

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2004-2005 ADDITIONAL ESTIMATES HEARING

**Outcome** 3  
**Output Group:** 3.3 - Support for the Australian education and training export industry and international relationships.

#### DEST Question No. E842\_05

Senator Carr provided in writing.

#### Question:

(a) (i) Can DEST confirm that AEI was not involved in the financing and/or organisation of the Australian International Education Conference organised by IDP Education Australia in October 2004 in Sydney?

(ii) If AEI was involved, can DEST provide a report including details of the financial arrangements between the two organisations, and the financial outcome?

(b) Was IDP able to meet all of the financial and resource requirements as agreed with AEI?

(c) Please provide details of all additional costs and resource imposts placed on AEI associated with that conference, resulting from IDP's financial and staffing difficulties as reported in the *Australian HES* of 15 December 2004, and any other such difficulties.

(d) Will AEI be jointly organising a conference jointly with IDP in 2005, as advertised on the IDP website?

(e) If so, please provide a report on the nature and scope of forward planning and organisation to date. How many planning meetings have been held with IDP on the conference? On what dates were they held?

(f) What are the proposed financial arrangements?

(g) (i) If AEI will not be organising a joint conference in 2005 with IDP, when was that decision made?

(ii) What was the reason for the decision?

(h) Will AEI be holding such a conference, organised solely by AEI or jointly with another organisation? What organisation?

(i) What are the financial implications for AEI of the change in direction of IDP and its decision to consolidate its activities? What are the organisational implications?

(j) Will AEI seek to move into areas vacated by IDP in the international education market? What areas? Will AEI be expanding its consultancy activities, in the light of IDP's move to exit from that area? Please provide details.

(k) Will AEI be employing, or has AEI already engaged, any staff who have recently left IDP? How many? In what capacities?

(l) What are the broader policy implications for the Australian international education industry of the financial and other problems being experienced by IDP? Does DEST expect other companies or organisations to follow IDP – consolidating or downsizing?

(m) Does DEST concur with IDP management's view that its problems are basically the result of a rising Australian dollar? If so, what are the implications for Australian providers in the international education industry?

(n) (i) Does DEST expect to see a substantial downturn in income from this source for universities and TAFE providers over the next three years?

(ii) Please provide the Committee with the department's financial projections, both total and on an institution-by-institution basis.

(o) (i) What are the implications for the manner in which Australia and Australian institutions market and promote themselves overseas?

(ii) Does the department expect a shift in emphasis, away from affordability and towards quality of provision?

(iii) What measures has AEI taken, and will it take, to effect this change in emphasis?

(p) (i) Does DEST expect that potential migration and employment prospects will become more central to Australia's marketing of education internationally?

(ii) Will this entail a further liberalisation of criteria for permanent residency?

(iii) Has DEST discussed this with DIMIA?

**Answer:**

*Australian Education International-IDP Education Australia conference and other matters*

(a) (i) AEI was not involved in the financing or organisation of the 2004 IDP Conference in Sydney.

(ii) AEI paid IDP \$4,400 for an exhibition booth at the conference. AEI also participated on IDP's Industry Advisory Committee, a committee established by IDP to seek the views and advice of industry on the program and themes for the conference. In addition to this involvement, 7 AEI staff presented in specific sessions of the conference, AEI funded the travel costs of an international delegate from the Middle East and an additional 15 AEI staff attended part or all of the conference as participants.

(b) IDP provided an exhibition booth to AEI.

(c) There were no additional costs or resource imposts placed on AEI related to the 2004 conference. IDP's financial difficulties were not publicly known at the time of the conference. AEI is not privy to the internal financial details of IDP's operations.

(d) AEI and IDP have agreed that the proposed Australian International Education Conference scheduled for October 2005 will now not proceed as a joint conference in 2005.

(e) Not applicable.

(f) Not applicable.

(g) (i) This decision was made in consultation with IDP's interim CEO in February 2005.

(ii) Reasons for this include IDP's current focus on restructuring its organisation following cash flow difficulties in 2004 and the timing for the proposed event. IDP will be proceeding with its own conference in October, though it is likely that this will be on a smaller scale.

(h) AEI is considering its options for an International Conference in 2006. At this stage a decision has not yet been made.

(i) There are no financial or organisational implications for AEI.

(j) AEI has not sought to move into areas vacated by IDP in the international education market. It is not expected that there will be any flow-on affect in consultancy activities.

(k) There are no current plans to specifically employ former IDP staff. In September 2004 one IDP staff member resigned from the IDP Washington office and joined the AEI Los Angeles office as the senior locally engaged staff member. The IDP Washington Office did not close until November 2004.

(l) IDP publicly announced in December 2004 that it would make a strategic shift from market diversification to market consolidation, closing its offices in Sweden, the UK, South Africa, Brunei, Colombia, Brazil and Mexico (this followed an earlier announcement of closure of its North America operations). These seven countries apparently make up about 6% of IDP's student numbers compared with IDP's core Asia markets (representing some 75%). We understand that IDP attributed its decision to close these offices, in part, to significant competition by other in-country agents, direct recruitment practices by a growing number of Australian providers and increased use of on-line applications directly to Australian providers. We have no knowledge of any other companies or organisations in the Australian international education industry that would be in a similar position to that of IDP.

(m) No. There are a range of factors slowing growth in the number of students coming to Australia. These factors include:

- increases in course fees over the last two years;
- Australian institutions are providing more places offshore;
- local provision of education has improved as some countries invest more in their education systems;
- increased competition from countries such as Malaysia and Singapore;
- the appreciation of the Australian dollar.

(n) (i) No. The Department does not have information available to it to enable such projections to be made.

(ii) As above.

(o) (i) The industry will need to take account of the movements in the Australian dollar in setting fees and promoting affordability. Affordability is only one of the marketing points for Australia, with the key point being quality.

(ii) Relative affordability will depend upon relative fee costs and costs of living, as well as Australian dollar movements.

(iii) It is for the industry to decide on the relative emphasis given to the various positive aspects of studying in Australia. At the generic level, AEI notes affordability in its promotional material where relevant to current circumstances.

(p) (i) According to the DIMIA publication "Population Flows: Immigration Aspects 2003–04 Edition", 54,334 General Skilled Migration (GSM) visas were granted. Some 50% of these applicants had an Australian qualification, or approximately 27,000. While this is a significant proportion of the GSM program, this is only approximately 10% of the international student body studying in Australia in any one year. While migration and employment prospects in Australia will increase marketability of Australian education services, most international students return home upon completing their Australian qualification.

(ii) Not at this stage.

(iii) Not at this stage.