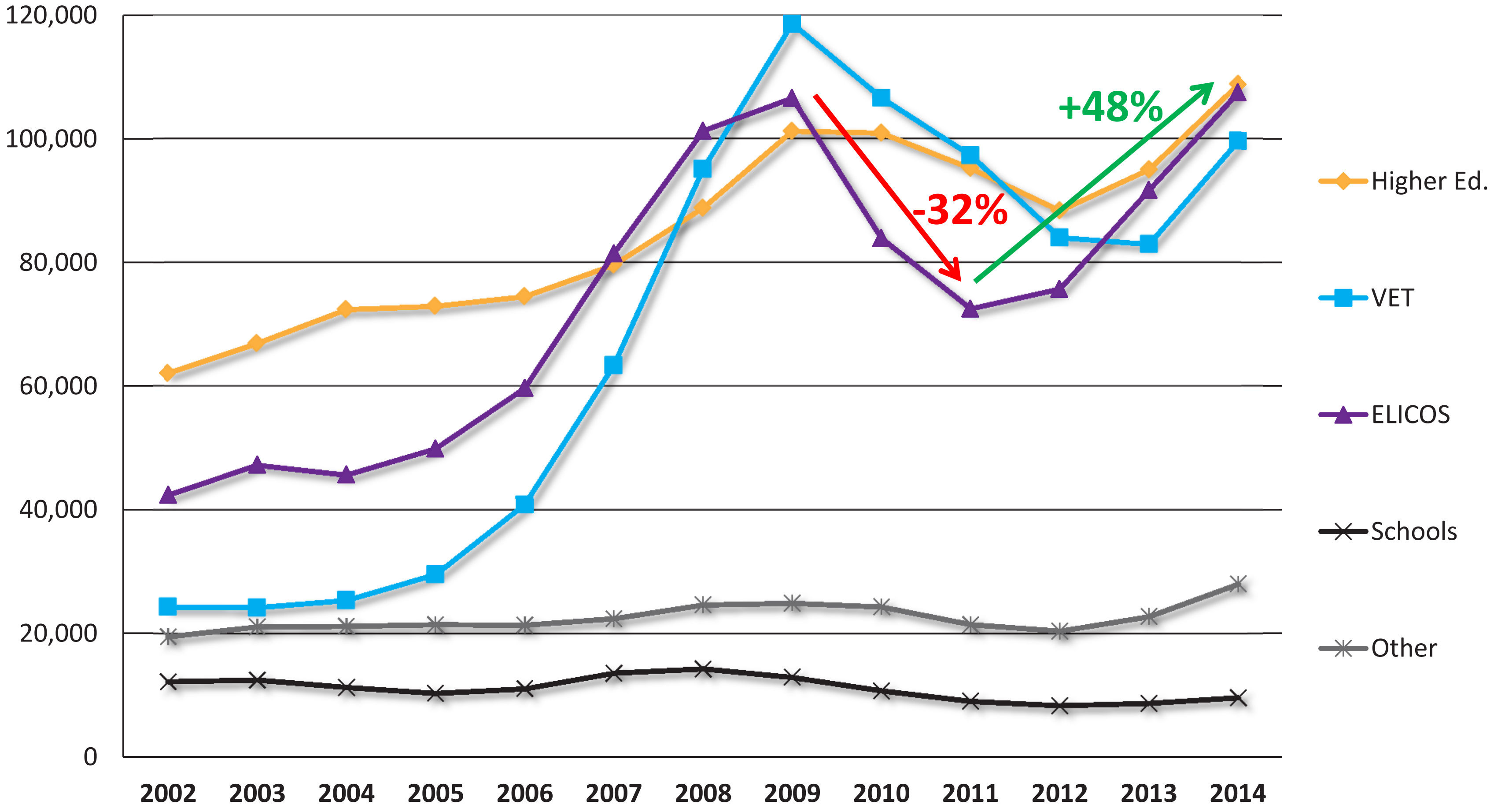
2014 ELICOS Commencements



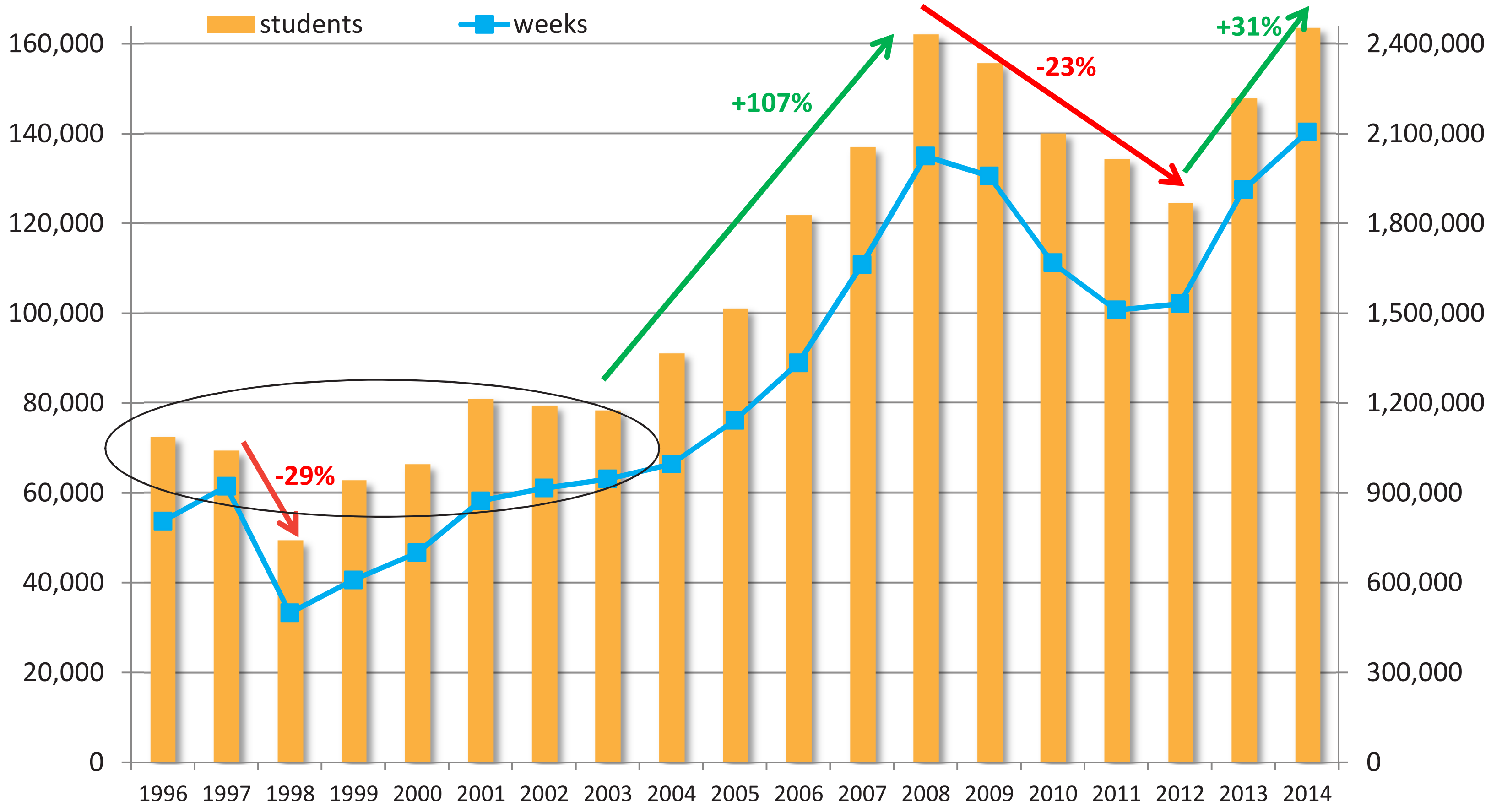


Data: DIBP 2014 Industry Statistics and 2014 English Australia Survey of major regional markets

Commencements – student visa holders



ELICOS commencements (all visa types)



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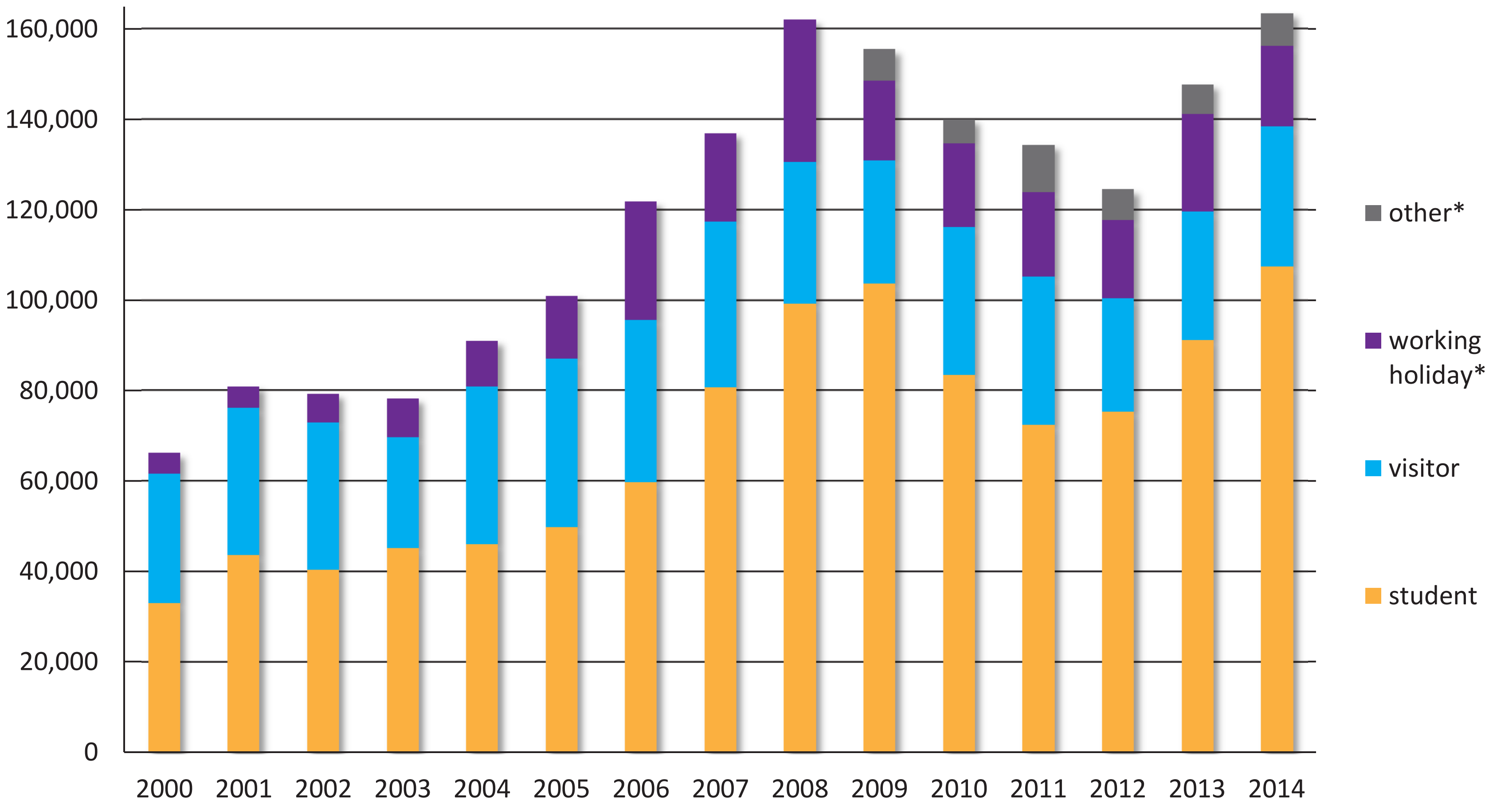
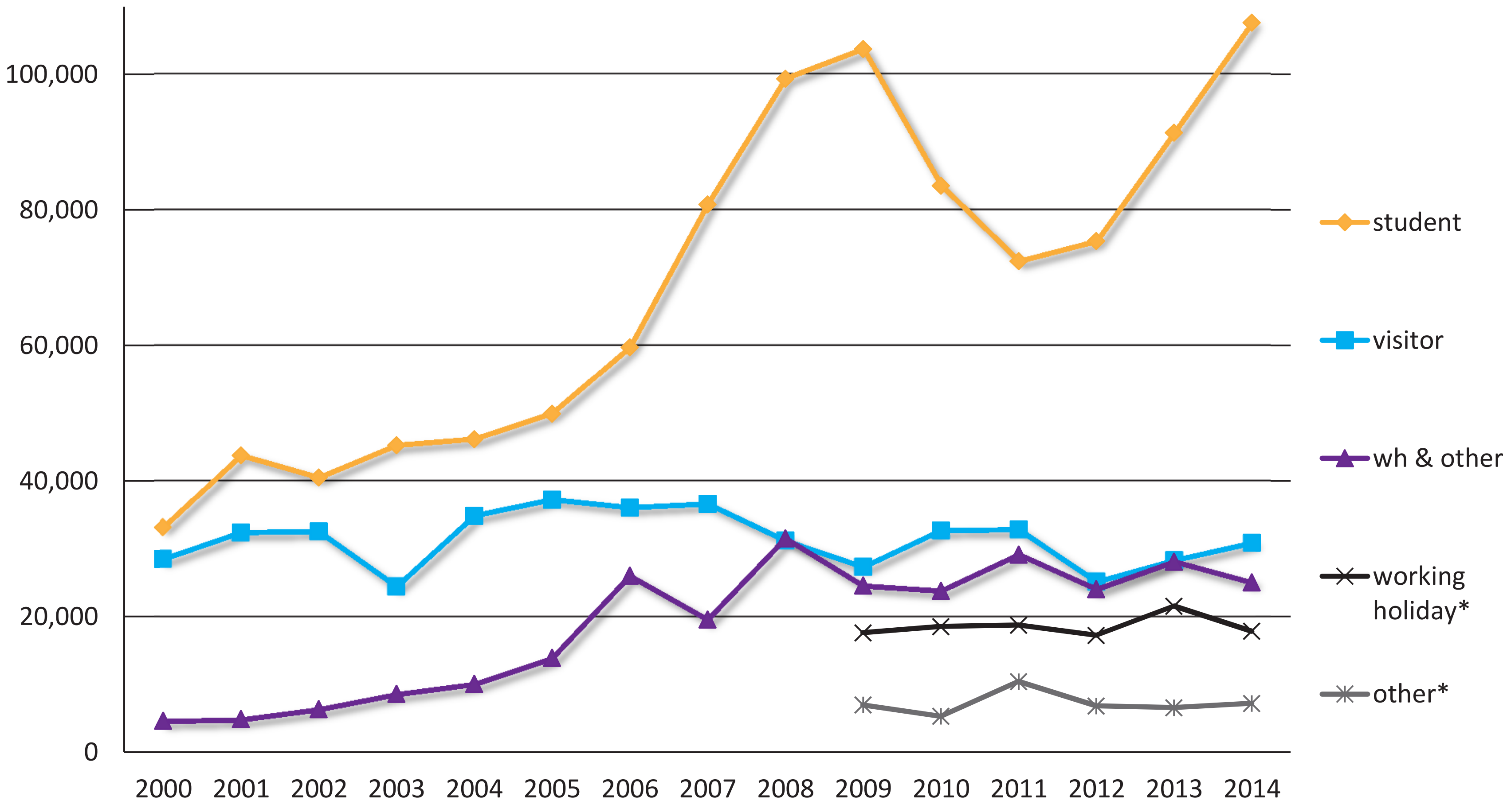


* prior to 2009, *working holiday* and *other* visas were combined together

Trends by visa type



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Growth/decline by visa type

	2009	2010	2011	2012	2013	2014	+ / -	
student	103,715	83,583	72,429	75,392	91,398	107,610	*16,212*	*18%*
visitor	27,325	32,710	32,866	25,159	28,319	30,897	*2,578*	*9%*
working holiday	17,615	18,527	18,734	17,239	21,542	17,840	*-3,702*	*-17%*
other	6,958	5,281	10,411	6,813	6,569	7,195	*626*	*10%*
total	**155,613**	**140,101**	**134,440**	**124,603**	**147,828**	**163,542**	***15,714***	***11%***

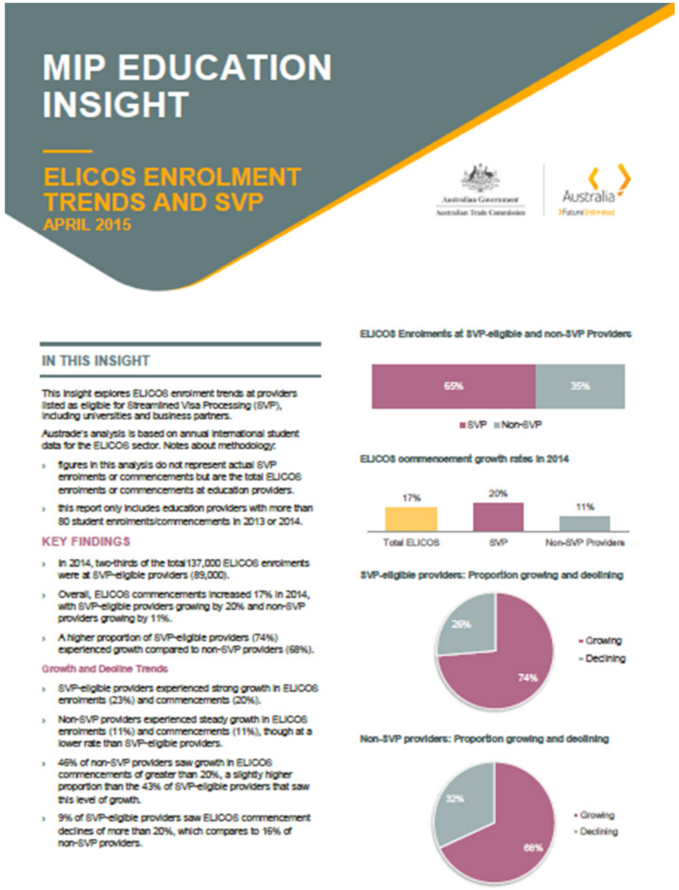
Policy impacts on ELICOS

Austrade analysis of SVP impact on ELICOS

- explores ELICOS enrolment trends at providers listed as eligible for Streamlined Visa Processing (SVP), including universities and business partners
  – figures in this analysis do not represent actual SVP enrolments or commencements but are the total ELICOS enrolments or commencements at education providers
  – this report only includes education providers with more than 80 student enrolments/commencements in 2013 or 2014

KEY FINDINGS

- in 2014, two-thirds of the total 137,000 ELICOS enrolments were at SVP-eligible providers (89,000)
- overall, ELICOS commencements increased 17% in 2014
  – SVP-eligible providers grew by +20%
  – non-SVP providers grew by +11%
- a higher proportion of SVP-eligible providers (74%) experienced growth compared to non-SVP providers (68%)


MIP EDUCATION INSIGHT

ELICOS ENROLMENT TRENDS AND SVP

APRIL 2015

IN THIS INSIGHT

This insight explores ELICOS enrolment trends at providers listed as eligible for Streamlined Visa Processing (SVP), including universities and business partners.

Austrade's analysis is based on annual international student data for the ELICOS sector. Notes about methodology:

› figures in this analysis do not represent actual SVP enrolments or commencements but are the total ELICOS enrolments or commencements at education providers.
› this report only includes education providers with more than 80 student enrolments/commencements in 2013 or 2014.

KEY FINDINGS

› In 2014, two-thirds of the total 137,000 ELICOS enrolments were at SVP-eligible providers (89,000).
› Overall, ELICOS commencements increased 17% in 2014, with SVP-eligible providers growing by 20% and non-SVP providers growing by 11%.
› A higher proportion of SVP-eligible providers (74%) experienced growth compared to non-SVP providers (68%).

Growth and Decline Trends

› SVP-eligible providers experienced strong growth in ELICOS enrolments (23%) and commencements (20%).
› Non-SVP providers experienced steady growth in ELICOS enrolments (11%) and commencements (11%), though at a lower rate than SVP-eligible providers.
› 46% of non-SVP providers saw growth in ELICOS commencements of greater than 20%, a slightly higher proportion than the 43% of SVP-eligible providers that saw this level of growth.
› 9% of SVP-eligible providers saw ELICOS commencement declines of more than 20%, which compares to 16% of non-SVP providers.

Austrade analysis of SVP impact on ELICOS

A comparison of the top 15 markets for the ELICOS sector overall with SVP-eligible providers and non-SVP providers show similar markets but different rankings. For example:

- Thailand is the third-largest ELICOS market for the sector overall, fifth-largest for SVP-eligible providers and the top source market for non-SVP providers
- for non-SVP providers, Malaysia is the 11th-largest market and Czech Republic is 12th, although these markets are not in the top 15 markets for the ELICOS sector overall
- the list of top markets for non-SVP providers highlight nationalities that come to Australia for standalone English courses rather than packaged courses

Top 15 ELICOS source markets ranking comparison

Top 15 ELICOS markets (overall)	Market rankings for SVP-eligible providers	Market rankings for non-SVP providers
1. China	1	5
2. Brazil	3	3
3. Thailand	5	1
4. Vietnam	2	6
5. Colombia	6	2
6. India	4	13
7. South Korea	9	4
8. Japan	8	7
9. Saudi Arabia	7	18
10. Taiwan	10	8
11. Italy	15	9
12. Spain	12	10
13. Nepal	11	15
14. Indonesia	13	19
15. Hong Kong	14	14

Austrade analysis of SVP impact on ELICOS

- In all states and territories, SVP-eligible providers enrol larger numbers of students compared to non-SVP providers.
- Stronger growth rates were experienced by SVP-eligible providers in New South Wales, Victoria, South Australia, ACT and Tasmania. In contrast, Queensland and Western Australia saw stronger growth rates at non-SVP providers. This reflects the importance of non-pathway English study in these two states.
- While ELICOS commencements at SVP-eligible providers across all states and territories are growing, two states saw declining commencements for non-SVP providers. In these cases, the number of commencements was relatively small, with 37 in the ACT and 394 in South Australia.

ELICOS commencements in 2014 by State/Territory

State	SVP	*Change*	Non-SVP	*Change*
NSW	26,157	↑ 20%	16,565	↑ 9%
VIC	18,571	↑ 26%	9,468	↑ 16%
QLD	12,503	↑ 7%	8,407	↑ 14%
WA	5,156	↑ 13%	4,025	↑ 15%
SA	4,009	↑ 31%	394	↓ 10%
ACT	1,478	↑ 99%	37	↓ 94%
NT	303	↑ 37%	–	-
TAS	642	↑ 66%	21	0%

2014 – key statistics

- **163,542** students (+11%) +15,714 more students
- average length of course **12.9 weeks** same as 2013
- **2,104,832** student weeks (+10%) +192,819 more weeks

- 66% (107,610) student visas (growth +18%)
- 19% (30,897) visitor visas (growth +9%)
- 11% (17,840) working holiday visas (decline -17%)
- 4% (7,195) other visas (growth +10%)

- **$2.075 billion** in export earnings (+12%) +$230 million

2014 – different perspectives

Austrade / DET

(student visa perspective)

- **+17%** growth in commencements
- **107,548** commencing ELICOS students
- **15,796** more ELICOS students than 2013
- growth from 9 countries in top 10 (except S. Korea)
- **top 10 remains the same**
  (India replaced Spain in 2013)
  (Spain replaced Indonesia in 2012)
  (Indonesia replaced India in 2011)
- China #1 source country,
  #2 Thailand, #3 Brazil,
  #4 Colombia, **#5 India, #6 Vietnam**

English Australia

(all visa perspective)

- **+11%** growth in commencements
- **163,542** commencing ELICOS students
- **15,714** more ELICOS students than 2013
- growth from 9 countries in top 10 (except S. Korea)
- **India replaced S. Arabia in top 10**
  (S. Arabia replaced Switzerland in 2013)
  (Italy replaced S. Arabia in 2012)
  (Vietnam replaced France in 2011)
- China #1 source country,
  #2 Japan, #3 Korea,
  #4 Thailand, #5 Brazil, #6 Colombia

Pathways data (2013/2014)

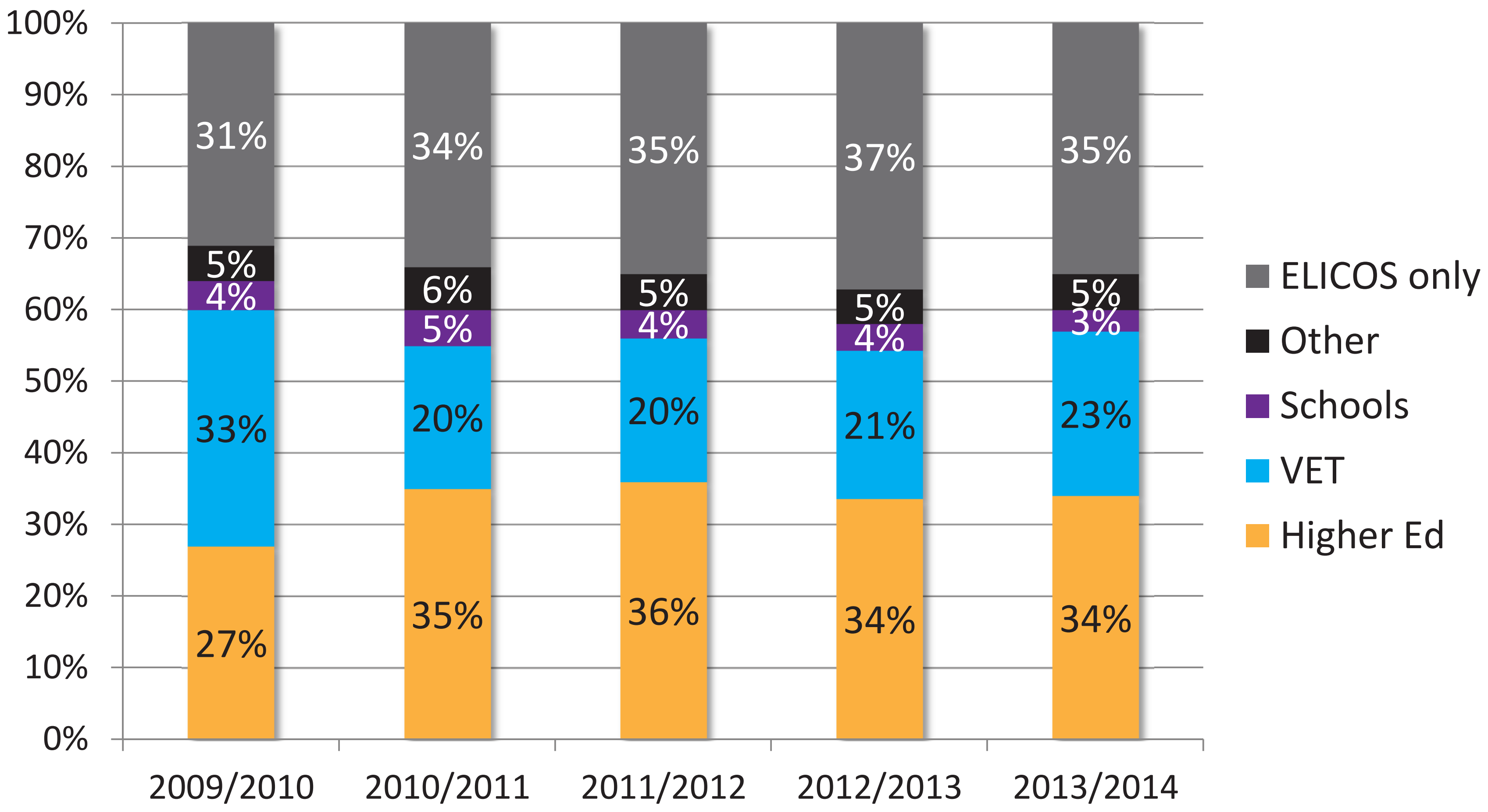
- The pathways data is for students completing ELICOS in 2013 and commencing courses in other sectors in 2014.

- the majority of international students undertake study in more than one educational sector.

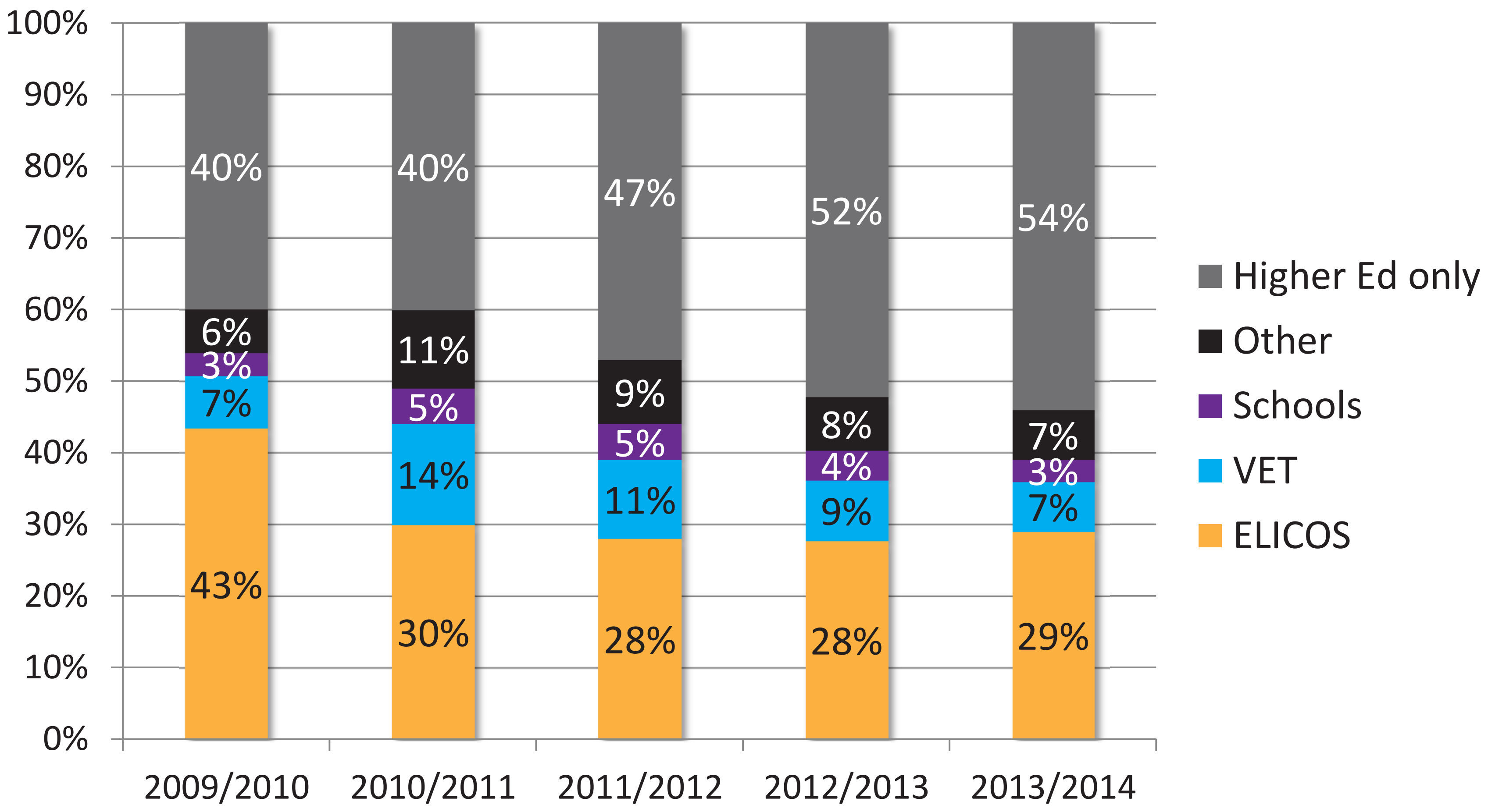
Pathways data (2013/2014)

- 35% of student visa holders finishing ELICOS in 2013 studied only in the ELICOS sector
- 65% of student visa holders finishing ELICOS in 2013 were pathway students
- applying these proportions to the 2014 data would indicate that:
  - 43% of ELICOS students on all visas in 2014 were pathway students
  - approx **69,947** ELICOS students commencing in 2014 have or will transition through to other sectors
  - approx **93,596** ELICOS students studied only in the ELICOS sector

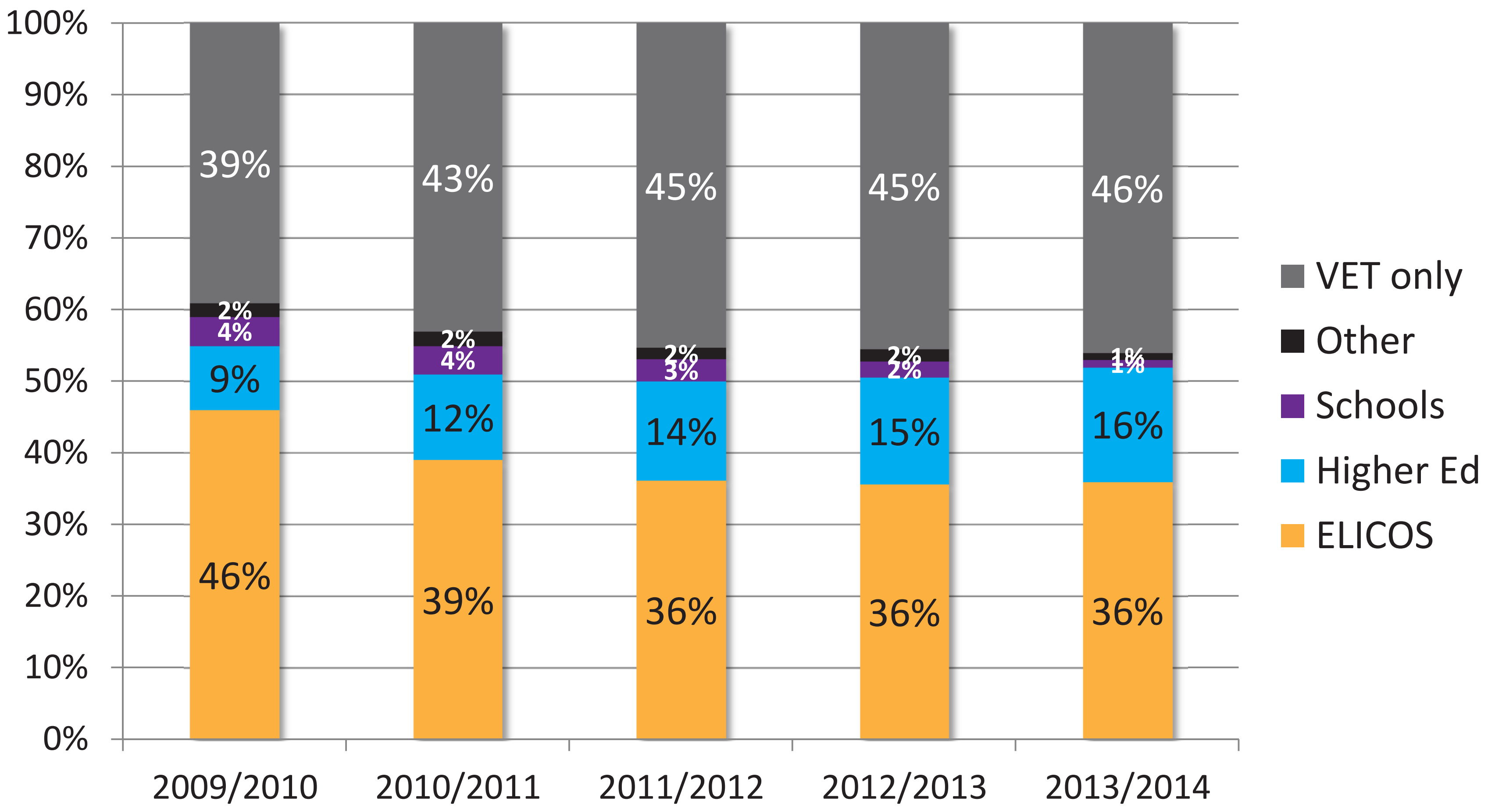
1st sector enrolled after completing ELICOS



Sector enrolled in before commencing Higher Ed



Sector enrolled in before commencing VET



Top 10 ELICOS nationalities (student visas)

Top 10 ELICOS nationalities and their direct and indirect inter-sector study pathway from ELICOS

Nationality	ELICOS only	ELICOS-H. Ed	ELICOS-VET	ELICOS-School	ELICOS-Non-award	Total Students
	Inter-sector pathway					
	Proportion of total for each nationality					Students
China	8.3%	73.1%	8.2%	6.4%	11.4%	15,479
Brazil	59.7%	2.0%	31.8%	0.1%	6.7%	3,982
Vietnam	24.8%	41.4%	32.8%	4.6%	4.0%	3,813
Republic of Korea	41.0%	14.0%	40.6%	2.8%	1.6%	3,663
Thailand	40.3%	13.5%	46.2%	1.0%	0.9%	3,426
Colombia	77.2%	6.6%	16.3%	0.0%	0.4%	3,099
Japan	65.5%	7.9%	16.5%	4.5%	5.2%	2,851
India	6.2%	68.7%	41.0%	0.2%	1.2%	1,865
Saudi Arabia	49.5%	38.4%	8.6%	0.0%	6.5%	1,627
Taiwan	47.6%	20.1%	28.3%	3.4%	2.4%	1,396

Legend (% of total): 40% to <50% | 50% to 70% | > 70%

Non Student Visa
ELICOS

Tourism Visitor Visas

- **3,556,230** tourism Visitor visas granted in 2013/2014
- total number of tourism Visitor visas granted showed strong growth of **+8.2%** in 2013/2014
- 6 months July to December 2014 up by a further **+5.9%**
- **467,748** tourism Visitor visa holders in Australia at 31 December 2014

Analysis of Visitor visas (ELICOS) – top 5 source countries

	2013	2014	+ / -	
Japan	9,293	9,674	*+381*	*+4%*
China	2,221	2,913	*+692*	*+31%*
Switzerland	2,882	2,553	***-329***	***-11%***
South Korea	2,822	2,503	***-319***	***-11%***
Thailand	957	1,832	*+876*	*+92%*
Other than top 5	9,794	11,421	+1,627	+17%
total	**28,319**	**30,897**	***+2,578***	***+9%***

Analysis of WH visas (ELICOS) – top 5 source countries

	2013	2014	+ / -	
South Korea	7,861	5,180	-2,680	-34%
Japan	4,243	3,761	-483	-11%
Taiwan	3,611	2,824	-787	-22%
Italy	2,579	2,618	38	1%
France	1,769	1,728	-41	-2%
Other than top 5	1,478	1,729	250	17%
total	**21,542**	**17,840**	***-3,702***	***-17%***

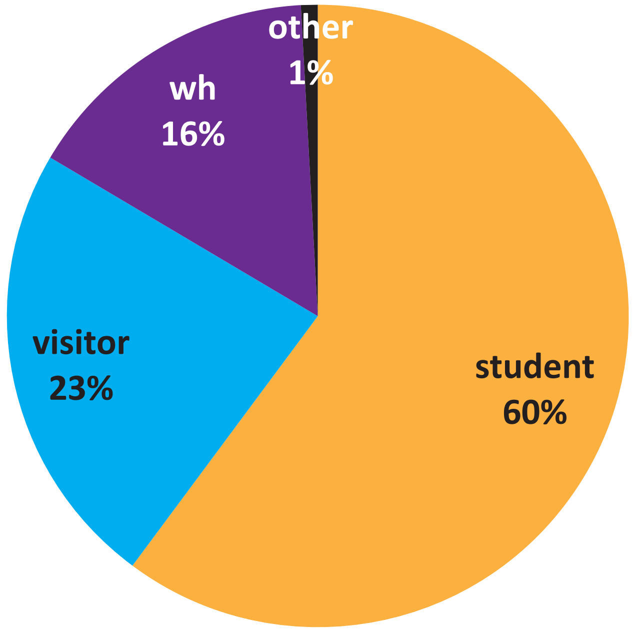
Analysis of WH Visas

	2013/2014 wh visas granted #	2014 wh ELICOS #	wh visas granted growth/ decline	wh ELICOS growth/ decline	wh ELICOS as % of total wh visas					
					2009	*2010*	*2011*	*2012*	*2013*	*2014*
#2 Taiwan	29,366	2,824	**-18%**	**-22%**	14%	20%	15%	9%	10%	10%
#3 Korea	26,893	5,180	**-24%**	**-34%**	18%	24%	26%	20%	22%	19%
#4 Germany	26,819	849	2%	16%	6%	4%	4%	3%	3%	3%
#5 France	25,734	1,728	4%	-2%	12%	11%	8%	6%	7%	7%
#6 Italy	16,045	2,618	1%	1%	18%	20%	24%	20%	16%	16%
#9 Japan	10,579	3,761	6%	-11%	41%	42%	51%	45%	43%	36%

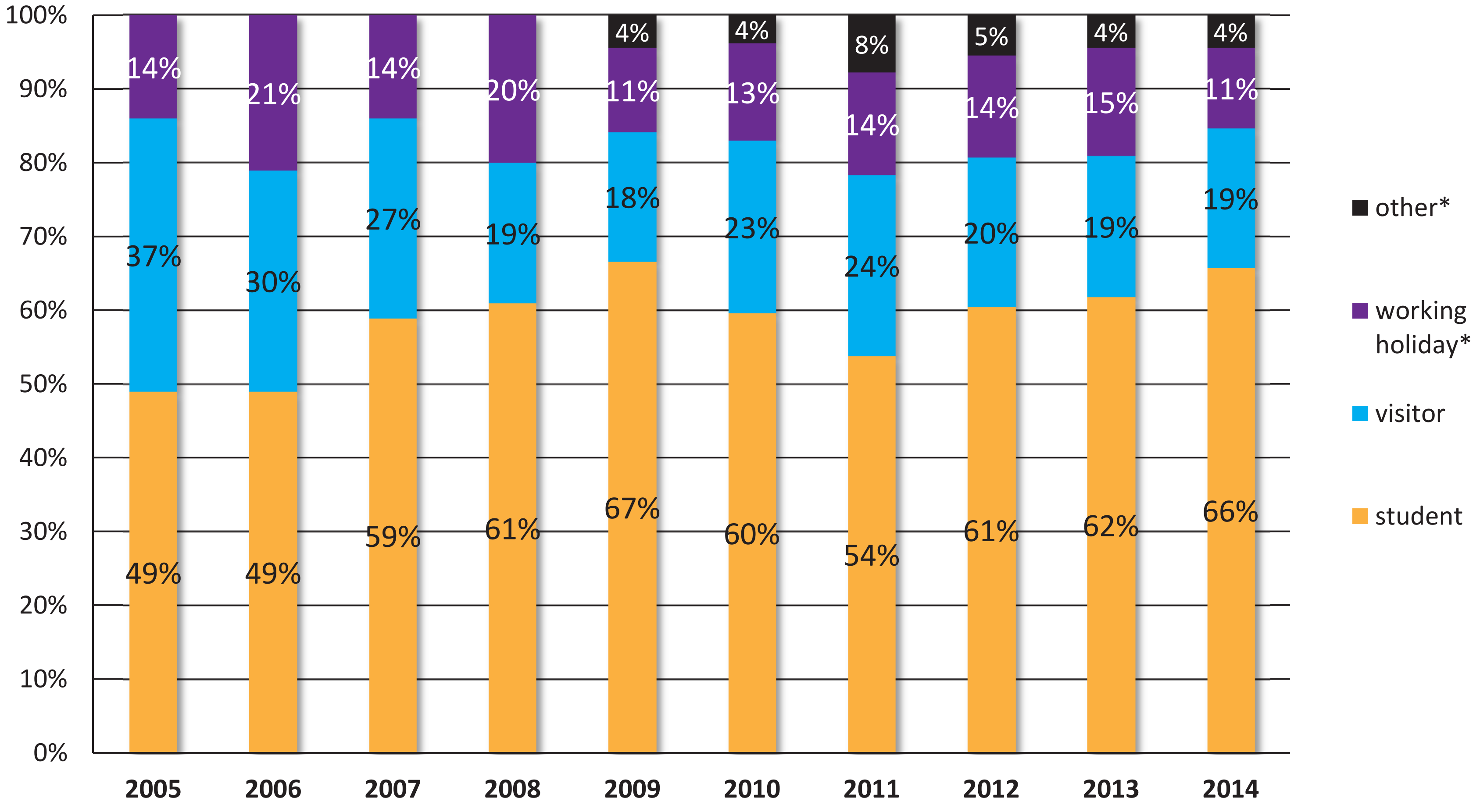
Onshore transition between visas

visa held before onshore application for ELICOS student visa

	2011/12	2012/13	2013/14	*13/14 vs 12/13*	
student	6,330	6,603	5,714	*-889*	*-13%*
visitor	1,764	2,428	2,216	*-212*	*-9%*
wh	521	1,264	1,484	*220*	*17%*
other	84	54	82	*28*	*52%*
TOTAL	**8,699**	**10,349**	**9,496**	***-853***	***-8%***



Trends by visa type - students



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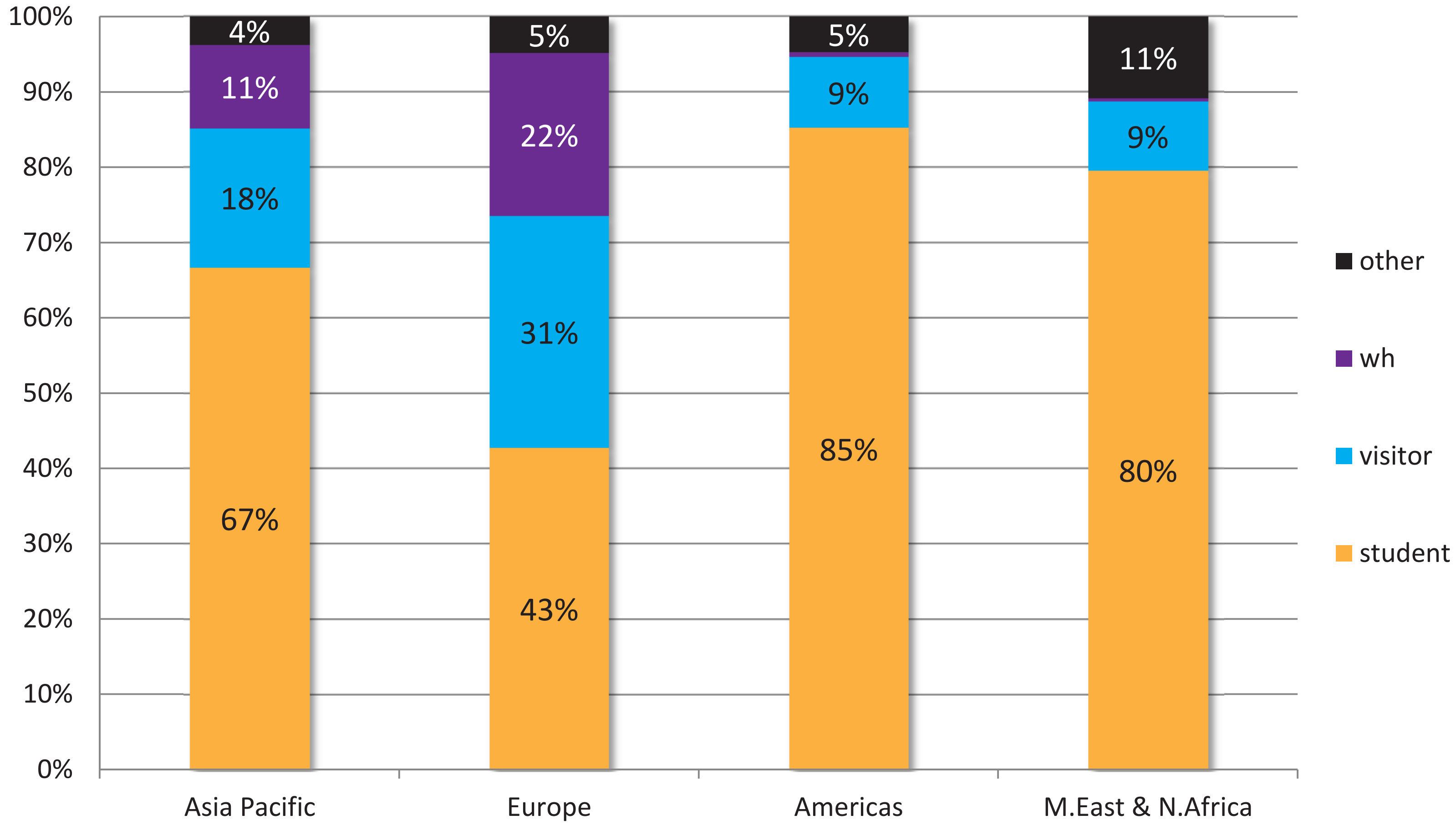
2014 Visa type by region

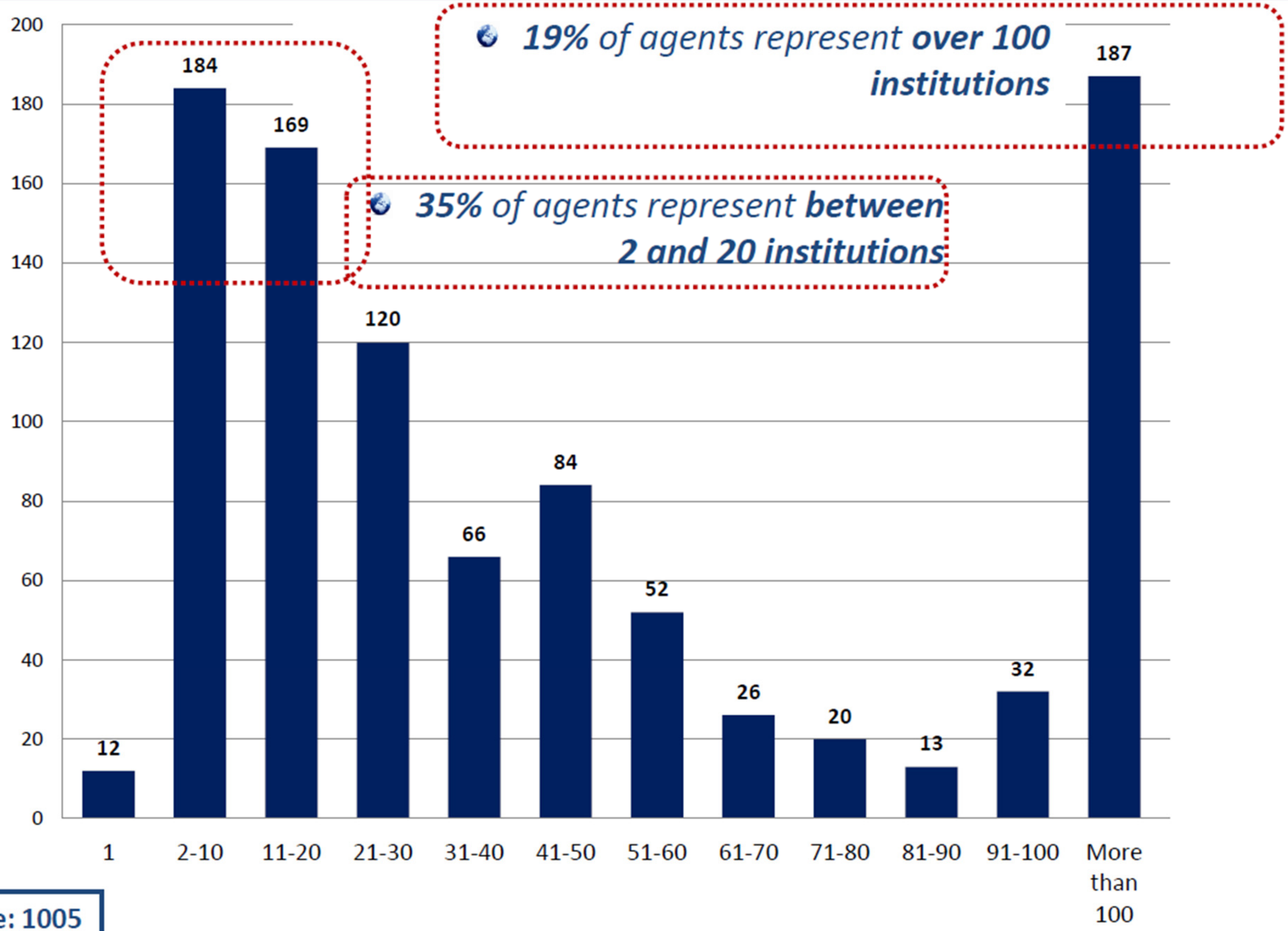


Agent perspectives and impact on ELICOS

Agent Perspectives

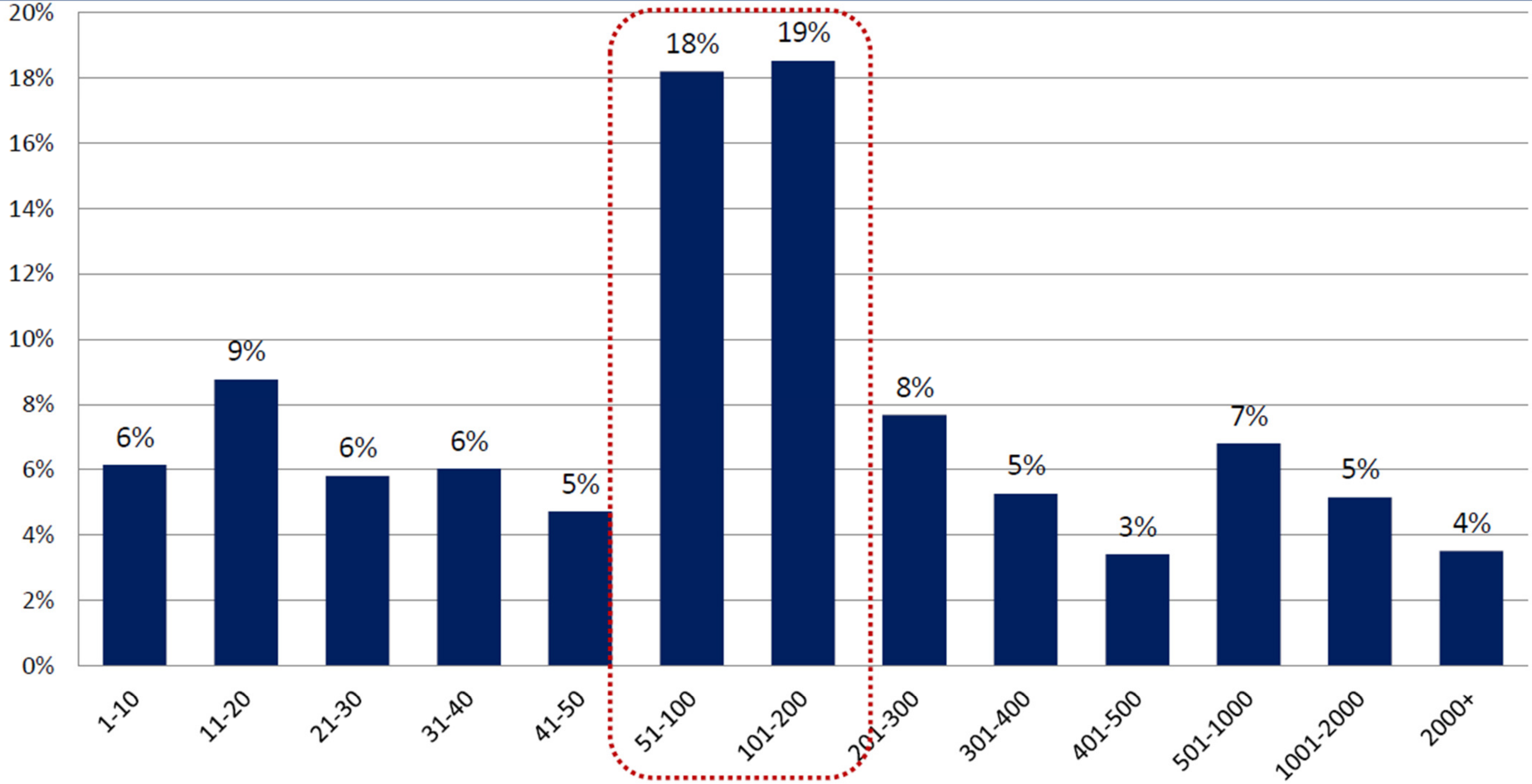
- **i-graduate ICEF Agent Barometer – October 2014**
- online survey developed in partnership by i-graduate & ICEF - now in its **8th year**
- launched in 2007, the Agent Barometer tracks and reports **perceptions and expectations of education agents worldwide**
- 1,065 responses were received from agents in 104 countries in 2014 (7,565 responses over 7 years)
- provides a global perspective on demand trends
- however some key countries not represented: South Korea, Japan, Thailand, Taiwan

Approximately how many institutions does your company represent?



Base: 1005

Size of agents – Total placements



The greatest proportion of agents are placing between **51 and 200 students** annually.

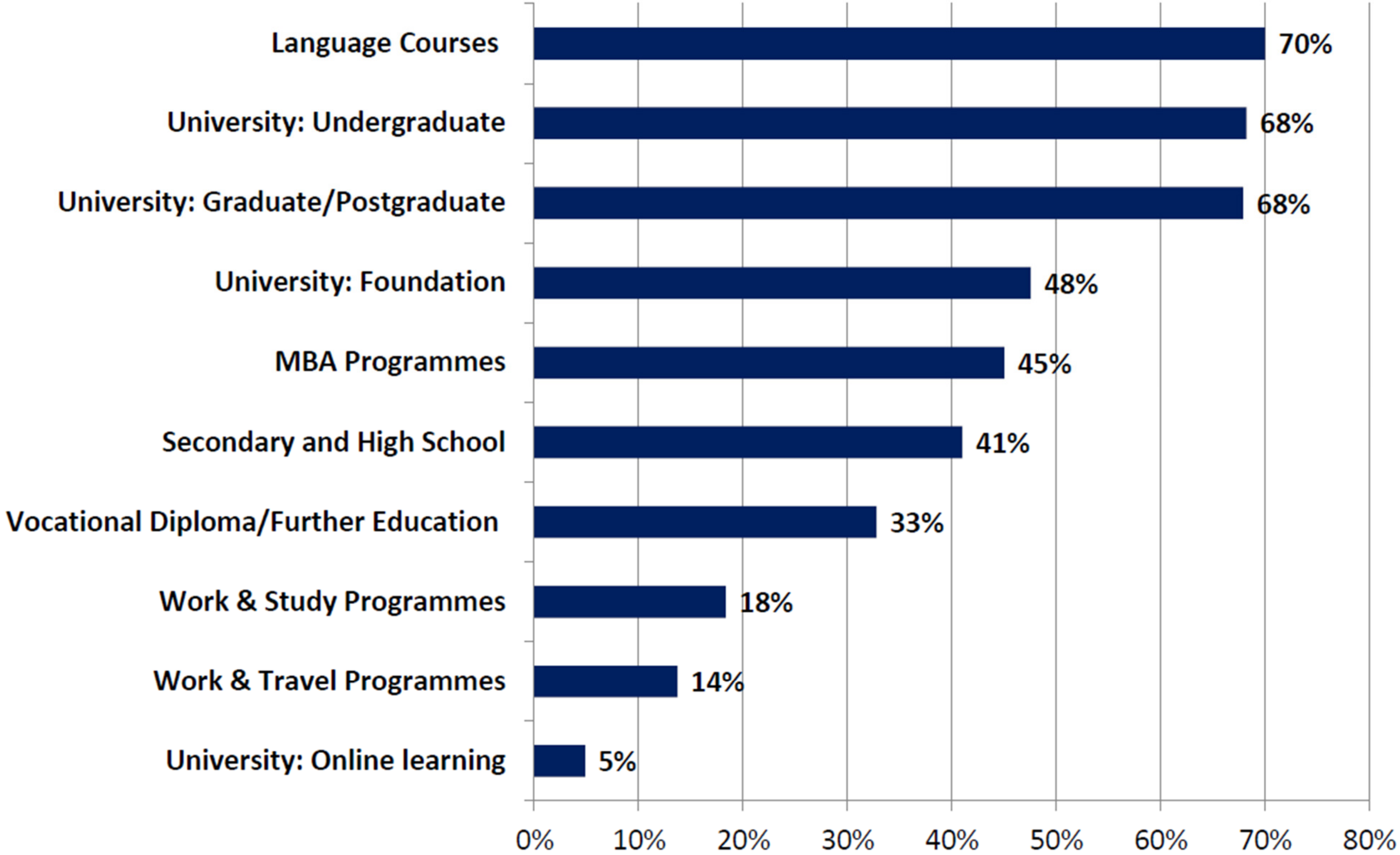
N.B. The agents that either indicated no placements or who skipped this question have not been included in the above chart

Base: 912

ICEF

For which types of study do you recruit students?

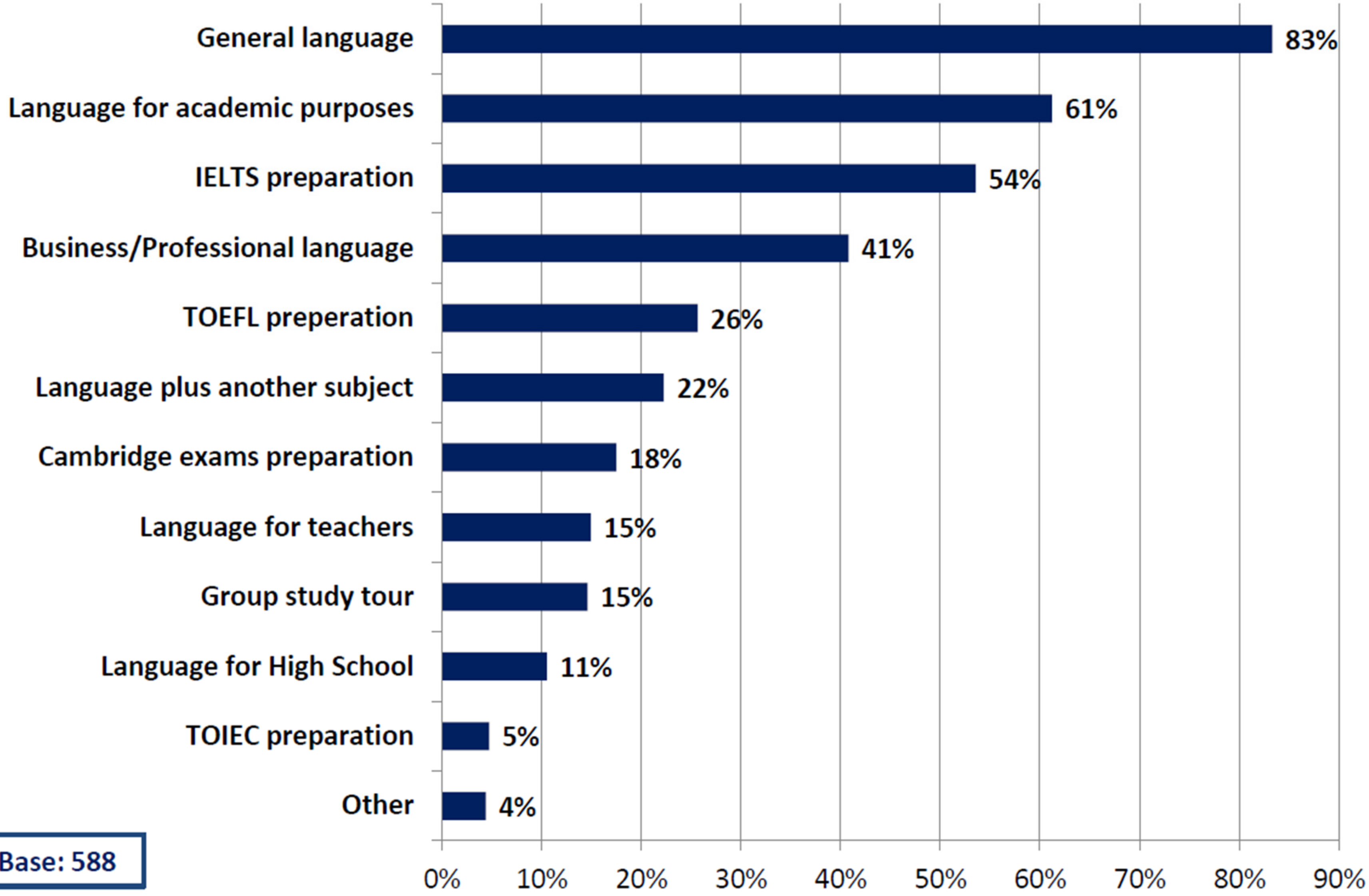
i-graduate INTERNATIONAL INSIGHT



Base: 948

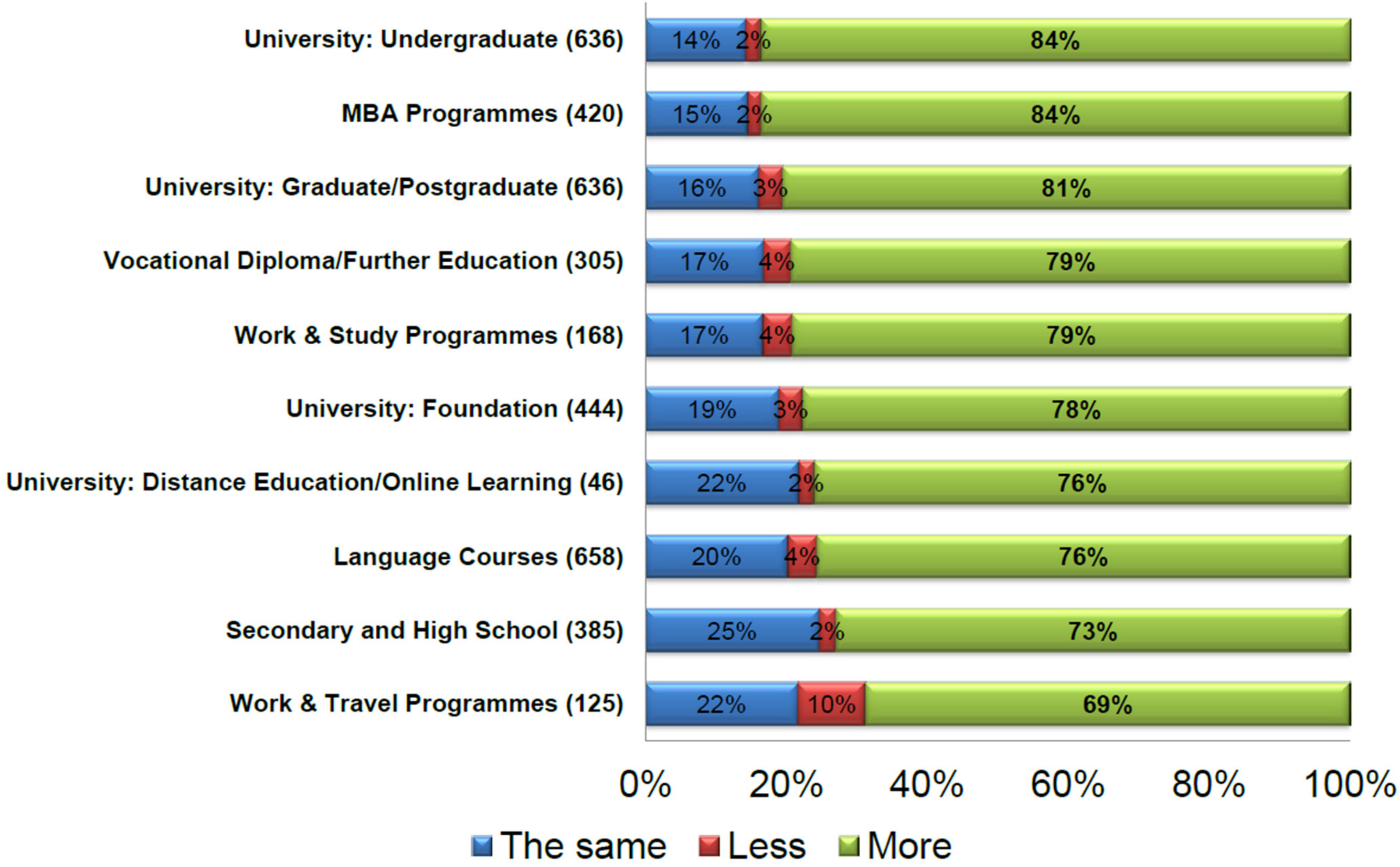
Language courses remain the largest market, followed by University UG and PG degrees.

What kind of language courses do you place students in?

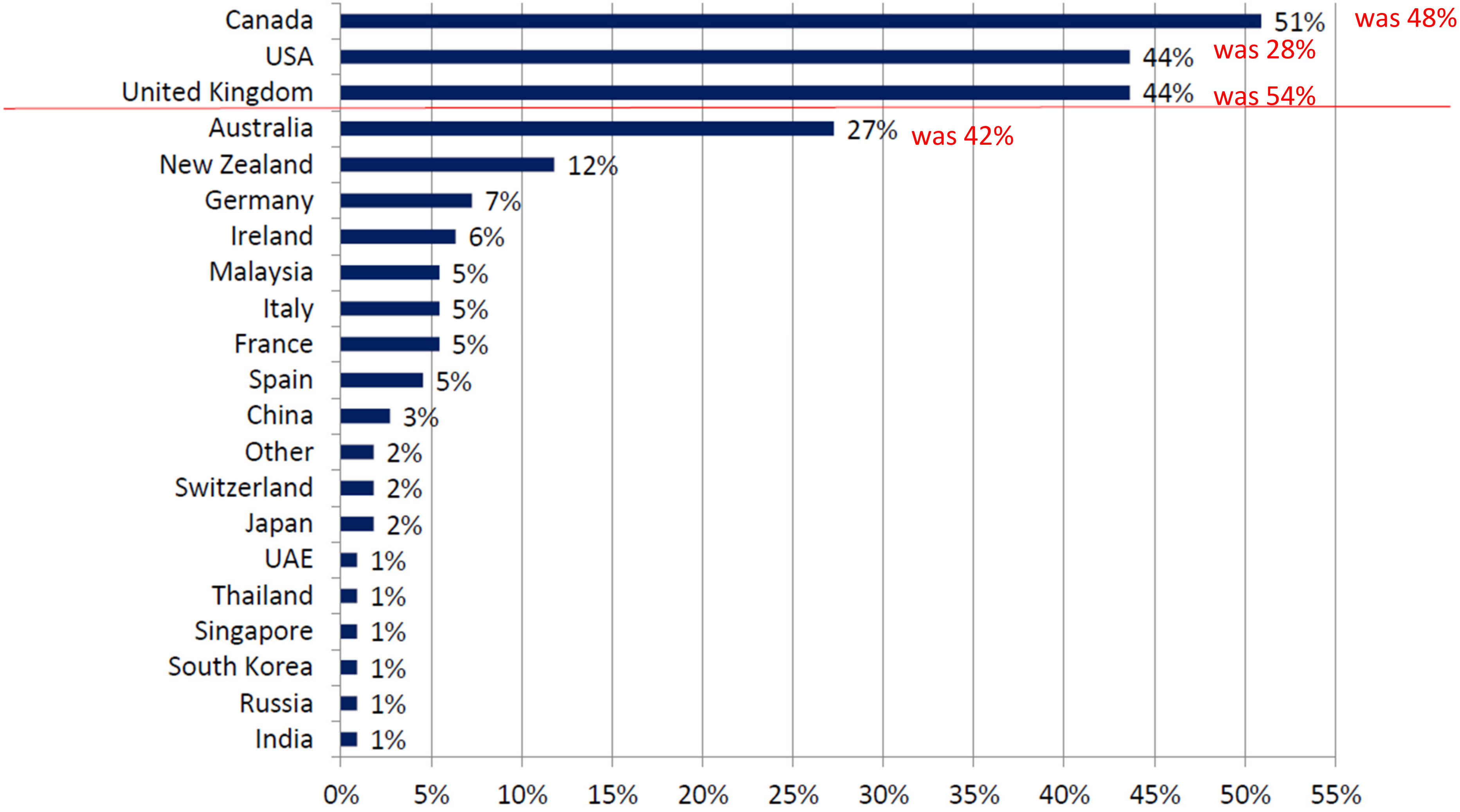


Base: 588

In the next coming 12 months do you expect to send more/less/the same?



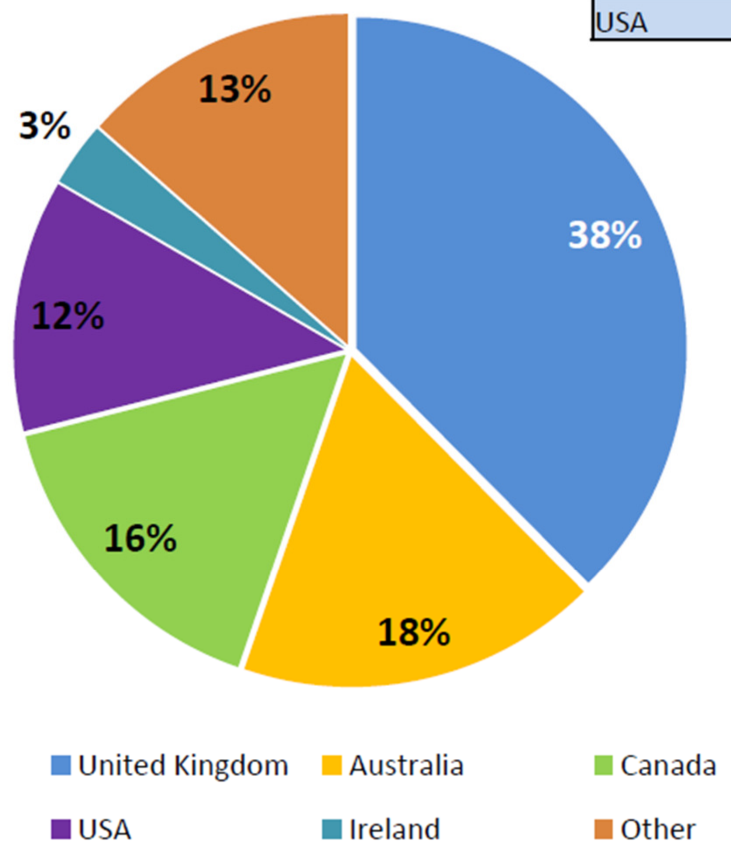
In which countries did you encounter concerns/difficulties with visa regulations?



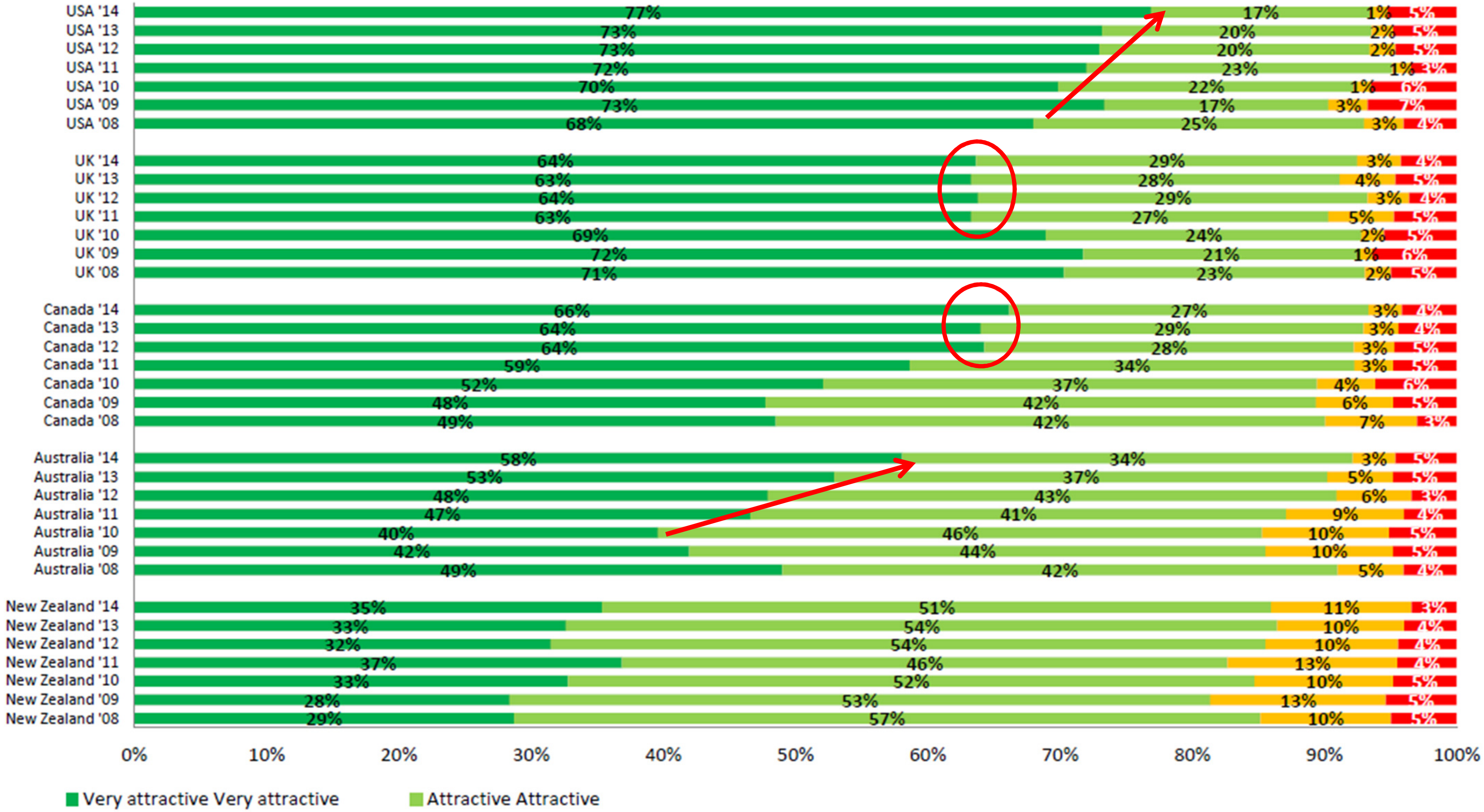
Which study destination is best for language study?

Language courses (n=673)

	% of Total	Rank 2014	Rank 2013	Rank 2012	Rank 2011	Rank 2010	Rank 2009
United Kingdom	38%	1	1	1	1	1	1
Australia	18%	2	2	2	2	3	2
Canada	16%	3	3	3	4	4	4
USA	12%	4	4	4	3	2	3

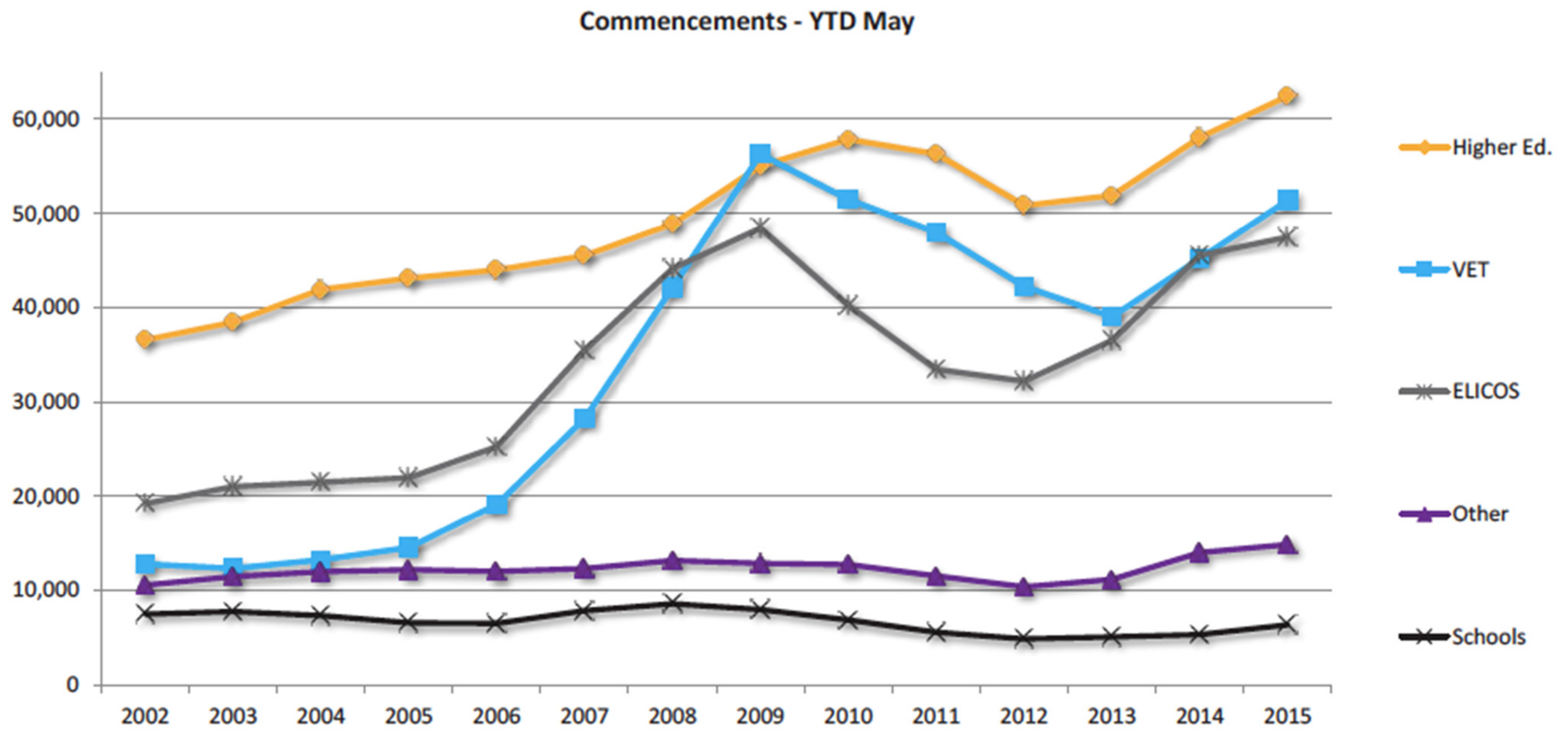


Trends in overall attractiveness: Traditional markets



Industry Statistics – Australia YTD 2015

Department of Education & Training data – YTD May 2015



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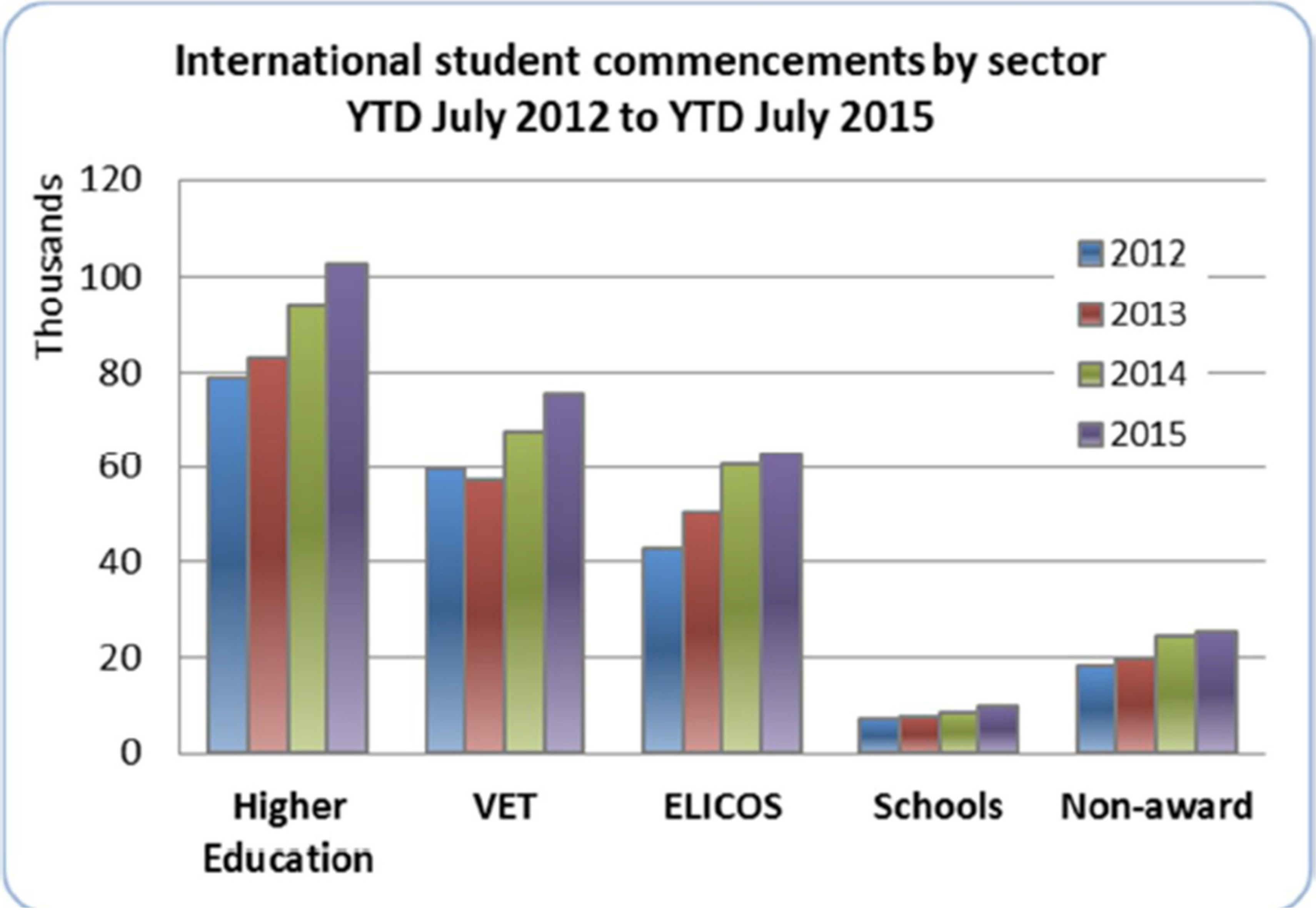


Sources of growth & decline (YTD March 2015)

5 countries – best growth				
	2014	2015	+/-	
China	6,277	**7,033**	*+756*	*+12%*
India	1,454	**1,761**	*+307*	*+21%*
Taiwan	765	**1,054**	*+289*	*+38%*
S. Arabia	1,207	**1,370**	*+163*	*+14%*
Brazil	2,623	**2,779**	*+156*	*+6%*

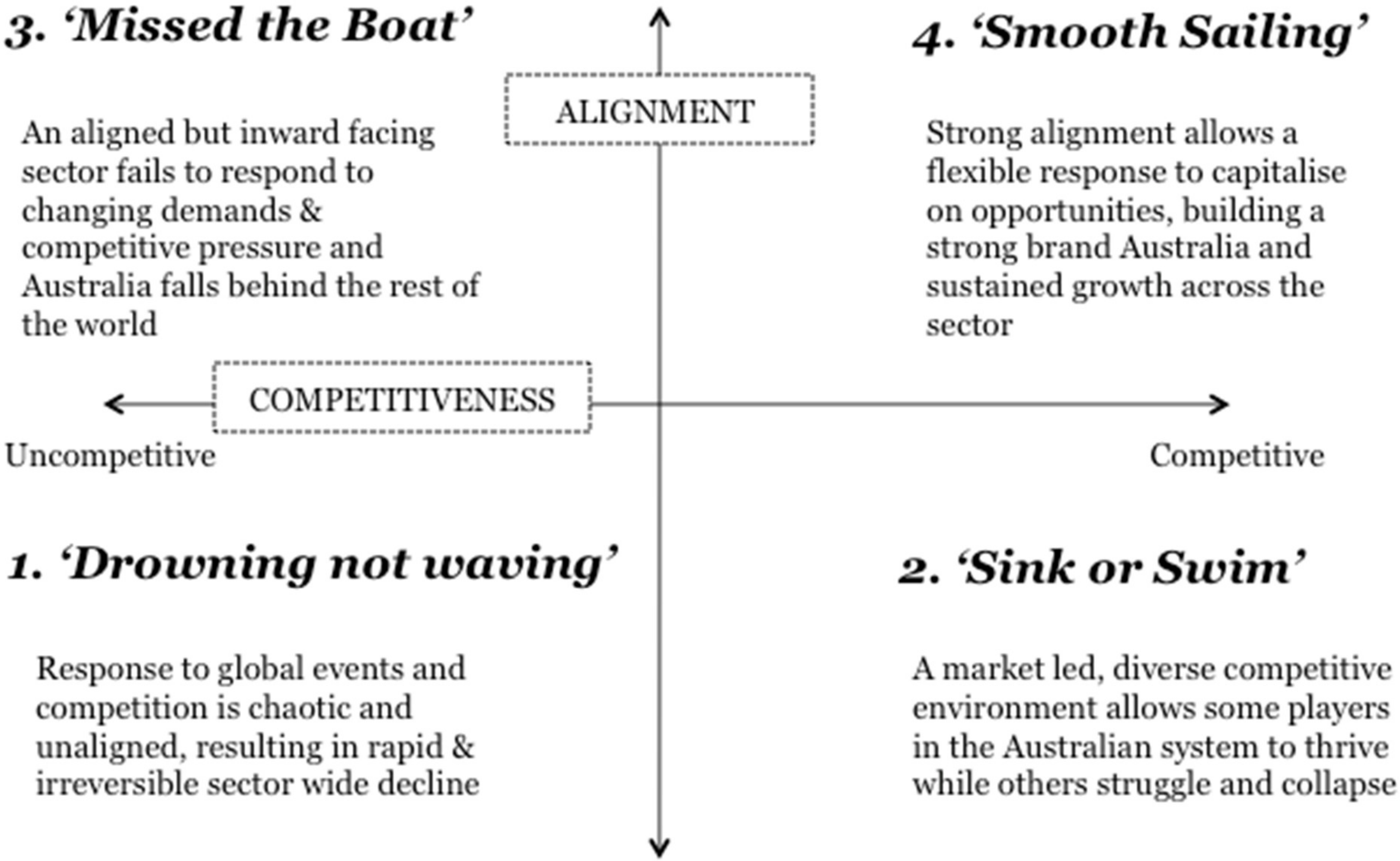
5 countries – worst decline				
	2014	2015	+/-	
Vietnam	2,478	**1,898**	***-580***	***-23%***
S. Korea	1,966	**1,701**	***-265***	***-13%***
Thailand	2,462	**2,307**	***-155***	***-6%***
Turkey	196	**131**	***-65***	***-33%***
Russia	120	**61**	***-59***	***-49%***

Key messages on Statistics

- a total of 163,542 international students commenced English language programs in Australia in 2014, surpassing the previous peak year of 2008 to record **a new high in the number of ELICOS students**
- numbers of English language students in Australia doubled in the five years between 2003 and 2008, then declined by 23% over the four year period 2009-2012. 2013 saw a strong return to growth with +19% and 2014 building on this with further growth of +11%
- growth not driven by one region or visa type – or by a narrow range of countries
- remember – the monthly government data for student visa holders is not the whole picture
- remember – each state has a distinct ELICOS profile – benchmark your performance against the state profile rather than the national picture

English Australia Scenario Planning

Scenario Planning



Scenario 1: *Drowning, not Waving*

- The lack of a commonly held strategic vision and plan for the international education industry results in uncoordinated and contradictory policy settings, a focus on managing risk that removes all incentive and capacity to innovate and an industry that is focused internally rather than on external opportunities and on survival rather than growth.
- The industry gradually shrinks to a small number of providers who are all delivering the same types of programs to a narrow profile of students. The Australian educational offering is small, stale and unexciting.

Scenario Planning

Scenario 2: *Sink or Swim*

- A focus on international education as business and allowing the market to drive success leads to the development of a highly competitive international education industry, both globally and domestically. The focus on competition and market forces leads to the formation of highly successful consortia that drive smaller education providers out of business.
- Peak bodies become less effective advocates for the industry as the large consortia gain the ear of government and others.
- Commercial imperatives drive an industry that becomes focused on its own success rather than the broader national agenda.

Scenario 3: ***Missed the Boat***

- The Australian government and industry focus successfully on achieving strong alignment across international education, however an overly bureaucratic approach to achieving consensus combines with other factors to distract from action and compromise the responsiveness of the industry.
- Competitor countries act quicker than Australia to meet international students' rapidly changing demands and needs. Real innovation doesn't happen fast enough and Australia loses much of its market share.

Scenario Planning

Scenario 4: *Smooth Sailing*

- The ELICOS sector contributes to and operates within a context of strong alignment across all international education stakeholders supported by a focus on best practice in all aspects of business and academic practice that provides a framework that facilitates a flexible approach to innovate and capitalise on opportunities resulting in strong overall growth across the Australian international education sector.

Projects and future initiatives

- **Lead**
  - advocacy priorities – addressing key ELICOS/member issues
  - ELT Barometer 2015
  - new Best Practice Guide – *Moderating & Validating Learning Outcomes*
- **Connect**
  - working with peaks bodies in relation to the Agents Quality Assurance programs
  - Joint lobbying for policy/ regulatory changes to support students and members
  - ASQA/ TEQSA/ TPS engagement – Gov't agencies.
- **Grow**
  - seeking out collaborative/ consortium arrangements to access international opportunities
  - global digital marketing campaign around '*The Biggest English English Lesson in the World*'

Questions and Comments

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