

Education

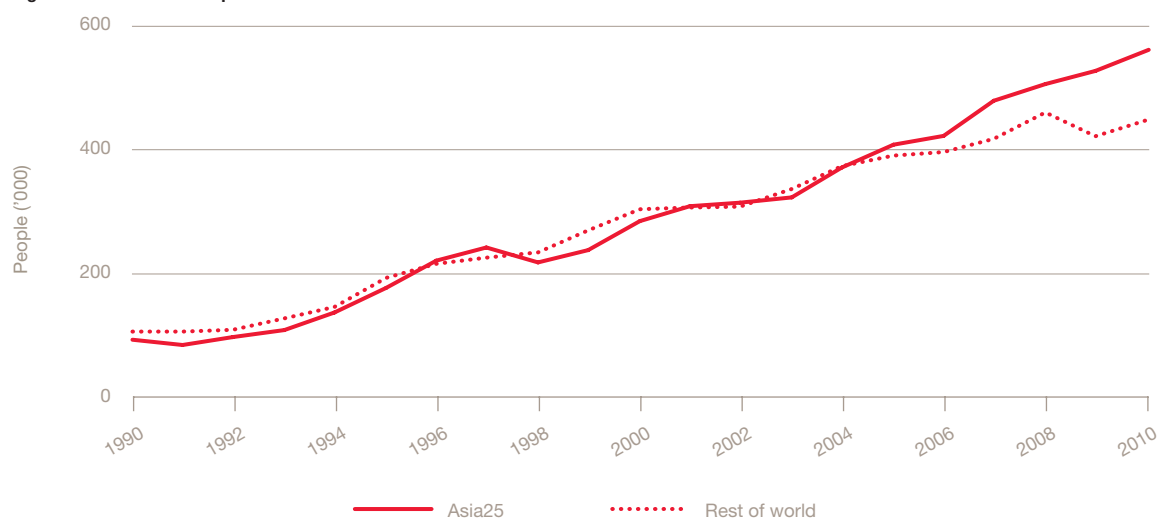
The Education component of the Asia25 Engagement Index rose by 6.5% in 2010, which was broadly in line with the 6.6% increase in ROW engagement. Australia's education engagement with Asia has continued to exceed that with the ROW since 2005. In both cases the recovery in engagement growth rates was due primarily to an increase in the outflow of people from Australia for educational purposes; growth in inflows to Australia was modest.

In the past decade the education of foreign students in Australia, particularly from Asia, has become a key export earner for Australia. Increasing incomes in Asia and subsequent demand for education services has driven this. Meanwhile Australian education institutions have been active in promoting their services in Asia. The countries dominating this growth have been China, India and Korea. This development has been in part driven by geographic proximity; relative cost (eg vis-à-vis the United States); and increases in the range of courses and the number of available places at various Australian tertiary institutions.

More recently, in 2008 and 2009 a number of factors contributed to a questioning in some Asian countries, India in particular, of Australia's reputation as a quality education provider. This prompted a federal government review, development of a National International Students Strategy, and the passing of a number of related bills through parliament in the first half of 2010. These bills involved changes to the skilled migration program to decouple student visas from migration outcomes, measures to ensure student safety, and changes to accreditation requirements among other things.

The above-mentioned concerns about Australia's reputation meant that previously strong growth rates in the inflow of students eased, while a decline in the number of outbound students in 2009 (cf. 2008) was followed by a strong rise in 2010. Growth in the inflow of educational visitors to Australia slowed to 2.7% in 2010. There was a 12.5% and 24.7% increase in students from China and Japan respectively, which was offset by a 29.1% fall in Indian students coming to Australia. The value of educational exports to Asia stalled in 2010, having grown by 20% per annum on average in the previous three years.¹³

Figure 8: Education component



¹³ DFAT Trade in Services 2010.

Most of the 6.5% growth in the Asia25 Education component in 2010 was due to an increase of 29.1% in the 'outflow' of education engagement (ie Australians travelling abroad to study and attend conferences). As previewed in last year's report, the growth in the inflow of such visitors from Asia slowed sharply to 2.7% (from 8.8% in 2009). It is likely that the strength of the Australian dollar contributed to these outcomes.¹⁴

The ROW Education Engagement Index rose at a similar rate of 6.6% in 2010 and there was a similar pattern evident in terms of inflows and outflows, with visitors leaving Australia to study and attend conferences abroad far outstripping those arriving. Exchange rate strength is no doubt playing a role here as well.

One interesting development reported by the English Language Intensive Courses for Overseas Students (ELICOS) sector is that while overall numbers coming for these courses dropped in 2010, especially from China and India, there was a rise in the number of working holiday makers, coming from 'safe traditional' markets in Asia and Europe, attracted by the prospect of earning valuable Australian dollars.¹⁵ Big declines in ELICOS students from markets defined by the Immigration Department as 'high risk' countries were attributed to visa requirements. English Australia is advocating greater communication between the tourism industry and the education sector, reflecting the potential mutual benefits of working together to promote both sectors. International education engagement has been found to have quite a significant short-term correlation with tourism and migration.

Table 6: Trends for Education component (inflow/outflow, '000 persons)

	1990	1995	2000	2005	2009	2010	% change 2009-10
Asia25							
Inflow	65.6	133.2	216.5	330.2	452.5	464.6	2.7
Outflow	26.7	43.0	68.0	77.6	75.5	97.5	29.1
Total	92.3	176.2	284.5	407.8	528	562.1	6.5
ROW							
Inflow	50.9	93.3	168.1	215.1	254.3	260.6	2.5
Outflow	56.6	100.5	135.5	175.1	167.4	188.9	12.8
Total	107.5	193.8	303.6	390.2	421.7	449.5	6.6

Notes: The indicators comprising the education component have been selected so that they are weighted according to their impact on engagement. This implies that the education indicators are not strictly additive and involve a double count of secondary student exchanges and English language Intensive courses.

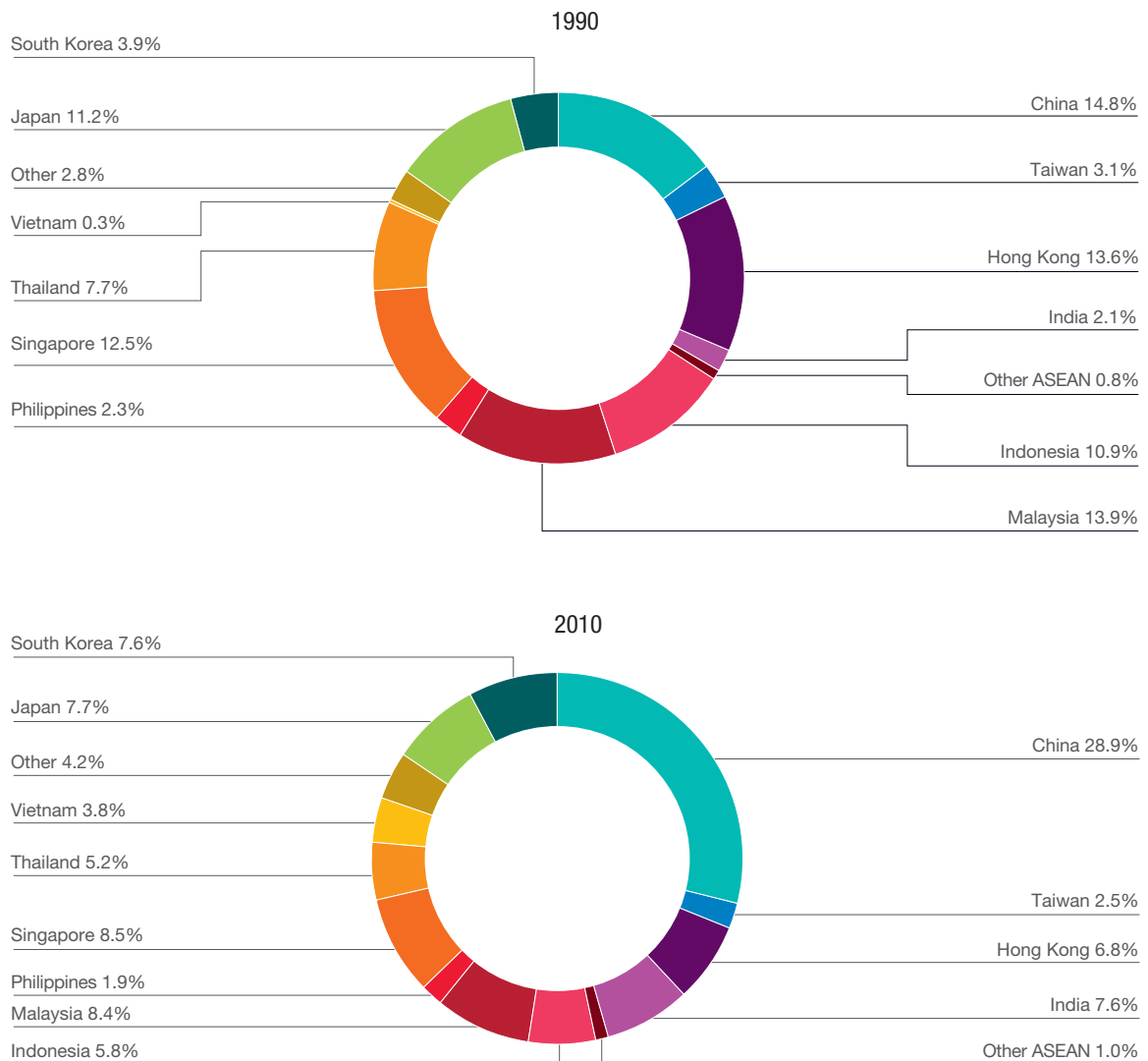
Key findings for the Education component

- Australia's education engagement with Asia25 dominates that with the ROW.
- Visitors from Asia for educational purposes rose by just 2.5% in 2010 while those from the ROW rose by 2.7%.
- There was much stronger growth of 29.1% and 12.8% in the outflow of Australians to Asia and the ROW for educational purposes in 2010.

¹⁴ See footnote 4 (Engagement at a glance) for recent Australian dollar exchange rate movements against major currencies.

¹⁵ As reported by English Australia's executive director Sue Blundell at a member's meeting in Sydney on 21 June this year. English Australia is the national peak body and professional association for English language colleges in Australia. <http://www.englishaustralia.com.au/>

Figure 9: Education shares by economy¹⁶



What 'Education' measures

This component comprises data on:

- the number of short-term visits to/from Australia from/to other countries (by country) to attend a conference/convention or for education
- the number of long-term visits to/from Australia from/to other countries (by country) for educational reasons
- the number of secondary student exchanges between Asia and Australia (by country)
- the number of students travelling to Australia for intensive English language courses (by country).

¹⁶ 'Other ASEAN' includes Burma, Laos, Cambodia and Brunei Darussalam. 'Other' includes Sri Lanka, Maldives, East Timor, Macau, Bhutan, Nepal, Mongolia, Bangladesh and Pakistan.