International education

The trade and investment sectors contained in the sector summary series have been compiled from Australian and New Zealand Standard Industry Classification (ANZSIC) classes using a value chain approach. This means that industry classes from ANZSIC have been grouped together to provide estimates of the size of the particular trade and investment sectors.

**Coverage:** Providers of educational services to overseas including the University of Tasmania (UTAS) vocational education and training institutions, schools and English language providers.

### Key indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Units</th>
<th>Period</th>
<th>Data</th>
<th>Change from five years ago</th>
<th>Per cent of Tasmania</th>
<th>Per cent of Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry value add (a, b)</td>
<td>$M</td>
<td>2011</td>
<td>$143</td>
<td>NA</td>
<td>0.7%</td>
<td>NA</td>
</tr>
<tr>
<td>Employment (a, c)</td>
<td>No. FTE</td>
<td>2011</td>
<td>1,315</td>
<td>NA</td>
<td>0.6%</td>
<td>NA</td>
</tr>
<tr>
<td>Incomes (average weekly) (a, d)</td>
<td>$</td>
<td>2011</td>
<td>$1,433.17</td>
<td>NA</td>
<td>124.0%</td>
<td>NA</td>
</tr>
</tbody>
</table>

(b) Industry value add is a component of Gross State Product and measures the total value of goods and services produced by the sector, less the value of inputs. Direct impacts have been used.
(c) Employment includes 421 in education and 894 in retail accommodation, food and other services.
(d) 2011 ABS Census. This includes employment and non-employment related income (e.g. rents, dividends, interest, child support and government pensions and allowances). A percentage above 100 per cent of average weekly income suggests workers in this industry earn higher than the average wage.

### Regional employment

The above statistics have been represented to the nearest whole number.
Developing a thriving international student market is deemed a high priority for Tasmania in the mid to long term. International students gain skills that they take home, however they also contribute culturally, socially and economically to those people and places that assist their learning. The presence of international students can enrich and enliven communities.

International education is a significant sector in the Tasmanian economy, with an estimated value of $143 million in 2011. Each international student in Tasmania contributes an average $30,500 in fees and expenses to the economy each year. Wider benefits for Tasmania’s economy include increased spending in tourism, retail and real estate by visiting friends and relatives, and the students themselves. International students also benefit the state through increasing cultural diversity.

All providers of educational services to overseas students must be registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS). Tasmania has 16 CRICOS-registered providers for international education, including vocational education and training (VET) institutions, schools and English language providers. The local industry is dominated by the University of Tasmania (UTAS), the sole provider of higher education, which captures more than 80 per cent of total international enrolments for the state. UTAS is well known within its primary markets and has a sound reputation. The second-largest industry player is the Tasmanian Government, which has students enrolled at TasTAFE and secondary schools.

Tasmania currently has a CRICOS registration capacity of 6,850 students, with UTAS holding capacity for 5,000 and the State Government for 1,530 students. Private schools have a capacity of 260. In 2012, there was a shortfall of approximately 2,000 enrolments, so the sector has capacity to expand.

China has been the most important market for international education in Tasmania since 2005. Malaysia has been a consistent source of students for over 20 years, particularly for UTAS, and is currently the second most important source market. As well as these two nations, Korea, Japan and Thailand comprise the top five source countries for international education in Tasmania.

Tasmania has a reputation for being safe, quiet and friendly, and it provides diverse study and living environments of high quality and charm.

In recent years, the Australian international education sector has faced significant challenges, such as the high Australian dollar. These challenges have resulted in a substantial decline in enrolments nationally. Adapting to the new enrolments environment is now the focus of all Australian educational institutions that operate in the sector, with Tasmania being no exception. Rebuilding the sector will take time and investment over the long term.

In June 2012, the then Tasmanian Government signed a partnership agreement with UTAS to attract more international students. This strategy brings together the Tasmanian Government, UTAS and other stakeholders to demonstrate that Tasmania is an education state.

UTAS is currently undertaking a program of renewal in line with its ‘Educating Globally’ strategy, from product development (new courses, refined course offerings, student experience improvements) to increasing investment in marketing and recruitment for international students.

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Constraints and opportunities

Constraints

The Tasmanian international education sector experiences a number of constraints evident nationally.

• The industry is faced with an increasing amount and quality of competition in the education space, both by key competitors (the United States and Canada) and by the development of education hubs in Malaysia, Singapore and Korea. China is now also a key competitor for international students, as well as being a key source country. Although the number of international students globally is expanding, the increased competition means that each student is harder won.

• The industry is continuing to struggle with inconsistent visa regulation changes by the former Department of Immigration and Citizenship. Visa rules have led to the following unintended consequences:
  - more complex and difficult-to-attain post-study work rights
  - significantly higher costs, particularly for second student visas made onshore, making retention of students (an important business objective) difficult
  - the creation of a ‘quality’ dichotomy, where Australia is now seen to have ‘quality institutions’ and ‘poor/low quality institutions’ through the Streamlined Visa Processing (SVP) regulations. This weakens a significant proportion of non-SVP institutions, and the overall Australian brand, by inferring that our education standards are variable.

• The reliance on ranking as key in the decision-making process by students means that lower-ranked universities are struggling to maintain their value proposition. Alliances formed nationally between key universities allow for double branding – both at institution level and at group level, exemplified by the Group of Eight. Whilst UTAS was ranked in the top 500 universities on the Academic Ranking of World Universities table in 2013, it is ranked below some of its Australian competitors.

• Tasmania’s small population size and urban centres are viewed as longstanding constraints in the international education sector, in respect of student lifestyle norms and desires. Tasmania’s character as ‘provincial’ is not favourable in source countries, where provincial education is perceived to be of lower quality.

Opportunities

• Investment in high-quality courses and services within institutions, value-added by formal international recognition. Demand is triggered by prestige, excellence and quality. Investment will assist in attracting international students and provide access to elite products for Tasmanian students.

• Ongoing renewal by significantly investing in and addressing the primary demand drivers of international students. UTAS is currently undergoing such renewal. TasTAFE and government schools, as the second biggest collective provider, has the opportunity to follow UTAS’ lead.

• Establishing links and work experience opportunities with major employment providers. International students are seeking the best possible means in which to gain qualifications in order to secure employment in their own countries. Work placements at all levels within Tasmania will give students real-life experience that they can build on after their studies.
• Leveraging the quality of student support is an area in which Tasmania excels and has the capacity to further develop within the short term. Quality of support is a valued part of an international student’s experience. Smaller numbers of students mean greater one-to-one assistance, something that our interstate competitors struggle to achieve. This includes educational support, living support and a welcoming attitude of staff and other students.

• Raising awareness in the community of the importance and value of international students. Quality of the study experience also includes interaction with the wider Tasmanian community. As well as assisting students, raising awareness is of value to migrants living in Tasmania, and people wishing to make social and economic links internationally.

• Building on the strength of Tasmanian institutions to collaborate to deliver education pathways. Collaboration between all organisations in the sector is longstanding, with the capacity for students to move easily between schools, VET and the university. Additional initiatives could include teaching exchanges and aspirational excellence courses co-run by institutions.

• Collaboration between the international education sector, the Tasmanian Government and industry leaders can be further strengthened. The ongoing partnership agreement between the Tasmanian Government and UTAS is an example that builds on the strengths of being a small state.

• Increased collaborative and targeted marketing highlighting institutions’ specialisations. With strong support by the Tasmanian Government and industry, this may build and enhance the Tasmanian international education sector’s existing profile.

• The current Federal Government has widened the type and number of SVP institutions and this is hoped to have effect in the next two years. Assuming that TasTAFE, as a State-owned institution, is included as one of these, this has the potential to stimulate growth at VET level.

Strategy summary

The Tasmanian Government is working with UTAS to significantly increase the number of international students. As the major provider, increasing UTAS’ capacity and profile will benefit other industry players.

The first stage of this work is complete, with UTAS’ new strategic plan, ‘Globally Engaged’ identifying three key themes:

• internationalising the curriculum
• engagement and development of partnerships
• international student recruitment.

Through the coordinating role of the Office of Global Engagement, all three themes are progressing:

• UTAS has increased its investment in marketing and recruitment for international students
• a review of target markets has been undertaken and a particular emphasis placed on emerging knowledge economies (including Asia, Indonesia, India and Latin America)
• new international partnership agreements are being put in place with relevant institutions and agencies in key countries new recruitment agents/consultants have been appointed in a range of overseas markets that indicate good growth prospects, increased opportunities for inbound and outbound student mobility are being explored
• UTAS has formed strategic alliances with Tasmanian peak bodies (for example, the Tourism Industry Council of Tasmania and the Tasmanian Hospitality Association) to jointly market and promote the benefits to the Tasmanian economy of international students.

Work is being undertaken to identify gaps; suggestions for a broad range of strategic actions have included the following:

1. Destination branding.
   • Linking Tourism Tasmania’s pan-Asian campaign activity to international education activity in-market, establishing education-focussed stories.
   • *Study Tasmania* to provide agent network support and widespread marketing and promotional activities, focussing on key target regions and events.

2. In-country presence.
   • International education is one of the priority activities for Tasmania’s representation office in Shanghai.
   • Supporting institutional in-country presence and activity.


4. Improving student experience.
   • Support Study Tasmania’s web portal and social media activity, information provision and student experience activities.
   • Encouraging the development of internships and work experience for international tertiary students (vocational and higher education).
   • Domestic activities and community programs highlighting positive effects of international education for the Tasmanian community.
   • Tasmanian Government engagement with the Commonwealth to promote more industry-supportive visa processes and conditions, to ensure the best opportunities for the Tasmanian industry.
   • Facilitation of cross-institution collaboration.
   • Facilitation of relevant professional or other strategy development for industry members where required.