

International Education – Australia’s Current State of Play

Rohan A. Carr, IRC Australia | Sept. 27, 2015

Data released last month by the Australian Bureau of Statistics showed the value of Australia’s international education sector had grown to \$18b in the 2014/15 financial year, representing a record high. Many have hailed this as evidence of success of efforts focused on increasing the competitiveness of the sector. We spoke with Stephen Connelly, a leading international education consultant and Director of GlobalEd Services in January 2014 and were interested to get his views on more recent developments.

Last time we spoke you suggested that a ‘significant recovery was occurring in international education in Australia’. How has the last 18 months panned out?

“Things have certainly improved. In 2014, overall commencements grew by 19% on the previous year, and year-to-date 2015 it is up 7% compared with 2014.”

What trends are affecting the sector at present and how is Australia positioned globally?

“The falling Australian dollar, from 93 cents USD a year ago to around 73 cents last week has helped enormously. The A\$ has also fallen against the major source market currencies of Indonesia (-7%), China (-19%), India (-14%), South Korea (-8.5%), Singapore (-12%), and Vietnam (-17%). It is slightly higher against the Malaysian Ringgit. A more stable student visa environment has also been positive, as has access for international students to post-study work rights upon completion of their studies.”



We have heard much about the growth of international education in the US. What is the situation presently?

“In 2013/14 almost 900,000 international students were enrolled in higher education in the US, with annual enrolment growth about 7 to 8%. That is only about 4% of the total higher education population (approximately 20 million), compared with between 16% and 18% in Australia, Canada, UK and New Zealand. As a result, there is significant room for growth. US institutions are also starting to embrace more proactive recruitment activities, including the use of agents.”

Technology is a major disruptor and transformer of industries at all levels – what are its impacts on the model of international education?

“For international students, the impact is mainly in lead generation, enquiry management, recruitment and admissions. Institutions are also developing social media strategies to enhance recruitment activity. Students travelling overseas to study, in almost all cases, are still required to study full-time in face to face mode whilst in a foreign country, so visa regulations have not yet caught up with technological developments in modes of delivery. Remote or transnational delivery hasn’t transformed considerably yet either, but I would suggest we watch this space. It could be about to undergo major transformation, with new players like Swinburne Online moving internationally.”

You work with institutions around the world. What are some of the key challenges and opportunities you are observing at present?



“One key challenge which is taking some time to emerge is the capacity in the US for increased international student enrolments. Assuming an average of 8% of US higher education students were international, that would mean an additional 900,000 international students would have to be recruited. It will be second tier institutions doing that work, not those institutions that already have significant enrolments, representing direct competition with Australian and NZ higher education providers.

The USA is the world’s most popular destination country for international students. In addition, while 450,000 Chinese students were studying overseas in 2013/14, making it the world’s largest source country

for international students, around 370,000 foreign students were studying in China, 40% of them degree-seeking. That makes China a serious competitor destination country, one of the few that can boast of sending and receiving similar numbers of students to and from abroad.

Countries seeking to grow onshore enrolments of international students in a competitive environment need to activate government, business and community to ensure the onshore student experience is second to none: this is the last frontier in developing the value proposition for international students. 88% of students studying in Australia go home happy, but research suggests that they feel they haven't made enough local friends. Why not target 95% satisfaction rate and the vast majority laying claim to real friendships and connections with local students?"

Mr Stephen Connelly is based in Melbourne and is the founder and Director of GlobalEd Services, www.globaledservices.com