ENGLISH
AUSTRALIA

21 July 2006

The Secretary
House of Representatives Standing Committee
on Economics, Finance and Public Administration
Parliament House
CANBERRA ACT 2600

Dear Secretary,

Inquiry into the current and future directions of Australia's service industries

English Australia (EA), formerly known as the ELICOS Association, is the peak body and professional association for the ELICOS - English Language Intensive Courses for Overseas Students - sector of international education in Australia. EA institutions accounted for 87 per cent of total enrolments in 2005 according to the annual "English Australia Survey of Major ELICOS Regional Markets in 2005" published in June 2006.

A copy of the Survey is attached because of its relevance to the Committee's Terms of Reference for the *Inquiry into the current and future directions of Australia's service industries*, specifically that which focuses on "the tourism and education service sectors".

The results of the Survey will be of particular interest to the Committee because they demonstrate that tourism and education are not totally separate sectors. In fact there is a considerable degree of overlap with the visa status of 51 per cent of total enrolments in 2005, comprising 'tourist' - 37 per cent - and 'working holiday and other' - 14 per cent. The other 49 per cent of enrolments fell into the student visa category.

The Survey also shows both that ELICOS student numbers exceeded 100,000 students and that the sector contributed more than $1 billion to the Australian economy for the first time in 2005.

As the non-ELICOS education services sector is dominated by purely educational institutions and the whole sector is regulated by the Department of Education, Science and Technology (DEST), EA has experienced difficulty in gaining recognition for its members' not insignificant role in the tourism services sector. If the Committee's report and recommendation could assist in breaking down these barriers, it would be of assistance to the overall development of Australia's service industries.

Finally, EA's survey is unique and is the only document (with partial funding support from AEI, the international arm of DEST) to focus on the number of overseas students and visitors undertaking English language studies in Australia. As EA generates revenue from the sale of the full report, EA requests that the Committee show discretion in publishing the full report and authorises only the publication of the Executive Summary.

EA would be happy to assist the Committee further with its Inquiry if required.

Yours faithfully

Sue Blundell
Director

ATTACHMENT A

ENGLISH AUSTRALIA SURVEY OF MAJOR ELICOS REGIONAL MARKETS IN 2005

EXECUTIVE SUMMARY

Published June 2006

ENGLISH AUSTRALIA

Survey of major regional markets for ELICOS institutions in 2005

Executive Summary

of a report prepared for English Australia by Environmetrics

June 2006

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Australian Government
Australian Education International

AEI - The Australian Government International Education Network has provided financial support for the preparation of this survey.

Introduction

This is the tenth survey of the ELICOS sector commissioned by English Australia. A benchmark study was commissioned in 1996, which covered enrolment statistics for the previous calendar year. A follow-up study was conducted in 1997. These two studies were undertaken by Austrade. This current study, the eighth undertaken by Environmetrics, covers enrolments for the 2005 calendar year.

The purpose of the study is to gain a clear picture of the number of overseas students and visitors who undertook English language studies in Australia in 2005. Particular attention was taken to obtain statistics on:

- student numbers by nationality;
- student numbers by visa type;
- numbers of individual and group enrolments;
- length of enrolments; and
- enrolments in each state or territory.

This report presents the main findings of the study. Data is analysed to provide an overall profile of the ELICOS sector, as well as a profile for Asia, Europe, Central and South America and, for the third year, the Middle East.

Executive Summary

Total enrolments (all nationalities, individuals and groups)

- Total ELICOS enrolment numbers for 2005 were 101,087, an increase of 11% from 2004 (91,129). A large part of the overall growth was in enrolments from South Korea.
- Asia remained the largest source of enrolments. It accounted for 80% of the total. European enrolments accounted for 13%, and Central and South American for 6%.
- NSW accounted for 37% of all enrolments in 2005, followed by Queensland (31%), Victoria (16%), Western Australia (11%) and South Australia (5%). These figures show small declines in market share for NSW, Victoria and WA, and small increases in market share for Queensland and SA when compared with 2004 figures.
- English Australia institutions accounted for 87% of total enrolments.
- Individual enrolments accounted for 84% of all enrolments. Group enrolments accounted for 16% of the total, consistent with 2004 figures.
- Japan and South Korea were again the two major source nationalities in 2005. South Korea experienced the largest absolute increase in enrolment numbers (over 4,000), and Denmark and Saudi Arabia the largest percentage increases in total enrolments (118% and 111% respectively, although these figures are based on small sample sizes and should be treated with some caution).
- Student visas were used by 49% of enrolees – a decrease from 2004 (51%). 37% held tourist visas in 2005, consistent with 2004 levels. 14% held working holiday and other visas in 2005; this is at its highest recorded level.
- In line with increases in total enrolments, there was an increase in weeks spent studying. 2005 saw an increase from 995,918 to 1,142,016 (a 15% increase). The average number of weeks stayed increased from 10.9 weeks to 11.3 weeks.
- With an increase in the number of students and weeks studied, there was also an increase in results for total spending. The total economic impact of all enrolments increased from $932 million in 2004 to $1,082 million in 2005 (an increase of 16%).
- Asian nationalities again dominated group enrolments. Ninety nine percent of all group enrolments were Asian, with Japanese students making up 57% of these.

Asia-Pacific region (individuals and groups)

- Total numbers of enrolments for the Asia Pacific region increased from 76,029 in 2004 to 81,189 in 2005. This represents an increase of 7%.
- The largest increase in enrolments for an individual nationality was 26% for South Korea. All other nationalities experienced increases, except for Taiwan (6% decrease), Vietnam (6% decrease) and Hong Kong (25% decrease).
- Japan continued to dominate the Asia Pacific market, contributing 32% of the region's total enrolments (cf. 34% in 2004).
- NSW accounted for 35% of all Asian enrolments in 2005, followed by Queensland (30%), Victoria (19%), Western Australia (10%) and South Australia (6%).
- The proportion of student visas was stable at 50%, with numbers of visitor and working holiday and other visas also remaining stable from 2004 to 2005.
- Total student weeks increased from 841,012 in 2004 to 924,034 in 2005 (a 10% increase), and the average number of weeks spent studying also increased (from 11.1 in 2004 to 11.3 in 2005).
- South Korea (27%), Japan (24%) and China (20%) accounted for the largest number of student weeks in 2005.
- Students from the Asia Pacific region injected $884 million into the Australian economy in 2005, an increase of 13% on 2004.
- The number of groups from the region decreased from 649 in 2004 to 444 (a decrease of 32%). The number of Asian students in groups decreased in line with this, from 16,111 to 15,660.
- The average number of weeks for groups increased from 3.0 in 2004 to 3.9 in 2005.

European region (individuals and groups)

- The number of European enrolments increased by 20% in 2005 to 13,596.
- Decreases in enrolments came from Germany (1%), Hungary (5%), Sweden (5%) and Other Western Europe (22%). All other nationalities experienced increases.
- As in previous years, Swiss enrolments made up a large proportion of the European market, accounting for 31% of all European enrolees, followed by French enrolments, with 14%.

- NSW accounted for 43% of all European enrolments in 2005, followed by Queensland (32%), Western Australia (19%), Victoria (5%), and South Australia (1%).
- The visa status of European enrolments was similar to that of 2004. 54% of European enrolees held visitor visas (down from 56%), 32% were on student visas and 13% on working holiday and other visas (up from 9%).
- The total number of weeks enrolled has increased from 2004 levels to 129,650 (an increase of 19%). The average number of weeks declined slightly from 9.6 in 2004 to 9.5 in 2005.
- European enrolees spent around $120 million in 2005 (up from $104 million in 2004).

Central and South American region (individuals and groups)

- There was an increase of 66% in total enrolments from the area (from 3,692 to 6,129).
- razil again yielded the largest number of enrolments, and experienced a 66% increase from 2004 (a total of 4,633 enrolments for 2005). Increases were seen for all Central and South American nationalities.
- NSW accounted for 44% of all Central and South American enrolments in 2005, followed by Queensland (39%), , Western Australia (9%), Victoria (8%), and South Australia (1%).
- 73% of all Central and South American enrolees held student visas (up from 70% in 2004), with 25% arriving on visitor visas, and 2% arriving on working holiday and other visas.
- There has been a 93% increase in the total number of student weeks (87,311), and an increase in the average number of student weeks (from 12.2 to 14.2).
- Total estimated spending of Central and South American enrolees was around $76 million compared with $40 million in 2004. This is an overall increase of 90% from 2004.

Middle Eastern Region (individuals and groups)

- Total enrolments for the iddle Eastern region in 2005 were 2,234, representing 51% growth over 2004 figures. The biggest contributors to this were Saudi Arabia (increase of 111%) and Turkey (increase of 60%).
- NSW accounted for 31% of all iddle Eastern enrolments, as did Queensland, followed by Victoria (21%), Western Australia (14%) and South Australia (3%).
- 74% of all iddle Eastern enrolments held student visas, with 22% arriving on tourist visas and 4% on working holiday and other visas.
- The total number of student weeks for iddle Eastern enrolments was 37,930, and the average number of student weeks was 17.0.
- The total estimated spending of iddle Eastern enrolees was around $36 million.

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