



Submission No 2

Inquiry into Australia's relationship with India as an emerging world power

Organisation: Education Adelaide

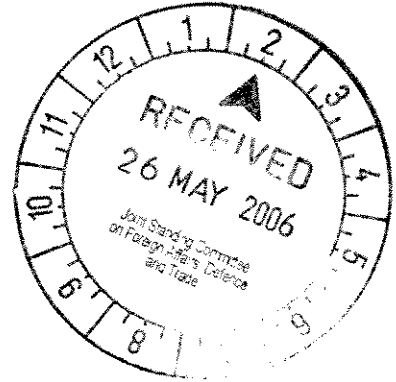
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EDUCATION ADELAIDE

25 May 2006

The Secretary of the Joint Standing Committee
Foreign Affairs, Defence and Trade
House of Representatives
Parliament House
CANBERRA ACT 2600



Dear Sir/Madam

RE: Foreign Affairs Inquiry into Australia-India Relations, 2006

Education Adelaide writes to make a brief submission to the parliamentary inquiry exploring Australia's relationship with India.

Education Adelaide is the peak industry organisation promoting Adelaide and South Australia as the nation's premier education and training destination to international students and education agents. Its financial backers include the South Australian Government, the State's four universities, the Adelaide City Council and a range of private and public schools.

Formed in 1998, the organisation employs experts in the areas of marketing management, operations and analysis to provide destination marketing support for South Australian education providers. Based on ABS modeling, in 2005 Education Adelaide estimates that international education contributed almost \$400 million to the SA economy. This makes it the State's largest services sector export earner and the fifth biggest export overall.

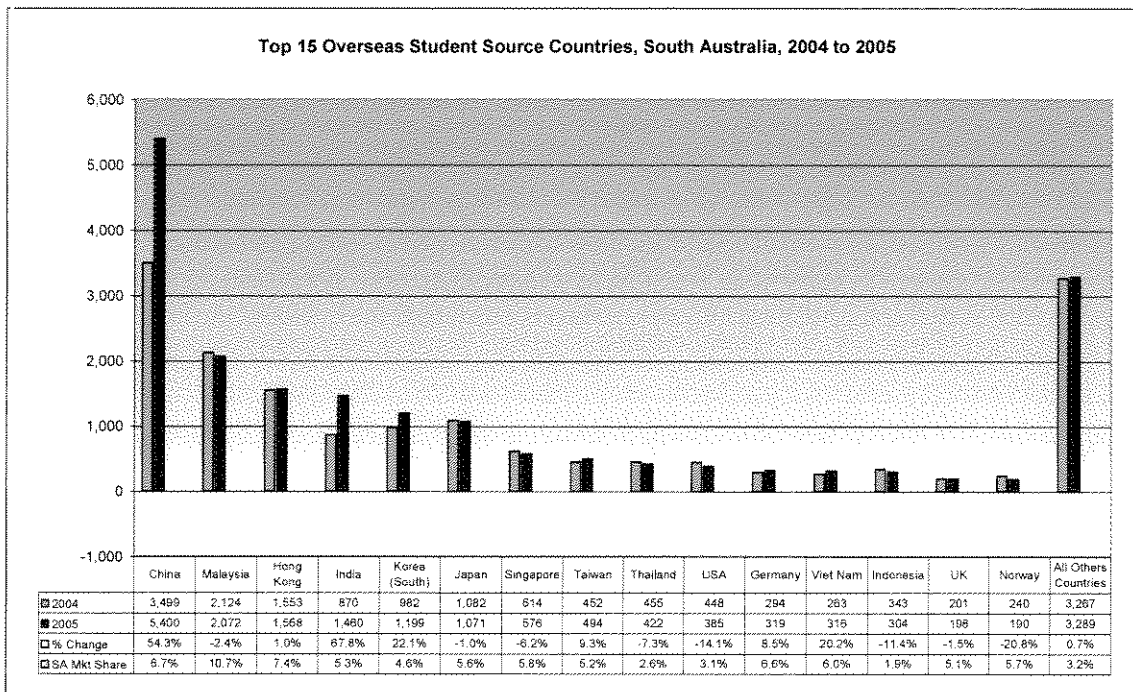
International Education directly supports 2,500 local jobs and accounts for 35% to 40% of all international visitor nights recorded by the International Visitor Survey (IVS), to say nothing of the State's offshore education programs and the significant social and cultural benefits provided by international students, their families and friends.

Please find a summary below of the key points that Education Adelaide is seeking to be noted and raised by the Foreign Affairs Inquiry into Australia-India relations.

The Indian market is one of the most important source markets for international students with the numbers trebling – albeit from a low base – over the last three years. All of State's four Universities and TAFE and private VTE providers are active in the market and have been for some time.

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South Australia's top 10 source countries represent more than 81% of all enrolments across all sectors. China and India continue to grow most rapidly, 54% and 67% respectively, during 2004-05.



The number of Indian students to Australia and South Australia is growing. In 2005, there were 1,459 Indian overseas students studying in SA in 2005, from a national total of 27,645. The numbers of Indian students studying in SA grew by 67.5% in 2004-05, compared to a national growth rate of 33.5%.

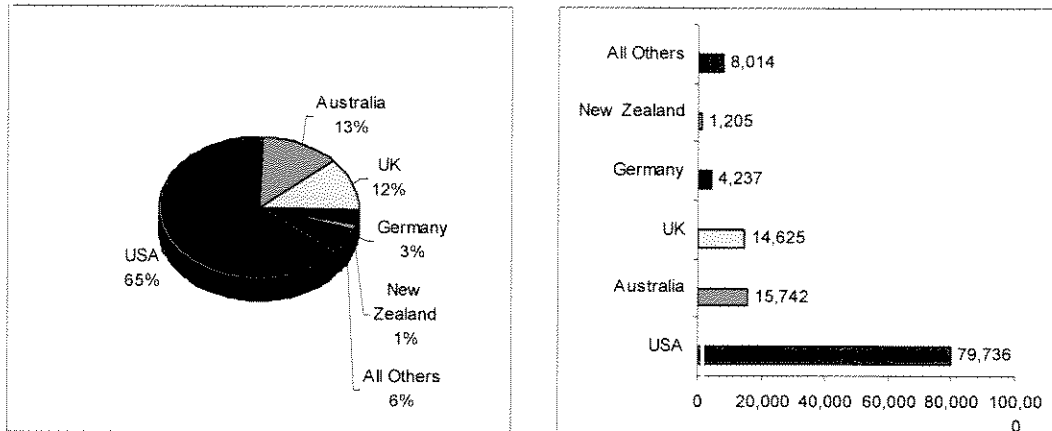
1.0 Indian Overseas Students

	2003	SA				SA % Mkt Share 2005	Australia			
		2004	2005	% Change 2004-2005	2003		2004	2005	% Change 2004-2005	
Higher Ed (Onshore)	338	824	1,379	67.4	6.2	12,291	17,850	22,263	24.7	
VTE	43	30	36	20.0	0.9	1,424	1,596	3,874	142.7	
Schools	2	1		-100.0	0.0	52	50	52	4.0	
ELICOS	2	10	16	60.0	1.2	452	1,079	1,308	21.2	
Foundation / Non-Award	3	6	28	366.7	18.9	112	136	148	8.8	
TOTAL	388	871	1,459	67.5	5.3	14,331	20,711	27,645	33.5	

Indian students made up 8.1% of all overseas students studying in SA during 2005, compared to 8% nationally and South Australia's market share is 5.3% of the national total.

Over the last ten years, Australia – significantly as a result of Federal Government policies – has become a leading player in the delivery of education to international students. According UNESCO data, the most popular destinations for the estimated 123,559 Indian Higher Education students in 2004 was the United States (66%), followed by Australia (13%) and the United Kingdom (12%).

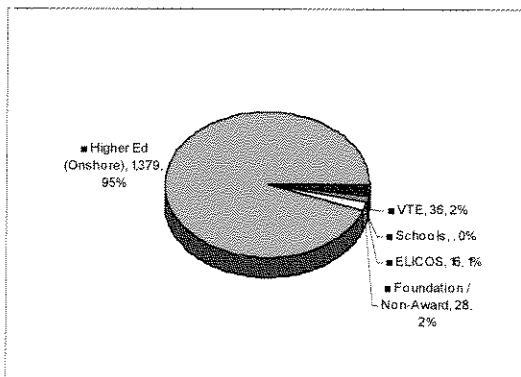
Leading Destinations of Indian Higher Education Students, 2004



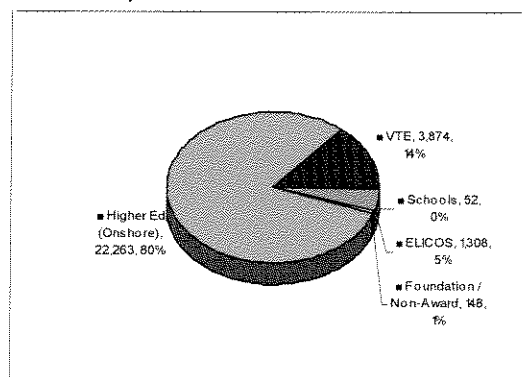
The vast majority of Indian students in 2004 came to Australia and South Australia to pursue studies at a Higher Education institution (95% in South Australia). The most popular level of studies was Masters by Coursework (80.1%) and Bachelors Degree (12.1%) during the period.

The most popular courses undertaken included Engineering, Surveying (37.9%); Computer Science (24.5%); Information Systems Business Administration, Management (17.3%).

South Australia, 2005



Australia, 2005



Significantly, many key priority markets for the education export industry mirror those for tourism. As mentioned previously, up to 40% of annual international visitor nights (International Visitor Survey conducted by Bureau of Tourism Research) to South Australia can be directly attributed to international students with a further 77,000 bed nights in 2005 resulting from visiting friends and relatives (VFR). This is based on research that shows, on average, for every international student an additional 0.81 visitors visit and stay for an average of 4.96 days. Apart from the financial benefits, there are also social and cultural advantages.

The education sector also has the power to attract first-time tourists to Australia, motivated to visit family member or friends who are studying in Adelaide. In this regard,

by collaborating with the education sector, the tourism industry can maximise opportunities to:

- Improve awareness of Adelaide as a destination;
- Reinforce students' choice of Adelaide as a study destination;
- Encourage more students to holiday in SA with their family and friends;
- Encourage repeat visitation from past students (especially from the short-term segment); and
- Improve and increase the tourism component of short-term study tours and school excursion/exchange education packages.

Educational institutions and inbound tourism operators also bring off-shore students to graduation ceremonies and tours of Adelaide and South Australia.

Education Adelaide asks that the Committee also note that there is a close correlation between Indian students and migration (both ranked fourth). Adelaide is currently the only mainland State capital which offers bonus migration points for international students and this is an advantage that we highly value. A recent national study suggests that up to 40% of skilled migrants were once international students. The Indian market is seen as crucial to helping the international education export industry reach the SA Strategic Plan targets by 2013. The target is to double the State's share of the international student market and increase the overseas migration share to equal the State's share of population.

2.0 SA linkages between Education – Tourism – Migration – Trade, 2004

Education (Student Visa's)	Tourism (Visitors)	Migration (Skilled)	Migration (All)	Trade (A\$ Exports)
1. China	19. China	2. China	2. China	6. China
2. Malaysia	10. Malaysia	5. Malaysia	6. Malaysia	8. Malaysia
3. Hong Kong	15. Hong Kong	11. Hong Kong	19. Hong Kong	10. Hong Kong
4. India	23. India	3. India	3. India	19. India
5. Korea (South)	14. Korea (South)	8. Korea (South)	14. Korea (South)	16. Korea (South)
6. Japan	7. Japan	41. Japan	37. Japan	3. Japan
7. Singapore	16. Singapore	7. Singapore	9. Singapore	20. Singapore
8. Taiwan	25. Taiwan	19. Taiwan	36. Taiwan	14. Taiwan
9. Thailand	22. Thailand	33. Thailand	21. Thailand	11. Thailand
10. USA	2. USA	22. USA	15. USA	1. USA
11. Germany	3. Germany	20. Germany	27. Germany	N/A Germany
12. Indonesia	24. Indonesia	35. Indonesia	41. Indonesia	15. Indonesia
13. Viet Nam	28. Viet Nam	26. Viet Nam	11. Viet Nam	N/A Viet Nam
14. UK	1. UK	1. UK	1. UK	2. UK
15. Norway	N/A Norway	67. Norway	82. Norway	N/A Norway

3.0 Future Indo-Australia Opportunities

In Adelaide, overseas students find themselves among 230,000 Australian students, so there's plenty of scope for them to immerse themselves in the local culture and explore their new home.

Our international students – past, present and future – offer an almost unrivalled opportunity for branding Australia and South Australia as a first-choice destination for study. Word of mouth is the most influential form of advertising for international students. In an increasingly competitive market, support for students will be a defining brand attribute.

Education Adelaide and its many stakeholders place significant emphasis on welcoming students to South Australia, looking after their welfare while they're here and are exploring strategies to assist them with employment options when they return home.

And the efforts are paying off. Seventy per cent of international students surveyed in 2004 would recommend Adelaide as a study destination to their friends. And 80% said their accommodation met all their needs.

In the future, additional resources might be required to support overseas students and ensure that Australia and South Australia continues to deliver on the promise of a supportive community environment. In doing so, we will maintain a competitive marketing advantage.

International students also provide Australia and South Australia with an opportunity to brand themselves in fields of international excellence (medical and scientific research, water resource management, defence, IT, agriculture, wine making and hospitality training).

There are also significant opportunities to leverage the brands and international marketing activities of stakeholders such as Immigration SA, the Department of Trade and Economic Development, the South Australian Tourism Commission, Austrade, Australian Education International, the International Development Program and Tourism Australia.

More broadly, the Government of South Australia has placed education at the very centre of its economic and social goals for the next decade and identified the Indian market as a cornerstone. The Premier Mike Rann has pledged to visit India annually and has already led two highly successful trade missions to India.

The South Australian Government established a trade office in Chennai late last year headed by a former Austrade officer. Education Adelaide utilises the resources of this office and the resources of the offices of Australian Education International (funded by DEST) and IDP (funded by Australian universities).

In 2005, the Australian India Business (AIBC) SA Chapter was launched in Adelaide to be South Australia's peak body for building strategic business links between Australia and India for the benefit of members from both countries.

The SA Chairman, Brian Hayes QC, will lead a South Australian Trade Awareness Delegation to India later this year.

Recently returned from a fact-finding trip to India, Brian says he had useful and encouraging discussions with the Federation of Indian Chambers of Commerce Institute (FICCI).

FICCI acknowledged that there have been good business relationships established in sectors such as higher education, tourism and hospitality, film and IT and indicated there is now a growing demand for other sectors because of India's rapid development.

With significant infrastructure projects in India such as the five new airports and its major building and road works, opportunities are there for companies with the technology and expertise. Other sectors that could benefit are the resource industry and the environmental management industry and, in particular, water technology.

Education Adelaide stakeholders are also exploring the development of a dedicated program to assist students seeking Permanent Residency designed to support prospective Indian international students with job application processes, Australian culture/society and business practices and networking.

Education Adelaide supports the recent announcement about the Australian Government's commitment to provide \$25 million to facilitate Indian specific research and scholarships. We also note that IDP predicted that 80,000 Indian students would study in Australia annually by 2025.

4.0 Summary

In summary, Education Adelaide makes this submission to the parliamentary inquiry exploring Australia's relationship with India in the hopes that the committee will recognise the importance of international education in developing Australia's relationship with India.

Economically, international education is worth nearly \$400 million to South Australia alone and is the number one export earner for the State in the services sector.

We acknowledge the importance of the bonus migration points to South Australia to helping us meet our international student and migration targets and seek to maintain this advantage.

Australia is now one of the top three destinations for Indian students seeking to study abroad and numbers have grown, and are growing, at a rapid rate. We support the Federal Government policies and resource allocation that has driven this growth and trust that the Committee would want to see these resources at least maintained. We also think if the Australian Parliament is seeking to engage with India as emerging world power international education offers one of the most strategic opportunities.

International students – past, present and future – offer an almost unrivalled opportunity for branding Australia and South Australia as a first-choice destination for study and as a leader in significant fields of strategic advantage.

As demonstrated there is also a strong correlation between international students, tourism, trade and migration and we believe that even more could be done to leverage these relationships.

Socially and culturally, Indian students greatly enrich the cultural diversity of the state's educational institutions, and the wider community. They provide local students with a

valuable world perspective and also go home as unofficial ambassadors for SA, with a greater understanding of Australia and our national values.

Our submission outlines the importance that Adelaide and South Australia places on the Indian market and we would welcome the opportunity to discuss any aspect of our submission with you in greater detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Denise von Wald', with a long horizontal flourish extending to the right.

Denise von Wald
Chief Executive
EDUCATION ADELAIDE