English Australia

Survey of major ELICOS regional markets in 2014

May 2015

ENGLISH AUSTRALIA

QUALITY | SUPPORT | ASSURANCE

Executive Summary

of a report prepared for English Australia by Environmetrics

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English Australia contact: Sue Blundell
Environmetrics contact: Philip Smith

Ref: 8045

Environmetrics Pty Limited

PO Box 512 Broadway NSW 2007

Tel: +61 1300 802 446

Email: philip@environmetrics.com.au

ABN 61003546192

English Australia

PO Box 1437 Darlinghurst NSW 1300

Tel: +61 2 9264 4700

Email: easec@englishaustralia.com.au

www.englishaustralia.com.au

ABN 90 087 690 408

Australian Government
Department of Education and Training

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Introduction

This is the nineteenth 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. Austrade undertook these two studies. This current study is the seventeenth undertaken by Environmetrics and covers enrolments for the 2014 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 2014. 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 Pacific, Europe, the Americas and the Middle East & North Africa.

Executive Summary

Total enrolments (all nationalities, individuals and groups)

- The ELICOS market had positive growth in 2014 across most key measures, generating the highest ever enrolment levels with an impact on the economy of over $2 billion. Growth in 2014 built on the 2013 surge after the significant declines suffered from 2009. Student enrolments increased +11% on the previous year and course weeks increased by +10%, with the average length of course remaining stable at 12.9 weeks. Export earnings grew to $2.075 billion which was +12% higher than the $1.846 billion generated in 2013, resulting in an average spend per student of $12,688.
- In 2014 ELICOS student enrolments grew +11% to 163,542 students from 147,828 in 2013. This is the highest level of annual enrolments ever recorded, passing the 2008 peak of 162,114. The ELICOS market previously peaked in 2008 after growing consistently over a five year period from 78,338 in 2003.
- In 2014 there were increases across most visa types, with Student visas increasing by +18% (+16,212), Visitor visas by +9% (+2,578) and Other visas by +10% (+626). The Working Holiday visa category was the only one to show a decline of -17% (-3,702), after a strong increase in 2013 of +25%.
- The visa profile of the market changed in 2014. With the strong growth in Student visas, this category now accounts for 66% of the total, significantly higher than the 62% recorded in 2013. Visitor visas accounted for 19% of ELICOS students in 2014, Working Holiday visas for 11% and Other visas for 4%.

- The average length of study remained stable at 12.9 weeks in 2014. There was some variability across the visas with most declining slightly in 2014, the exception being Other visas, increasing to 8.1 from 7.6 weeks. Student visas average declined from 16.8 to 16.3 weeks, Working Holiday visas dropped to 8.1 from 8.6 weeks and Visitor visas declined to 4.8 weeks from 4.9. The average course length ranged from a low of 4.2 weeks for students from the Asia Pacific region on Visitor visas, to a high of 20 weeks for students from the Middle East and North Africa region on Student visas.

- The total number of weeks increased by +10%, slightly less than the +11% for enrolments given a stable average course length from 2013. Actual weeks grew from 1,912,013 in 2013 to 2,104,832 in 2014.

- Export earnings for ELICOS grew to over $2 billion in 2014 for the first time, generated by a +12% increase on 2013, with total economic impact increasing from $1.845 billion in 2013 to $2,075 billion in 2014.

- All regions showed increases in student enrolments, however the growth was primarily driven by the Asia Pacific region growing +14% (+13,412) with other regions growing at less than the overall market with Middle East and North Africa up by +7% (+459), Europe up by +4% (+974) and the Americas up by +4% (+850). Sub-Saharan Africa also saw an increase in the number of enrolments, though on a small base.

- The regional share profile of the market reflected the strength of the Asia Pacific region which grew in 2014 to account for 66% of all student enrolments (from 64% in 2013). Europe's share declined to 16% (from 17%), as did the Americas to 13% (from 14%). The share for the Middle East and North Africa region remained at 4% in 2014.

- In 2014 all states experienced growth except Queensland, with NSW and Victoria both generating the highest enrolments ever recorded. Victoria had the strongest growth with +28% (+8,362) and South Australia +25% (+1,059). NSW +9% (+5,531) and Western Australia +8% (+1,140) experienced positive growth levels. Queensland declined slightly by -1% (-378).

- NSW accounted for the greatest share of student enrolments in 2014 with 40%, maintaining the same proportion as in 2013. Victoria's share grew to 24% (from 20% in 2013) equalling Queensland's 24% share which dropped from 27% in 2013. South Australia's share grew slightly from 2.9% to 3.2% whilst Western Australia's share decreased slightly from 9.5% to 9.2%.

- Asia Pacific was the most important source region for all states. China is the most important source country for NSW, Victoria, Western Australia and South Australia. Japan is the most important source country for Queensland.

- The top ten source countries for 2014 were (in order): China, Japan, South Korea, Thailand, Brazil, Colombia, India, Vietnam, Taiwan and Italy. The top three all retained the same positions as in 2013. In 2014 the 4th position was taken by Thailand with Brazil dropping to 5th, India entered in 7th place and Italy dropped to 10th. Saudi Arabia dropped out of the top 10 and with it Middle Eastern and North African representation.

- China was the major source country in 2014 with 18% of ELICOS student numbers, with share increasing from 17% in 2013. Japan was the next most important source country contributing 11% (down from 12% in 2013), followed by South Korea with 9% (down from 12% in 2013) with Thailand contributing 7% of all student enrolments.

- China showed strong growth in 2014 of +19% (+4,654). 86% of Chinese students held a Student visa, with small numbers holding Visitor and Other visas.

- Japan maintained second place in 2014 with modest growth of +2% (+341). The Visitor visa remains the most popular visa type for Japanese students with 52% choosing this option. 25% choose Student visas and another 20% choose Working Holiday visas. Japan saw the strongest growth in Student visas with +8% (+333) and Visitor visas with +4% (+381).
- South Korea maintained its place in third position in the top ten, though enrolments significantly declined by -19% (-3,396) in 2014. This returns South Korea to the previous trend of declining enrolments which began in 2009. Numbers from South Korea plateaued for three years from 2006 to 2008 at around 25,000 and declined over the next four years to 2012, increasing in 2013 but again declining in 2014, to pre-2004 levels, at 14,057. The student visa (with 43% share) has become the dominant visa, overtaking the Working Holiday visa share of 37% (which had been the most common visa in previous years). This reversal was due to a -34% (-2,680) decline in Working Holiday enrolments, with all other visa types also declining in 2014.
- In 2014 the top 3 accounted for 38% of ELICOS enrolments, a decline from the 41% recorded in 2013, reflecting the growing diversity of enrolments. 74% came from the top ten source countries.
- Nine of the top ten countries showed growth in 2014, with the exception South Korea.
- The strongest growth in terms of student numbers came from China, India, Thailand, Hong Kong and Italy with the strongest growth in weeks coming from the same four countries.
- The strongest decline in student numbers came from South Korea, Russian Federation, Switzerland and Hungary with the strongest decline in weeks and revenue coming from South Korea and Brazil.
- Numbers of group enrolments grew in 2014 by +15% (+1,563), maintaining the same proportion (7%) of total enrolments. The average course length for Group enrolments decreased to 3.7 weeks from 4.3 weeks in 2013. In terms of course weeks, however, Groups only contributed 2.2% of the total.
- Asian nationalities again dominated group enrolments, contributing 91% of the total (increasing from 88% in 2013). Japanese students made up 43% of group enrolments, slightly down on 2013.
- English Australia member colleges accounted for 88% of total enrolments in 2014.

Asia Pacific (individuals and groups)

- Total numbers of enrolments for the Asia Pacific region increased from 94,860 in 2013 to 108,273 in 2014. This represents an increase of +14% (+13,412).
- All major source countries, with the exception of South Korea, showed increasing numbers of student enrolments, with the strongest growth coming from China (+4,654), India (+ 4,414), Thailand (+3,233) and Hong Kong (+ 1,454). South Korea declined -19% (-3,396).
- For the seventh consecutive year China was the most important source country in the Asia Pacific region, contributing 27% of the region's total enrolments. Japan contributed 17%, with South Korea contributing 13% (down from 18% in 2013).
- In 2014 NSW share of enrolments from the Asia Pacific region remained stable at 39%. Victoria advanced to second position with 26% share (up from 23% in 2013). Queensland lost share in 2014 dropping from 27% to 23%. Western Australia remained stable at 8%, while South Australia increased slightly from 3% to 4%.

- The proportion of Student visas increased significantly to 67% from 61%, with Visitor visas decreasing from 19% to 18%, Working Holiday visas declining to 11% from 17% and Other visas increasing to 4% from 3%.
- Total student weeks increased from 1,205,811 to 1,386,856 in 2014 (+15%), with the average number of weeks spent studying increasing slightly to 12.8 (from 12.7 in 2013).
- China (32%) and Thailand (13%) accounted for the largest number of student weeks in 2014.
- Total estimated spending of students from the Asia Pacific region was $1,407 million compared with $1,187 million in 2013. This is an overall increase of +19% from 2013.

Europe (individuals and groups)

- Total numbers of enrolments from Europe increased from 25,107 to 26,081 in 2014. This represents an increase of +4% (+974).
- The largest increase in the number of enrolments for an individual nationality was Italy (+1,030), followed by Germany (+491) then Spain (+101). Four of the top ten European source countries recorded declines in enrolments in 2014, with Russian Federation (-350) and Switzerland (-244) the largest.
- Italy now contributes 25% (up from 22% in 2013) of all European enrolments and is the most important source country for Europe. France overtook Switzerland in 2014 and is now the second most important source country at 13%. Swiss enrolments continued to decline accounting for 13% share (down from 14% in 2013).
- In 2014 NSW share of enrolments from Europe declined further from 49% to 46%. Queensland share increased slightly from 24% to 25%, with Victoria increasing from 12% to 15%. Western Australia decreased from 14% to 13%, while South Australia remained stable at 1%.
- Student visas are growing in importance in the European market. In 2012 Student visas overtook the Visitor visa as the most frequent visa type and in 2014 Student visas now account for 43% of the market (up from 41%). Visitor visas have stabilised at 31% as have Working Holiday visas at 22% with Other visas decreasing slightly to 5% (from 6% in 2013). The decline from Switzerland and the growth from Italy and Spain have driven these changes.
- The total number of weeks enrolled has increased from 247,975 to 258,325 in 2014 (an increase of +4%). The average course length for European students was the same as 2013 at 9.9 weeks.
- Total estimated spending of European students was $225.3 million compared with $214.7 million in 2013. This is an overall increase of +5% from 2013.

The Americas (individuals and groups)

- Total numbers of enrolments from the Americas increased from 20,558 to 21,408 in 2014. This represents an increase of +4% (+850).
- Brazil is the biggest contributor of enrolments, representing 48% of all enrolments from the region in 2014. The second most important source country, Colombia, accounted for 36%.
- Venezuela grew by +46% (+176) and Mexico by +46% (+180) though Chile (+236) had the largest absolute increase in enrolments in 2014 with +236. Small declines were seen from Peru, Argentina and Ecuador.
- In 2014 NSW share of enrolments from the Americas returned to 40% from 37%. Victoria continued to increase share growing to 20% from 18%. Queensland share declined from 31% to 28%, with Western Australia declining from 11% to 10%, while South Australia remained stable at 2%.
- The visa profile remained the same as in 2013 with 85% of all enrolees from the Americas on Student visas, with 9% arriving on Visitor visas, Other visas accounting for 5%, and Work and Holiday visas accounting for less than 1%.
- There has been a slight decline of -1% in the total number of student weeks (from 333,954 to 330,715), generated by a decline in average course weeks from 16.2 to 15.5 in 2014.
- Total estimated spending of enrolees from the Americas dropped to $304 million from $309.4 million in 2013. This is an overall decrease of -2% from 2013.

Middle East & North Africa (individuals and groups)

- The Middle East & North Africa reversed the previous declining trend, increasing +7% in 2014. Total enrolments for the Middle East & North Africa increased from 6,592 to 7,051 in 2014.
- There were mixed results across the region. Saudi Arabia, the most important source country, declined slightly in share to 58% from 59%, though increasing enrolments by +6% (+237) in 2014. There were some significant positive shifts: UAE (+161%), Oman (+67%) and Iraq (+45%) and strong negative shifts: Libya (-74%), Egypt (-54%), Jordan (-32%) and Kuwait (-26%).
- The state share of the Middle East & North Africa markets changed in 2014 with Victoria taking pole position from NSW. Victoria increased from 25% to 29% while NSW declined from 32% to 28%. Queensland share also declined from 26% to 25%. Western Australia increased to 11% from 10% and South Australia also increased share from 7% to 8%.
- 80% of all enrolees from the Middle East & North Africa held Student visas, down from 81% in 2013, with Other visas accounting for 11% and Visitor visas 9%, with Work and Holiday visas accounting for less than 1% in 2014.
- Total weeks studied for the Middle East & North Africa increased only marginally by +1% on 2014 (from 122,926 to 124,084) despite the stronger increase in enrolments. This can be explained by the decline in the average course length from 18.6 in 2013 to 17.6 in 2014.
- The total estimated spending of students from the Middle East & North Africa was $133.7 million showing little change from $133.3 million in 2013.