Final report

International opportunities for Australian school curriculum, assessment and regulatory products

Australian International Education: Enabling Growth and Innovation

NSW Education Standards Authority and Nous Group

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Contents

Glossary

Term	Definition
Assessment products	Formative and summative assessment tools used to diagnose and evaluate student progression, including exams and tests.
Australian school agencies	State, Territory and Australian government departments and agencies that provide curriculum, assessment and regulatory products and/or services. This comprises the nine departments of education as well as the Australian members of the Australasian Curriculum, Assessment and Certification Authorities (ACACA).
Curriculum products	The academic content taught in schools.
International schools	Schools that follow one or more curriculums different from that of the school's country of residence.
Internationalised schooling	Schools and school systems that substantially adopt curriculum, assessment and regulatory products obtained from international providers and use these international products as a distinguishing feature to students and families.
Providers	Public schools, private schools and private companies that are engaged in the national and international schooling market.
Regulation products	Policies, processes and practices used to ensure the safe and successful operation of schools and school systems. These are often centred on quality assurance of teachers, principals and schools to ensure each is well placed to deliver the curriculum and assessment in a way that aligns with planned learning and educational outcomes.
Schools with significant international influences	Such schools have significant influences from schools in other countries in the subjects on offer, the style of teaching and learning, the examinations that students take, and how and where teachers have been trained. Schools with significant international influences can include government schools, private schools and international schools.

Executive summary

Education is becoming increasingly international. Flows of international students continue to increase, and there is sustained growth in the number and type of institutions that offer some form of internationalised education. Australia is at the forefront of international education, with a thriving higher education sector, a diverse vocational education sector, and school systems and individual schools that are active in student exchanges and a range of partnership models. The quality of Australian education is highly regarded, and education is now our third largest national export.

While education exports are substantial, the majority of exports in this area result from higher education. Export of school education products are orders of magnitude smaller – in the tens of millions of dollars annually, compared to over $20 billion generated by higher education providers in 2017, and $521 million generated in offshore education services.

Exports of school education products are at odds with the recognition Australian education receives. Australian education is seen as one of the best in the world – of six countries considered in detail in this report, Australia consistently ranks in the top three for quality and reputation. But of the approximately 9,500 schools currently offering English-medium education in non-English speaking countries, less than one hundred partner with an Australian school agency. With the number of English-medium schools expect to double in the next decade, and global revenues expected to approach $100 billion by 2028, there is substantial opportunity for Australian export growth.

This report explores a set of six priority markets that could provide opportunity for increasing exports of school curriculum, assessment and regulatory products. It reflects the culmination of a project led by the NSW Education Standards Authority and conducted by Nous Group, commissioned through an Enabling Growth and Innovation grant from the Australian Government Department of Education and Training.

The markets considered were selected from a global scan of countries and markets that present the greatest potential for export growth. Each of the countries included are in Asia, which broadly reflects the growing middle classes and wealth in these countries, increasing demand for quality education, and the strength of regional relationships.

There may be substantial opportunity in China, focused on Tier 2 cities and with the emergence of networks of bilingual schools. Vietnam, where Australia is widely seen as the preferred provider of international education products, presents substantial opportunity in major cities, and to assist in reforms currently in train. Similarly, both Malaysia and the Philippines may provide opportunity through reform programs underway by government, and in growing international school sectors. India and Indonesia both present opportunity over the medium to long term.

Increasing exports of school curriculum, assessment and regulatory products could provide substantial benefits. In addition to potential revenues to agencies and providers, there is substantial potential for strengthening relationships and growing soft power across the region. Growing exports may be through a mix of school agencies, private schools and companies leveraging private equity.

While not considered in detail as part of this project, it is clear that aspects of system design could better enable exports. Currently, each state and territory, and some individual schools, seek and support export opportunities independently. Providing some type of Australian brand would assist in this space, as the individual brands of each state, territory and school are less well known. Similarly, there may be potential for greater involvement from the private sector, for example through supporting private schools or companies that may be better placed to leverage private equity and enter into partnerships in local markets. Moving from a "competition" model to a "co-opetition" model may also be beneficial to reduce the perception of Australian providers "poaching" in what is in reality a very substantial, and largely untapped, global market.

1 This report outlines opportunities to expand exports of schooling products

This report outlines key opportunities for Australia to sell school curriculum, assessment and regulatory products overseas. This activity is supported by the Australian International Education: Enabling Growth and Innovation project fund, Department of Education and Training. For further information, please visit www.internationaleducation.gov.au. Projects commissioned under the Enabling Growth and Innovation fund support the implementation of the *National Strategy for International Education 2025*, a 10-year plan for developing Australia's role as a global leader in education, training and research. The lead contractor for this project has been the NSW Education Standards Authority (NESA). NESA subcontracted Nous Group (Nous) to deliver this project.

The focus of this report has been priority markets for expanding offshore delivery. Offshore delivery has been broadly categorised as follows:

1. Individual internationalised schools: public, private or international schools that offer one or more foreign curriculum, assessment or regulatory products as part of their approach to education.
2. School systems: region or country systems that adopt international curriculum, assessment and regulatory products (either in whole or in part) to accelerate educational, social and economic benefits.

Nous consulted Australian agencies and providers of school products, consulted market experts in key countries, conducted detailed desktop analysis of markets, and conducted a survey of more than 1,900 parents located in focus markets in developing this report.

There are six key sections to this report, in addition to this first section:

- Section 2 provides a high-level analysis of demand for internationalised schooling
- Section 3 discusses the supply for internationalised schooling
- Section 4 explores Australia's potential in the internationalised schooling market
- Section 5 outlines priority market opportunities for Australia in six key countries
- Section 6 considers a range of factors that could support the export of Australian school products.

Findings contained in this report are supported by three appendices that provide further detail on markets not considered for the purposes of this report, case studies of other key players in the market, and an overview of the survey conducted for this project. A supplementary paper provides detailed analysis of the survey.

2 Demand for internationalised schooling is growing

Amid globalisation and rising incomes, high quality education is more important than ever, particularly in developing countries. Parents have become more sophisticated as school consumers, resulting in a surge in demand for internationalised schooling (both at the school and system level) over the past two decades.

2.1 The global internationalised schooling market is substantial and growing

The world has become healthier and wealthier over recent decades. Economic booms, particularly in Asia, have pulled hundreds of millions of people out of poverty into a burgeoning middle class. Countries, regions and families keen to gain a competitive edge have invested in education to give their children better opportunities.

The growing focus and investment in education is reflected in the growth in internationalised schooling. Internationalised schooling is not a new concept. For example, English-medium schools were established in British colonies in the 1800s.[1] There has however been dramatic growth in the market size and overall demand, particularly over the past two decades. The market for English-medium schools in traditionally non-English speaking countries alone grew by 255 per cent between 2000 and 2017, and such schools are available in over 230 countries currently.[2] There is projected to be continued significant growth in the market for offshore English language-based education with the number of students studying at internationalised schools expected to more than double from 5 million to 10.8 million between 2018 and 2028. Figure 1 provides a high-level overview of some of the key statistics in the delivery of offshore delivery at such schools.

Figure 1 | Market for English-medium schools in traditionally non-English speaking countries[3,4]

[1] Encyclopedia Britannica, 2018, *Education in British colonies and former colonies*, accessed 31 August 2018, https://www.britannica.com/topic/education/Education-in-British-colonies-and-former-colonies
[2] Burgess P, 2016, *Transnational education and the Australian schools sector*, accessed 1 August 2018, https://www.ieaa.org.au/documents/item/774
[3] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data
[4] ICEF Monitor, 2018, *Annual survey finds continued growth in international schools*, accessed 7 August 2018, http://monitor.icef.com/2018/09/annual-survey-finds-continued-growth-in-international-schools/

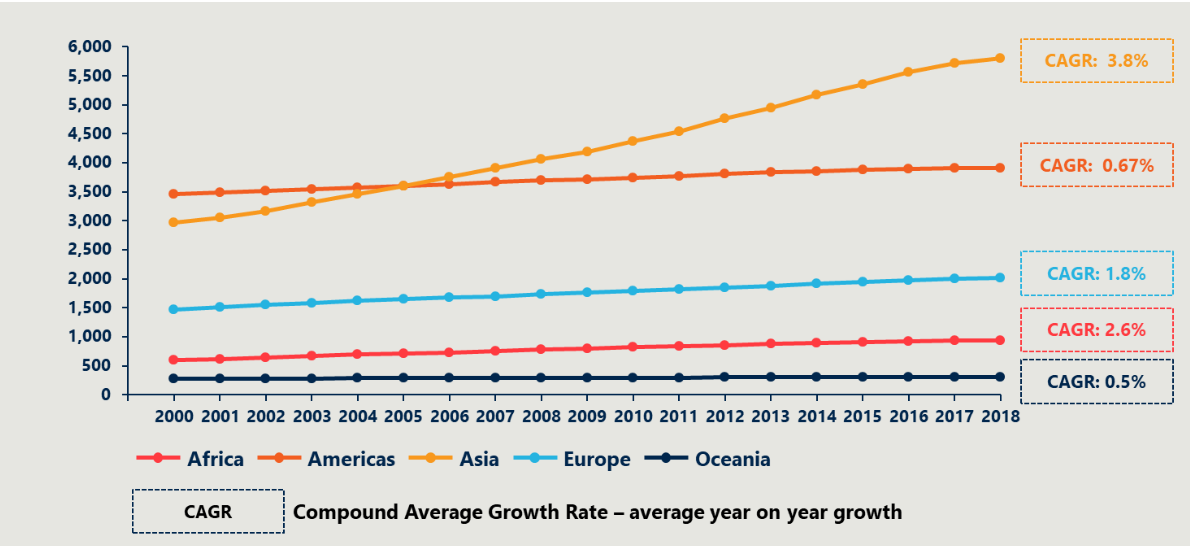
Both public and independent schools and systems have adopted internationalised school products. For example, a number of public school systems have engaged international curriculum providers. Cambridge International, a provider of United Kingdom curriculum and assessment, successfully operates at the public school system level. It works in at least 10 countries to provide services such as curriculum development and assessment design. For example, Singapore has adopted Cambridge-certified assessments, which are jointly conducted by the Ministry of Education and a local representative of Cambridge.

2.2 The strongest demand for internationalised schooling is in Asia

Approximately 45 per cent of all internationalised schools are in Asia, most prominently China, India, Pakistan and Japan.

Asia has grown strongly over the past two decades. On average, the number of English-medium schools in Asia has grown by 3.8 per cent since 2000 (Figure 2) each year, the strongest of any region. This growth has been driven by local students. Within Asia, East Asia has delivered the strongest growth since 2012.[5] Here, the number of schools has growth by almost 50 per cent, mostly in China. China now has the largest number of English-medium schools, in part due to domestic student access to Western education, which was previously limited to traditionally expatriate-only international schools. The number of schools in Southeast Asia has grown 25 per cent.[6]

Figure 2 | Growth of internationalised schooling across key regions[7]



[5] ISC Research, 2018, *Investment in international schools: an expanding market*, accessed 10 August 2018, https://www.iscresearch.com/uploaded/images/Publicity/ElFeb18_Investment_in_international_schools_an_expanding_market.pdf
[6] ibid
[7] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data

2.3 Markets in six key countries have been considered in this report

In developing this report, we considered countries globally to which Australia could export school products. Through a shortlisting process, six key countries were identified for detailed consideration: China, India, Indonesia, Malaysia, the Philippines and Vietnam. Market opportunities in these countries were identified based on consultation with national and international stakeholders, and detailed desktop review. Opportunities in these six countries are detailed in Section 5.

A range of other countries that show potential were considered during the project, and ultimately not explored in detail. These countries, and the key reasons they were not considered to be of sufficient priority, are outlined in detail in Appendix A.

2.4 Internationalised schooling can benefit everyone involved

If done properly, the systems that provide internationalised schooling and those that receive it can benefit. Benefits can flow to students, schools, policy makers, citizens and whole countries. Benefits for Australia and countries that import from Australia are outlined below.

Benefits for Australia as an export country

Export countries are those that sell international school curriculum, assessment and regulatory products to other countries. Benefits include:

- **Revenue for school agencies:** Some Australian school agencies earn revenue by exporting curriculum, assessment and regulatory products. While much of this is done on a cost-recovery basis, there may be potential for revenues to subsidise domestic activities.
- **Diversification of school exports:** Many Australian school agencies generate revenue by admitting international students in local schools ('onshore' exports). Exporting curriculum, assessment and regulatory products allows agencies to diversify their exports into new markets.
- **Enhanced pathways for international students into higher education:** International delivery is an entry pathway for university study in Australia, and some states use this to grow international student numbers. For example, Victorian Curriculum and Assessment Authority statistics show that 94 per cent of students who completed the Victorian Certificate of Education offshore in 2017 went on to higher education study in Australia.[8]
- **Relationships between Australian and international communities, schools and governments:** Greater dialogue and understanding between schools, their communities and governments. This allows a greater exercise of soft-power diplomacy and creates stronger bilateral connections.

Benefits for import countries

Import countries are those that use/buy international school curriculum, assessment and regulatory products from other countries. Benefits include:

- **Improved quality of schooling:** Student experiences and outcomes benefit from diverse, high quality and evidence-based products being used in their schooling. English-medium can also provide additional language and cultural understanding that has lifelong benefits for students.

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[8] Victorian Curriculum and Assessment Authority, 2018, *Annual Report 2017-2018*, accessed 11 January 2018, https://www.parliament.vic.gov.au/file_uploads/VCAA_Annual_Report_2017-18_Final_-_20180913_TqHhj8P5.pdf

- **Enhanced access to high quality higher education:** Australian school products help students access high-quality vocational education and training and universities, in Australia and elsewhere, since these products are of high standard and related credentials are internationally recognised.
- **Building local school system capacity:** Engagement with Australian school products and systems improve the capacity of local school staff and administrators through exposure to different ways of working and high-quality products.

3 Australia's share of the internationalised schooling market is relatively small

The international market for curriculum, assessment and regulatory products is diverse, with providers selling products to individual schools, networks of schools and school systems. Providers range from a narrow focus on a single product to a full suite of products. A few large providers dominate the full-suite product market, but there are many players in the narrow-spectrum market.

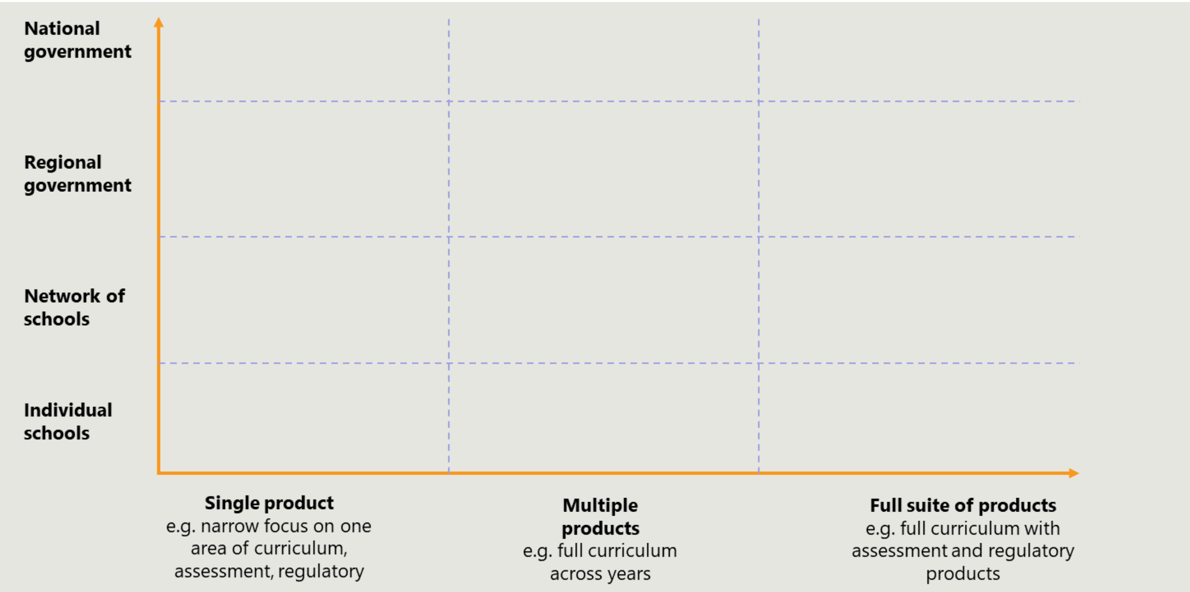
3.1 Several large curriculum providers dominate the market

Curriculum, assessment and regulatory products are broad groups, and several individual products can sit within each. For example, assessment can be conducted for students ranging from those in kindergarten to those in Year 12, can be delivered via digital or paper means, can be formative or summative, and more.

Given the diversity of potential products, providers can sit along a spectrum of offers. This ranges from a single individual product (e.g. digital assessment for Year 3) to a full suite of products (e.g. entire curriculum, assessment, and teacher and school regulatory products). In practice, providing a country's or jurisdiction's school curriculum often includes providing assessment (to assess understanding) and regulatory products (to ensure quality of teaching and safeguard brand). Providers also sit on a continuum of market penetration: some providers may provide to a single school or small region, while others operate at a regional or national level.

Figure 3 illustrates how the spectrum of offers can be considered.

Figure 3 | Spectrum of potential offers in the school curriculum, assessment and regulatory market



While the market for offshore delivery of English language-based education is large and growing, a small number of curriculum sources account for most of market share: the United Kingdom, individual states of the United States, and the International Baccalaureate. Combined, these account for about 85 per cent of the overall market. The next most common curriculum is that of Canadian provinces. Within the UK, American and Canadian systems, several players provide accredited products.

These four sources of curriculum are detailed in Table 1.

Table 1 | Curriculum providers of English-medium schooling

Curriculum source	Overview	Approximate number of schools
International Baccalaureate (IB)	The IB is an internationally recognised curriculum and assessment system that offers programs for students from age 3 to 19. IB offers four key types of curriculum and assessment products. To be an eligible provider, schools must complete a two- to three-year authorisation process. The IB is included as a case study on page 39.	IB curriculum and assessment is found in more than 4,500 schools.
United Kingdom	A small number of providers are accredited by the British Council to provide UK-style curriculum and assessment. The largest is Cambridge International, which offers curriculum and qualifications to students from age 5 to 19. Popular qualifications include the International General Certificate of Secondary Education (IGCSE) and the A level. The A level is included as a case study on page 43.	Variants of UK-style curriculum (from different providers) are found in more than 3,000 schools.
United States	Each US state sets its own curriculum. Non-US schools can be accredited by a regional accrediting body, such as the New England Association of Schools and Colleges. These schools often emphasise the 'principles' and 'standards' of the US education system. The NEASC is included as a case study on page 45.	Variants of US states' curriculum are found in more than 1,500 schools.
Canada	Canada's education system is administered at the provincial level. Under the leadership of the federal government's International Education Strategy, each province has its own international education strategy. British Columbia's strategy, one of the largest, seeks to both attract international students and export its education model. BC is included as a case study on page 41.	Variants of Canadian provincial curriculum are found in approximately 130 schools.

English-medium schools are complemented by private organisations providing targeted solutions – often digital – to schools and systems. These organisations are generally for-profit entities that can provide products to multiple countries. This market, particularly the education technology (EdTech) market, has grown rapidly. The school sector component of the EdTech market comprises 46 per cent of the total, and the overall market is predicted to be worth US$130 billion[9] by 2025.

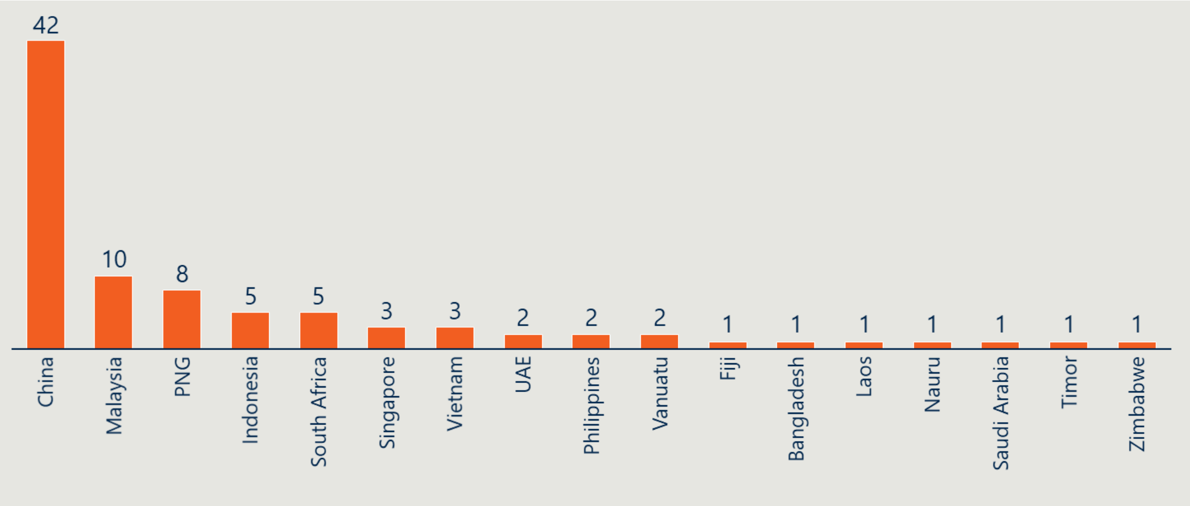
3.2 Australian school agencies export a range of school products

Most states and territories export school curriculum, assessment and regulatory products, primarily in the Asia-Pacific. These exports highlight the strong potential of Australia's product and engagement offering, though the low value of school exports relative to VET and university exports indicates potential for growth.

[9] Australian Trade and Investment Commission, 2018, *Edtech US Market Snapshot*, accessed 10 July 2018, https://www.austrade.gov.au/ArticleDocuments/5085/Edtech-US-market-snapshot.pdf.aspx

Approximately 89 foreign schools offer Australian curriculum, assessment and regulatory products. China is the largest market, with around 42 schools. Figure 4 provides an overview.[10]

Figure 4 | Estimated number of overseas schools using Australian school products



Victoria is the largest exporter of international school products, servicing more than 30 schools. New South Wales, Western Australia, Queensland, the Australian Capital Territory and South Australia each export to between eight and 14 schools. Consultation with the Northern Territory and Tasmanian governments indicated that they are not exporting assessment, curriculum or regulatory products. Further information on each jurisdiction's international schooling exports is detailed in Appendix A.

Each state and territory operates independently to export school curriculum, assessment and regulatory products, with little coordination in efforts among jurisdictions.

[10] This figure is based on consultation and desktop research. A small number of schools may not have been identified through this process.

4 There is substantial opportunity to grow exports

Australian education is viewed favourably in international markets, particularly in Asia. This has translated to substantial export revenues from international students, particularly those studying in higher education onshore. Australia has yet to capitalise on its reputation in the offshore schools market, so there is substantial potential to expand.

4.1 Australian higher education exports are significantly greater than school exports

Education is Australia's third largest export, at $30.3 billion in 2017, with higher education contributing over two-thirds.[11] More than 270,000 international students were enrolled in Australian higher education institutions in 2017, making Australia the third most common destination.[12]Australia has since likely overtaken the UK to become the second most popular choice for international students.[13] While much of the revenues from higher education come from Australian based delivery, in 2017 offshore education exports were substantial at $521 million.[14]

Despite our strong performance in the higher education market, Australian export of school products generate substantially less revenue. Based on the number of schools teaching an Australian curriculum or assessment product internationally, Australia's offshore internationalised schooling market is estimated to generate in the tens of millions of dollars – orders of magnitude less than higher education exports.

4.2 Australian school agencies have strengths to leverage

Many strengths of the Australian schooling offer could be leveraged to increase Australia's exports. These include the quality of Australia's offer and Australia's location in a growing region. Strengths include:

- **High quality of student experience and outcomes:** Australia is internationally regarded for its quality across all education sectors. Aside from the significant export revenue that onshore students deliver to Australia, particularly in higher education (described above), feedback from market experts highlighted that the Australian system is viewed as being synonymous with quality and integrity. A secondary school education that provides a pathway to Australia's higher education system is particularly well regarded. Quality as it pertains to Australian schooling is detailed further in Section 4.3.
- **Connections with Asia:** As noted in section 2.2, Asia is the largest growth area for internationalised schooling. Australia is closely connected with Asia due to trade, education ties and proximity. As an English-speaking, open and multicultural country, Australia is well-placed to provide education into

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[11] Australian Government Department of Education and Training, 2018, *Export income to Australia from international education activity in 2017*, accessed 20 August 2018, https://internationaleducation.gov.au/research/Research-Snapshots/Documents/Export%20Income%20CY%202017.pdf

[12] ICEF Monitor, 2018, *Australia's international education exports grew by 22% in 2017*, accessed 15 August 2018, http://monitor.icef.com/2018/04/australias-international-education-exports-grew-22-2017/

[13] Universities Australia, 2018, *Australia tipped to overtake the UK as a magnet for international students*, accessed 9 December 2018, https://www.universitiesaustralia.edu.au/Media-and-Events/media-releases/Australia-tipped-to-overtake-the-UK-as-a-magnet-for-international-students

[14] Australian Government Department of Education and Training, 2018, *Export income to Australia from international education activity in 2017*, accessed 20 August 2018, https://internationaleducation.gov.au/research/Research-Snapshots/Documents/Export%20Income%20CY%202017.pdf

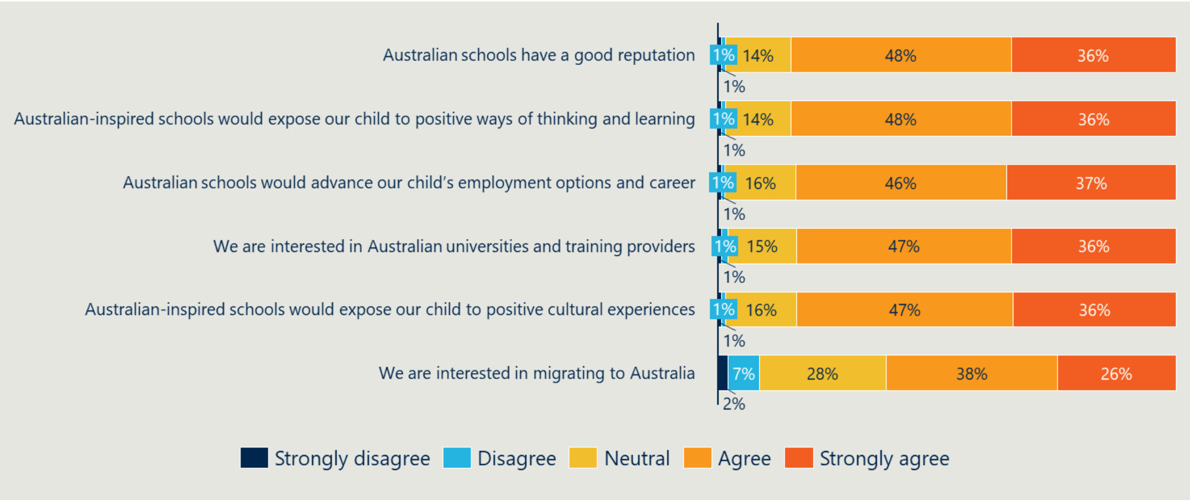
the region. Buyers of Australia's current school export products are predominately in Asia as well, meaning Australia is well placed to build on the current market strategy.

- **Quality products and solutions for schools and systems:** Australia is recognised for the quality of its educational products, credentials and regulatory approach. Agencies are focused on maintaining the quality and credibility of school education products and are judicious in their choice of partners and buyers in international markets.
- **Partnership focus:** Partnerships to date have predominately focused on senior secondary certificates. Regulatory elements of partnerships are less developed, but there is recognised potential to expand government-to-government connections to enable improvements in regulatory approaches. Jurisdictions also recognise that selling a single school product is less impactful than a more holistic service. A number of jurisdictions are already well placed to provide foreign schools and systems with complementary products and services such as coaching, mentoring, rotations of teachers and school leaders to ensure quality delivery.

4.3 The quality of Australian schooling is well regarded

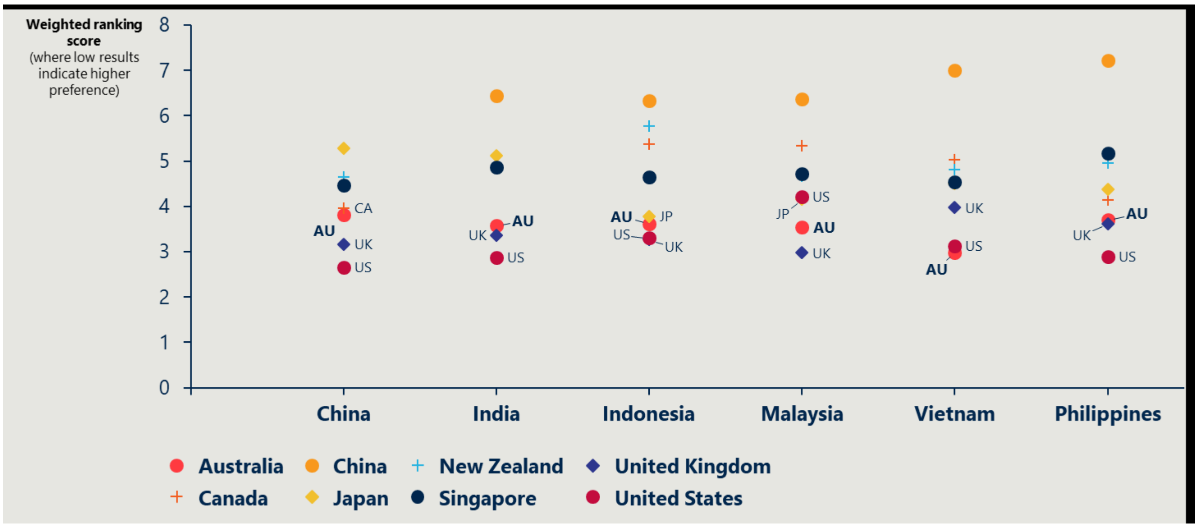
Australian school products are highly appealing. Parents in the surveyed focus markets perceived Australian schooling as having a strong reputation that exposes children to new ways of learning and assists with advancing future employment prospects (Figure 5).

Figure 5 | Parents' response to survey question 'What factors influence why you would choose a school with Australian-inspired senior school qualifications?'



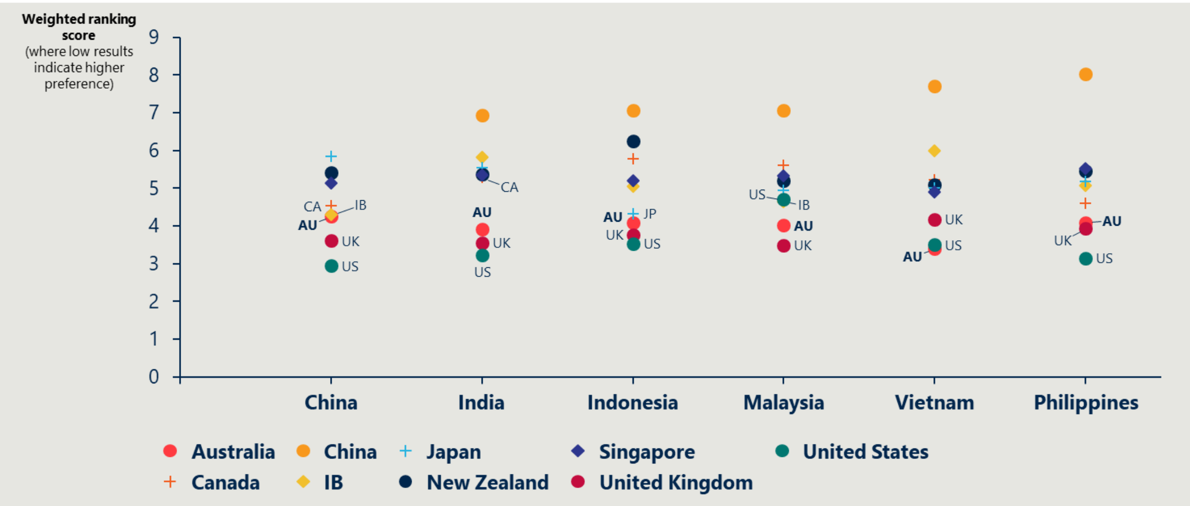
Parents in the focus markets perceive Australian school products to match the quality of the UK and US, the current market leaders. When asked which country they would prefer an internationalised school to have a relationship with in terms of subject learning material, exams, teaching training and other critical aspects, parents across the six countries consistently ranked Australia in the top three countries (Figure 6). Australia performs particularly well in Vietnam, where it is ranked first, and Malaysia where it is ranked second.

Figure 6 | Parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, which country would you prefer the school to have a relationship with for subject learning material, exams, teacher training and other aspects?'



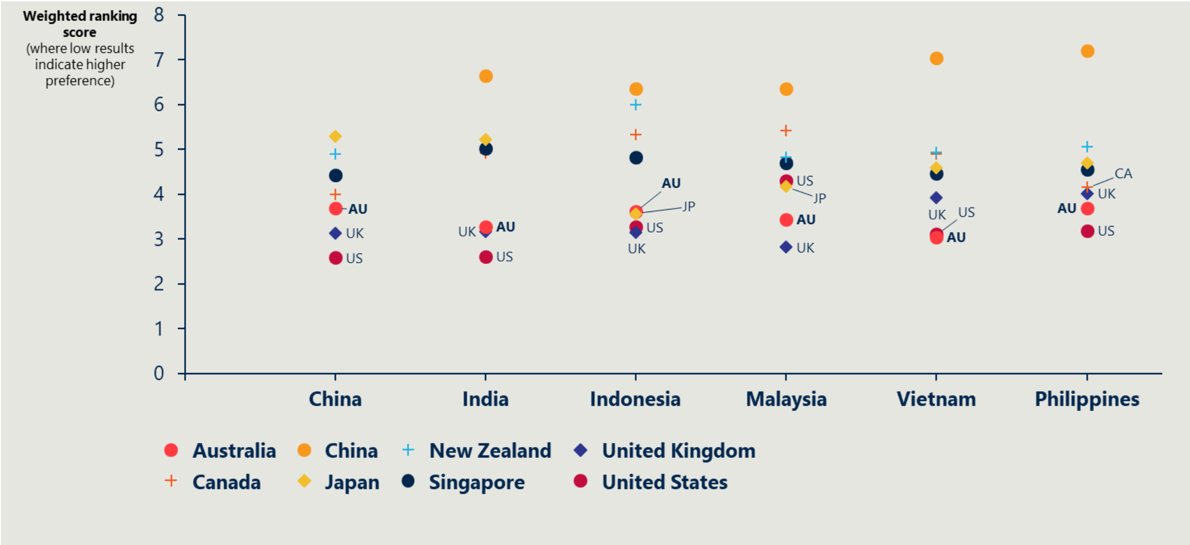
The perception of strong quality extends to Australia's senior school qualifications. Parents rank Australia's senior qualifications consistently in the top three when compared to key competitors such as the UK-styled assessment, US-styled assessment and the IB system (Figure 7). Again, Australia performs particularly well in Vietnam, where it is ranked first, and Malaysia where it is ranked second.

Figure 7 | Parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, what senior school qualification would you most prefer?'



Australian international schooling is also well regarded due to its ability to create a pathway to Australian higher education. When asked about which country they would prefer a school have a relationship with in terms of international universities, parents across the six key markets consistently ranked Australia in the top three countries (Figure 8). This theme was strongly reflected in consultation with international market experts.

Figure 8 | Parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, which country would you prefer the school to have a relationship with international universities and training providers?'



These results indicate that Australia has substantial potential to perform more strongly in international schooling. Australia consistently ranks close to the UK and US in terms of parental perceptions. However, while the UK and US between them hold approximately 50 per cent of the international school market share, Australia holds less than 0.01 per cent.

Brexit in the UK and growing trade protectionism in the US may provide further opportunities for Australia. While this may have limited impact on providers delivering in-country, the potential impact on interest in higher education opportunities in the UK and US may well have flow on implications for demand for school products. (For the US, the Chinese market is a particular concern.[15]) As such, now is an opportune time for Australia to strategically position itself in the internationalised schooling market.

[15] Financial Times, 2018, *US considered ban on student visas for Chinese nationals*, accessed 1 December 2018, https://www.ft.com/content/fc413158-c5f1-11e8-82bf-ab93d0a9b321

5 Priority market opportunities have been identified across six countries

Market opportunities in six countries (China, India, Indonesia, Malaysia, Philippines and Vietnam) offer particularly strong potential for Australian school agencies and providers seeking to export school curriculum, assessment and regulatory products. Within each country, specific markets and export opportunities could form the basis for growing Australia's schooling exports. Table 2 offers an overview of each country and its opportunities.

Table 2 | Priority market opportunities across six key countries

Country	Market opportunity
China	• **Demand for international education is growing in Tier 2 cities**: Tier 2 cities in China have an underdeveloped internationalised schooling sector and there is growing demand and ability to pay for such products. • **Networks of bilingual schools offer the opportunity for scale and return**: Bilingual schools are those that provide a mix of local and international curriculum and assessment and are open to both Chinese nationals and foreign students. Such schools are increasingly operating in networks, often leveraging private equity. Exporting curriculum and assessment to such networks provides Australian agencies opportunities to sell at scale.
India	• **Key cities, particularly Delhi and Ahmedabad, present opportunities for Australian agencies:** There are several high potential cities in India for education exports, with Delhi and Ahmedabad particularly strong markets based on GDP, existing international schools and population. • **Large scale reform of the school curriculum may present opportunities**: India is currently developing a new education policy around school curriculum. This is the first time the curriculum has been refreshed in nearly 30 years. There may be opportunities to assist. • **Further opportunities in education technology and development of international schools**: India has a rapidly growing EdTech and internationalised schooling market that may present export opportunities to Australian agencies and providers.
Indonesia	• **Jakarta and Surabaya show growth potential**: These two cities demonstrate strong market potential given the existing number of international schools and GDP per capita. • **The release of PISA results in 2019 presents a catalyst to discuss opportunities:** Should the 2019 PISA results reflect the 2015 PISA results, there may be an opportunity to support system improvements.
Malaysia	• **International schools in major cities present growth potential:** Favourable government policies and strong parent demand has contributed to a large increase in the number of internationalised schools in Malaysia. Key cities that Australian agencies could focus on include Kuala Lumpur and Penang. • **There may be potential to assist in key education reforms, particularly in Sabah and Sarawak:** The recent change of government in Malaysia, the first in 61 years, has put a spotlight on education reform. Opportunities to help progress these reforms may exist, particularly in Sabah and Sarawak states, which have greater education independence.
Philippines	• **International schools in two key cities, Manila and Cebu, present opportunities:** There is growing demand for international schools in the Philippines, particularly in the 'premium' sector in which Australian schooling could compete. • **Opportunities exist in assessment reform, where engagement with Australia is already advanced**: The Philippines is currently seeking to redevelop elements of its school assessment, principally in relation to final years assessment. There may be opportunity to assist in designing and implementing this reform with the Philippines already having demonstrated interest in partnering with Australia.
Vietnam	• **International schooling in major cities presents growth opportunities:** The number of international schools is growing in Vietnam, and favourable government policy and parental interest make it likely that such growth will continue, especially in Hanoi and Ho Chi Minh City. • **There are opportunities in assessment, building off curriculum reform:** Vietnam is currently redeveloping its national curriculum, with a staged introduction from 2020. While curriculum development is underway, further work is required to consider assessment aligned to the curriculum, and there may be scope for Australian providers to assist.

5.1 China offers significant opportunity to export Australian international schooling products

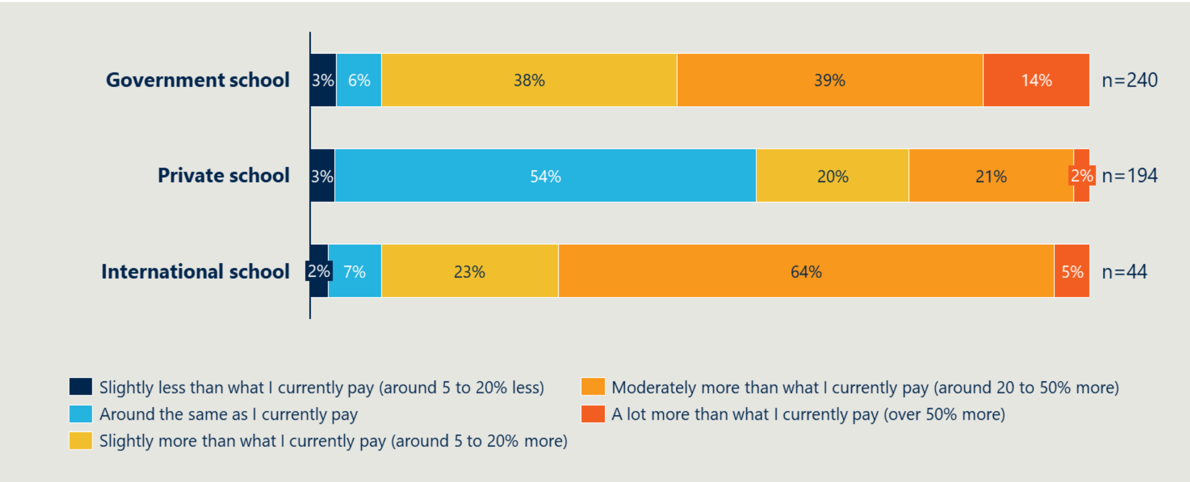
China presents substantial opportunities for Australian curriculum, assessment and regulatory products. The market for internationalised schooling products has grown significantly in China over the past 15 years and is anticipated to continue growing strongly. While opportunities exist across China, priority opportunities exist with schooling in Tier 2 cities, particularly at the intersection with networks of bilingual schools.

5.1.1 China's educational relationship with Australia demonstrate its potential

China is a significant market for internationalised schooling. The country has the most international schools in the world (over 800) and continued growth is forecast.[16] Multiple countries and agencies are seeking to gain school market share in China, including providers of US-, UK- and Canadian-styled curriculum, assessment and regulatory products. The IB system also performs strongly in China. The British Council is highly proactive, which has helped create a strong positive perception of British education.

Chinese parents demonstrate a strong willingness to pay for internationalised schooling. The survey of parents indicated that 42 per cent would spend over 20 per cent more than what they currently pay to send their student to a school with significant international influences. This rate was even higher for parents that currently send their students to government schools, indicating strong demand and willingness to switch students from the public system.

Figure 9 | Chinese parents' response to survey question 'How much would you be willing to pay for a school with significant international influences, compared to the school fees you currently pay?'



Australia has close educational ties with China, being Australia's largest source market for onshore higher-education and school-aged students. Over 10 per cent of China's 870,000 higher education students studying abroad in 2016 studied in Australia.[17] The strength of this relationship should be considered as a foundation for Australian school agencies to build on.

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[16] This figure includes bilingual schools. ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data

[17] Global flow of tertiary-level students, http://uis.unesco.org/en/uis-student-flow

5.1.2 Demand for international education is growing in Tier 2 cities

Given the size and diversity of China, businesses and policy-makers often segment China's many cities in unofficial tiers, from Tier 1 to Tier 4. China's most populous and wealthy cities, like Beijing and Guangzhou, are classified as Tier 1.[18] China market experts note that Tier 1 cities are nearly saturated by internationalised school providers, with over half of the international schools in China located in Tier 1 cities.[19]

Tier 2 cities have stronger opportunities for Australian school agencies as these cities have an underdeveloped international schooling sector. Tier 2 cities also have a growing middle class that aspires to send students to quality secondary and higher education institutions. Around 30 cities are considered in most lists to be Tier 2 cities. Market experts noted that Australian agencies focus strongly on Tier 2 cities in China's central and western regions, including Chengdu, Chongqing and Wuhan. Other cities that show promise based on GDP per capita, population size and existing number of international schools include Hangzhou, Nanjing and Suzhou.

5.1.3 Networks of bilingual schools offer the opportunity for scale and return

In China, international schools are restricted to foreign passport holders. Local Chinese students can instead attend bilingual schools, which teach a mix of Chinese and international curriculums. Bilingual schools must teach Chinese curriculum from kindergarten to year 9 and can offer an international curriculum and assessment in years 10 to 12. There are both private and public bilingual schools. Market experts forecast continued growth in bilingual schools, especially in Tier 2 cities.

Bilingual schools are increasingly being operated within networks of other bilingual schools. These networks are established by private companies that deliver a shared educational offer founded on a common brand. These networks frequently purchase curriculum, assessment and regulatory services from foreign providers to operate the school, especially for years 10 to 12. This presents opportunities for Australian providers to sell products at scale.

Australian providers pursuing this opportunity should consider the following:

- **Balance core curriculum with breadth of subjects:** Chinese market experts noted that Chinese parents seek international schooling experiences to allow their children to gain a broader education. This insight was reflected in survey results (Figure 10). Chinese parents noted that "allowing my child to access a wider range of subjects at school" was a top three reason to choose international schooling (Figure 11). When ranking which subjects would be particularly important to have access to in an international school, maths, science and English were ranked in the top three. Furthermore, the Chinese Government's Five-Year Plan (2016-2020) encourages the cultivation of students' entrepreneurship and innovation capabilities. This indicates that a balance between core and breadth of subjects should be provided.
- **Emphasise quality of curriculum and assessment:** Survey results illustrate that Chinese parents care strongly about quality and standards in international schooling (Figure 12).
- **Hire teachers with foreign qualifications:** Chinese parents indicated that foreign-trained teachers are highly important to school choice. Where possible, this should be prioritised and emphasised to parents in the market (Figure 12).

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[18] A concise, recent explanation of China's tiered city system from an Australian business perspective is here: https://www.wineaustralia.com/getmedia/248fa60f-cbf1-4e94-a84d-489b532489ff/20160328-China-city-tiered-system-article.pdf
[19] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data

Figure 10 | Chinese parents' response to survey question 'What are your main reasons for considering a school with significant international influences for your children?'

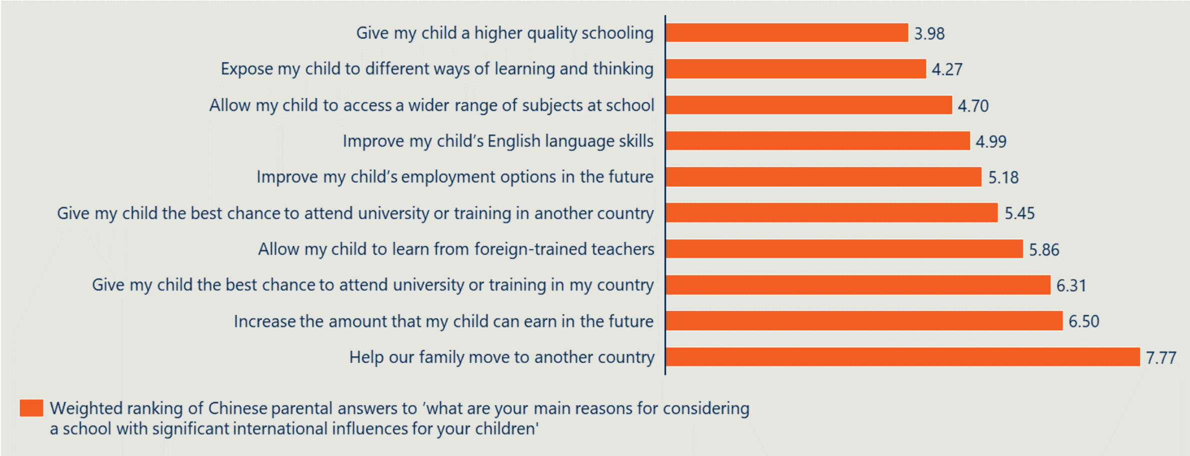


Figure 11 | Chinese parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, what subjects would be particularly important for your child to have access to?'

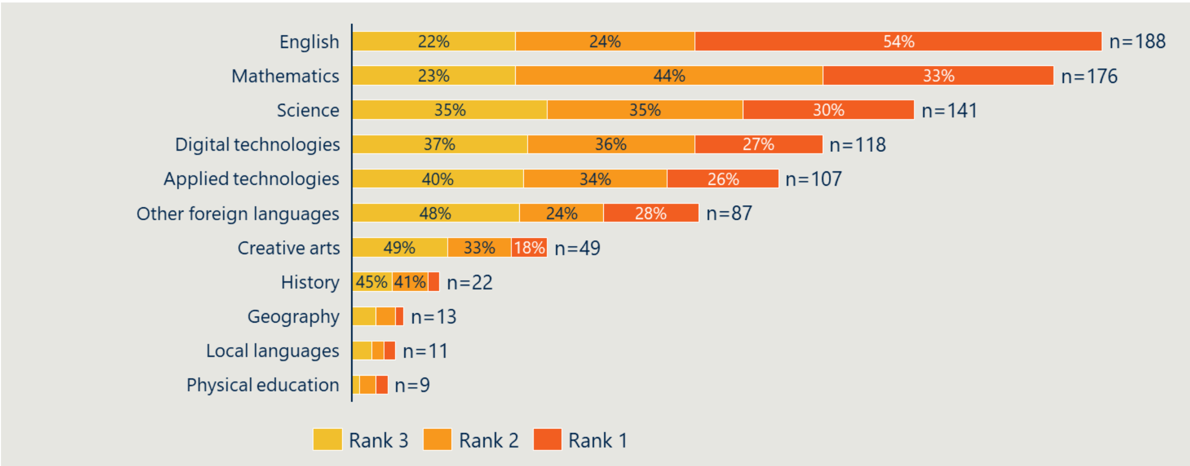
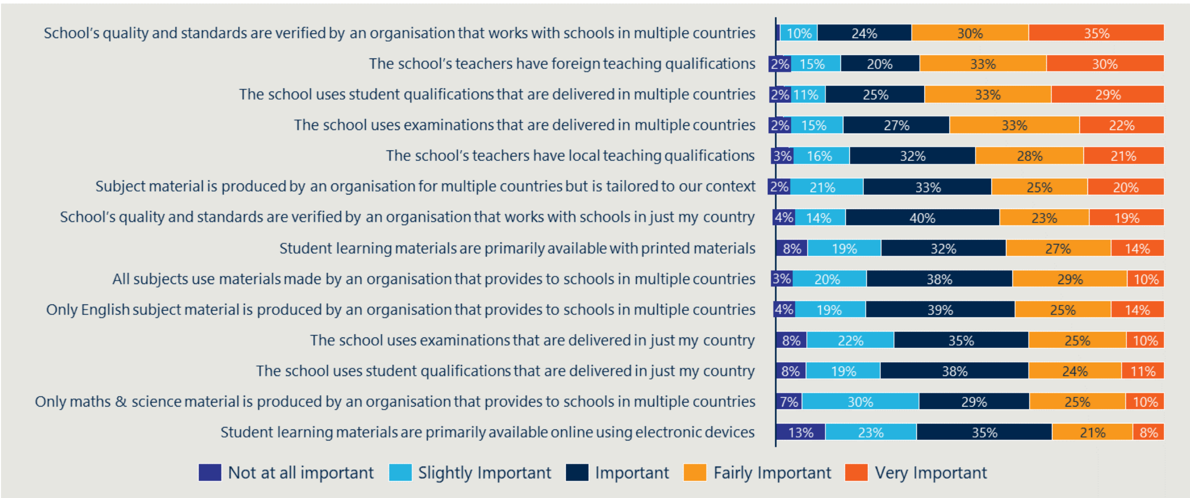


Figure 12 | Chinese parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, how important would these characteristics be?'



If providers are looking to establish a school, as opposed to provide curriculum and assessment to an existing school, they should consider engaging property developers. Chinese market experts indicated that property developers often seek to build a bilingual school into a property complex they are developing (often on the outskirts of cities). Developing strong relationships with such investors and developers may provide a ready market for a bilingual school. A successful example of this approach is Haileybury, an Australian independent school with multiple campuses. In 2013 Haileybury partnered with a private property developer to open a school campus in the outskirts of Beijing.

In 2016 the Chinese government passed an amendment that allows new and existing private schools (including private bilingual schools) to operate as a for-profit business in the kindergarten and senior secondary school years (years 10 to 12), but not in the compulsory years of school (years 1 to 9).[20] Advice from Chinese market experts, however, is that Australian agencies should cautiously approach any opportunities to take advantage of the profit-making element of this regulation until this reform is better understood.

5.1.4 Challenges to operating in China need to be considered

The Chinese school system is governed by multiple layers of local, regional and national government. This makes it difficult to identify the key stakeholders in progressing market entry and expansion. Australian agencies should carefully engage with market experts to understand how to progress any opportunity.

Australian agencies should note the propensity for sudden policy change in China. This may be exacerbated by potential international tensions between China and other countries. It is important to carefully understand the policy, legal and broader political framework before investing in the market.

[20] Hogan Lovells, 2016, *China to allow for-profit schools, except in compulsory education*, accessed 3 December 2018, https://www.hoganlovells.com/en/publications/china-to-allow-for-profit-schools-except-in-compulsory-education

5.2 Strengthened relationships will help generate opportunities in India

Australian policy-makers and businesses are increasingly considering the opportunities in India. The Department of Foreign Affairs and Trade's (DFAT) recent report *An Indian Economic Strategy to 2035*[21] was a long term, comprehensive analysis of opportunities across all sectors, including the education sector. This report noted that a strong and productive education relationship should be the flagship of any bilateral relationship. While this relationship is small in the internationalised schooling market, there are opportunities to grow this over the medium to long term.

5.2.1 Key cities, particularly Delhi and Ahmedabad, present opportunities for Australian agencies

DFAT's report into an economic strategy for India identified several key states to focus on for Australia's school education sector. This included the states comprising the cities of Mumbai, Chennai, Delhi, Ahmedabad, and Chandigarh. These states were identified as those that have a customer base who demand, and have the capacity to pay, for internationalised education.

Delhi and Ahmedabad in particular show strong potential. Delhi, the capital, is located to the north and has the second largest population, with a metropolitan area of approximately 22 million people. Delhi has one of the highest GDP per capita in the country and has 65 international schools. Ahmedabad, in the west, has a metropolitan area population of approximately 8 million, a middling GDP per capita, and 11 international schools. These two cities have the lowest number of international schools per population across the five cities identified, which may present an opportunity for growth.[22,23]

5.2.2 Large-scale reform of the school curriculum may present opportunities

The Indian government is developing a new education policy that is expected to significantly change the school curriculum. This is expected to be a significant exercise given the policy was first framed in 1986 and has not been revised since 1992.

Assistance with progressing this reform may be possible, particularly in relation to STEM and sports curriculum. These two areas are expected to feature strongly in this policy. In regard to STEM, while India produces the largest number of STEM graduates globally, it suffers from a shortage of skilled talent in these disciplines.[24]

DFAT's Indian economic strategy report indicates that Australia has an opportunity to increase its involvement in the development of Indian curricula. The report notes collaboration on setting standards, syllabus and associated assessment should be sought.

Australia already has experience in this space. The Australian Council for Educational Research (ACER) previously helped India's National Council of Educational Research and Training to design, implement and

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[21] Department of Foreign Affairs and Trade, 2018, *An India Economic Strategy to 2035,* accessed 15 October 2018, https://dfat.gov.au/geo/india/ies/index.html
[22] World Population Review, 2018, *India Population 2018,* accessed 10 October 2018, http://worldpopulationreview.com/countries/india-population/
[23] Wikipedia, 2018, *List of Indian states and union territories by GDP per capita,* accessed 10 October 2018, https://en.wikipedia.org/wiki/List_of_Indian_states_and_union_territories_by_GDP_per_capita
[24] The Economic Times, 2018, *India's STEM talent sees shortage despite maximum graduates,* accessed 1 November 2018, https://economictimes.indiatimes.com/jobs/indias-stem-talent-sees-shortage-despite-maximum-graduates/articleshow/63109240.cms

report on a new national achievement survey for students in year 10. DFAT's report notes that this approach could be a template for deeper engagement in curriculum development. Australian agencies could approach national and state governments regarding this opportunity. In India education is a shared responsibility between these two levels of government, with the national government setting overall policy targets and state governments progressing such policies while also having freedom to develop further policies.[25]

5.2.3 Further opportunities in education technology and development of international schools exist

Education technology is another key opportunity for Australian agencies and providers. India's EdTech market is the second largest in the world and the number of users of education technology is growing rapidly.[26] The number of users of online education in India is expected to reach 9.6 million by 2021, up from 1.6 million in 2016.[27] The digital learning market is expected to grow to $5.7 billion by 2020 with key segments being smart class solutions, online tutoring, online preparation for exams, simulation and virtual reality, STEM learning, augmented reality, robotics and assessment.[28]

Buyers of education technology could range from state governments to private investors and individual schools. In the school sector, since 2014 more than 100 international schools have been established in India, a 45 per cent increase, and student enrolment has increased by over 70 per cent. Further development of the international school market is forecast.[29] Agencies or private providers with EdTech products may wish to explore the potential opportunities for these prospective buyers.

5.2.4 Perception of Australian products are strong, but market penetration is currently low

Australia has a strong relationship with India in the higher education sector, which illustrates India's high perceptions of the quality of Australian education products. India is Australia's second-largest source country for international students, with more than 68,000 students being granted a visa to study in Australia in 2017, up 14.6 per cent on a year earlier.[30] Australia was Indian students' second-favourite choice in 2016.[31]

Indian parents hold a strong positive view regarding Australian school products. Indian parents view Australia in the top three countries for which they want an international school to have a relationship for curriculum and assessment (Figure 6 on page 15), senior secondary qualification (Figure 7 on page 15) and higher education providers (Figure 8 on page 16).

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[25] Trines S, 2018, *Education in India,* World Education News and Reviews, accessed 28 September 2018, https://wenr.wes.org/2018/09/education-in-india

[26] India Brand Equity Foundation, 2018 *Education and Training,* accessed 17 September 2018, https://www.ibef.org/download/Education-and-Training-Report-Jan-2018.pdf

[27] Department of Foreign Affairs and Trade, 2018, *An India Economic Strategy to 2035,* accessed 4 October 2018, https://dfat.gov.au/geo/india/ies/chapter-3.html

[28] Rai J, 2016, *India's education market to nearly double to $180 bn by 2020,* VC Circle, accessed 1 September 2018, https://www.vccircle.com/indias-education-market-nearly-double-180-bn-2020-1/

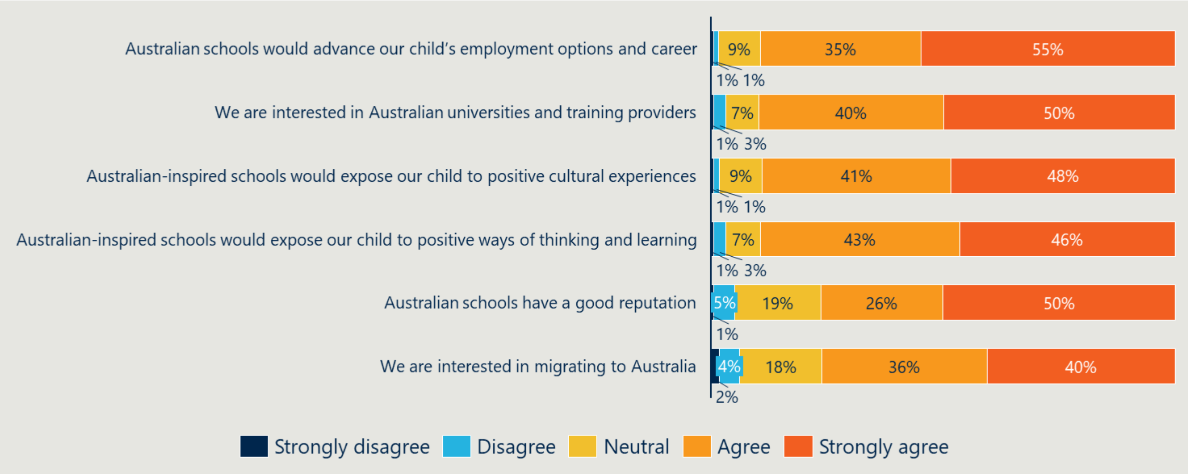
[29] Cook N, 2018, *India all set for international education expansion,* ISC Research, accessed 4 October 2018, https://www.iscresearch.com/uploaded/images/Publicity/IS_magazine_-_India_all_set_for_international_education_expansion_-_2018.pdf

[30] Khosla V, 2018, *Australia emerges preferred destination for Indian students,* The Economic Times, accessed 28 September 2018, https://economictimes.indiatimes.com/industry/services/education/australia-emerges-preferred-destination-for-indian-students/articleshow/62891121.cms

[31] Sharma Y, 2016, *Surge in growth of Indian students studying abroad,* University World News, accessed 9 September 2018, http://www.universityworldnews.com/article.php?story=20160601180527213

Indian parents view Australian schooling as being able to advance employment options and expose children to positive cultural experiences and new ways of thinking and learning (Figure 13).

Figure 13 | Indian parents' response to survey question 'What factors influence why you would choose a school with Australian-inspired senior school qualifications?'



Despite the positive views held about Australian school products, Australia's market penetration in India is low. Of the 469 international schools in India, none have an Australian curriculum or assessment product. Australia does have some bilateral relationships among agencies in the curriculum space, however there is no systematic partnerships or approach to developing further relationships.

5.2.5 Australian agencies and providers should consider partnerships and integrity issues

Given the size and complexity of operating in India, a partnership approach could assist Australian agencies and providers in developing market opportunities. Market experts in India noted that a transactional approach (selling a product through an agent), while profitable in the short term would not allow Australia to strategically position itself for longer-term opportunities. A partnership approach could involve building relationships with local education agencies and schools, as well as building a local presence.

There may be potential for Australian private schools or companies to enter into joint ventures with Indian providers or companies (such as property developers) to establish new schools in the market, similar to private equity models that have succeeded in China.

Australia agencies and providers should be mindful about integrity issues relating to their products and brand reputation. Consultations have highlighted that quality issues and protection of intellectual property have been major concerns in considering education delivery in India previously. Careful consideration in choosing partners and buyers is vital to ensure that exporting to India does not diminish the overall brand value of the product.

5.3 Indonesia presents opportunities over the medium to long term

Australia and Indonesia are working toward a stronger bilateral relationship, including a free trade agreement. Along with Indonesia's burgeoning middle class and the need for the country to continue to develop its education system, this means Indonesia may offer opportunities over the medium to long term.

5.3.1 Jakarta and Surabaya show growth potential

Indonesia has a population over 260 million people across 34 provinces. Of the 229 international schools in Indonesia, only five have a relationship with an Australian school agency. Given Australia's lack of presence in the market, a focus initially on regions with strong growth potential is recommended. Factors to consider include existing demand for international schooling, GDP per capita and population size.

Two key cities to watch are Jakarta and Surabaya. Jakarta, the capital, is one of the most populous urban areas in the world. Of Indonesia's 229 international schools, Jakarta has the most, at 99 schools. Jakarta also has one of the highest GDP per capita in Indonesia.

Surabaya, capital of East Java, is Indonesia's second largest city. Surabaya has 12 international schools, but one of the larger GDP per capita in the country, indicating potential for growth.[32,33]

5.3.2 The release of PISA results in 2019 presents a catalyst to discuss opportunities

Indonesia has recognised the potential to improve the design and functioning of its education system, and has had a substantial focus on improving access to education. The 2015 PISA (Programme for International Student Assessment) results highlighted that 42 per cent of 15-year-old Indonesians did not meet minimum standards in reading, mathematics and science.[34]

The next round of PISA results will be released in 2019. This may be an opportune time to identify areas to assist in quality improvement, particularly if results show little change from the 2015 test. The government's focus on human resource development may further assist in progressing conversations around system quality, and Australian agencies may be well placed to assist.

Australian providers could consider discussing several opportunities with Indonesia. While a major redesign of curriculum is not expected any time soon, there may be opportunity to better integrate STEM and 21st century skills into the curriculum.

In regard to assessment, market experts note that more can be done to share outcomes of assessment and to use data from assessment to inform policy development. Finally, integrity issues may present opportunities for Australian agencies to advise or support teacher and school regulatory products.

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[32] Neliti, 2018, *Statistics Indonesia (BPS),* accessed 20 October 2018, https://www.neliti.com/badan-pusat-statistik
[33] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data
[34] Rosser A, 2018, *Beyond access: making Indonesia's education system work,* Lowy Institute, accessed 8 September 2018, https://www.lowyinstitute.org/publications/beyond-access-making-indonesia-s-education-system-work

5.3.3 Australia has existing relationships with Indonesia in the education sector that can be leveraged

Australia has existing relationships in the Indonesian schools and higher education sectors. The two countries' national education departments have a standing Joint Working Group that seeks to enhance cooperation in school education, higher education, joint research and two-way mobility. The results of the 2016 Joint Working Group included commitments to strengthening curriculum development, teaching and learning, and teacher quality in Indonesia. These commitments could be leveraged were Australian agencies to seek opportunities to export to Indonesia.

Second, Indonesian students see Australia as a study destination of choice. While a relatively small proportion of Indonesians undertake an international higher education, one in four Indonesians who study at overseas universities choose Australia. The number of Indonesian students studying in Australian higher education institutions grew by more than 8 per cent between 2016 and 2017.[35] This strong result further illustrates that Australia has a strong foundation to grow its market opportunities in Indonesia.

5.4 Reform and a growing appetite for internationalised schooling offer potential in Malaysia

Malaysia's recent change of government, the first in 61 years, has resulted in an increased focus on reforming Malaysia's education system. This focus, combined with the country's increasing demand for international education, may provide opportunity for Australian agencies and providers to export more school products to Malaysia. Priority opportunities are:

- International schools in major cities
- Assistance in progressing key education reforms.

5.4.1 International schools in major cities present growth potential

Malaysia has seen the strongest growth in international schools over the past few years in South East Asia. Between 2013 and 2017, enrolments in international schooling grew by 34 per cent.[36]

This growth has been promoted by government to use international schools as a mechanism to produce high quality graduates, and in turn, boost economic growth in the country. The Malaysian government has removed limits on foreign ownership of international schools[37], introduced tax incentives, and removed the 40 per cent enrolment cap on Malaysian students. In combination, these changes have led to almost 70 new international schools in Malaysia since 2013.[38]

Parental interest in international schooling remains strong. The language of instruction of national secondary education is Malay, restricting the mobility of those in this system. Parents are increasingly

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[35] Australian Embassy Indonesia, 2017, *More Indonesian students studying in Australia,* accessed 15 October 2018.
[36] Jaya P, 2017, *Malaysia has most students in international schools in SEA,* The Star, accessed 8 October 2018, https://www.thestar.com.my/news/nation/2017/03/10/malaysia-has-most-students-enrolled-in-international-schools-in-region/
[37] Emerging Strategy, 2016, *Malaysia government policy driving rapid growth of private and international school enrolment,* accessed 8 September 2018, http://www.emerging-strategy.com/article/rapid-growth-of-private-and-international-schools-in-malaysia-driven-by-government-policy-is-an-attractive-short-term-growth-opportunity/
[38] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data

looking to send their children to English-medium schools to provide a pathway to higher education institutes outside of Malaysia.[39]

The Malaysian system is more rigid than international curriculums, with subject choice largely restricted to those that are beneficial to the manufacturing sector, as well as the requirement for religious education throughout schooling.[40] Market experts noted a growing perception of lower teaching standards in national schools.

These factors were all strongly reflected in the survey of Malaysian parents. Key reasons Malaysian parents indicated they would consider a school with significant international influences involved accessing greater quality products and improving their children's prospects (Figure 14).

Figure 14 | Malaysian parents' response to survey question 'What are your main reasons for considering a school with significant international influences for your children' (low ranking score indicates higher preference)

The key regions that Australian agencies could prioritise in Malaysia are Kuala Lumpur and its surrounding regions, and Penang. Kuala Lumpur, the capital, has the largest GDP per capita and population of any city. Kuala Lumpur also has the largest number of international schools in Malaysia, indicating an existing propensity to seek internationalised schooling. Penang was noted by market experts as another key region for focus. Penang has nine international schools and its capital, George Town, is the second largest city in Malaysia.[41, 42]

[39] Australian Government Department of Education and Training, 2017, *International student data monthly summary*, accessed 12 October 2018, https://internationaleducation.gov.au/research/International-Student-Data/Documents/MONTHLY%20SUMMARIES/2017/Dec%202017%20MonthlyInfographic.pdf

[40] Clark N, 2014, *Education in Malaysia*, World Education News and Reviews, accessed 12 October 2018, https://wenr.wes.org/2014/12/education-in-malaysia

[41] Department of Statistics Malaysia, 2017, *GDP by state*, accessed 14 October 2018, https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=102&bul_id=VS9Gckp1UUpKQUFWS1JHUnJZS2xzdz09&menu_id=TE5CRUZCblh4ZTZMODZIbmk2aWRRQT09

[42] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data

5.4.2 There may be potential to assist in key education reforms, particularly in Sabah and Sarawak

The new reformist government has put education at the centre of its agenda, including lifting outcomes, developing a learning system that is technology-centric and boosting English language standards.

There may be potential for Australian providers to support these reforms. This could be initiated through engagement with district-level governments. While Malaysia has traditionally had a heavily centralised education system, there have been recent moves to grant greater power to district-level offices.

Malaysian market experts indicate that two regions to focus on are Sabah and Sarawak. Both states are located on the island of Borneo and have been exerting greater independence in the education space. Both have existing and strong alignment to Australia. Malaysian market experts noted that previously up to 80 per cent of the cabinet members in Sarawak were alumni of Australian universities. Sarawak is looking to trial online STEM education independently of national reform.

5.4.3 Alignment to the British system and the current pace of growth in internationalised schooling are potential constraints

While there is opportunity in Malaysia, British education already has a strong foothold. Of the 273 international schools in Malaysia, 83 per cent hold a British-styled curriculum and assessment product.[43] The British Council has worked with Malaysia for over 70 years on a range of projects, including teacher capacity building and curriculum reform.

Market experts noted that there may be a slowdown in growth of international schools in Malaysia. The national target for international schools in Malaysia was 88 by 2020 but this has been significantly exceeded. Depending on the direction the new government takes, growth in this sector may reduce to more sustainable levels.

[43] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data

5.5 Opportunities in the Philippines exist in key cities and from strengthening relationships

As an English-speaking country with a rapidly growing education relationship with Australia,[44] the Philippines offers opportunity to expand Australia's exports of school assessment, curriculum and regulatory products. Primary opportunities identified through this project are:

- International schools in two key cities
- Assistance to progress assessment reform.

5.5.1 International schools in two key cities present opportunities

The international schooling market in the Philippines is growing. Between 2013 and 2017, the number of international schools grew by 25 per cent and student enrolment increased by 39 per cent.[45] Most of these new schools have been in the 'non-premium' international schools sector. These schools typically offer lower enrolment fees, are not accredited, and are not members of well-known international school associations. The quality of teaching, resources and facilities may be lower at these schools.

There is also strong demand for schooling in the 'premium' sector. This is the sector where Australian schooling could compete and is more likely to be financially viable. Demand stems from a growing middle and upper class in the Philippines due to sustained economic performance over the past decade.

Cities that demonstrate the most promise are Manila, the capital, and Cebu, capital of Central Visayas. Metro Manila has 19 international schools with another 13 in the broader National Capital Region. Manila also has one of the highest GDP per capita and is the most populous city. Cebu has five international schools, the second highest concentration in the Philippines, and is in the top five cities for population and GDP per capita.

The following points are worth considering:

- **Quality standards and foreign qualifications are important characteristics for parents:** Survey results indicate that quality standards, demonstrated through an organisation providing schooling in multiple countries, and teachers with foreign teaching qualifications are important qualities parents look for in internationalised schooling. Australian providers should seek to emphasise these characteristics where possible (Figure 15).
- **Facilities, character development and technology are key factors influencing parents' decisions to enrol children in internationalised schooling:** Survey results indicate that high quality facilities, a school's reputation for wellbeing and character development, and the ability to use digital technologies are important considerations when choosing internationalised schooling (Figure 16).
- **Land for school developments can be a constraint:** Given land constraints in major cities, developing new schools can be challenging. This may need to be considered when exploring market entry involving new developments. For example, transport options may limit student demand where developments are located on the outskirts of major cities.

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[44] Australian Trade and Investment Commission, 2018, *Education market profile – Philippines,* accessed 9 September 2018, https://www.austrade.gov.au/Australian/Education/Countries/philippines

[45] Gaskell R, 2017, *Potential international school growth for the Philippines,* LinkedIn, accessed 10 September 2018, https://www.linkedin.com/pulse/potential-international-school-growth-philippines-richard-gaskell/

Figure 15 | Filipino parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, how important would these characteristics be?'

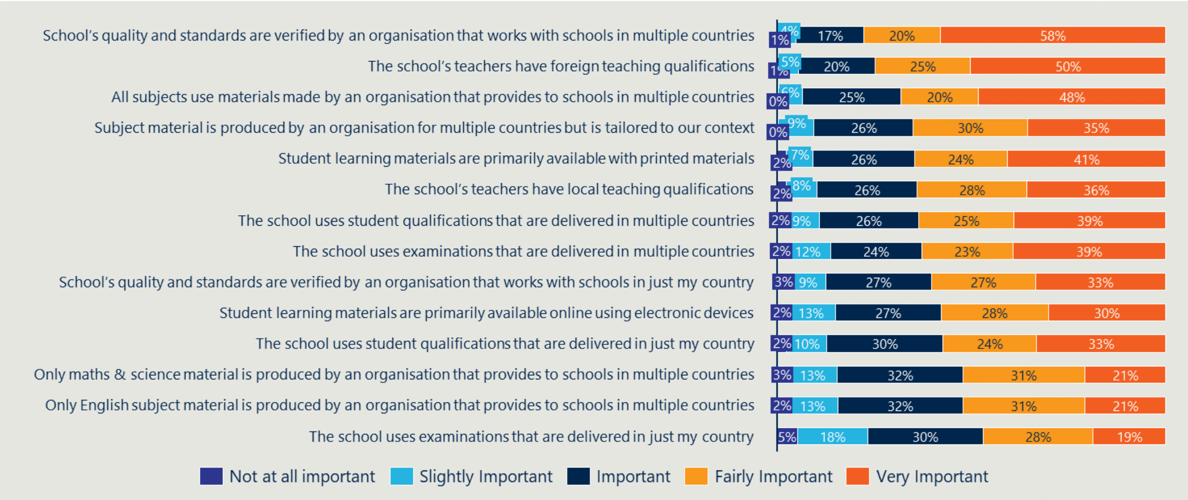
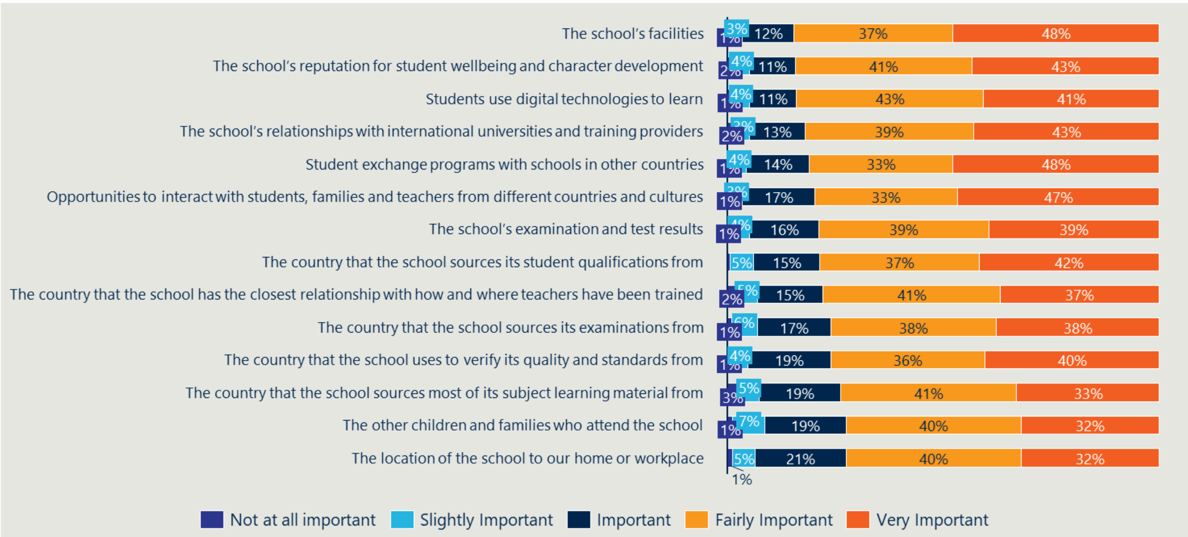


Figure 16 | Filipino parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, how important would these other factors be?'



The Philippines' Department of Education manages the education system at the national level. The Department of Education has offices in each region that ensure national policy is being implemented. Both the national Department of Education and the regional offices must approve a new school.

5.5.2 Opportunities exist in assessment reform, where engagement with Australia is already advanced

The Philippines has recently extended the length of schooling from a year 10 completion to a year 12 completion. To complement this move, the Philippines is seeking to further develop its senior curriculum and assessment, particularly the development of a senior secondary school certificate of education.

Requirements for university entry may have implications for market entry. At present, Filipino students that seek to enter university must sit a separate entrance exam per university. The Philippines education system has a four-track education system at year 11 and 12. Students are streamed into academic specialisation tracks with distinct curriculum. Given each Australian state has a predominant high school leaving certificate, it is anticipated this opportunity would only pertain to the more academic tracks in the Philippines.

The Philippines has already demonstrated an interest in partnering with Australia, both broadly and for this specific opportunity. Australia has a history of partnering with the Philippines to help transform its education system, for example, the Basic Education Sector Transformation (BEST) program. BEST is a 12-year program to improve education outcomes by providing more equitable access to education with improved service delivery through better governance.[46]

A delegation from the Philippines government came to Australia in June 2018 to better understand the governance and regulation of the education system, and how a high school leaving certificate is developed and implemented. The Philippines delegation stated that Australia could help with the development of an ATAR-equivalent system, specifically in relation to the regulation and accreditation of the system, and the development of curriculum and assessment.

Another reason to pursue this opportunity is that education is a priority of the current government: education has the largest budget allocation of all line agencies, and has increased from a budget share of 11 per cent in 2010 to 17 per cent in 2017.[47]

Unlike Australia, where multiple agencies manage the education ecosystem, the Department of Education in the Philippines has oversight of regulation, development of curriculum and assessment, funding and much more. Pursuing this opportunity therefore will require strong connections with this department and its bureaus, services and attached agencies.

As noted earlier, the Philippines Department of Education has regional-based offices that help to enact policies across the country. Given the potential for the Philippines to initially progress this reform through a small-scale trial, Australian agencies may wish to develop strong relationships with directors of regional-based offices of the Department of Education.

5.5.3 Political conditions and capacity to pay will need to be carefully considered

The Philippines political context is complex. While the political situation in Philippines does not have a direct or immediate impact on the internationalised schooling relationship between the Philippines and Australia, conditions will need to be monitored by agencies or providers seeking to enter the market. Potential for civil unrest, terrorism and other police and security matters may raise safety concerns for Australians working in the country, while a further move away from the US may change the Philippines interest in partnering with western countries.

Furthermore, while there is a burgeoning middle class in the Philippines, Filipino parents may be less willing to pay for international education than in other countries considered in this report. Only 53 per cent of survey respondents indicated that they were willing to pay more than they currently pay for a school with significant international influences, the lowest of any of the countries surveyed.

[46] Department of Foreign Affairs and Trade Australia, 2018, *Philippines basic education sector transformation program,* accessed 10 October 2018, https://dfat.gov.au/about-us/publications/Documents/philippines-basic-education-sector-transformation-program-independent-program-review-report.pdf
[47] ibid

5.6 National reforms in Vietnam present growth opportunities, particularly in major cities

Recent education reform in Vietnam has significantly increased the opportunity for international providers to export school products. This coupled with growing demand for internationalised education presents substantial potential for Australian agencies and providers in Vietnam.

The project has identified two priority opportunities in Vietnam:

- International schooling in major cities
- Assistance to progress assessment reform.

5.6.1 International schooling in major cities presents growth opportunities

There are more than 120 international schools in Vietnam, most of which are in Ho Chi Minh City and Hanoi. While this is fewer than in other focus countries, there has been strong growth since 2010, with almost 50 schools being added. Of the new schools, nearly 80 per cent have been in those two biggest cities.[48]

Aside from the strong growth in international schools, Hanoi and Ho Chi Minh City also have the highest GDP per capita and population. As such, these two cities are likely to be the focus for any Australian agency seeking to develop international schools in Vietnam.

The following points are worth considering:

- **Emphasise quality of curriculum and assessment:** Survey results illustrate that Vietnamese parents care strongly about quality and standards in international schooling. Australian providers should emphasise if they work across countries to highlight that they are a proven entity (Figure 17).
- **Hire teachers with foreign qualifications:** Vietnamese parents indicated that sending their children to a school with foreign-trained teachers was highly important. Where possible, this should be prioritised and emphasised to parents in the market (Figure 17).
- **Focus on developing high quality school facilities:** Vietnamese parents indicated that school facilities were a key characteristic they looked for a school with significant international influences (Figure 18).
- **Emphasise the holistic nature of the education product being delivered:** Vietnamese parents indicated that a school's reputation for student wellbeing and character development was a key reason for selecting a school with significant international influences (Figure 18).

[48] ISC Research, 2018, *ISC market research data*, accessed 7 September 2018, https://www.iscresearch.com/data

Figure 17 | Vietnamese parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, how important would these characteristics be?'

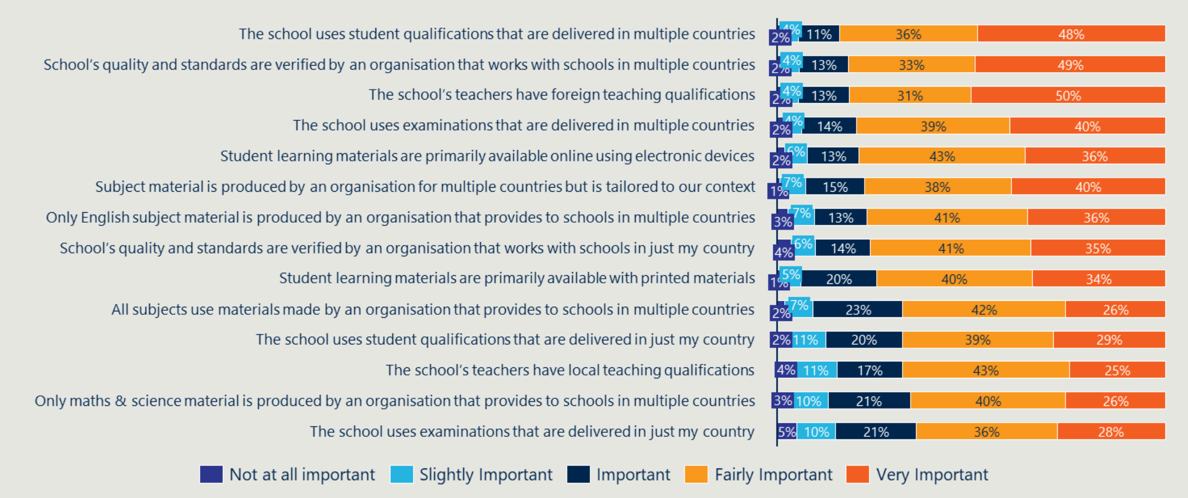
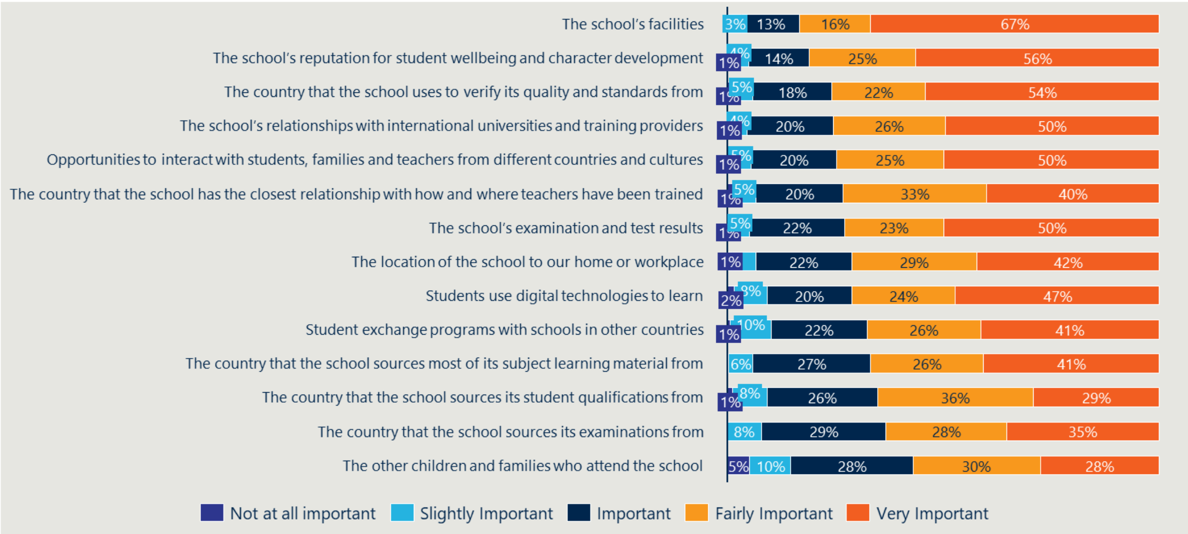


Figure 18 | Vietnamese parents' response to survey question 'If you did decide to enrol your child in a school with significant international influences, how important would these other factors be?'



Development of an international school is controlled at the district government level. As such, Australian providers should engage with this level of government in regions in which they intend to set up international schools.

Growth in international schools is in part linked to investment by property developers and private equity. This may present opportunity for Australian providers to partner. Depending on risk appetite, this may be an area of more relevance for Australian private schools to seek export opportunities, rather than for state or territory government agencies.

Aside from international schools, there may be opportunities to partner with existing schools to provide international curriculum and assessment options. Schools in Vietnam can link with accredited educational establishments abroad to provide integrated curriculum. This integrated curriculum must be approved by the government, and high school graduates of such a program must receive certificates from both Vietnam and the foreign country.

Pursuing this opportunity allows Australian agencies to tap the broader Vietnamese population, not just those seeking to attend international schools. However, consideration may need to be given to ensuring the model is financially viable.

5.6.2 Policy settings and parental interest should assist market entry

There are several reasons international schools are a key opportunity for Australian providers.

One is the recent increase in the cap on domestic students attending international schools. The Vietnamese government recently passed Decree 86, an education reform that lifts the cap on the number of domestic enrolments international schools can have from 10 per cent in primary and 20 per cent in secondary up to 50 per cent. International schools, therefore, have a larger market to access, making them potentially more financially viable. This also demonstrates the government's commitment to internationalising the education system.

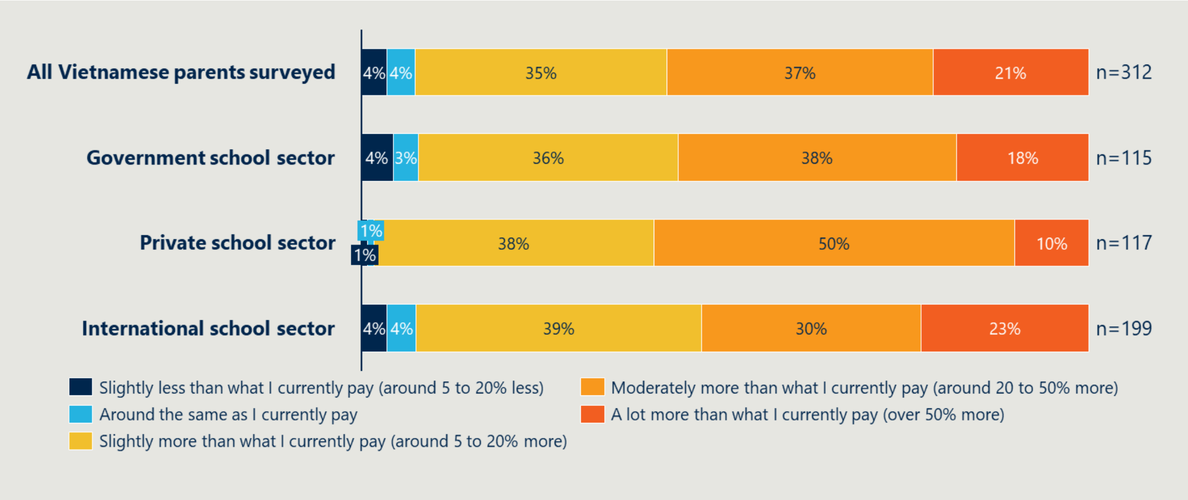
Decree 86 also allows schools and kindergartens to link with accredited foreign educational institutions, so public schools can deliver both national and international curriculum and assessment. Further information on the integration of foreign and domestic courses will be issued by the Vietnamese government shortly.

Secondly, there is strong parental demand for internationalised schooling, particularly for Australian products. Over 100,000 Vietnamese students have studied secondary education abroad to prepare them for international higher education opportunities. More recently, however, parents have sought to have their children remain in Vietnam but still receive an international program.

Parents are particularly interested in Australia-based products. Vietnamese parents ranked Australia first when asked in the Nous survey to rate countries in relation to which they would prefer an international school to partner with for key schooling material (Figure 5), which they would prefer a senior secondary qualification from (Figure 6), and which they would prefer to partner with for access to international higher education (Figure 7). Of the six countries included in the survey, Vietnam was the only country to consistently rank Australia first in relation to these factors.

Parents also illustrate the strongest willingness to pay for internationalised schooling among all countries surveyed. Close to 60 per cent of parents would pay over 20 per cent more than they currently pay for schooling, with results being broadly similar across parents who send their children to government, private and international schools.

Figure 19 | Vietnamese parents' response to survey question 'How much would you be willing to pay for a school with significant international influences, compared to the school fees you currently pay?'[49]



5.6.3 There are opportunities in assessment, though others are also in the market

Vietnam is currently redeveloping its national curriculum, with a staged introduction beginning in 2020. Implementation will involve one junior and one senior curriculum being introduced each year across six years. In 2020, year 1 and year 7 will be introduced, in 2021, year 2 and year 8, and so on. The new curriculum seeks to introduce competency-based teaching and learning and promote the emergence of graduates with cognitive and behavioural skills to gain employment.

While thinking on curriculum content is underway, further work is required to consider how assessment will align with the new curriculum, and how to improve teaching and school quality to ensure the new curriculum is implemented.

Given the size and scale of reform required to revamp assessment and quality, there may be scope for Australian providers to assist the Vietnamese government in designing policies and content to progress assessment and regulatory products to address gaps. As this is being conducted at the national level, it is likely that that Australian agencies should initially approach the national government to progress this reform.

The high regard for Australian products in Vietnam is likely to be advantageous in scoping opportunities in assessment reform. Australia and Vietnam recently held a School Partnership Showcase in which Australian providers of school products were invited to attend activities including business matching and site visits. The event intended to promote Australia's excellence in school education and to explore opportunities in Vietnam given the increasing demand for partnerships at the school level.

Existing market players are working with Vietnam to reform assessment: Russia and the World Bank are working to strengthen Vietnam's capacity to assess student learning and to use information from assessment to improve teaching and learning outcomes.

Australian agencies will need to ensure they strategically identify their competitive market advantages and the requirements of the population to capitalise on existing brand strength in the market.

[49] Note, the number of responses for 'all Vietnamese parents surveyed' is less than the sum across all three sectors as parents were able to select multiple sectors.

6 Additional considerations to support the export of Australian school products

As this report demonstrates, there are significant opportunities and benefits for Australian school agencies to sell curriculum, assessment and regulatory products overseas. While the focus of the project has been on identifying opportunities for export markets, consultations throughout the project have highlighted opportunities to better enable exports through consideration of system design and operation. This section outlines a series of observations that would warrant more detailed investigation.

A shared vision and strategic focus on internationalised schooling may be beneficial

Currently, each state and territory, and some individual schools, seek and support export opportunities independently, and do so for different purposes. There is no cohesive vision or strategy on how international education exports are undertaken. In part, this likely reflects the low profile of the offshore school sector relative to the onshore higher education market, the few reports and data sets about the sector and the few opportunities for offshore school providers to convene and share experiences.

A clear vision that articulates the financial and non-financial benefits of exporting offshore school products would help generate excitement and commitment to the sector. This could be supported by a continued strategic focus on this sector, including through the *National Strategy for International Education 2025*. It may also warrant further consideration at Heads of Agency meetings.

School agencies should recognise the benefits of cooperation over competition

Governance arrangements in the Australian offshore school sector are diffused, and different school agencies and private organisations frequently work with minimal coordination. This has caused confusion among overseas customers who either do not know who to contact in Australia or are contacted by multiple Australian organisations. More cohesive of system design may assist to provide a more coordinated approach to growing exports.

This may include consideration of how school agencies could be encouraged to approach the market through 'coopetition' (i.e. competitive cooperation) rather than from a more competitive standpoint. This could entail school agencies sharing good practice, intelligence and underpinning support structures, while continuing to pursue opportunities for their own gain. An example raised in consultations was for school agencies to reduce costs by jointly funding overseas inspectors for schools that had licenced any Australian curriculum and assessment system. Similarly, there may be potential in assessment delivery, noting that a northern hemisphere timetable may mean the times of year assessment is required may be different from Australia and therefore a common challenge for each agency.

An additional aspect in considering system design is how to encourage and leverage private sector involvement in export. This may, for example, involve supporting private schools to expand delivery offshore, to partner with local schools or companies in delivery of education, or to enable private equity to develop and export school products or services.

A cohesive system would address both parent and government needs

A fundamental challenge underpinning export growth is recognising and addressing the different needs and wants of two different groups:

- Parents, who are seeking an internationalised education experience for their children
- Governments, who are seeking to improve the performance of their own education systems.

In some ways, the needs of these two groups are at odds. Many parents in other countries would value the opportunity for their children to attend a school that offers some form of Australian curriculum, assessment and/or regulatory products. However, on a larger scale this is at odds with the long-term priorities for governments to develop high quality school systems – i.e. developing a system where there is no difference in the quality of local or international school curriculum, assessment and regulation.

There is opportunity for Australia to address both of these aspects of international markets. A well-designed system would enable agencies and providers to directly engage and expand in schools, either individually or in partnership with government. It would also provide the platform for government-to-government opportunities to build the quality of curriculum, assessment and regulatory arrangements for long term, sustained improvement.

Both opportunities can be progressed in tandem. Indeed, by clearly demonstrating a commitment to improving national or regional school systems, national and regional governments may be more willing to enable Australian agencies and providers to work with schools.

A 'brand Australia' would benefit all school agencies

Market experts have highlighted that international customers have raised that the differences between states and territories in the educational products they provide is limited. Simply put, no state or territory has as strong a brand reputation as Australia does. There may be potential for agencies to coordinate on a 'brand Australia' for school products to provide mutual benefits to all jurisdictions. This Australian brand could be reflected in communication and marketing materials, as well as products.

For example, a range of market experts raised that Australian jurisdictions would benefit from a 'brand Australia' senior secondary school certificate. Currently, there is significant confusion as to whether each jurisdiction's senior secondary certificate is recognised by higher education providers across Australia and in other countries. Competitors, particularly the IB and A Level system, have a competitive advantage on Australia as their system and recognition is easier to comprehend. As such, Australian school agencies could consider an Australia-wide senior secondary certificate, which carries both the Australian brand and the recognition of the relevant state or territory. This would help leverage the strength of the Australian brand with the state and territory-based qualification being a subset of this (e.g. Australian School Certificate (Victoria) or Australian School Certificate (South Australia)). Doing this would enable each state and territory to distinguish themselves on aspects they do well and allow these unique strengths to become the selling point, while leveraging the Australian brand. This would only apply to certificates delivered overseas, rather than for Australian-based students.

Engaging relevant agencies in system design would be a next step in growing exports

As outlined above, consideration is needed on the system design to progress export growth. A practical next step to progress this would be to:

- develop a paper for consideration by the Australian members of the Australasian Curriculum, Assessment and Certification Authorities to prompt discussion on system design, and in particular how 'coopetition' would work in practice
- explore with Austrade how it can best support agencies and providers looking to explore export opportunities and enter new markets
- undertake discussions with providers to prompt consideration of export opportunities, and seek their input on practical ways to support international engagement, market exploration and growth.

Appendix A Countries considered but not analysed in detail

A range of countries were considered for analysis as part of this project. Countries analysed but not selected to progress are detailed in the table below. A high-level rationale is provided for each of these countries.

Table 3 | Countries considered but not selected for further analysis

Country	Rationale
Bangladesh	Low GDP per capita indicates limited capacity to pay
Pakistan	Existing market dominated by British providers
Saudi Arabia	Weaker educational, societal and economic connections with Australia
Sri Lanka	Strong local preference for British school products
Thailand	Australia not currently perceived as a destination of choice
United Arab Emirates	Weaker educational, societal and economic connections with Australia

Appendix B Case studies of leading internationalised education providers

B.1 International Baccalaureate

Key facts and figures[50]	
Number of students 1,250,000: Estimated students taking IB programs (2016) **Number of schools** > 4,937: registered IB schools **Type of schools offering IB** 44% private schools, 56% public schools **Revenue** US$213.5m: revenue 2016-17	**Overview of system** The International Baccalaureate (IB) is an internationally recognised curriculum and assessment system that offers programs for students from age 3 to 19. The IB system's focus is on teaching students to think critically and independently, and how to inquire with care and logic. The IB system offers four key products along a continuum of education from primary years to career-related programs. **Model and key products[51]** The IB system offers four key products (curriculum and assessment) along a continuum of education from primary years to career-related programs. To be eligible to teach these products, schools must pass a rigorous assessment. **I. Regulation products** To be eligible to offer IB programs, schools must complete an authorisation process. IB controls the regulatory process of school authorisation. It can take between two to three years to become an eligible IB school. While there are unique registration elements for each of the curriculum products that IB has on offer, common steps for authorisation include: • Application form: schools fill in an application form and submit supporting documents that demonstrate the school's ability to be a successful IB school • Candidate phase: if the candidate school is successful in its initial application, IB will conduct a consultation with the school, review a more detailed application form that schools submit, and conduct a verification visit. During this time, teachers must complete professional development requirements to allow them to be eligible to teach IB courses. If schools pass this phase, they are eligible to become an IB World School. **II. Assessment and curriculum products** IB offers four key curriculum products: • Primary Years Programme: Curriculum for students aged between 3-12 • Middle Years Programme: Curriculum for students aged 11-16 comprising eight subject groups. In the final two years of the program, flexibility is provided to ensure students meet local requirements. In the final year, there is an optional e-assessment and examination that provides IB-validated grades. • Diploma Programme: Curriculum for students aged between 16-19. This comprises six subject groups and the Diploma Programme core (theory of knowledge, creativity, activity, service, and the extended essay). External and internal assessment and examination is used to mark students. There are over 11,000 examiners worldwide who are used to mark external exams. • Career Related Programme: Curriculum for students aged 16-19. This consists of two Diploma Programme courses, a core consisting of four components, and a career-related study. This programme helps to address the needs of students engaged in career-related education.

[50] International Baccalaureate, 2018, *Facts about IB programmes and schools,* accessed 18 October 2018, https://www.ibo.org/about-the-ib/facts-and-figures/

[51] International Baccalaureate, 2018, *How we work with schools,* accessed 18 October 2018, https://www.ibo.org/about-the-ib/how-we-work-with-schools/

Students undertake external examinations at the end of the Diploma Programme elements of this program.

The latter three programs have associated examination/ assessment products.

Where it sells[52]

IB is present in over 150 countries. It currently has 4,937 schools using one of the four products. 59.2% of schools are in the Americas, 23.3% in Africa, Europe, Middle East, and 17.4% in Asia Pacific. In Asia Pacific, China and India have relatively large proportions of schools in the region with 136 and 152 of 879 schools. Overall, the single biggest country using the IB system is the United States, with 1836 schools.

Unique competitive advantage[53]

Internationally focused curriculum: IB is renowned for its international and academically rigorous approach that encourages students to think beyond their immediate environment. This is evidenced by its unique curriculum that focuses both on content and 21st century skill development.

Pathway options: Completing the Diploma Programme broadens students' prospective options for studying internationally given the qualification is recognised by many countries.

[52] International Baccalaureate, 2018, *The IB by region,* accessed 18 October 2018, https://www.ibo.org/about-the-ib/the-ib-by-region/
[53] International Baccalaureate, 2018, *Why the IB is different*, accessed 18 October 2018, https://www.ibo.org/benefits/why-the-ib-is-different/

B.2 British Columbia Offshore School Program

Key facts and figures[54]

43

Total number of foreign schools teaching the BC curriculum

~11,750

Number of foreign students enrolled in BC-certified schools

CAN$5,000

One off application fee

CAN$350

Annual Student registration fee

CAN $15,000

Annual curriculum use and program administration fees

CAN$4.76m+

Estimated annual revenue

Overview of system

Canada has been an active promoter of internationalised schooling since the 1990s. Like Australia, Canada's education system is delivered at the provincial level. Under the leadership of the federal government's International Education Strategy, each province has their own internationalised schooling strategy. British Columbia's (BC) has been the most assertive and is now the nation's largest, despite being the third most populous province. BC internationalised schooling strategies emphasises a two-way model built on attracting international students and exporting their education model.

Model and key products

BC offers curriculum right across the continuum of school age levels, and provides high school leaving certificate examinations. To become accredited to teach the BC curriculum, schools must go through a multi stage accreditation process.

I. Regulation products [55]

Under the BC Offshore School Program, the BC Ministry of Education accredits International Schools and regulates their delivery.

The process to become a British Columbia Offshore School involves six steps. This process includes in-country interviews, submission of critical documentation and on-site inspections. Once a school has been inspected, they can be granted a pre-certification agreement in which they can begin offering the BC curriculum. Schools continue to be assessed during this year. If schools pass this assessment, they may re-sign for another one-year agreement with the Ministry. This process of re-assessment occurs each year.

II. Curriculum and assessment products [56]

Curriculum is available for students in primary and secondary schools from kindergarten to year twelve. Aside from English and maths, a range of courses are on offer at schools including across the Arts (e.g. drama, languages, social studies, fine art), sciences (chemistry, physics, biology), IT and Physical Education.

Offshore schools can develop local subjects and programs that fit within the BC framework but are uniquely tailored to their local culture. These programs must be approved by the Ministry of Education prior to being taught.

Final year assessment is conducted at foreign schools under strict supervision. The BC Ministry of Education schedules five exam sessions each year to help ensure that the students can attend examinations. Certified offshore schools are provided with examination and assessment material developed by British Columbia. Students who successfully complete the BC Graduation Program will gain a BC Certificate of Graduation, granting them access to Canada's tertiary education system. Offshore schools are required to follow ministry guidelines in conducting assessments which includes installing e-exam security control on computers to be used for writing electronic exams.

Where it sells[57]

There are currently 43 schools offering a British Columbia curriculum. Most of these are in China (37), with one school in each of Colombia, Egypt, France, Japan, Qatar and Thailand.

Canada has 134 International Schools offering curriculum from any Canadian province (including British Columbia). 77% of these schools are in Asia-Pacific, centred in China, Hong Kong and

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[54] Government of British Columbia, 2018, *International education information for administrators,* accessed 20 October 2018, https://www2.gov.bc.ca/gov/content/education-training/administration/kindergarten-to-grade-12/international-education

[55] Government of British Columbia, 2018, *How to become a BC-certified offshore school,* accessed 20 October 2018, https://www2.gov.bc.ca/gov/content/education-training/administration/kindergarten-to-grade-12/international-education/offshore-schools/offshore-school-program

[56] Government of British Columbia, 2018, *BC's new curriculum,* accessed 20 October 2018, https://curriculum.gov.bc.ca/

[57] Government of British Columbia, 2018, *BC certified offshore schools,* accessed 20 October 2018, https://www2.gov.bc.ca/gov/content/education-training/administration/kindergarten-to-grade-12/international-education/offshore-schools/certified-offshore-schools

	Macau, which is illustrative of the growing demand for Western schooling in the region.
	Unique competitive advantage BC has achieved high educational rankings amongst English speaking countries, as per OECD PISA results, as well as the best educational performance rankings in Canada.

B.3 The British Council A Levels

Key facts and figures[58]	Overview of system[59]
1600+ Number of Partner Schools Global Network schools worldwide **130** Number of countries where students sit Cambridge International AS and A Levels annually **495,000** Number of students sitting International AS and A levels annually through Cambridge International **AU ~$180-$600** Cost of sitting various A Level examinations globally through Cambridge International Examinations (one of four providers)	The AS and A Levels are the highest school-leaver qualifications in the UK. There are four awarding bodies who are licensed to design and deliver AS and A Level qualifications on international markets; Cambridge Assessment International Education, Oxford AQA, Pearson Edexcel and AQA. These organisations are accredited by the British government on a per subject basis. This accreditation permits them to design curricula and deliver examinations in line with the British curriculum. The British Council, the UK's primary body for internationalised schooling, plays a supporting role in facilitating the accreditation process and arranging examinations. **Model and key products** The four awarding bodies provide a similar range of products and services, centred upon accrediting schools, designing curricula, awarding British qualifications, providing support and training to partner schools. These organisations provide education products for both primary and secondary education. Students wishing to sit the AS and A Levels have the option to either attend an accredited school or to sit the examinations independently. **Regulation products[60]** Foreign schools wishing to offer AS and A Level qualifications can become accredited through the British Council as an Attached Centre, making them eligible to teach the curriculum and offer British assessments. To become accredited as an Attached Centre, schools must undergo an assessment of their policies and structure and be inspected by the British Council. Once registered by the British Council, schools apply to one of the four awarding bodies to be formally accredited to offer the British curriculum and assessment. The British Council plays a supporting role in connecting potential International Schools to the awarding bodies. This can in part depend on what organisations are operating in that country, e.g. in Saudi Arabia schools may choose from either Cambridge International Examinations or Pearson Edexcel. The registration process varies slightly between awarding bodies, but common features include schools demonstrating alignment of their culture and values with that of the awarding body, a suitably qualified school principal, sufficient management, teaching and support staff, transparent budget and management and specialised facilities. Schools must also pass an inspection by the awarding body. The benefit of schools completing this two-stage accreditation process is that schools can access the Partner Schools Global Network (PSGN). This is a supporting body for schools offering British curriculum and examinations that have been accredited by the British Council. Schools can bypass the British Council and engage directly with awarding bodies if they prefer not to be a part of the PSGN. Once registered, schools are permitted to offer AS and A Level assessment, as well as lower year qualifications such as the GSCEs. **Curriculum and assessment products** Awarding bodies design curricula for the subjects that they have been accredited for. The number of subjects offered by each awarding body varies; Cambridge International offers over 50, while Oxford AQA offers only 11. The curriculum for each subject is tailored to the region; for example, Cambridge International offers six regional variations of their curriculum. AS and A Level examinations are delivered twice annually according to the policy of the awarding

[58] Cambridge Assessment International Education, 2018, *Key facts about Cambridge Assessment International Education*, accessed 24 October 2018, http://www.cambridgeinternational.org/images/139612-cambridge-facts-and-figures.pdf
[59] Cambridge Assessment International Education, 2018, *What we do*, accessed 24 October 2018, http://www.cambridgeinternational.org/about-us/what-we-do/
[60] British Council, 2018, *Partner Schools Global Network Teacher Training*, accessed 23 October 2018, https://psgn.english.britishcouncil.org/

AU ~$125m Revenue generated by Cambridge International Examinations (one of four providers)	body, usually within their accredited schools. Fees are paid per examination directly to the awarding body conducting the examination. The materials are marked centrally in the UK, and results are distributed through the relevant awarding body.
	Where it sells[61] The awarding bodies have a significant international presence, with Cambridge International and Pearson Edexcel operating in 130 and 80 countries respectively. Cambridge International's largest markets for AS and A Level qualifications are Pakistan, Mauritius, Malaysia, Brunei Darussalam, USA, China, Zimbabwe, New Zealand, Nepal and India.
	Unique competitive advantage[62] A Levels are the primary high school leaving certificate in the UK and are recognised across the country. This helps to promote the A Levels as a nationally certified award. This is unlike Australia where multiple high school leaving certificates (HSC, VCE, WACE etc.) exist.

[61] Cambridge Assessment International Education, 2018, *Facts and figures,* accessed 24 October 2018, http://www.cambridgeinternational.org/about-us/what-we-do/facts-and-figures/
[62] British Council, 2018, *Why Choose AS, A levels and IAL?*, accessed 23 October 2018, https://www.britishcouncil.org.au/exam/igcse-school/choosing/as-alevels-ial

B.4 New England Association of Schools and Colleges

Key facts and figures[63]

252

Schools around the world (2018)

~125,000

Students enrolled in accredited schools[64]

74

countries with CIE accredited schools

~$2m

revenue worldwide from accreditation services[65]

Overview of system

The New England Association of Schools and Colleges (NEASC) is an independent, voluntary, non-profit membership organisation which connects and serves public, independent, and international learning communities in the US and worldwide. Its Commission on International Education (CIE) evaluates, accredits and supports a wide range of schools, both within the US and around the globe.

Model and key products

1. **Regulation products**[66]

The CIE provides value through an objective verification of a school's own claim to excellence. The Commission's accreditation standards are publicly available, allowing peers and students to hold accredited schools to account. CIE often partners with other regulating bodies and curriculum providers to co-accredit schools and evaluate their curricula. The award of accreditation indicates that the member school has achieved high standards of professional performance and is committed to continuing growth and development. It offers additional services such as special reviews of specific aspects of schools, and additional visits to ensure standards are maintained.

Their accreditation program, ACE Learning, firmly focuses on school transformation in all areas, but primarily in learning. ACE accreditation requires members to adhere to two broad pillars[67]:

- The five foundational standards: organisational structure, finance and facilities, learning structure, health, safety and security, and ethical practices.
- The ten Principles of Learning: goals, dimensions, assessment, perspectives, learner engagement and autonomy, research and reflection, inclusiveness, governance and leadership, space and time, and a learning community.

The process of accreditation contains three main stages:

- The self-assessment stage, where candidate schools documents its own curriculum, policies and procedures practices.
- A review, where schools are visited by an Accreditation Visiting Team comprised of trained, professional educators.
- Once schools have implemented the recommendations from their review, they will receive their accreditation. CIE insists on continual self-assessment and improvement, and so visits occur routinely in the renewal stage at an additional cost to the school.

Where it sells

ICE currently accredits 252 schools in over 74 countries. The average enrolment within these schools is around 600 students. CIE has a large proportion of members in UAE, China, Japan, Germany, and other European countries.

Unique competitive advantage

The internationally recognised standard of education mandated by the CIE provides an objective quality to schools. Through this, accredited schools can boast their affiliation to attract a higher volume of students and families.

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[63] New England Association of Schools and Colleges, 2018, *CIE school directory,* accessed 27 October 2018, https://cie.neasc.org/cie-school-directory

[64] The average number of students per school was assumed to be 600 in the calculation of total student enrolment.

[65] Assumed that 70% of schools have 0-1000 student enrolment, resulting in an average membership fee of $4,145. The membership growth rate was set at 5%, at the cost of $6,400 per school. All schools were assumed to spend a further $4,000 in additional services and school visits.

[66] New England Association of Schools and Colleges, 2018, *The value of NEASC accreditation,* accessed 27 October 2018, https://cie.neasc.org/overview/value

[67] New England Association of Schools and Colleges, 2018, *Process,* accessed 27 October 2018, https://cie.neasc.org/process

B.5 UNSW Global Assessments

Key facts and figures[68]

1m+

The number of students who participate in UNSW Global assessments annually.

7,000+

The number of schools using UNSW Global Assessment's products.

$8.50-$22.00

Price range of UNSW Global's online examination materials.

~$20m

Total revenue generated[69]

20+

The number of countries in which UNSW Global is present.

Overview of system

UNSW Global is a profit generating subsidiary business of UNSW Sydney that provides university pathway programs, comprehensive language courses, flexible English language teacher training and school assessment solutions. UNSW Global Assessments, a division of UNSW Global, specialises in providing a suite of assessment tools to support school educators. This division also provides data, analytics, and research services in Australia and internationally.

Model and key products

UNSW Global Assessments provides two key products to the international and domestic market: 1) assessment products based on providing diagnostic and formative evaluation of learning and 2) additional services to complement the assessment products such as professional development and consulting services.

I. Assessment products[70]

UNSW Global Assessments provides diagnostic and formative assessment products for both Australian and international curricula. Assessment products can be provided as both online and paper-based tests. The key products include:

- ICAS Assessments: The ICAS is UNSW Global's most well-known product, with the assessments sat by over one million students annually. The tests are available for students in years 2-12 and are designed to test higher-order thinking and problem-solving skills.
- REACH Assessments: Formative assessments that are tailored to Australian and foreign curricula and are conducted annually to track student progression.
- JET Assessments: Designed to fit the Australian curriculum for students in years 3-6 in core subjects.
- SCOUT Assessment: Diagnostic assessments designed to evaluate the composition and performance of students in the middle years of education.
- Practice materials: Past papers for ICAS and Reach assessments are available for purchase.

II. Additional services[71]

UNSW Global Assessment also provides several additional services to support the delivery of their assessment products. This includes data analysis to inform schools on the performance and composition of their cohorts, professional learning courses on a range of topics including interpreting data and developing rigorous assessment, and research into educational measurement and assessment issues.

Where it sells

UNSW Global's assessment products are present in in over 20 countries. This includes Hong Kong, India, Malaysia, New Zealand, Singapore, South Africa and the United States.

Unique competitive advantage[72]

The significant volume of students participating in UNSW Global's standardised assessments annually has allowed them to collect significant quantities of data. Their data analysis is used to evaluate performance and inform sound education policy domestically and internationally.

[68] UNSW Global, 2018, *Educational assessments,* accessed 31 October 2018, https://unswglobal.unsw.edu.au/educational-assessments/
[69] UNSW Global contributes roughly $42 million to UNSW Sydney and has 3 key divisions: education assessment, programs and courses, and English Language. ICAS, part of UNSW Global, is noted as having 1 million students and selling for $14.50, thus contributing ~AUD$15 million. Given this product is noted as being the most well-known and recognised of UNSW Global Assessments products, it is assumed that other products contribute approximately a third of this revenue. Given the popularity and fees associated with UNSW Global's other two divisions, $20 million in revenue appears to be a reasonable estimate.
[70] UNSW Global, 2018, *Educational assessments,* accessed 31 October 2018, https://unswglobal.unsw.edu.au/educational-assessments/
[71] UNSW Global, 2018, *Our services,* accessed 31 October 2018, https://unswglobal.unsw.edu.au/educational-assessments/services/
[72] UNSW Global, 2018, *Data,* accessed 31 October 2018, https://unswglobal.unsw.edu.au/educational-assessments/services/data/

Appendix C Survey overview

To develop our understanding of the strongest opportunities for Australian school agencies to sell curriculum, assessment and regulatory products overseas, NESA and Nous surveyed parents of school-aged children in the six focus markets.

The survey was designed to understand how Australian school products are viewed by the ultimate customers for school products, parents, and to help determine where key opportunities exist for Australian school agencies.

Nous designed the survey and engaged ResearchNow to deliver the online survey in November 2018. This survey was completed by over 1,900 parents of school-aged children in key metropolitan areas of the six key markets identified in Stage 2 of this project: China, India, Indonesia, Malaysia, Philippines and Vietnam.

The table below provides an overview of the number of respondents in each key market and region.

Market	Sub-region of key market	
China (n=451)	Chongqing metropolitan area	n = 91
	Hangzhou metropolitan area	n = 90
	Nanjing metropolitan area	n = 90
	Suzhou metropolitan area	n = 90
	Wuhan metropolitan area	n = 90
India (n=309)	Ahmedabad metropolitan area	n = 155
	Delhi metropolitan area	n = 154
Indonesia (n=314)	Greater Jakarta	n = 159
	Great Surabaya	n = 155
Malaysia (n=210)	Greater Kuala Lumpur	n = 105
	Greater Penang	n = 105
Philippines (n=305)	Metropolitan Cebu	n = 153
	Metropolitan Manila	n = 152
Vietnam (n=312)	Hanoi metropolitan area	n = 155
	Ho Chi Minh City metropolitan area	n = 157

The survey consisted of 14 questions with five of these being screening questions. The other nine key questions have been analysed at an overall level and by market.

The results of the nine key non-screening questions are contained in a separate PowerPoint slide deck.

Appendix D Stakeholder consultation

Stakeholders that Nous engaged with and collected information during this report's development are listed below.

Organisation	Stakeholder	Role
Association of Independent Schools New South Wales	Robyn Yates	Chief Policy and Compliance Officer
Austrade	Rebecca Hall Lu Hua Tang	Senior Industry Expert Education Advisor
Austrade (Shanghai)	Rhett Miller Emily Zhang	Consultant (Commercial), Trade Commissioner (Education) Senior Education Manager
Austrade (India)	Ashish Sharma	Strategy and Business Development Manager – South Asia
Austrade (Philippines)	Grace Halcon	Education Manager, Philippines
Australian Curriculum, Assessment and Reporting Authority	Rob Randall Janet Davy	Chief Executive Officer Director, Curriculum
Australian Government Department of Education and Training	Matthew Johnston	International Counsellor, Brazil
Australian Government Department of Education and Training	Jarrod Ross	International Counsellor, China
Australian Government Department of Education and Training	Elizabeth Campbell-Dorning Claudina Milawati Tim Martin	International Counsellor, Indonesia
Australian Government Department of Education and Training	Bernadine Caruana	International Counsellor, Malaysia
Australian Government Department of Education and Training	Peta Arbuckle	International Counsellor, Japan
Australian Government Department of Education and Training	Le Ha Tran Huong Ngo	International Counsellor, Vietnam
Catholic Schools New South Wales	Dallas McInerney	Chief Executive Officer

Organisation	Stakeholder	Role
Haileybury School	Derek Scott	Chief Executive Officer and Principal
Investment and Trade Queensland	Scott Ashton Vanessa Lao Arfa Noor	Executive Director Acting Group Manager Senior Trade Officer
LANSA	Gordon Davies	Vice President Asia Pacific
New South Wales Department of Education	Elizabeth Webber Helen Kebby	Chief Education Officer, DE International Communications and Student Exchange Coordinator
New South Wales Trade and Investment Commission	Peter Mackey	Director, International Trade
New South Wales Trade and Investment Commission	China, Dubai, Indonesia, Korea, Japan and Singapore offices	
Northern Territory Department of Education	Debra Liddiard	Director International Education and Non-government Schools
Queensland Department of Education	Glen Donald	Acting Executive Director, Education Queensland International
SACE Board of South Australia	Prof Martin Westwell Cathy Schultz	Chief Executive Manager
South Australia Department of Education	Marilyn Sleath	Director International Education
Tasmanian Department of Education	Anne Ripper	Director
Victorian Curriculum and Assessment Authority	Lisa Hayman	International Manager
Western Australia School Curriculum Standards Authority	Roshan Perera	Manager External Relations