



Australian Government

Australian Education International

AEI INTERNATIONAL EDUCATION BRIEFING

HOTEL REALM, CANBERRA, 4 MARCH 2011

NORTH ASIA SESSION

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Iain Watt, Minister Counsellor (Education) Beijing, AEI

I'd like to start with the recent release of China's National Plan for Medium and Long Term Education Reform and Development (2010-2020), a translated version of which is available on AEI website

(http://www.aei.gov.au/AEI/China_Education_Reform_pdf.pdf) – as well as a 2-page summary for those who do not want to plough through all 50 pages (http://www.aei.gov.au/AEI/China_education_plan_summary_pdf.pdf).

While the plan covers every aspect of education, there are a couple of key goals we should note:

- a relatively modest increase of 16% over 10 years in the number of higher education places to 35 million (or an average annual increase of a mere 1.5%)
- a much more ambitious doubling of students in further/continuing education to 350 million.

With specific reference to international issues, the plan:

- promotes the value of internationalisation and cooperation with world-class schools, universities and research organisations
- encourages local education providers to engage with institutions overseas
- commits to further strengthening government programs supporting sending students and researchers overseas
- seeks to increase the number of international students coming to China.

What does this mean for Australian education providers?

First, let me emphasise that the plan specifically states that: “The policy of supporting students to study abroad, encouraging them to return upon finishing their studies, and allowing them to come and go freely will be upheld.”

This confirms our advice from Ministry of Education (MoE) officials that the Chinese government has no intention of changing its approach to students who wish to study overseas using their own funds. These students will continue to be able to come and go freely and make their own decisions about if and when they return to China.

Students who remain overseas to work for some time after graduation and students who apply for permanent residence status are encouraged equally with those who choose to return to China immediately on graduation.

Secondly, let me dispel the notion that China is seeking to compete as an education hub. There is little appetite in China for the development of an education export industry.

China sees the benefits from foreign students in China as being very much about improving and broadening the education experience of local students (and as a soft diplomacy tool).

Even a doubling of the number of international students in China by 2020 (which is the current target) will see only 500,000 foreign students out of a higher education student population of 35 million – roughly 1.5% or a tiny fraction of the proportion in countries with ambitions as education hubs.

Thirdly, I'd like to make sure that we all understand just how much resources the United States, the United Kingdom and Europe are putting into their education relationships with China. Not just in marketing and promotion, but also in government-to-government relationships. The British Council has almost 500 staff in China about half of whom are on the education side. The US now has over twenty staff dedicated to education-related activities – a substantial increase on a couple of years ago. They also have significant science and research staffing. The signing of the MoU last May establishing the US-China consultation on people-to-people exchange was a very significant event. President Obama's 100,000 strong initiative is included under this banner. The Chinese are seeking to sign a similar agreement with the European Union.

We have already noticed that Ministry of Education officials are spending a substantially increased proportion of their time on US visits, trips, delegations and agreements. This results in less access for us and eventually less influence. It is hard to see the resources Australia allocates to education, science and research in China being increased much beyond what we now have, so we must adjust our expectations of our ability to influence. Our status in China as a key education partner can be expected to diminish.

Let me now speak briefly about likely trends in the numbers of students from China travelling overseas to study. In each of the last few years, the number of students leaving China to study overseas has increased by 20% or more.

Barring the very unlikely possibilities of a complete collapse of economic growth or a political reversal of attitudes to international engagement, we can expect increasing numbers of Chinese students seeking to come to Australia and, consequently, capacity constraints around supply of places, accommodation and other infrastructure, and issues about the diversity of our international student body.

We need to remember that despite the “perfect storm” of negative factors around Australia as a choice for international study, between 25,000 and 30,000 Chinese applied for student visas last year. As demand from Chinese students for international places increases and the pendulum inevitably swings back to a position less unfavourable for Australia, numbers can only increase. If numbers from China are not well above current levels in 2015, I will be very surprised.

It is also time that we started to adjust our outdated ideas about the capabilities of Chinese students applying to come to Australia. Most students now graduate from Chinese high schools with more than competent English language skills.

The results of the recent PISA tests, which saw Shanghai school students outscore everyone, is yet another plank in the argument that we should be opening up direct entry pathways for selected Chinese students.

I was disappointed to hear of the negative and defensive reaction to Alan Olsen’s session at AIEC on the report that he prepared for AEI on how the Gaokao system works and the arguments for allowing the top echelon of students direct entry to undergraduate programs. Surely with all the competitive disadvantages Australia currently faces, we can do without self-imposing unnecessary barriers that reduce our competitiveness vis-à-vis the US, UK and others.

In conclusion, let me re-iterate the messages I hope to leave you with:

1. China will not grow the number of domestic higher education places significantly in the next decade, and demand for international study opportunities will continue to increase rapidly.
2. China is not seeking to compete as an education hub or to develop an education export industry.
3. Our ability to influence China in the education, science and research fields is diminishing and we need to have realistic expectations about our place in the hierarchy of China’s international partners in future.
4. We need to look beyond the current downturn in demand and address the long term capacity constraint issues such as accommodation, transport and other infrastructure and social integration (and recognise that a focus on quality is incompatible with the ridiculous levels of growth the industry experienced between 2006 and 2009).
5. We are competing for the best students and cannot afford outdated approaches to admissions.

Thank you all for your attention. I’ll be happy to take any questions later in the session.

Jennifer Tyrell – Counsellor (Education), Beijing

Today I want to focus on two themes:

- firstly, an update on reform in the Hong Kong education system
- secondly, some observations on Hong Kong's attitude to international education.

As many of you are well aware, Hong Kong has been pursuing a decent sized reform agenda, including moving their education system from a model with 7 years of secondary schooling plus 3 year degrees, to one with 6 years of secondary schooling plus 4 year degrees, with accreditation of non local programs and the introduction of a quality framework.

On a practical note, a number of Australian universities have submitted their admission requirements for the new Hong Kong Diploma of Secondary Education (HKDSE) to the Examination and Assessments Authority (HKEAA), and I understand that many of you experienced some delays in responses. As of this week, six Australian universities have had their admission requirements posted on the HKEAA website, and the remaining universities should have been contacted to provide some additional information. The main issues with the requirements submitted by institutions have been a misunderstanding of the electives structure of the HKDSE or concerns around the language requirements submitted by institutions.

Moving on, the Hong Kong Education Bureau is keen to showcase their reform, and make sure the rest of the world knows what they have been doing. To this end, they will convene a ministerial roundtable in July 2011, where they have invited selected countries to share reform in their own systems – Australia is one of these countries. The roundtable will be accompanied by an international conference and student expo – once we have more detail of this event, we'll make sure we pass it on and you might consider becoming involved.

In 2012, there will be a double cohort of students graduating from secondary education in Hong Kong, that is, the last year of the 7 year cohort, and the first of the six. You will be well aware of the opportunities that this presents. Hong Kong is also seeking assurances that foreign universities won't disadvantage one cohort over the other.

As those who deliver programs in Hong Kong will be aware, Hong Kong is taking the rather unique step of accrediting non-local programs. This voluntary process is being phased, with IT the first discipline being assessed. There hasn't been enormous take up of this, and I just wanted to talk through a couple of the benefits of jumping in early. Being an early adopter is one way of differentiating yourselves in Hong Kong. Hong Kong is a competitive environment, and it will be interesting to see whether this additional endorsement will change the way students approach enrolling in non local programs. In addition to having what is essentially an extra quality stamp, graduates of accredited non local programs will be able to work in the Hong Kong civil service, be able to access government loans for under graduate students and be eligible for other incentives. Graduates will also have their qualifications immediately recognised, without having to go through an additional process.

Another feature of the education reform, that sees Hong Kong join the United States, and much of the rest of Asia, is the introduction of four year degree courses. Hong Kong public universities haven't indicated what form these degrees will take: whether it is a common foundation year plus three years, or three years plus an honours style fourth year. This will be important for Australia to watch.

Finally, it is also worth noting that Hong Kong parents are nervous about the decrease in secondary schooling time and the implications for their children's access to higher education. It will be interesting to see how this plays out in terms of student choice in tertiary education.

The second theme that I wanted to draw your attention to, and the main message that I want to leave you with today, is that Hong Kong is incredibly outward looking when it comes to their education system at the moment, for instance, I've heard it said that Hong Kong is "importing education".

The accreditation of non-local programs is one example of Hong Kong's open attitude to offshore delivery by foreign institutions. Another example is the release of tracts of land for education precincts, such as the Queen Hills site, and invitations to foreign institutions to build campuses on these pieces of land. Given how scarce, and expensive, land is in Hong Kong, this is a significant commitment to providing additional education options. Hong Kong has also dedicated the Lok Ma Cha loop, near the Hong Kong/China (Shenzen) border, as an education precinct, and see this bringing benefit to Hong Kong and mainland China.

Hong Kong is seeking to diversify its higher education sector, and would like to see more private Higher Education providers, including foreign institutions. Hong Kong education policy has an outward looking bent, including a focus on exchange of research ideas, and generous PhD fellowships.

Amongst all of this are opportunities in Hong Kong for Australian institutions, if this is part of your long term focus.

Finally, I just wanted to touch on Hong Kong's collaboration with mainland China. This relationship is strong and growing.

All Hong Kong universities have partnerships with mainland institutions. For example, in 2005, the Hong Kong Baptist University established the Beijing Normal University-Hong Kong Baptist University United International College in Zhuhai. The College is the first tertiary education institution founded through collaboration between a Mainland university and a Hong Kong university, and more are following. Australian institutions might like to consider partnering with Hong Kong universities as one way of accessing opportunities in mainland China.

Hong Kong doesn't have a large industry base, and most Hong Kong universities have a research presence in Southern China in Shenzen or the surrounding region.

Further evidence of the increasing interaction between Hong Kong and China is that the current 10% cap on foreign students coming to Hong Kong will be raised to 20% this year, many who will come from the mainland.

Hong Kong and mainland China's relationship cannot be ignored and Australian universities who look to China for partnerships and collaboration would be well served to consider including Hong Kong in their strategic planning.

Nicholas McKay Director (Education) Taiwan AEI

Good afternoon ladies and gentlemen, distinguished guests. It is a pleasure to be here and I would like to you all for coming and to compliment Universities Australia and Professor Coaldrake for organising and bringing us all together over the past several days. I trust the information my colleagues have provided has been enlightening, and I also thank you for allowing me the opportunity to provide an update on another part of the Northeast Asian region, Taiwan.

I do not intend to weigh you all down today with numbers and statistics that you all have ready access to. I also do not intend to pretend to be an expert on the specialist areas of each of you. I do however hope that some of the information I am able to provide may be useful to some of you in your own decision making process to help you develop more robust, sustainable and strategic planning. I stress the word strategic. My intention is to try and offer some insight that will help you identify areas that will help you to develop strategic links that lead to the 'quality' student.

In many ways the viewpoint and attitudes of many people within the Northeast Asian region could be increasingly characterised as 'borderless'. I think it's important to keep this in mind as it influences your strategic planning. Let me explain. The people in Taiwan have been responsible for massive foreign investment in areas such as Vietnam, Thailand and of course the Mainland. So much so that in many locations they have for many years been the single largest contributor to FDI. One reason for this has been their active willingness to search out the best combination of resources at their disposal to ensure the often family owned operation is the most efficient, productive, and reaches the quality that is required. This global mindset or attitude is what has ensured increased productivity and quality. It is also one which is used when addressing the single most important obligation to their children - education.

With a population around 23 million and a landmass half the size of Tasmania, population density is obviously a little different to Australia. Their higher education system is also quite different. Relaxation of regulations over recent years has enabled institutions such as technical colleges to become universities, so that today Taiwan now has around 165. This has led to an oversupply at the undergraduate level, and has in turn led to students looking abroad in their borderless search for a quality education. It is also a key factor discerning why Australia receives strong demand in the postgraduate and also ELICOS as they prepare for PG or to enter the workforce. But numbers can be misleading.

Visa costs for one and the multiple options available have meant that many do not actually select a student visa to study, particularly for short term study. For example, in 2010 we saw more than 10,000 inbound visitors on Working Holiday visas - 10,188 to be exact. Approximately a third of those will conduct some form of short term study while in Australia. We estimate a similar proportion of those whom obtain an ETA also do the same. With only a \$20 processing fee, it has become a popular option.

I mention this because some of you may only refer to PRISMS data to help in the decision making process of strategic business planning. I use the above example to highlight the additional complexities. That is, there is a ready pipeline of student already visiting Australia. Many of the above mentioned visa holders have completed their UG and are considering options for additional tertiary studies.

The global financial crisis in some ways helped open up new opportunities. It has also marked a period of transition. The Taiwan economy is not a developing economy, it has been termed a newly developed and some may say it is already a developed one. Regardless of the terminology, it, like many of its neighbours are moving towards an increased weighting towards a services orientated economy. This also includes education. With the increase in courses being offered in English in the region, we have observed an increase in the flow of students going to Japan. The same is also happening in the flow across the strait. In 2010 approximately 7,000 students decided to study on the mainland. In 2011, the first students from the mainland will be able to study in Taiwan. This has been capped at 2,000 in the first year but will increase significantly in coming years. But once again it is not the numbers I am trying to highlight but the dynamic shift in policies and regulations that will influence

student mobility, that will in turn also influence curriculum, recognition of qualifications and also collaborative agreements (bilateral, trilateral or multilateral).

Earlier I mentioned the global financial crisis. This has impacted young and the more mature age student alike. As people look to become more employable by upgrading or re-skilling, this affects courses and the qualification or qualifications they select. At present, not all types of courses and qualifications are recognised in Taiwan. The same is true for Certificates 1 through 4. We believe that adjustment of the current regulations to align more closely with international norm is likely in the near future. It is something that we have been working on, and hope will become a reality in the near future, and we anticipate will contribute to more pathway / matriculation students from Taiwan.

At the beginning I mentioned that you or your institutions each have specific areas of specialised expertise. It is important to note that when looking at education and its links with official departments that in Taiwan it is not just the Ministry of Education that controls all. There is the Council of Labour Affairs and its influence on vocation education and training, National Science Council and its impact on inbound outbound scholarships and research. And almost all other official departments or Ministries have an education section. Council of Indigenous Affairs, Bureau of Transport and Communications, and each of the 14 counties to name a few. It is worth taking that into account when planning how to best utilise limited resources to develop strategic linkages.

I would like to also briefly mention formal agreements. Whether it be between your state government and a selected county or official department or between institutions, formal agreements, MoUs, Letters of Intent etc are extremely important. Many do not require a guarantee to allocate resources and complete a project by a certain date. What the agreements do ensure however are; one – that a link is formally recognised; and two – that the party or participant on the Taiwan side can use the agreement to legitimately allocate resources (human and financial) to any future projects. This is essential to ensure continuity in the relationship.

On a final note I would also like to take this opportunity to mention agents and state again what you all already know. Many or all of you are continually travelling around the world. At the same time, United States, United Kingdom, Canada, Germany, France, Japan etc are all active impressing the quality of their own education. Agents are your pseudo representatives on the ground. They are there 24 hours a day when you can only be there at most several times a year. They are invaluable experts about your institutions and about the state of the industry. At the same time they also act as representatives for other institutions, Australian and abroad.

It is therefore absolutely essential that regular contact and support be maintained. It is for this reason that we also, now in partnership with Austrade, continue to devote time to projects such as agent training and supporting alumni activities. The agent training day in 2010 saw a record of almost 100 agents participate. That alone is a positive indicator of the importance placed on Australia as a quality destination for quality students. Thank you for your time.

Eliza Chui, Austrade Education Commissioner for the North East Asia region

Introduction

The North East Asia region includes well established markets that accounted for 37% of Australia's total student enrolments in 2010 (including 46% of higher education enrolments, 67% of schools enrolments and 47% of ELICOS student enrolments).

Market Intelligence

One of the biggest assets of Austrade is our in-country on-the-ground network and resources to deliver high quality and timely market intelligence to the sector. Austrade has embarked on two major research projects in Japan and Taiwan in the last few months.

Global Human Capital (GHC) Project, Japan

Japan is seeing a dual push from the Japanese Government and corporate community to cultivate globally-competitive human capital in order to revitalise the economy. These moves come from the growing concerns that Japan's education institutions – from primary school to tertiary education – are not adequately preparing Japanese youth for employment in companies that are competing in a globalised world. The new environment presents opportunities for a new model of engagement that extends beyond traditional student recruitment.

Under the GHC Project, the Austrade Japan team has collated and analysed over 120 business, academic and media reports on GHC. In addition, Austrade has conducted direct interviews with 27 major companies on their GHC plans, and also engaged management consultants and recruitment companies on this topic. The findings point to the need to develop English language ability as a tool in international business settings, aptitude for communication and leadership across cultural boundaries, and also the capacity to integrate specific global competencies with conventional management skills for international engagement. These will all have implications for different education sectors to consider their future strategies in Japan. Austrade is now in the process of finalising the report and will release the findings through its Market Information Package and also start a series of discussion forums with the sector in the next few months.

Working Holiday Maker (WHM) Project, Taiwan

Since the introduction of the WHM Visa in Taiwan in 2004, there is a noticeable shift over the years in student commencements particularly within the ELICOS sector. In 2009-2010, the uptake of the WHM visa has risen to over 10 000, substantially higher than the student visa grants. The Austrade Taiwan team has identified the need to consider the impact of the WHM Visa on the education market to Australia and also the potential for WHM activity to complement future Australian study opportunities. Austrade has initiated dedicated research into the trends and patterns of Taiwanese WHM visitors to Australia so as to identify opportunities for stronger engagement between Australian education providers and the Taiwanese WHM visitors.

This project involved a 2-phase research. Stage 1 was an online survey of WHMs who had already completed at least one WHM period in Australia. This was followed by in-depth interviews in Stage 2 with individual WHMs and also with Australian education agents that provide WHM services. In particular, Austrade is looking into the short-term and longer-term study inclination of the WHM visitors and also their decision-making process. Austrade is currently finalising the report and will draw on the findings to present sector-specific recommendations.

Exhibitions or Not

This is probably one of the most discussed topics in the sector and, clearly, one that Austrade has ongoing deliberations about.

Study in Australia (SIA) Month, Hong Kong

As a well-established and matured market, Hong Kong is one of the most competitive for international student recruitment. Austrade Hong Kong is working on a new way of engagement with the market to re-energise Australia's position as the choice of study destination. In order to optimise the collective marketing efforts by Australian providers and their key agents during the busiest marketing period in Hong Kong from mid-June to mid-July, the Austrade Hong Kong team is conducting a month-long campaign entitled the "Study in Australia Month" as the new vehicle to promote Australian education, instead of holding a single SIA exhibition as in previous years.

The SIA Month will comprise a series of education events, brand awareness raising activities, media campaign and advertising to promote Australia as a quality education destination. The SIA Month aims at creating a focal point and platform to optimise the promotional activities and exhibitions organised by Australian providers and their agents happening in that period. During the campaign, Austrade will also profile alumni as advocates of and ambassadors for Australian education.

Leading up to the SIA Month, the Hong Kong team will issue media releases, organise an agent function in March to pre-promote the SIA Month, and update the Australian institutions recognition of the new Hong Kong Diploma of Secondary Education in collaboration with Australian Education International (AEI).

Austrade has recently completed an expression of interest exercise for the SIA Month with considerable interests received from Australian providers.

Re-positioning of SIA Brand in China

Apart from featuring the Australia Unlimited branding in the 16th China International Education Exhibition Tour (CIEET) road show in March, Austrade is also looking at ways to re-position Australia as a quality study destination. A meeting with key agents in Shanghai was held during the visit to China in November 2010 by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and it provided the Minister with valuable feedback and suggestions. Education agents identified two factors that distinguish Australia from our competitor countries in China. The first is the multicultural aspect of Australia which makes it a very welcoming and easy-to-settle in environment. The second is the high standard of student support services provided by Australian institutions. Using this feedback, Austrade is developing initiatives to enhance Australia's image as a *caring* country.

In January, Austrade conducted the first ever Australian Government pre-departure briefing in Guangzhou for students who will come to study in Australia and their parents. Austrade invited representatives from the Department of Immigration and Citizenship (DIAC), the Chinese Government, and also the Australia China Alumni Association to give presentations. The event was timed to be held before the peak February-March marketing season in China and received extensive and positive media coverage in both mainstream newspapers and social media.

Austrade is also considering trialling a career fair in China. This would demonstrate that Australian universities actively support the career development of their Chinese graduates, and correct the misperception that Australia's interest in Chinese international students is purely financial and it will leverage Austrade's industry networks and corporate links in both China and Australia at a strategic level. In collaboration with the National Association of Graduate Careers Advisory Services, Austrade has received expressions of interest from 20 Australian universities and is looking at their suggestions on the timing and the particular disciplines that may be trialled during a career fair.

Expanding our Footprint

Let us also not forget the importance of expanding Australia's market access. Examples include:

- Road show to Daegu, South Korea

- The Austrade South Korea team is starting a national road show program to promote SIA in provincial cities in Korea. The team conducted its first road show in February 2011 in Daegu which is the third largest city in Korea with 53 universities and junior colleges. The two-day visit included meetings with key institutions and seminars for institutions and agents on SIA, agent training, and a DIAC update.
- UECA Mission, Japan (Tokyo, Osaka), Korea (Seoul), Taiwan (Taipei)
This mission is designed to meet the needs of members of the University English Language Centres Australia (UECA) and was initiated by Austrade in 2008 as a two-country initiative in Japan and South Korea. It is now a 'triangular' exercise, incorporating Taipei as an optional leg, with the potential to become an annual event with tailored-made activities focusing on building long term one-on-one institutional linkage opportunities.