



Australian Government

Department of Education, Science and Training

SUBMISSION 35

Mr Andrew McGowan
Inquiry Secretary
House of Representatives Standing Committee on
Economics, Finance and Public Administration
Parliament House
CANBERRA ACT 2600

Dear Mr McGowan,

DEST'S SUBMISSION INTO THE INQUIRY INTO AUSTRALIA'S SERVICE INDUSTRIES

The Department of Education, Science and Training (DEST) appreciates the opportunity to provide a submission into Australia's service industries.

As the Standing Committee is aware, the service sector is an important and growing part of the Australian economy – and education and training play a significant role in this sector. A strong national and internationally connected education and training capacity is critical to Australia's economic and social development

The Department's role is to create the environment for a successful education services industry, in both the domestic and international context. The Department recognises the importance of the education services industry in total and the contribution that the domestic education industry makes to the economic and culture wellbeing of Australia and Australians.

The Department's responsibilities for international education are managed by Australian Education International, which is Department's international arm. These responsibilities include: government-to-government cooperation; supporting the quality of education and training services delivered to international students; achieving greater diversity of students from a broad range of countries and in the modes of education delivery and range of subjects being offered; and coordination of government support in partnership with the Australian education and training industry.

In keeping with the focus of the Committee on improving Australia's service exports, the Department has centred its submission on the international education services industry, its relevant government policy and programmes, and departmental activities.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'W Jarvie'.

Dr Wendy Jarvie
Deputy Secretary

23 August 2006



Australian Government

Department of Education, Science and Training

**Response to the House of Representatives,
Economic, Finance and Public Administration
Committee's
Inquiry into
Australia's Service Industries.**

July 2006

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Introduction

The Department of Education, Science and Training (DEST) is providing a response to the *House of Representatives, Economic, Finance and Public Administration Committee's Inquiry into Australia's Service Industries*. The Committee is inquiring into where the service export sector now sits in Australia's export (and import competing) environment, focusing on, but not limited to:

- the tourism and education service sectors;
- the impact of the resources boom on the service sector;
- future global opportunities for Australian service exports; and
- policies for realising these opportunities.

DEST has provided a response that focuses on International Education and its contribution to Australia and future global opportunities.

Executive Summary

A strong national and internationally connected science, education, research, knowledge and innovation capacity is critical to Australia's economic and social development. It promotes and develops people-to-people links and underpins Australia's competitiveness, trade, foreign relations and national security and, skilled migration.

Since the 1980s, international education has expanded enormously. Government policy initiatives and regulation have provided significant support which has promoted the sustainable growth of a high-quality international education industry.

The international education industry is Australia's second largest service industry and fourth largest export industry behind coal, tourism and iron ore. International education contributes more than \$7.5 billion to the Australian economy and supports more than 50,000 jobs. Currently there are 340,000 international student enrolments in Australia from some 287,000 students. There are in the vicinity of 100,000 students undertaking Australian courses overseas.

Since 2002, Australia has seen significant changes in its international education market. The make up of Australia's international student population has changed. The slowing of growth in international student enrolments reflects a maturing market in Australia and market intelligence suggests that the global international education market is undergoing a structural shift.

While the international education sector in this country remains robust and continues to grow, the next 20 years will bring additional challenges. A range of factors impacting upon international education will change it significantly over the next two decades. Some of the critical drivers of change will include shifting population demographics in many countries; restructuring of country economies resulting in constantly evolving skills needs; an increasingly mobile international workforce; greater influence of consumer choice and customisation of education delivery; increasing private delivery of education; and the impact of technological change providing greater access to education.

The Australian Government has a comprehensive strategy of engagement in international education. Policies employed within this framework will require commitment to the challenges of the next decades.

Overview of the international education sector

The Australian Government has been involved in international education since the highly successful Colombo Plan was launched in the 1950s. Since the 1980s, international education

has expanded enormously. Government regulation and support has helped the sustainable growth of a high-quality international education industry.

Today the international education industry is Australia's second largest service industry and fourth largest export industry behind coal, tourism and iron ore. International education contributes more than \$7.5 billion¹ to the Australian economy and supports more than 50,000 jobs. Currently there are 340,000 international student enrolments in Australia from some 287,000 students. There are in the vicinity of 100,000 students undertaking Australian courses overseas.

The international education industry encompasses the Higher Education, Vocational and Technical Education, Schools, English Language Intensive Courses for Overseas Students (ELICOS) sectors and Foundation Studies.

A strong national and internationally connected science, education, research, knowledge and innovation capacity is critical to Australia's economic and social development. It promotes and develops people-to-people links and underpins Australia's competitiveness, trade, foreign relations and national security and, skilled migration. International education plays an important role in supporting Government policies which seek to position Australia as a strategic partner in the economic development as well as the security of our region. Government-to-government activities play an important role in paving the way for such engagement.

Australian Education International (AEI) is the international education arm of the Australian Government Department of Education, Science and Training (DEST) and aims to:

Encourage and facilitate international education and training engagement in line with the national interests and to realise, social, cultural, economic and security benefits to Australia from internationalisation.

AEI achieves this by integrating government-to-government relations with support for the international education industry. AEI's varied activities include generic promotion and marketing, government-to-government relations, provision of market information, regulation of the industry and qualifications recognition.

Policy Context

In 2003, the then Minister, the Honourable Dr Brendan Nelson MP, released a Ministerial Statement on the internationalisation of Australian education and training ('Engaging the World through Education'). The statement followed a Budget Package to fund a comprehensive, integrated strategy to support Australia's international education industry. The strategy was designed to position the sector for a time of rapid change. The Australian Government's strategy was based on:

1. valuing international education for the benefits it brings to individuals and communities
2. recognising the long-term contribution of international education to intellectual, education, social and cultural development, economic competitiveness, trade, foreign relations and national security
3. safeguarding the reputation of Australian qualifications
4. continuing to improve the quality of Australian educational services provided in Australia and overseas

¹ Source: ABS International Trade in Goods and Services April 2006 5368.0, ABS Balance of Payments and International Investment Position March quarter 2006 5302.0, DFAT Trade in Services Australia 2004-05.

5. diversifying the mix of students and their countries of origin, the range of courses and levels of study, and modes of delivery of education services
6. enhancing the international profile of Australia's scientific and cultural capabilities
7. maintaining immigration integrity and vigorously enforcing the regulatory framework for the provision of education services to international students studying in Australia
8. enhancing the international profile of Australian education and encouraging international experience among Australian students and researchers
9. working in partnership with industry and the States and Territories to implement the framework.

Specific measures funded to support this strategy include:

- Onshore Quality Assurance \$5.1m
- Offshore Quality Assurance \$10.6m
- Promotion and Expansion of Offshore Network. \$41.7m
- Five International Centres of Excellence \$35.5m
- National Centre for Language Training \$4.6m
- Endeavour Scholarship Programme \$7.6m

Australia's integrated approach to international education places it in a unique position in world terms, and as noted later in this submission there is significant activity by our competitors to replicate many of the features of the Australian system.

Whole-of-government implementation

AEI adopts a whole-of-government approach to providing services in international education and works collaboratively with the central agencies and the Departments of Immigration and Multicultural Affairs (DIMA), Foreign Affairs and Trade (DFAT), AusAID, the Australian Trade Commission and Tourism Australia. Examples of our collaborative approach are:

- our Interdepartmental Committee (IDC) on International Education for the purpose of providing whole-of-government coordination and leadership for Government activities in the area of international education. The IDC's membership consists of the aforementioned federal agencies.
- working with DIMA to manage the immigration and border integrity issues related to the Student Visa Programme and the General Skilled Migration Programme.
- supporting Austrade and Tourism Australia to promote Australia as a study destination and a joint approach with AusAID to offer scholarships for study in Australia.
- extensive work with State and Territory governments on a variety of issues including quality assurance and generic promotion.

DFAT leads for the Australian Government in all trade negotiations. DEST, as the Government's lead agency on education, science and training policy, maintains responsibility for formulating policy relating to trade in those services, and works closely with DFAT in its preparation for and participation in negotiations. DEST also supports trade negotiations by provision of information on Australia's regulatory environment to other parties as part of a mutual exchange of information.

The contribution of the international education industry to the economy

International education and the links it forges make for stronger trade flows between Australia and many of our trading partners. The total value of education exports in 2005 was over \$7.5 billion (plus income credits that do not count as exports). For many countries, Australia's education exports form a significant part of Australia's total exports to those countries. For example, Australia's total exports of goods and services to China in 2005 were \$18.614 billion. Fees and living expenditures by Chinese students in Australia amounted to \$2.140 billion in 2005, or about 11.5 per cent of total exports to China. Australia's total exports of goods and services to India in 2005 were \$8.010 billion. Fees and living expenditures by Indian students in Australia amounted to \$832 million in 2005, or about 10.4 per cent of total exports².

Additional revenue from international teaching and research activities strengthens Australian institutions.

Trends in international education 2002-2005

Since 2002, Australia has seen significant changes in its international education market³. The make up of Australia's international student population has changed. There have been sectoral, field and level of study changes. There have been shifts in the offshore provision of Australian education.

Enrolments have grown by over 25% since 2002. In annual terms, enrolments grew at an average rate of 8% from 2002 to 2005.

Enrolments continue to grow, though not at the rates observed in the 1990s. The slowing of growth in international student enrolments reflects a maturing market in Australia and market intelligence suggests that the global international education market is undergoing a structural shift. Traditional source countries are increasing their domestic educational capacity and more competitors are emerging for Australia and other traditional English-speaking destination countries. There are also country-specific issues and strategic geopolitical issues that from time to time, affect the demand for Australian education.

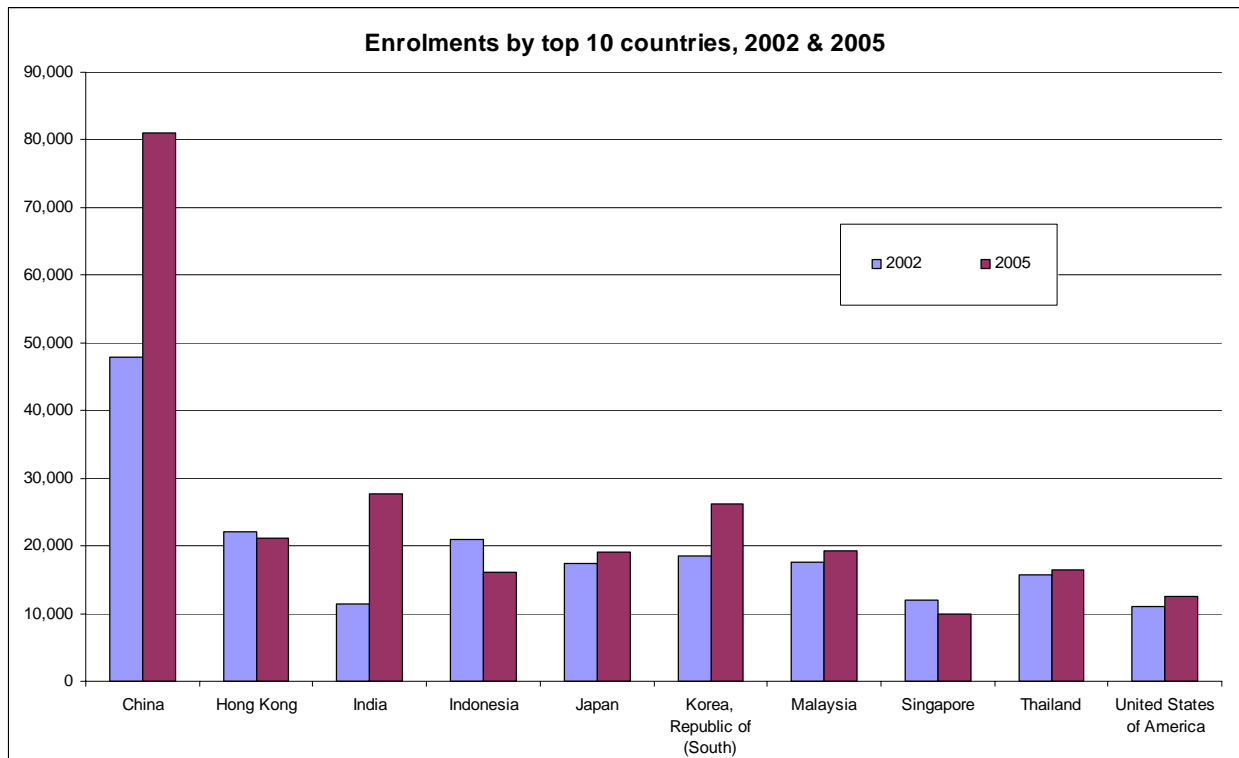
Source Countries 2002-2005

The top ten source countries are the same as they were in 2002 (Figure 1), though there have been significant changes in their relative importance to Australia's international education industry. China remains the biggest source country, while Indian enrolments have grown dramatically (35% per year). India has advanced from ninth in 2002 to second in 2005. On the other hand, several key traditional markets have registered declines in enrolments (Indonesia, Singapore and Hong Kong). Three countries (Japan, Malaysia and the USA) which have continued to grow since 2002 registered declines in enrolments in 2005. The proportion of total enrolments which comes from top 10 countries has remained steady at just over 70%.

² ABS International Trade in Goods and Services, Table 14a Merchandise Exports, Country and Country Groupings, 5368.0 and Data Cube Table 9, International Trade in Services, Calendar Year by Detailed Services, May 2006, 5680.0 055.004; AEI PRISMS Database: AEI (2005), Survey of International Students' Spending: AEI (forthcoming), Supplementary Survey of ELICOS Students' Spending:

³ The data in the following section has been extracted from a continually updated database (March 2006) and can differ slightly from previously released information and information that may be released in the future.

Figure 1 Enrolments by top 10 countries 2002 & 2005



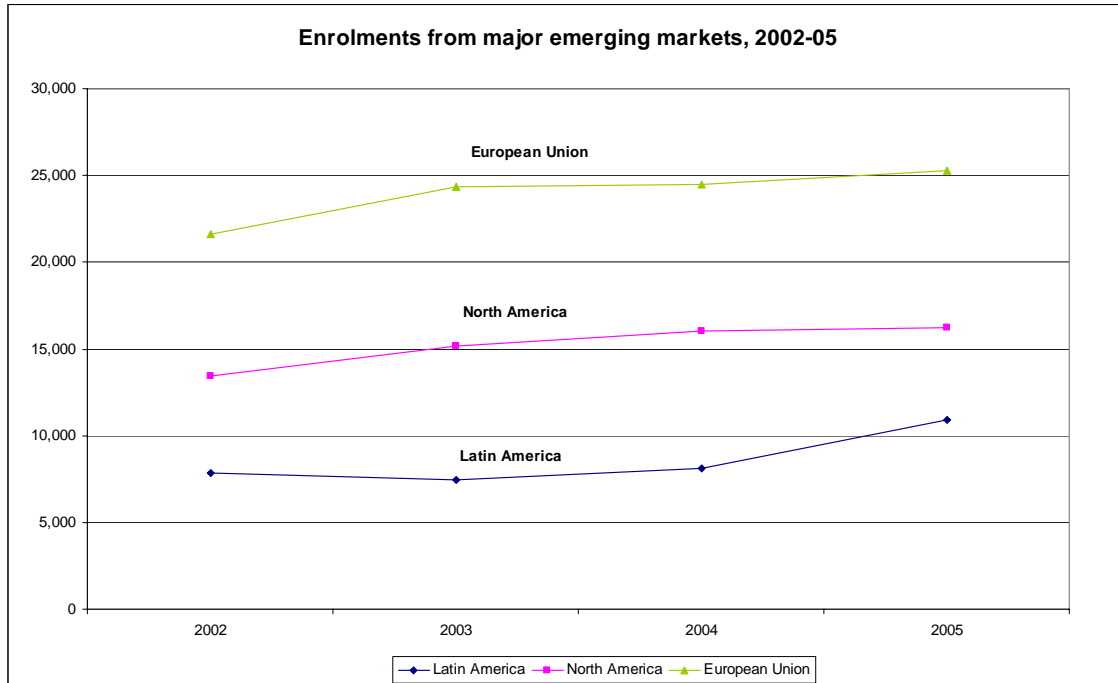
Several other markets experienced strong growth in 2005 (Table 1). These included: Brazil (49.8%), Vietnam (15.3%) and Germany (12.5%). Double digit growth also continues in the Middle East⁴, Sri Lanka and Canada. New Counsellor positions set up as part of AEI's expansion of its international network has contributed to growth in the emerging markets of Europe, the Americas and the Middle East (Figure 2). Some of Australia's competitors – notably New Zealand and the Netherlands – have also adopted a strategy of expanding their offshore networks in key emerging markets.

Table 1 Markets experiencing strong growth

Nationality	2002 Enrolments	2005 Enrolments	Percentage Growth
Brazil	4198	7043	68
Middle East ³	3486	6551	88
Vietnam	4084	5289	29
Germany	2814	4840	72
Sri Lanka	3190	3871	21
Canada	2354	3805	62

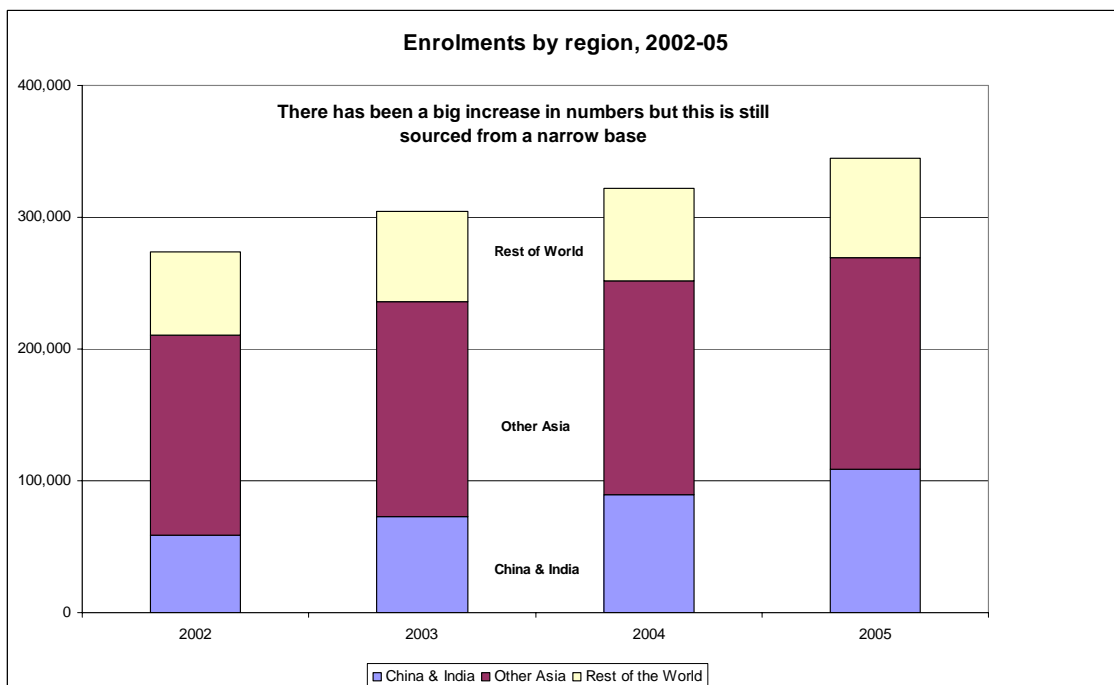
⁴ The Middle Eastern markets are Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates and Yemen.

Figure 2 Enrolments from major emerging markets 2002-05



International enrolments have continued to grow quite strongly since 2002, and strong growth has been observed in emerging markets. The majority of Australia's international student enrolments (Figure 3) are derived from China and India. Some 80% of growth in enrolments since 2002 has come from just three countries – China, India and South Korea. China and India accounted for over 30% of international enrolments in 2005.

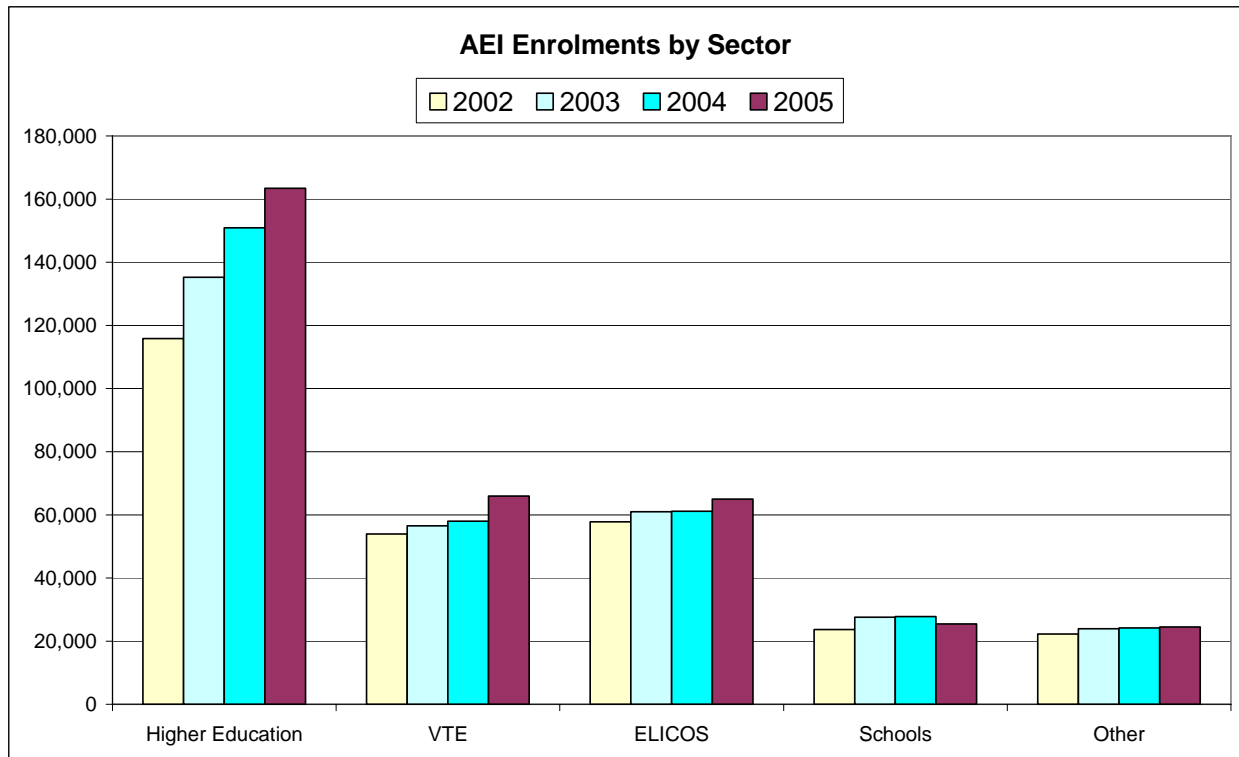
Figure 3 Enrolments by region 200-05



Sectoral Markets 2002-2005

Enrolments have increased in four of the five sectors since 2002, though at differing rates. Schools enrolments, on the other hand, have declined (Figure 4).

Figure 4 Enrolments by sector



Higher education enrolments have demonstrated exceptional growth (41% since 2002, at an average of 12% per year). In contrast to the overall trend, growth in higher education was down in 2005 compared to 2004. Higher education commencements grew by less than 1% in 2005.

VTE enrolments have increased by 22% since 2002 at an average rate of 7%. Commencements average 9% annual growth. In 2005, VTE grew strongly, with a 14% rise in enrolments and an 18% rise in commencements.

School enrolments have grown only 7% since 2002, at an average of 3% per year. School enrolments dropped by 8% in 2005, after only 0.6% growth in 2004.

ELICOS enrolments have grown at 4% per year since 2002. In 2005, both enrolments (up 6%) and commencements (up 9%) recovered after almost zero growth in 2004.

In the Other sector, which comprises enabling and non-award courses (including foundation studies), overall trends are similar to – though not as strong as – growth in the ELICOS sector. Growth in both enrolments and commencements was down to about 1.5% in 2005.

Higher Education and VTE field of study enrolments 2002-2005

Since 2002, the proportion of international higher education and VTE enrolments in the field of business administration and management has increased to 40%, while computer science and information systems have dropped to 13% (down from 22% in 2002). Other fields of study account for only small proportions of total enrolments. Services, hospitality and transport increased (now 9% of the total). Enrolments in both arts and engineering have increased, though both these fields have declined slightly as proportions of the total. Health and education have increased strongly, though from relatively small bases.

Offshore Provision

Australian education providers continue to have a strong presence in overseas markets, particularly in the Asia-Pacific region. In 2003, the Higher Education Statistical Collection recorded 73,582 higher education enrolments by students not resident in Australia. Of these enrolments, 58,930 were enrolments with providers based outside Australia and 14,652 were enrolments in distance education with providers in Australia. This figure grew to 76,575 enrolments in 2004, an increase of 4 per cent. There were 64,707 enrolments at offshore campuses and 11,868 enrolments in distance education providers.

Australia's Competitors

In recent years, the international education market has experienced a period of slow growth in traditional English-speaking destinations. In 2005, for the second consecutive year, international student enrolment in US higher education showed a decline, with a 1.3 per cent drop in 2004-05 following a 2.4 per cent drop in 2003-04. The United Kingdom reported a 5 per cent drop in higher education commencements from international students and only a 0.9 per cent increase in commencements from students outside the European Union. Commencements from China dropped 22.5 per cent. The New Zealand and Canadian systems have also experienced significant decline, particularly in their Asian markets. Some commentators in Canada have argued that Canada has not taken best advantage of its opportunities, particularly in the Chinese market, due to a lack of focus by Canadian Governments on the issue and the absence of a central body to oversee international education services in Canada.

The international education environment is increasingly competitive. In the United States – the number one destination for international students – enrolments have fallen for the last two years. *The American Competitiveness through International Openness Now (ACTION)* amendment to the Labor, Health and Human Services and Education Appropriations Bill was passed in 2005 to help the US regain lost ground. The amendment requires better cooperation between relevant government departments to facilitate recruitment and streamline visa processing. In June 2006, NAFSA – the leading American professional association for international education – released a report blaming the lack of a coordinated national strategy for recent poor performance in international student recruitment⁵.

In the United Kingdom, the Prime Minister made a statement on international education in April 2005, announcing a target of 100,000 more international students in British universities by 2011. In December 2005, the government announced a 50% increase in funding for promotion of British education to students outside the European Union.

In Canada, international education stakeholders have called for an integrated national strategy on education exports. Canada does not currently have a federal education department or any national government agency responsible for international education. In April 2005, the Canadian government announced changes to visa conditions that will allow international students to work off-campus.

Recent initiatives in New Zealand include expanding opportunities for international students to access skilled migration, and allowing them to work more hours while studying. In June 2006, the New Zealand government announced that foreign PhD students would pay only domestic fees. New Zealand plans to extend its offshore Counsellor network to South Korea and Brazil.

The Netherlands is becoming increasingly active in international education. The Dutch Government is implementing quality assurance and consumer protection regulations similar to

⁵ NAFSA (2006) Restoring US Competitiveness for International Students and Scholars,
http://www.nafsa.org/public_policy.sec/public_policy_document/international_student_5/restoring_u.s._competitiveness

Australia's ESOS Act. The Dutch offshore counsellor network is expanding with new posts in Vietnam, Mexico, Russia, Brazil, India, Thailand, and Malaysia.

Several other countries are expanding their engagement in international education. Germany has long been a leading study destination (260,000 international students in 2004-05) and is now offering more courses in English to appeal to an international market. Other countries in Europe and elsewhere are doing likewise. Scandinavian and Eastern European countries are among those looking to attract more foreign students through increased promotional activity and English-language teaching.

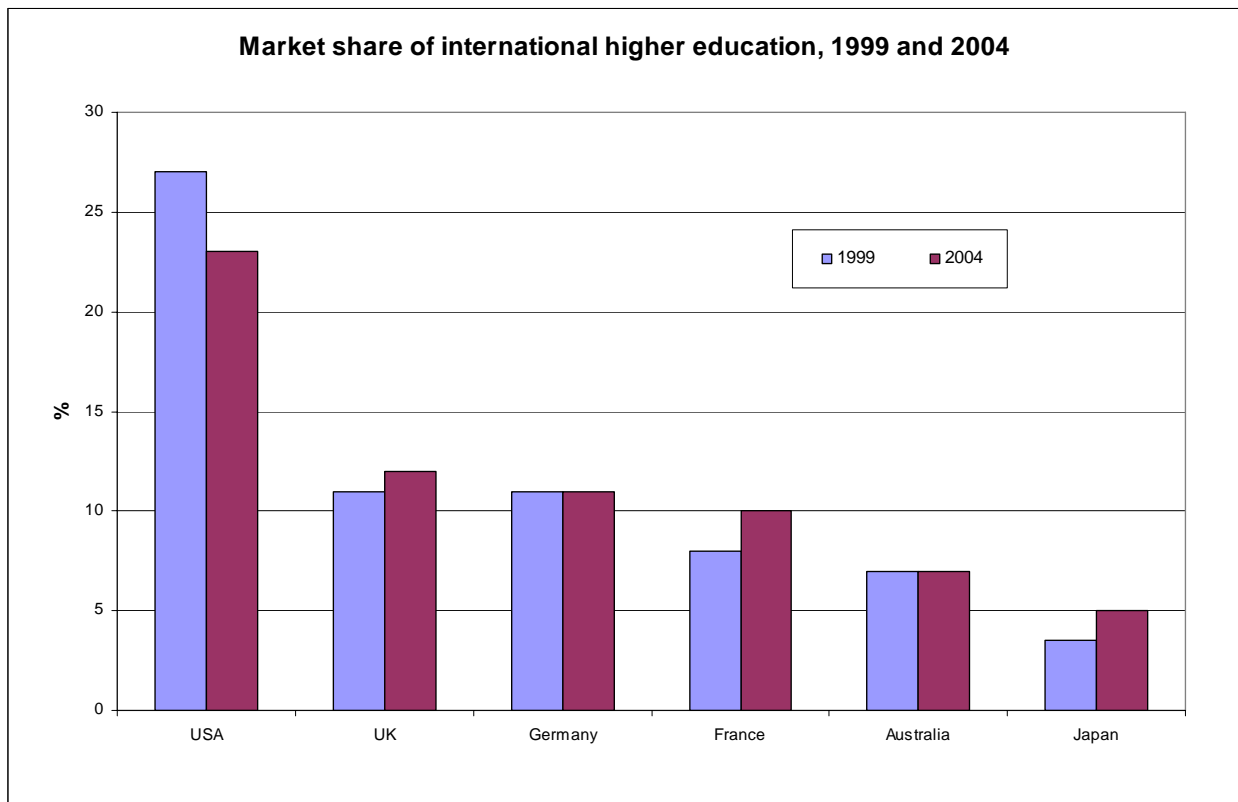
In the Asia-Pacific region, Singapore aims to become a regional education hub. The Singaporean government has encouraged and supported foreign universities including American and Australian institutions to set up branch campuses. Singapore promotes itself intensively in Asia as a study destination where Asian students can get a world-class education without having to travel as far or experience so great a cultural dislocation.

Malaysia, South Korea and Japan are also active in developing and promoting their international education capacity.

Finally, China is investing massively in its education system. This includes seeking to develop world-class universities (Peking, Tsinghua) as well as becoming an international education destination. According to figures released this year, there were 140,000 international students studying in China in 2005. Enrolments have increased by 35% since 1998.

Despite increased competition, Australia has retained market share to hold its position as the third most popular study destination in the English-speaking world (behind the United States and the United Kingdom) and the fifth most popular in the world (Figure 5).

Figure 5 Market share of international higher education, 1999 and 2004



Future challenges

While the international education sector in this country remains robust and continues to grow, the next 20 years will bring additional challenges. A range of factors impacting upon international education will change it significantly over the next two decades

Some of the critical drivers of change (Attachment A) will include shifting population demographics in many countries; restructuring of country economies resulting in constantly evolving skills needs; an increasingly mobile international workforce; greater influence of consumer choice and customisation of education delivery; increasing private delivery of education; and the impact of technological change providing greater access to education.

The global international education market is increasingly competitive as other nations enhance their domestic and international education capabilities.

Traditional markets in Southeast Asia have been stagnant or declining for a few years. As other countries in Asia invest in their domestic education systems and develop their economies, there is a long-term prospect that this could happen elsewhere too. Australia's (relative) geographical proximity may become less attractive to Asian students as Singapore, Japan and China develop as study destinations. The governments of Singapore, Malaysia and China have announced initiatives to increase their international education enrolments and are seeking a greater share of the market.

A number of Non-English speaking countries are successfully delivering courses in English and this may make them more attractive as a destination for international students than Australia.

Australia's rather narrow market position – in terms of source countries and levels and fields of study – may potentially be an issue. The 2003 Budget Package has been effective in diversifying enrolments – especially through attracting more students from the Americas, Europe and the Middle East – but there remains a strong reliance on enrolments from China and India. This reliance on a few key source countries makes the sector vulnerable to shocks from economic or other causes of instability.

Future global opportunities for Australian service exports

New opportunities for Australian international education include:

1. **Initiatives relating to the Brisbane Communiqué** (see Attachment B): Twenty-seven Ministers and senior officials, representing Education and Training portfolios from across the Asia-Pacific region, met in Brisbane on 3-4 April 2006. Ministers agreed to actively encourage and facilitate regional student and academic mobility and exchange, and address barriers to these activities. They agreed that there are different but important issues in schooling, vocational and technical education and higher education. They include such issues as:
 - **Quality assurance:** Australia is interested in working collaboratively with regional partners to develop an Asian Pacific qualifications framework and currently debating its response to the European Bologna Process. Australia and China have both sought observer status at the 2007 European ministerial meeting on the Bologna Process.

Several countries are interested in adapting Australia's VTE framework to their own needs. Trade in qualifications frameworks, as well as assessment services, curricula and other ancillary educational services, presents many opportunities for Australian exporters.

- **Mobility:** The Australian Government is committed to working with other governments in the Asia-Pacific region to encourage and support mobility for students, scholars and graduates. Regional governments are working towards an Asia-Pacific Qualifications Framework to provide clarity and consistency in standards, quality assurance and qualifications recognition. Initiatives under the Brisbane Communiqué will position higher education systems in the Asia-Pacific region to respond to the international trend towards mobility and credit transfer, as exemplified by the Bologna Process currently underway in Europe. The Australian Government is seeking to increase the number of Australian students who study abroad through more effective support. DEST is reviewing current arrangements for supporting study abroad. Increasing uptake of study abroad will help redress the imbalance in student flows in favour of inbound students. This imbalance creates perceptions overseas that Australia is interested only in short-term commercial gain and that Australians have little interest in other countries.
- 2. **Promoting excellence:** the Australian Government is committed to identifying and promoting particular areas of excellence in Australian education and research. Australia excels in several areas (for example, marine biology and water management). Our international education engagement benefits from targeted promotion of these areas of excellence.
- 3. **Tourism and education:** educational tourism is already a large industry. Short-term English language courses, school visits and educational tours are significant export activities. These are somewhat removed from DEST's core responsibility for longer-term, more formal education undertaken by student visa holders. Nevertheless, DEST liaises with Tourism Australia and DIMA to secure good educational and immigration outcomes in the area of educational tourism. Future opportunities in educational tourism include meeting demand from an older demographic for cultural activities and lifelong learning (such 'university of the third age' courses).

It is important that the quality of the international education industry be maintained and there is a strong argument that linking tourism with education too closely could seriously undermine the current high level of quality and protection provided by the Australian Government through such mechanisms as the *ESOS Act*.

- 4. **Trade issues:** The Australian Government sees considerable value in maintaining education as part of ongoing trade discussions due to the importance of education and the possibility of significant future changes in the sector. DEST is therefore actively involved in supporting negotiations on trade agreements as they relate to education services exports. DEST actively pursues opportunities to use trade agreements to open global markets for Australian education exporters, while remaining mindful of the Department's dual interests of trade liberalisation and safeguarding Australia's domestic education and training system. In developing Australia's position for education and training aspects of trade agreements, DEST works in consultation with Australian education providers, State and Territory and other government departments and our international network of Counsellors in overseas posts. Information gathered is used to identify key interests and the effect of trade barriers in the markets under negotiation, and is crucial to achieving the best outcomes for the sector in trade agreements.
- 5. **Transnational quality:** Increasing demand for education coupled with student preferences and advances in information and communication technologies, are among the reasons why an increasing number of providers are delivering education and training to foreign students in their own countries (ie transnationally) rather than relying solely upon trying to attract foreign students to travel overseas to study. It is predicted that the delivery of education and training transnationally will grow at a greater rate than

international student mobility with students being offered more study choices in their home countries.

Australian education and training providers have been at the forefront internationally of providing education and training to overseas students within Australia. They are also now at the forefront of the growing trend to educate and train foreign students in their own countries. Recognising this, the Australian Government has been working with State and Territory Governments and with representatives of all peak provider bodies and Australia's international student community to ensure that Australia's international reputation as a provider of quality education and training can be protected and promoted. In November 2005 the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) agreed to the Transnational Quality Strategy Framework, which is now being implemented in consultation with the education industry and State and Territory Governments.

Policies for realisation of the opportunities

To implement the Australian Government's support for the internationalisation of education, training and science, AEI is delivering the following strategic policies:

1. **Strategic partnerships with the industry:** AEI supports the international education and training industry in Australia to help it continue to be successful in a challenging and changing environment through international marketing and promotion of Australian education; cooperation on education with the governments of other countries; and the DEST international network including fee-for-service activities and in-country support.
2. **Sustainable, diversified, quality Australian international education and training industry:** AEI works in cooperation and consultation with the industry to grow Australia's engagement in international education through attracting quality students to study Australian courses; and protecting the reputation and integrity of the Australian education and training industry through enforcing laws for provider accreditation and consumer protection.
3. **Raising the international profile of Australian education:** AEI raises the international profile of Australian education through supporting a national brand (*Studying in Australia*); advancing international recognition of Australian qualifications and standards; and increasing promotion in overseas markets.
4. **Provision of reliable and timely information to providers and prospective international students:** AEI supports the industry through providing guidelines for the assessment of educational qualifications and information on education systems in existing and emerging markets through Country Education Profiles; providing useful and reliable information on study opportunities for international students seeking an Australian education; and facilitating market entry for Australian providers.
5. **Global student and labour market mobility:** Education opportunities for international students and skilled migration will be supported by AEI through safeguarding Australian education standards; by providing quality advice on the comparability of overseas qualifications against the Australian Qualifications Framework (AQF) to support admission decisions; and providing an overseas qualifications recognition advisory service to a range of stakeholders.
6. **Building government-to-government ties and engage multilaterally:** AEI works with other national governments on education policy and collaboration. AEI develops a multilateral engagement to create the environment for sustainable industry growth

through: working with other national governments and multilateral forums such as EU, OECD and APEC to advance Australia' position on education and related issues such as quality assurance. Australia is also active in a range of trade negotiations with the aim of liberalising trade in education services.

7. **Leading a whole-of-government approach to market development and education cooperation:** AEI builds a whole-of-government approach through working with other Australian, State and Territory government agencies for a nationally consistent government approach.
8. **Building organisational capabilities:** AEI has strengthened our organisational capabilities through consolidating the extension of our international network to North America, Latin America, the Middle East and additional European countries; and underpinning strategic policy and planning directions through high quality research, analysis and data services.

AEI has and will continue to work with foreign counterpart agencies and institutions in the Middle East, Asia and the Pacific, often in partnership with Australian agencies, institutions and academics, to assist in the capacity building of their education and training systems. In such areas as developing qualifications frameworks; identification and implementation of good practice in quality assurance mechanisms or processes; continuous assessment methodologies for senior high school students; professional development systems for teachers and administrators; curriculum development; identification, development and adoption of ICT in classrooms; and assisting countries in the structure and management of their vocational and technical education and training systems and institutions.

Attachment A Drivers of change

Demography

Very few developed countries have fertility rates at replacement level and most developed countries are looking to skilled migrants to supplement their labour force needs. Elsewhere, especially in the Middle East, South and South-East Asia and Africa, populations will continue to grow. In education terms, this means that some countries will have excess supply of places while others will continue to experience excess demand.

Mobility of Skilled Labour

Education, both domestic and international, must equip students for a global workplace. Approaches to the mutual recognition of qualifications and credit transfer, supported by a flexible approach to skilled migration, will need to be a focus of future Government's policy initiatives.

Mutual recognition of international qualification and improved credit transfers systems would facilitate mobility and allow education to be more 'portable' to equip graduates for a globalised labour market: the Bologna Process is an example of this trend.

Emerging Shifts in Power

Emerging shifts in the balance of global economic and political power will have a strong impact on education. In the near future, countries such as China and India will not only be key players in economics and politics, but in education services as well.

Global English and Emerging Global Languages

More countries are offering courses taught in English. The rise of English as a global language could have a negative impact on international education in Australia as students have more choice for a study abroad experience.

Countries including Malaysia, Japan, the Czech Republic, Scandinavia, Germany and the Netherlands are promoting courses in English and cultural experiences to lure students away from the traditional markets of Australia, the US, UK, Canada and New Zealand.

Other languages will also become increasingly important as powerful economies become stronger. Students are already travelling and learning languages where they see potential career opportunities. Of particular note is the large increase in the number of Americans studying in China, up 90 per cent (to 4737 students) on the previous year in 2004-05. It is estimated that 30 million people world wide are currently studying Mandarin, some supported by the Chinese government through their Confucius Institutes. Spanish and Arabic have also been cited as future global languages as economies develop and populations increase.

Impact of Supply and Demand on Modes of Delivery

The future of international education will be led by consumer demand. Advances in the modes of educational delivery and the demand for variety in education services will continue to impact on how we teach and learn. Demand for education and training reflects the rapid and varied rates of social and economic change. Increasingly there is a necessity for transferable knowledge and skills and life-long learning in order to participate in a more mobile, global workforce. International and distance learning course are already thriving as national education systems respond to the increasing needs, not only of domestic students, but those students studying across borders, through international travel and transnational provision. New alliances

and partnerships are being formed across boundaries and what students and governments need from developed education systems is changing.

Changing skills needs

Skills needs are evolving in Australia's main international education markets as their economies develop. More research needs to be done on future skills needs in the Asia-Pacific region. DEST is currently undertaking several projects in particular countries (Thailand, China, Singapore and Malaysia) to investigate emerging patterns of demand for skills and qualifications.

Preliminary findings suggest that there is emerging demand for improved managerial and technical skills across various industries; especially finance, IT, logistics, engineering and services industries and patterns of skills needs will vary significantly from country to country.

Increased domestic capacity in source countries

Countries in the Asia-Pacific region continue to invest heavily in education and increase their domestic capacity in education services. In particular, Singapore, Korea, China and Malaysia have either announced new initiatives or have several programs underway, to improve their domestic provision of education. Vietnam and Thailand are also investing heavily in education to give their citizens improved skills in an increasingly competitive world. Investment in education in various countries in the Asia-Pacific region will undoubtedly affect Australia's international education market. Students from these and other nations may choose to study at home rather than consider study abroad options.

Attachment B The Brisbane Communiqué

International Education Forum 2006	Challenge your thinking.	Asia-Pacific Education Ministers' Meeting
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Brisbane, Australia	4 April 2006
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THE BRISBANE COMMUNIQUÉ

Issued by

The Ministers attending the Asia-Pacific Education Ministers' Meeting

4 April 2006

Brisbane – Australia

I. Introduction

1. Twenty-seven Ministers and senior officials, representing Education and Training portfolios from across the Asia-Pacific region, met in Brisbane, Australia on 3-4 April 2006. This was the inaugural meeting of this group, with representatives from Turkey through to the Pacific Islands. On this occasion the meeting also included an observer from Brazil. The meeting was chaired by the Hon Julie Bishop MP, Minister for Education, Science and Training, Australian Government.
2. The meeting was held parallel with the International Education Forum, attended by over 900 delegates from around the world. Ministers attended the Forum sessions that were focused on future directions and influences on education and training over the next ten to twenty years.
3. The Ministers met under the following theme:
What actions on education and training can be agreed that will strengthen good relations in the region; and underpin its social and economic development, through the international mobility of students and research collaboration?
4. Ministers recognised the diversity of economies, resources, political structures and socio-cultural context as well as significant differences in education systems. Many countries' highest priorities still rest with the provision of basic education. Ministers also recognised the importance of vocational and technical education. They agreed that internationalisation is a necessary and critical element for all education systems within the region.

5. The mobility of students and academics which has taken place over many years is now on a massive scale. This requires a response from Ministers to ensure that frameworks of quality assurance and mutual recognition facilitate this mobility. Ministers agreed on the common goal of increasing greater student and academic mobility and transferability of qualifications, and greater integration or exchangeability of education frameworks.
6. Student and academic mobility and exchange are seen to provide the basis for friendship, mutual respect and understanding, just as education is the key to prosperity, security and peace in the Asia-Pacific region and beyond. Mobility and exchange lead to increased transferability of skills, and facilitate participation in the global workforce. Education and training linkages also include the development of strong research links, teacher exchanges and partnerships and scholastic networks.
7. Ministers agreed to actively encourage and facilitate regional student and academic mobility and exchange, and address barriers to these activities. They agreed that there are different but important issues in schooling, vocational and technical education and higher education. They agreed to collaborate on:
 - quality assurance frameworks for the region linked to international standards, including courses delivered online;
 - recognition of educational and professional qualifications;
 - common competency based standards for teachers, particularly in science and mathematics; and
 - the development of common recognition of technical skills across the region in order to better meet the overall skills needs of the economic base of the region.
8. The Ministers believe that the pursuit of the benefits of a region with greater transferability across education and training is an exciting and achievable goal that will greatly enhance education cooperation and cultural understanding in the region by:
 - building people to people links and institution to institution links;
 - promoting reform and improved education and governance;
 - enhanced mutual understanding, knowledge and innovation; and
 - helping to address regional skills needs.

II. A New Biennial Education Forum for the Asia-Pacific

9. The Ministers agreed to continue the Asia-Pacific Education Ministers' Meeting as a biennial meeting that will become a new forum to consider common education issues at ministerial level, throughout this extended region. It was agreed that the next Biennial Asia-Pacific Education Ministers' Meeting will take place in 2008.
10. The Ministers agreed to establish an Officials' Working Group convened by Australia. This group will provide an interim report to Ministers in twelve months. Ministers also agreed to invite other nations from the Asia-Pacific region that have expressed interest in the work programme but were unable to attend this meeting to join the working group.
11. The Officials' Working Group will maintain cognisance of future possibilities for compatibility with initiatives already in development such as the European Bologna and Copenhagen processes.

4 April 2006