Australia in the Asian Century

Submission from
Australian Council for Private Education and Training (ACPET)

February 2012
1. Introduction

The Australian Council for Private Education and Training (ACPET) is the peak body for private education and training providers in Australia. Australia’s private education and training sector offers quality, diversity and choice to students from Australia and around the world. ACPET’s core purpose is to enhance and promote the role of private tertiary education in order to achieve educational outcomes of the highest quality for individuals, their employers and communities. ACPET has 1,100 members around Australia representing high quality private higher education, vocational education, schools and English language colleges.

ACPET welcomes the development and consultation on the White Paper on Australia in the Asian Century and we are delighted to provide this submission on behalf of our members. ACPET believes that the quality of education in the region, our ability to cooperate across national boundaries and sharing of approaches to meet skills shortages will be critical to the economic future of Australia and the region. We have seen through the development of Australia’s international education sector and the growing mobility of students that education and training, skills development and knowledge transfer, form an important platform for trade, investment and people to people linkages.

ACPET has a long history of engagement across Asia, working with private sector peak body counterparts, government agencies and other industry partners to meet education and training needs. ACPET takes its role in the region seriously, both as a provider of high quality education services through its members, but also as a regional voice for high quality private education.

Given the critical importance of education in supporting social and economic development, ACPET’s approach in preparing this submission is to profile the experience of the private education and training sector across Asia and highlight the critical issues to be addressed in continuing this important form of engagement.

This submission is structured in three sections. The first section provides the background and focuses on the importance of international education for the future of the region and Australia’s expertise in this area. The second section looks at six key countries – China, India, Indonesia, Vietnam, Philippines and Japan – where ACPET and its members are actively engaged. The third section suggests ten critical issues that should be addressed collectively by governments, education providers and industry partners across the region in order to secure a prosperous future for all in the Asian century. The discussion questions as outlined in the White Paper are addressed in this section.

“International education’s significance is much broader than economics. It reaches into every sphere of our lives. It is a central part of our international diplomatic efforts and contributes to the development of good relations with our neighbouring countries”. (Gillard, 2008)

2. The Asian Century – what’s happening – education in Asia

“Education is key in promoting human resource development, bridging the development gap, enhancing regional competitiveness and in achieving sustained economic recovery and development”. (East Asian Ministers Meeting 2010)

The role of education in the economic and social development of the region is paramount. Education prepares individuals to integrate into their local, regional and global community. Education also supports participation in the workforce, enabling individuals to contribute to their personal and community’s economic advancement. Investment in education in Asia has flourished over the past 20 years; this has been accompanied by high population growth, donor support in less developed countries, private sector investment and a growing middle-class eager to access quality education.

The various regional fora, including Asia–Pacific Economic Cooperation (APEC), Association of South East Asia Nations (ASEAN) and the East Asia Summit (EAS), recognise the importance of population, demographics and economics as driving the future of the region. At the 2010 EAS meeting, member states recognised the importance of education as a “key in promoting human resource development, bridging the development gap, enhancing regional competitiveness and in achieving sustained economic recovery and development.”

The Asia–Pacific region will experience a dramatic transition of the population demographic over the next 40 years. According to UNESCAP, during 2010 the Asia–Pacific workforce population (i.e. aged 15–64) was expected to peak at 72% in Eastern Asia. By 2050, the Asia–Pacific region will be home to most of the world’s elderly people, with 998 million people aged 60 and above. Many employers in the region already experience a shortage of skilled labour, so the implications for the future workforce are significant.

The number of people with higher education credentials has never been higher in the region; over the past two decades, the number of university graduates in the region has increased significantly. In countries like Thailand, Indonesia, and China, the percentage of tertiary level graduates in the workforce is now about 20%, double what it was 20 years ago. Yet at the same time, employers believe that they are not getting the skilled workers they need to compete in a global economy. In a World Bank survey, 20% of employers reported that skills’ availabilities are a major impediment to business, as much as, if not more than, meeting onerous regulations.

Worldwide demand for tertiary education continues to grow; UNESCO estimated that between 1990 and 2007 participation in tertiary education globally rose from 66.9 million student enrolments to 152.5 million, a 128% increase. Should current trends in international enrolments continue, it is expected that between 4.1 million to 6.7 million students will be studying abroad by the year 2020. Half of the world’s international students were from the Asian region. For Australian education providers over this period, China has been the main source for international students, followed by India and South Korea. China and India showed the strongest growth in outwardly mobile students.

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2 Chairman’s Statement of the East Asia Summit (EAS) Ha Noi, Viet Nam, 30 October 2010
3 UNESCAP (2007) Demographic Divided
4 Watson Wyatt (2010) Asia Pacific Demographic Transformation in Asia Pacific
5 World Bank (2011) Putting Higher Education to Work: Skills and Research for Growth in East Asia
between 1999 and 2007, sending hundreds of thousands of students around the world annually. China and India dominate the international student market because of their size, their rapid economic growth and demographic pressures resulting from the increasing proportion of young people seeking a tertiary education.

Diagram 1: The growth of inbound students to Australia 2002–2011 by region in Asia

Cultural characteristics also point to Asia as the centre of education renewal and reform across the world. Education is held in the highest esteem across Asian societies. There is also a well-developed diaspora that supports increased education mobility. The rising middle class across many Asian communities drives and connects the education agenda, with many individuals holding aspirations to study abroad.

From a development perspective, global aid agencies are continuing to prioritise education in their aid budgets in recognition of education’s critical value in social and economic development. The Australian Aid Agency (AusAID) invested $842 million in 2010 in education related aid and development programs, with the majority of these funds support projects in Asia. AusAID refers to “education is the flagship of Australia’s aid program”, with programs in the Asia–Pacific region supporting the whole sector from early childhood, primary and secondary education, vocational training and skills development and higher education. Building quality education systems is a shared priority for AusAID and for many providers operating in the region.

“Supporting education is one of the most effective uses of aid. Education provides the foundation for economic growth and self-reliance. It has additional benefits in health, governance, gender equality, stability and security, and in fostering effective states.” (AUSAID, 2007)

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3. New models of education engagement across Asia

In 2011, the Australian international education industry celebrated 25 years operating as an industry. An important publication, supported by all sectors of the Australian education industry, *Making A Difference*, showcases the innovation inherent in the sector and the valuable contribution education has made to Australia and the one million alumni who hold an Australian qualification. Over the past 25 years Australian education institutions have broadened and deepened their engagement with institutions around the world. The internationalisation of education now extends far beyond inbound students and includes:

- delivery of offshore (transnational) programs
- capacity-building and consultancy services
- outbound mobility of students and staff.

For those outside of the education sector we appreciate that these terms may not be well understood. To this end, the section below highlights the scope of these activities and how Australian education providers implement them.

Transnational education

Education institutions deliver their qualifications or training in an offshore location (transnational education or TNE). Australian institutions have become highly proficient in establishing various types of offshore programs, partnerships and campuses. The majority of offshore delivery has occurred in China, Malaysia, Singapore, Vietnam and Hong Kong. More than 100 Australian private education providers deliver TNE programs in 66 countries.  

Capacity-building and consultancy services

Australia’s official development assistance (ODA) in the Asia–Pacific region includes significant investment in capacity-building and support of social and economic development. Australian educational institutions have a long history of delivering commercial and aid projects that help to build the capacity of education systems, industries and communities across the Asia–Pacific. Much of Australia’s ODA in the Asia–Pacific is supported through education and training, governance and educational exchange through Australia’s universities and colleges. ACPET members’ colleges are engaged in programs in Timor Leste, Philippines and Indonesia, which are funded through aid agencies.

Outbound mobility

Outbound mobility programs and exchange are popular means of engagement, particularly with Asia. Mobility usually takes the form of a study tour and/or short work placement directly related to a student’s course, and in some cases, is counted as part of their assessment. Mobility programs are also opening up new opportunities for international students to combine their studies in Australia with Asia–Pacific work placements, internships and study tours. ACPET members are involved in a range of programs supporting staff and students experience work and study in Asia.

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4. Australia’s international education sector

The significance of the education sector to Australia’s political, social and economic development is enormous. Economically, educational services have grown to become Australia’s largest services export industry ahead of other personal travel services ($12.1 billion) and professional and management consulting services ($3.1 billion). Of the total export income generated by education services, $18.5 billion was from spending on fees and goods and services by onshore students and a further $581 million was earned through offshore educational activities.

The Australian education system, including the growth of private tertiary education has been transformed through our engagement with international students and partner institutions primarily in the Asia–Pacific. While the nature of Australia’s international engagement through education may have shifted from a focus on aid (under the former Colombo Plan) to trade (since the introduction of full fee paying international students into Australian institutions 1986) the way in which we engage and the graduates are testament to the transformative nature international education has for both Australia and the region.

Over the period 2002–2008, Australia’s international education sector grew solidly, on the back of supportive migration policies, growing awareness of Australia as a destination and the relative value of the Australian dollar. In 2010, the sector experienced its first significant downturn. The downturn has been attributed to a combination of external factors, such as the global financial crisis and the appreciation of the Australian dollar and domestic factors, such as changes to student visa requirements, student safety concerns, and the commercial failure of a number of colleges. The impact of the downturn was felt across the whole sector.

The main source countries for Australian education are China with 126,140 commencements as at June 2011 and India with 51,879 commencements at June 2011 (a reduction of almost half from 2010 commencements as a result of visa changes). International students in Australia are highly satisfied with their learning and living experience. In 2010, ACPET members took part in an i-graduate International Student Barometer Survey; the results of which showed that 85% of international students were satisfied with their education experience at an ACPET member college. Another survey of 8,600 international students in Australia conducted between February and May 2009 found that 78% of international higher education and 71% of VET graduates were employed post studies.

The continued importance of the Asia–Pacific region as a source of world economic growth means Australia is in the right place at the right time. In terms of trade, over two thirds of Australian exports are destined for Asia. Australia’s geographic position means that students are in most cases no more than a 10-hour flight from their home country and upon graduation are able to capitalise on strong trade links and a high level of recognition of Australian qualifications in the region.

“The most important outcome of international education has been engagement with Asia, not the export dollars.” (Marginson 2011)
Australia is well placed to further capitalise on economic growth in the key global markets of China and India as well as emerging economies such as Vietnam and Indonesia, due to Australia's relative proximity and the strong trade and people to people links.

One of the areas where Australian education institutions can improve is in the engagement of our Australian students to undertake study, work placements and educational exchanges in Asia. Despite improvements in the numbers of bachelor level students undertaking overseas experience (Australia now reports 12% of all domestic undergraduates having an international experience) the demand for placements in Asia is low. Many ACPET members are considering new engagement models to enable students at the vocational level to undertake periods of student and vocational placement with partner industries and institutions around the world. Rowan Callick, Asia–Pacific Editor with The Australian and keynote speaker at the 2011 Asia–Pacific International Education Forum, referred to this engagement as the “missing link that would help propel a deeper and more fruitful engagement.”

Austrade and Australian Education International have an important role to play in the sector, yet the role and scope of education engagement crosses many government agencies and in many cases requires the whole of government and the whole of sector engagement. ACPET is represented on the recently formed International Education Advisory Council, established as an industry body to work with a five-year national strategy to support the quality and sustainability of the international education sector. This is a long-awaited strategic approach and one that should consider the importance of education in Australia’s positioning in Asia.

5. The role of private education and training across Asia

“The private sector has pioneered a number of key innovations in international education, which has significantly contributed to Australia’s growing recognition for innovation and excellence in that field.” (Wood, 2011)\(^{16}\)

During the last 50 years global education has grown and developed as an industry in its own right. Private education and training providers have often been cited as key in this growth and the transformation of borderless education. It is largely recognised in the Australian context that the partnerships developed between private sector institutions and public providers (such as universities) have played a key role in the growth of the sector. The Asia–Pacific region is home to significant private sector education interests, from large multi-national corporations such as Pearson, Laureate and Kaplan to a plethora of small to medium enterprises. And it is not just about education; the South East Asian Ministers of Education Organisation (SEAMEO) acknowledges “that the private sector has played a critical role in democratisation of higher education in countries like the Philippines, Japan, Republic of Korea, Indonesia and Thailand”.\(^{17}\)

The Privatisation of Education Research Initiative (PERI) suggests four trends that have impacted and in some way enabled the growth of private education in the region. Firstly, globalisation, marketisation and privatisation of educational markets; essentially requiring a rethink of the role of the government and the private sector in many areas, especially those that were traditionally taken to be the domain of the government. Second, financial pressures from both government and industry have forced the exploration of ways to combine private and public initiative for ensuring provision in some of the sectors thought to be the “responsibility” of the state. Third, there has been increasing recognition of the importance of human capital development – and education in particular – for the processes of economic growth and national development. Finally, at the same time, internationally and nationally, there continues to be recognition of education, as a right of every child and a global public good.\(^{18}\)

5.1 ACPET’s engagement with Asia

Closer engagement with Asia is a key feature of ACPETs International Engagement Strategy with a primary strategy being to host a regional forum to support continued dialogue and cooperation. In 2010 ACPET initiated the first ever Asia Pacific International Education Forum (APIEF), an event designed to build dialogue and partnership across the region from peak bodies and providers from the private education and training sector. The initiative was a direct response to the changes occurring in Asia and the need for Australian education and training to be part of this change.

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\(^{16}\) Wood J (2011) in Making a Difference: Australian International Education, edited by Dorothy Davis and Bruce Mackintosh, Sydney

\(^{17}\) SEAMEO RIHED (2001) Private Higher Education in Asia and the Pacific.

\(^{18}\) Privatisation in Education Research Initiative [www.peri.org](http://www.peri.org) accessed 20 July 2011
CASE STUDY

Private sector engagement across the region – Asia–Pacific International Education Forum

The Asia–Pacific International Education Forum is a key element of ACPET's International Strategic Plan with a key objective of bringing together industry leaders and peak body representatives from across our region to learn from each other and to develop a shared commitment to the industry's future. ACPET conceptualised the idea of an Asia–Pacific International Education Forum (APIEF) in 2009 and delivered on this concept with the inaugural event being held in Melbourne in August 2010. The 2010 Forum was attended by 52 representatives from throughout the region and resulted in a Communiqué that described the intent and objectives for ongoing mutual cooperation across the region. The second APIEF was held in conjunction with the ACPET National Conference in Brisbane in August 2011 and was attended by over 140 delegates from across 15 counties.

The 2011 APIEF had the theme of 'The Future of Education in the Asia–Pacific – the role of private providers'. The forum had the following specific objectives:

- continue an active and ongoing regional dialogue on collaboration in education and skills development in the Asia–Pacific region.
- provide networking opportunities and facilitate cooperation and collaboration on international education throughout the region.
- promote a regional professional community of international education practice within the Asia–Pacific region.

As a result of this commitment to cooperation in the region, ACPET has now developed and/or advanced engagement with regional peak bodies. A number of the peak body representatives have expressed interest in the development of a regional peak body.

6. Country focus

This next section focuses on the four countries listed in the Issues Paper (Japan, China, India and Indonesia) along with two other countries where ACPET and its members are actively engaged, the Philippines and Vietnam. This section provides a snapshot of Australia’s private sector education engagement in the country and the challenges and opportunities facing continuing education engagement.

6.1 Japan

| Inbound student commencements (2011) total | 11,127 | Inbound students – private sector | 7,500 |
| % share in private sector | 67% | Private sector % change (2002–2011) | –21% |
| Market status | Mature | ACPET engagement | Limited |

Data source of tables: AEI data – Sum of Year to date Commencements 2002–2011 at as June 2011

Australia’s private sector education engagement

- The Australia–Japan education relationship is historically significant. Private sector engagement with Japanese colleges and students is long standing, with some of Australia’s early recruitment initiatives focused on Japanese students seeking English and general business skills.
- Over the past decade, there has been steady demand from students to study at Australia private higher education and VET colleges.
- Given market changes in Japan, the number of students travelling to Australia has declined in recent years.
- Enrolments in private higher education increased by 27% over the period 2002–2011, whilst public higher education experienced declining enrolments of more than 50%.
- Private ELICOS providers continue to hold the majority share of the Japanese ELICOS market with private providers holding 80%, compared with public providers that hold 20%.

Opportunities and challenges

- Australia’s education relationship with Japan remains strong despite a steady decline in student visa numbers since 2005. Nowadays, the average Japanese student is more likely to travel to Australia on a Working Holiday or Tourist Visa to undertake short-term study rather than complete a full degree course.
- Australia continues to be the premier destination for school study tours and working holiday-makers from Japan.
- There is a mismatch between graduate skills and employer needs identified by the government, business and academics as being the biggest barrier to employment for Japanese youth. Employers are increasingly demanding globally-literate recruits, or global human capital (GHC), for which the Japanese higher education in particular has been unable to develop.
- Japanese Government is providing scholarships for higher education students to study abroad, and companies are supplementing in-house training programs with overseas business English and executive training courses for their staff.
6.2 China

<table>
<thead>
<tr>
<th>Inbound student commencements (2011) total</th>
<th>126,140</th>
<th>Inbound students – private sector</th>
<th>45,462</th>
</tr>
</thead>
<tbody>
<tr>
<td>% share in private sector</td>
<td>36%</td>
<td>Private sector % change (2002–2011)</td>
<td>62%</td>
</tr>
<tr>
<td>Market status</td>
<td>Growth</td>
<td>ACPET engagement</td>
<td>High</td>
</tr>
</tbody>
</table>

**Australia’s private sector education engagement**

- China is Australia’s most significant education partner, represented not only in volume of students moving between the counties, but in offshore delivery and other education collaborations.
- Inbound international student growth from China has been substantial the past ten years with an increase between 2002 and 2011 of over 150%.
- The private higher education and VET sector commencements have seen significant growth on the basis of strong partnerships in the market and active recruitment campaigns.
- As of June 2011, private providers had the majority of Chinese student commencements in VET with a share of 78%. The Australian private ELICOS market holds just under 60% of the market.
- The National Quality Council (NQC) reported that in 2009 there were fifteen private VET providers active in China delivering to 1282 students. With continued investment in the region by Australian providers, this number is estimated to have grown substantially in the past two years.

**Opportunities and challenges**

- According to OECD, China accounts for fifteen % of all international students studying abroad at the tertiary level, making it the single largest source country for global students. The Chinese Government, employers and families highly value education and investment in education is high. 19
- ACPET recognises that the role of education and training as part of Australia’s bilateral relationship with China will only grow in importance over the next decade.
- ACPET has committed to establish its first offshore presence in Chongqing, China.
- China’s National Plan for Medium and Long-term Education Reform and Development (2010–2020) identifies a number of challenges in education and the reform plans of the Government. The Plan identifies the current gap between China’s vocational skills levels and its future labour needs. The reforms proposed in the Plan focus on teacher accreditation, improving the quality of the VET sector at a systemic level and building closer links with schools to facilitate pathways to vocational education.

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CASE STUDY

ACPET engagement in China

China represents an important market for ACPET members and one that will continue to grow in the future. As such, in February 2012 the ACPET Board endorsed the establishment of an ACPET presence in China. Through this presence ACPET intends to continue to position itself and members favourably with Chinese Government, industry and education providers. Plans to establish the presence are currently in development with the proposed commencement date of mid 2012. The China-based presence will be a valuable resource for members and will facilitate continued and rewarding bilateral partnerships between Australia and China.

6.3 India

| Inbound student commencements (2011) total | 51,879 | Inbound students – private sector | 43,544 |
| % share in private sector | 84% | Private sector % change (2002–2011) | 4727% |
| Market status | Growth | ACPET engagement | High |

Australia’s private sector education engagement

- Indian international student numbers have been through significant changes and fluctuations over the past 5 years as a result of various factors including safety concerns, financial barriers and a de-coupling of the Australian migration policies and the international student program.
- As of June 2011, there were 51,879 unique student commencements from India. This is a reduction from peak periods when commencements were over 100,000 students.
- The VET sector experienced a substantial increase from India in this ten year period with the private sector seeing the most significant change.
- ACPET is working with Indian partners to develop mutually beneficial activities. Key initiatives undertaken by ACPET to support member’s engagement across the market include:
  - ACPET CEO involvement on the Indian delegation led by Victorian Premier February 2012
  - Key note presentation to the Skills 2010: International Working Conference, Hyderabad, December 2010
  - MOU with REEDS (Rural Economic and Educational Development Society) to establish a peak body to improve the quality and coherence of skills training
  - Corporation with the National Skill Development Corporation (NSDC) to support members and Indian counterparts to contribute to up-skilling 500 million people in India by 2022.
CASE STUDY

ACPET member: First Impressions Resources

ACPET member, First Impressions Resources (FIR), is recognised as the leading Australian retail training provider delivering entry level training through to executive development programs. In 2008, the directors attended the Global Skills Summit in New Delhi to gain an understanding of the skill requirements in the rapidly emerging modern Indian retail sector. FIR worked closely with the Department of Education, Employment and Workplace Relations (DEEWR) and Service Skills Australia to establish a model for India.

FIR launched their international brand, the Australian Retail College (ARC) and once again visited India to present at the FICCI Global Skills Summit in Delhi 2010 and to meet with industry and potential partners. ARC is now partnering with GREAT India (Global Retail Education and Training) who are focusing on the development of purpose built retail management schools for India. The engagement of ARC with the Indian retail industry is an example of the level of engagement underway at the vocational and skills level that has the potential to make a real difference to Indian consumers and the approach to training. Recognising that training needs are unique and there is no one size fits all solution, ARC is working in genuine partnership with the government, education and industry partners in both Australia and India to make this approach work.

Opportunities and challenges

- The Australian Government’s changing policy on student visas and graduate visas has created confusion and concern with Indian parents and students.
- India’s drive to reform the education sector and to create new educational institutions required to meet the countries skilling needs are welcomed. The challenge of creating 1,000 new universities and almost 25,000 vocational colleges is one of significant proportion.
- Mutual recognition of qualifications and professional licensing is an area for collective action.
- Indian skilled workers represent the second largest cohort of skilled migrants into Australia; there are many opportunities in this area for closer cooperation in education and training and skills development.
- Australian education providers can play a key role in the Indian Government’s goal of up-skilling 500 million of its people by 2022, particularly by providing vocational courses and skills training in India. 20

20 See National Skill Development Corporation www.nsdcindia.org
6.4 Indonesia

| Inbound student commencements (2011) total | 13,974 | Inbound students – private sector | 7,775 |
| % share in private sector | 56% | Private sector % change (2002–2011) | +54% |
| Offshore students | 478 | Number of private offshore providers | 7 |
| Market status | Growth | ACPET engagement | Medium |

Australia’s private sector education engagement

- Indonesia has seen a reduction in enrolments from all sectors apart from the VET sector between 2002 and 2011.
- Private VET accounts for over 88% of the total Indonesian VET students market in Australia.
- Similarly, the private ELICOS sector host 78% of all Indonesians ELICOS students.
- The NQC reports that there were seven private VET providers in Indonesia as of 2009. These providers were delivering Australian qualifications to 478 students.

Opportunities and challenges

- Australia is a major contributor under the aid budget to Indonesian government schools sector.
- There are over 4000 Indonesian universities, with 80% of these privately owned.
- Only 8,500 vocational schools cater for close to 4 million students; there is significant opportunity for enhanced engagement in this area between Australia and Indonesia.
- Indonesia–Australia Comprehensive Economic Partnership Agreement (IA–CEPA) represents opportunities for closer education engagement.

CASE STUDY

ACPET Engagement Disaster Scholarship Program

In response to the 2005 Earthquake on the island of Nias in North Sumatra, Indonesia ACPET agreed to fund 200 tuition scholarships for students attending private Teacher Training and Management Colleges in the regional capital Gunung Sitoli. This tragedy happened less than six months after the deadly Boxing Day Tsunami of 26 December 2004 which killed over 300,000 people in Sumatra. The total amount contributed by ACPET members for the Nias scholarship was $A25,000. ACPET had earlier initiated a tsunami victim scholarship program at Al Muslim University in the province of Bireun in North Eastern Aceh. Under this project, full tuition scholarships were provided for 322 students to allow them to continue their studies at the Private University in Bireun. The total amount contributed by ACPET members for the Aceh scholarship was $A75,000; so in total $A100,000 has been contributed by ACPET to the tsunami and earthquake victims in Sumatra. This is a magnificent response and has been warmly applauded by the Indonesian and Australian governments, the Australian Embassy and the recipient communities.
6.5 Philippines

<table>
<thead>
<tr>
<th>Inbound student commencements (2011) total</th>
<th>5,334</th>
<th>Inbound student – private sector</th>
<th>2,734</th>
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<td>% share in private sector</td>
<td>51%</td>
<td>Private sector % change (2002–2011)</td>
<td>+1253%</td>
</tr>
<tr>
<td>Offshore students</td>
<td>449</td>
<td>Number of private offshore providers</td>
<td>6</td>
</tr>
<tr>
<td>Market status</td>
<td>Emerging</td>
<td>ACPET engagement</td>
<td>High</td>
</tr>
</tbody>
</table>

**Australia’s education engagement**

- From a very low base, the Philippines has demonstrated significant growth across all sectors. Overall inbound student commencements from the Philippines increased over 700% between 2002 and 2011. Of this, higher education grew over 350%, VET 1413% and ELICOS 1575%.
- Private VET providers held 71% of the share of all VET students from the Philippines and 65% of all the ELICOS students from the market.
- Private providers lead the Australian offshore delivery activities with the Philippines with six of the eight providers being from the private sector. These six providers are delivering 18 courses to over 449 students in the Philippines.

**CASE STUDY**

**Mindanao TVET Association and ACPET partnership**

ACPET has a developed a strong association with the Mindanao TVET Association in the Philippines over the past four years with the respective associations supporting each other in connecting members for exchange, teacher development and offshore delivery. ACPET welcomed 16 Fellows from the Mindanao to Queensland in May 2011 under an AusAID Australian Leadership Awards Fellowship to undertake a three week VET capacity building program in South East Queensland. The Fellowship aimed to support Mindanao private sector TVET leaders to develop knowledge and skills to conceive, contextualise and embed quality training systems throughout their organisations. The initiative also aimed to support the Mindanao TVET Association Five year TVET Roadmap (2010–2015).

A key component of the program was also the identification, establishment and fostering of mutual partnerships between VET providers in Queensland and the Philippines. Through the strong relationships developed during the Fellowship with Mentors and ACPET, many bi-lateral partnership activities have resulted. These partnerships are taking many forms and will serve to provide sustainability to quality implementation, provision of internationally recognised courses in the Philippines, pathways for staff and students to participate in exchanges between Australia and the Philippines and many more.

**Opportunities and challenges**

- Poor outcomes in the basic education sector are evident, partly due to a congested curriculum. The Philippines has one of the shortest formal basic education cycles in the Asia–Pacific,
consisting of only 10 years. Whilst this is being addressed through the reforms currently occurring to move to a K–12 model, there is opportunity for Australia to provide specialist knowledge, skill and support to the reform activities.

- A gap is evident in the mismatch between education and labour market requirements within the Philippines. The 2009 World Bank Philippines Skills Report showed that employers consider graduates lacking in critical thinking skills and, to a lesser extent, job-specific technical skills. There is considerable opportunity to enhance engagement with the Philippines to support the reform of their education and training activities to enhance labour market outcomes.
- As VET provision is dominated by private institutions (which account for 90% or 4,045 of the 4,497 registered TVET providers in 2011), there is significant scope to foster strong private sector partnerships between Australia and the Philippines.

6.6 Vietnam

| Inbound student commencements (2011) total | 21,983 | Inbound students – private sector | 7,871 |
| % share in private sector | 41% | Private sector % change (200–2011) | +732% |

**Australia’s education engagement**

- Vietnam is a growth market across all education sectors, albeit starting from a very low base in 2002. The higher education sector reported over 415% growth, VET sector over 741%, schools 263% and ELICOS 672%.
- Despite the global financial crisis, the inbound student market from Vietnam maintained numbers or grew over the two-year period preceding the crisis.
- Private VET providers held 59% market share of the Vietnamese VET market in Australia. Private ELICOS providers held 64% of this market.
- There were five private providers delivering courses in Vietnam in 2009. These providers delivered eleven courses to 520 students.

**Opportunities and challenges**

- Interest from Vietnamese to study in Australia has been significant. The Vietnamese education and training industry has been identified by the government as one of its priorities for development. Key objectives include:
  - eradication of illiteracy
  - universalisation of primary school education
  - expansion of vocational training
  - continuation of university amalgamation, and
  - expansion and continuation of education programs, especially distance education.
- Over the next decade the government plans to increase education spending from fifteen percent to twenty percent of the national budget.
• Foreign aid funds also provide a significant impetus for implementing education and training projects. Vietnam will continue to be a significant recipient of Overseas Development Assistance (ODA) with annual support of around US$2 billion from ODA donors.

• Australia is the fourth largest bilateral donor to Vietnam with an annual program of over A$80 million. It is expected that ODA funding for development of the human resources sector is likely to increase proportionately in the future as the physical infrastructure in Vietnam improves.

• Vietnam is currently experiencing a shortage of skilled workers to serve in hi-tech industries, which result in a high demand of vocational training. Each year, there are over one million new entrants joining the workforce, so reducing the level of unemployment is a major concern of the government.

• Raising education levels and advancing the population into higher value-added occupations is seen as one way of countering unemployment – this will drive demand for technical and vocational education in Vietnam.
7. Critical issues for international education in Asia and Australia’s ongoing engagement

ACPET has identified ten critical issues to ensure sustainable and effective education engagement across Asia. We believe that these issues are central in considering the role of Australia in the Asian Century.

1. Continued investment in education for the region

ACPET believes that in order for Australia to genuinely engage in the opportunities presented by the Asian Century, continued investment in education for the region must be a priority. Countries in the region have made significant improvements in the building of basic education infrastructure, skills development and tertiary sector development. Ongoing investment from Australia in the education infrastructure (hard and soft) in the region should be a key priority. This investment may come through continued focus from AusAID in the region and through other bilateral and multilateral initiatives.

2. Value the role of the private sector

The role of the private sector cannot be understated in the region. The Asia–Pacific region is home to significant private sector education interests, from large multi-national corporations such as Pearson, Laureate and Kaplan to a plethora of small to medium enterprises. With many countries in the region relying heavily on private sector investment for education and training, it is vital that we support and enhance private sector provision. In fact, the South East Asian Ministers of Education Organisation (SEAMEO) acknowledge that the private sector has played a “critical role in democratisation of higher education in countries like the Philippines, Japan, Republic of Korea, Indonesia and Thailand”. 21

Within Australia, the private sector has played an important role in the growth and development of international education as an industry in its own right and currently accounts for half of all international student enrolments in Australia. 22 The private sector has also pioneered a number of innovative approaches to international engagement, including the development of effective pathways programs, foundation programs and recruitment models. The future of Australia’s engagement with Asia will be defined by our ability to enter into innovative and sustainable public private partnerships.

3. Support the development of links between industry and vocational training in the region

In ACPET’s work with government and industry partners across the region, it is clear that there is a need for closer alignment of vocational education and training with industry needs. The skills mismatch has been cited as one of the major barriers in our partner countries of India, Philippines and Indonesia. In India for example, Skills Australia and Industry Skills Councils are working with local counterparts to provide advice on establishing Sector Skills Councils to ensure that employer groups become aware of the role they play in the up-skilling of their local workforces. The Australian Government and industry partners have much to contribute in working with counterparts in the region to improve industry and vocational education and training links.


22 Wood J (2011) in Making a Difference: Australian International Education, edited by Dorothy Davis and Bruce Mackintosh
4. Recognise education as an instrument of soft power and seek to enhance this

Australia’s international education sector must be recognised as a key component of Australia’s soft power arsenal in engaging with the region. In 2008, the then-Minister for Education, Prime Minister Julia Gillard noted that, “International education’s significance is much broader than economics. It reaches into every sphere of our lives. It is a central part of our international diplomatic efforts and contributes to the development of good relations with our neighbouring countries.”  

Byrne and Hall (2011) assert that “Positive experiences of exchange and the development of intellectual, commercial and social relationships can build upon a nation’s reputation and enhance the ability of that nation to participate in and influence regional or global outcomes. This is ultimately the essence of soft power. While Australia has made significant commercial gains through international education, it has fallen short of realising the soft power potential inherent in the volume and depth of interactions, relationships and achievements resulting from it, particularly in the region where Australia’s international education sector continues to be most active.”  

ACPET calls on the Australian Government to take leadership in supporting education as public diplomacy, to establish more effective interagency coordination and to expand the dialogue within the sector and the broader community on this topic.

5. Improve Asian literacy

Improving Asian literacy and cultural awareness is a foundation stone to Australia’s participation in Asia this century. While Australia’s trade is now overwhelmingly dominated by Asia, we still lack skills in the business community to really engage with Asia. Australia’s declining investment in Asian languages in schools and the tertiary sector is both disappointing and a strategic failure of governments and education providers to produce Asian literate graduates. By way of example, in 2009, just 240 students from a non-Chinese background studied Chinese in Year 12 in Australia. Increasing access to and participation in Asian language programs by Australia’s youth will greatly enhance our engagement with the region.

6. Build and enhance regional quality assurance frameworks in the region

ACPET commends the Australian Government and members of the East Asia Summit on their commitment to the development of a Regional Quality Assurance Framework (QAF). The regional QAF, currently in development, will seek to address the needs of developing and developed economies through an appropriate balance of compliance and evaluative approaches to quality assurance. The QAF will aim to bring benefits such as improved effectiveness, transparency and confidence in education systems within and across countries. ACPET strongly supports a regional quality assurance framework and views the QAF as an important vehicle to support the movement of skills and students across the region.

7. Support mutual recognition programs in key professions and skills

The movement of staff, skills and students across the region needs to be improved. Advancing the ability for skilled workers in key professions such as nursing, engineering, accounting and finance

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would assist many countries in meeting skills needs. Supporting mutual recognition programs will require a tripartite engagement between governments, industry accrediting bodies and education providers.

8. Support the development of a regional multilateral forum for skills providers in the region

ACPET’s own initiative under the Asia Pacific International Education Forum (APEIF) brand shows the need for an ongoing and supported forum for skills providers to engage in the region. The second annual APEIF drew significant interest and participation from across Asia as a means of sharing information, developing shared approaches to regional issues and fostering ongoing cooperation. ACPET welcomes a coordinated approach to the ongoing implementation of such an initiative to broaden the network and participation from across the region.

9. Support the development of programs and frameworks to grow mutually beneficial transnational education programs in the region

The Knight Review has indicated that for Australia’s vocational education and training providers, the future lies in offshore delivery programs and in Asia. ACPET is well aware of the skills needs in the region and the opportunities for engagement; however this model of engagement requires significant investment and time to develop strong relationships. ACPET calls on the Australian Government to work more closely with Australia’s education industry in developing systems to support offshore programs and to build sustainable business models around this engagement.

10. Build and maintain strong alumni connections

The importance of international alumni is critical to the future of Australia in the region. With an estimated one million graduates and many cases of Australian alumni in senior positions in government, industry and education throughout Asia cannot be underestimated. Despite the world becoming more accessible via technology, the importance of genuine people to people linkages remains vital. Research from Victoria University has indicated that 80% of all graduating international students have kept in touch with former students and that business engagement is one of the key reasons to remain in touch.26 The Australian Government could consider working with the education and training sector to design a whole of industry Australian alumni program or strategy to support this engagement.

26 Pyke, J (2011) International Student Alumni- Bridges to the World, presentation to Australian Education International Conference, Adelaide 2011
8. Conclusion

Education is critical to social and economic development across Asia and must be prioritised in all regional discourse, policy development and cooperation agendas to underpin bilateral and multilateral trade. The multi-dimensional and increasingly globalised nature of international education presents enormous opportunity for vital exchange and interactions between and with students, academics and communities via onshore and offshore modes of delivery.

Australia’s multilateral and bilateral partnerships across Asia have benefited significantly from the concerted efforts of Australia’s education and training providers and peak bodies to actively partner with Asia. New business models, cultural awareness and regional social development have occurred, and will continue to occur, through education engagement.

ACPET has been actively working collaboratively across the education sector with other peak bodies, government agencies and providers to help create and influence the regional agenda for Asia’s education into the next century.

ACPET asserts that education will continue to be a key driver for Australia’s place in the Asian Century and is committed to actively working with our local and regional counterparts and partners to support effective and sustainable economic and social development through education.