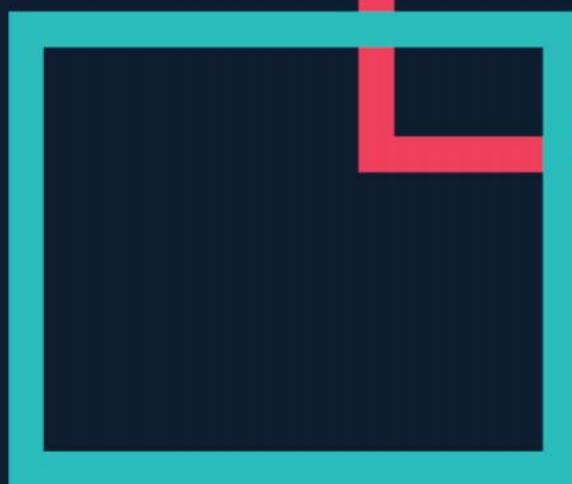


International Education Scanning Report

Dec 2014



**NEW ZEALAND
EDUCATION**

ThinkNew[®]

**Authored by Dave Guerin of
Education Directions (Services) Limited
(with research by Stuart Peters)**

**If you need further information on international education please
contact:**

Business Development Team

Education New Zealand

Phone: 04 472 0788

Email: ebd@enz.govt.nz

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Education New Zealand (ENZ) has contracted Education Directions (ED) to provide this monthly scanning report of the international education environment. The purpose of the reports is to develop a better shared understanding of the international education industry. Reports are intended to facilitate, not lead, discussion.

Feedback is welcome - contact Dave Guerin (ED), at 0800 500 552 or dave@ed.co.nz. If you wish to contact ENZ, please contact the Business Development Team ebd@enz.govt.nz.



December 2014 Executive Summary

Markets

1. The French government released a report on international students' economic contribution in France. Even with large government subsidies, there was a large net economic benefit from the students during their study period.
2. The Association of Language Travel Organisations released its first industry survey.
3. A British Council report on Indian provinces provided good insight into opportunities for international higher education collaboration.
4. A survey of Canadian universities' internationalisation activity provided an excellent insight into their stated priorities, activities and outcomes.
5. A Chinese report explored deterrents to foreign students coming to China.
6. A US study explored what factors were associated with US and foreign doctoral graduates staying on to work in the US.

Government

7. An investigation into UK alternative higher education providers found a large number of EU students who were incorrectly funded for student support and tuition loans. There was a wide range of poor behaviour by providers and students, along with lax regulation.
8. An investigation into UK universities' use of London branch campuses uncovered a wide range of risky behaviours, which were being addressed by the universities. The Home Office was also consulting on removing the ability of universities to sponsor students at branch campuses and other partners.
9. The Australian immigration agency consulted on a review of streamlined visa processing. They are considering a shift from two separate visa processing systems to one combined system that assesses both student and provider risk. It would allow benefit quality providers in higher risk subsectors.
10. The UK's Home Secretary floated the idea of sending all non-EU graduates to their home country before they could apply for a post-study work visa.
11. A US House of Representatives subcommittee held a hearing about whether US institutions' links with Chinese partners could compromise their academic freedom.

Markets

Market Size & Value

France Campus France released a new report [“Au-delà de l’Influence: l’apport économique des étudiants étrangers en France”](#) (16 pages, in French) on the economic contribution of foreign students in France. 4,200 students were surveyed in the first review of its type in France ([University World News](#)). Key results are shown below.

- The cost to the government of international students was estimated at €3b, but the overall value to the economy was estimated to be €4.65b. The bulk of the value came from consumer goods and services (€3.25b), with other value coming from tuition, airline fares, and the visits of friends and relatives.
- At the end of their study period most students had built an affinity for French study, products, tourism and business links.
- Welcoming foreign students was seen as having immediate and long-term financial and soft power benefits.
- There were 295,085 foreign students from 190 countries in France in 2013/14, up 11% on 5 years previously. 43% of the students came from Africa, 26% from Europe, 19% from Asia, 8% from the Americas and 4% from the Middle East. The report concluded with comparative data from similar reports on the US, UK, Australia, Canada and Europe.

Language Travel The Association of Language Travel Organisations (ALTO) released [highlights of its first industry survey \(24-page report\)](#), with key details shown below.

- Over 100 school respondents (304 schools) and 64 agents (127 agencies) took part in the survey run by Deloitte.
- 85% of bookings came via agents, with 9% over the Internet and 6% from walk-ins.
- The average turnover/student week varied considerably, especially for the junior market (from USD\$395 to \$923), with the UK earning the highest junior rates (accommodation costs were generally included in junior rates).
- The factor most likely to negatively affect a school's business were economic issues in source countries, and the policies of the school's home country. Agents felt the biggest risks were from exchange rates, and then economic issues in the agent's country.

ALTO advised that the survey's accuracy will improve in future years, and we'd advise readers to use the survey as a guide, rather than accepting the numbers at face value.

Snippets

- **United Kingdom** Universities UK [published its annual Patterns and Trends report on UK higher education](#) (32 pages). The data is relatively old, covering the 2012/13 year, and showed a 1% decline in non-EU enrolments compared to 2011/12. Most of the data comparisons were between 2003/04 and 2012/13.

- **Canada** The PIE News reviewed [commentary from the Canadian Bureau for International Education's annual conference](#). It explored the reasons for visa growth that we reported in our November 2014 scanning report.
- **Finland** A report explored the [economic impact of international higher education students in Finland](#) (6 pages).

Market Events & Commentary

India The British Council published [a report on opportunities for international higher education collaboration in India](#) (116 pages) from a British perspective ([media release](#)). Provinces are important as they control 97% of the Indian higher education sector, and more power is being devolved to them.

The British Council identified 5 (out of 29) Indian states that provided the best opportunities for international collaboration (Gujarat, Tamil Nadu, Punjab, Karnataka, and Odisha). In each case, the province's higher education priorities and opportunities for international collaboration have been identified, along with profiles of key institutions.

The report also identified major trends in Indian higher education and internationalisation links with the UK, US, Australia and Canada. It is a high quality report that will be of value to organisations from any country seeking to understand Indian institutional needs.

China A report from Beijing-based think tank the Center for China & Globalisation said foreign students were [deterred from studying in China](#) by a lack of international courses, lecturers' poor English proficiency and strict post study work policies. The low cap on foreigners' fees also discouraged institutions from promoting their services. The full report is [available online](#) (48 pages, in Chinese) and mostly covered data on Chinese students studying abroad.

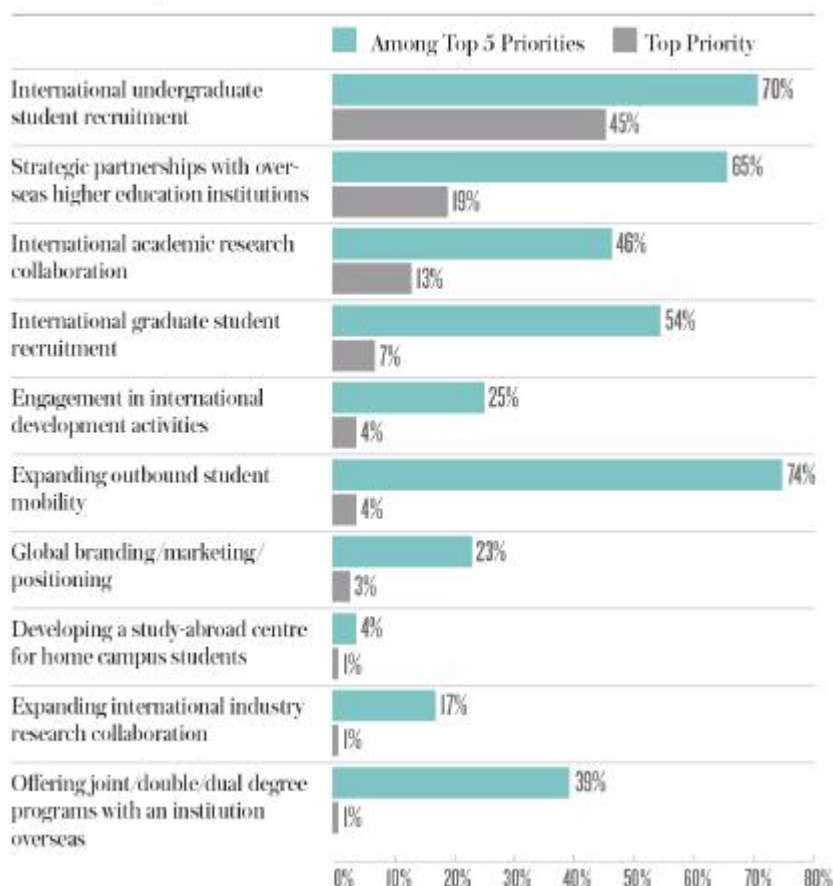
Canada The Association of Universities and Colleges of Canada (AUCC) released [Canada's Universities in the World – AUCC Internationalization Survey 2014](#) (44 pages – see also [2-page summary](#)), repeating a similar 2006 survey of its members.

- 82% of institutions viewed internationalisation as one of their top five strategic priorities, while 59% evaluated progress towards such goals (the latter had increased considerably since 2006). Within internationalisation, the top priorities were (highest first) undergraduate recruitment, partnerships with overseas institutions, and research collaboration.
- The most compelling reason for internationalisation was stated to be preparing international and intercultural graduates (for 53% of universities). Only 6% of universities said revenue generation was the most compelling reason (although 43% rated it in the top 5 reasons).
- China was prioritised for future international activities by 88% of universities, followed by Brazil (65%), India and the US (both 57%). 84% of universities had partnerships with Chinese institutions, followed by France (81%), Brazil (76%) and the US (71%).
- One of the biggest shifts from 2006 to 2014 was an increase from 41% to 72% of universities seeking to internationalise the curriculum.
- The proportion of Canadian students with an overseas for-credit experience only rose from 2.2% to 2.6%. While 74% of universities included this in their top five internationalisation

priorities (the highest of any), only 4% said it was their top priority. 97% of Canadian universities offered study abroad options, with the UK and Australia being the most popular destinations.

The AUCC report is a very good guide to Canadian universities' stated priorities in relation to internationalisation (see figure below), as well as their activities and outcomes. The President of the University of Regina (and an AUCC officeholder), Vianne Timmons, [wrote a commentary on the results](#).

FIGURE 2
Institutional priorities for internationalization



Snippets

- **Year in Review** Study Travel Magazine looked at [the year in review](#) – it's a good read.
- **English by Video** The British Council was [piloting English language teaching by HD video link](#) between the UK and Uruguay.
- **India** New English language teaching company Kings Learning in India [is experiencing high demand from foreigners](#) (it charges US\$150 for a 4-week course).
- **Mergers and Acquisitions** The UK-based Oxford International Education Group (OIEG), formerly ISIS Education, [acquired its first US ELT school in San Diego](#), as well as a [secondary school in Oxford](#).
- **Teen Learners** A survey by The Parthenon Group found that the number of [teen learners at UK boarding schools increased over the last 2-3 years](#).

- **Turkey...** was [increasingly attracting students from the Arab world](#) (Al-Fanar Media).
- **Australia...** was [losing its appeal to Singaporean students due to an unfavourable exchange rate and lower international rankings](#) (Channel NewsAsia). On the other hand, Australian campuses in Singapore had grown quickly.
- **EC Expansion** Global ELT chain EC English Language Centres [will open two new schools in January](#), in Washington DC and New York (it had 21 schools already).
- **Market Snapshots...** covered [Angola](#), [Malaysia](#), [Italian language providers](#), [popular UK degree courses](#), and [Colombia](#).
- **Canada-Sao Paulo MOU** The Brazilian State of Sao Paulo and Languages Canada [signed an MOU to support international mobility of students and teachers learning English and French](#).
- **Edinburgh** The University of Edinburgh announced a “long-term aspiration” to have 50% of its [total student population being international](#) (ie non-UK), up from a current 41%.
- **TVETUK...** [launched offices in Kazakhstan and Algeria](#) to meet the growing demand for skills development in the oil & gas industries.

Transnational Education

Australia The Knowledge Partnership’s Stephen Holmes said [Australia’s ability to attract international students will be hurt in the future by the growth of transnational schools in Asia and the Middle East](#). The argument could hold for other countries without a strong affiliated school network in student source countries. In our November report we covered a Canadian effort to [improve pathways from Canadian offshore schools to Canada-based institutions](#).

Snippets

- **Kuwait** The University of Massachusetts at Lowell [is partnering with defence contractor Raytheon to offer degree programs in Kuwait](#). Raytheon will contribute \$50m toward costs during the first 7 years of operation. Raytheon has a requirement to invest some of the proceeds of its arms sales in Kuwait, and already has strong links with the University’s US-based main campus.
- **Mexico** Arkansas State University [plans to open a campus in Queretaro, Mexico, in 2016](#), but construction was still to start.
- **Nordic Researchers** Two studies were released exploring [researcher mobility in the Nordic countries](#) ([University World News](#)).

MOOCs

MOOC Market Class Central's Dhawal Shah [shared 2014 data on MOOCs](#). Shah started Class Central to track the progress of MOOCs and he has collected useful data on the size of the main players, their offerings and their priorities.

Snippets

- **MOOCs in French** [The Agence Universitaire de la Francophonie \(AUF\) is to provide MOOCs](#) to French-speaking African nations and other developing countries. It will be done in partnership with the Swiss École Polytechnique Fédérale de Lausanne
- **South African MOOCs** South Africa's University of Witwatersrand (Wits) and University of Cape Town are [partnering with EdX and FutureLearn](#), respectively.
- **Ireland** India's Tata Consulting Services (part of the massive Tata group) was considering [creating online courses accredited by Irish universities to sell worldwide](#). Canada was also in the running to be Tata's partner, but there seemed more hype than action in the story.

Recruitment

- **Mystery Shopping** Intead, a consultancy, ran a [mystery shopping experiment using social media](#). Institutions from the UK, Canada, Australia and NZ had a poor overall response rate.
- **Virtual Fairs** University World News reviewed the [increasing prevalence of virtual recruitment](#).
- **US** [American International Recruitment Council's \(AIRC\) executive director John Dupree spoke on the increasingly agent-friendly environment in the US](#) since the NACAC (a key industry body) consented to their use last year. It was also seen to be facilitating a boom in private pathway providers in the US.
- **Nigeria** [A lack of regulation of student agents in Nigeria is causing concern](#) as large education fairs becoming more popular. There may well be problems, but the concern in the article came from other agents and the British Council, which sells agent training and certification.
- **UK** University of Reading's Pro VC Vincenzo Raimo said [universities rely on agents to recruit international students and shouldn't hide that fact](#). He advocated clearer disclosure about which agents were contracted by universities, and whether they are being paid. The opinion piece [reinforced messages from an Oct 2014 British Council report](#) for which Raimo was a co-author.

Study Pathways

- **US Pathways** Shorelight Education and Florida International University (FIU) [have partnered to develop the FIU First Year programme to prepare students for study at FIU](#). UK and US-based Kings Education will expand to the US East Coast to [offer on-campus preparation courses for first-year international students at New Jersey's Rider University and New York's Concordia College](#).

Retention & Achievement

- **Student Engagement** Ohio State University's Bob Eckhart argued that [US institutions need to develop courses to help Chinese students adapt to the expectations of participation in US higher education](#). It's a thoughtful, practical piece on how Chinese students can be prepared to effectively engage in US higher education.

Post-Study Outcomes

Doctoral Grads The National Center for Science and Engineering Statistics (NCSES) published [a paper comparing the employment decisions of US and foreign doctoral graduates](#) (10 pages). It compared the proportion of foreign doctoral students who intended to stay and work in the US after graduation (89%) and the proportion that did so (75% after 1 year, and about 60% after 7-9 years). Other issues explored included employment sector, job satisfaction, and how different factors affected the odds of living in the US after graduation. The focus was on science, engineering and health graduates.

Snippets

- **Finland** A study out of Haaga-Helia University of Applied Sciences found that [less than half of all international students are employed in Finland within a year of graduation](#). They were generally in jobs that did not utilise their skills.
- **OPT Retention** The Brookings Institute listed [the five US metro areas that retain the highest percentage of their foreign students under the optional practical training \(OPT\) program](#) (New York, Honolulu, Seattle, Miami, Las Vegas). President Obama extended the period under which students/graduates could use the programme in November 2014.

Study Abroad

- **Canada** The Association of Universities and Colleges of Canada (AUCC) [commissioned a survey of small and medium-sized employers](#). Two-thirds said that they valued the skills that students obtain by participating in mobility programs. The survey was released as the AUCC prepared for a workshop with universities and stakeholders on Canadian student mobility.

Rankings & Indices

- **Emerging Economies** [The Times Higher Education \(THE\) BRICS & Emerging Economies Rankings 2015 were released](#), with China's Peking University and Tsinghua University taking the top two spots. [Several British Council representatives issued statements on the rankings](#).
- **France** A merger of 19 Paris-based higher education institutions will create a new university, Paris-Saclay, which is intended to [challenge for the top places in global rankings](#).

Government

Overarching Strategies

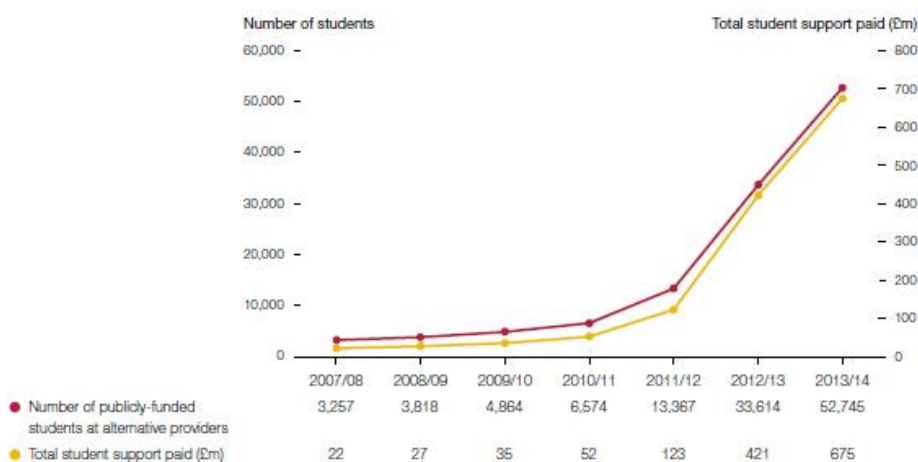
- **Belarus** The government of Belarus [wants to modernise the higher education system](#) by joining the Bologna Accord and increasing Belarus' international students from 17,000 to around 20,000. Belarus is quite isolated from the rest of Europe and was the only country to have a Bologna Accord application refused (in 2012).
- **Japan** Australian National University's Prof Veronica Taylor argued that [Japan's latest efforts to internationalise their universities could succeed where earlier efforts failed](#). She still noted major challenges in terms of regulation, incentives and foreign competition.
- **India** There was a good opinion piece in Indian newspaper The Hindu on the [gaps in India's internationalisation efforts](#), and the country's potential.
- **US-Cuba Relations** International educators say [the restoration of economic and diplomatic relations between the US and Cuba provides opportunities for collaboration](#). The Institute of International Education (IIE) will lead a delegation of US universities to Cuba soon.

Regulatory Issues

United Kingdom The National Audit Office (NAO) [published findings on the arrangements for oversight and funding of alternative higher education providers](#) ([The Guardian](#)). The alternative providers do not access direct government funding, but their students can claim student support (including loans for fees), and providers recruited thousands of EU students (see figure below for growth rates). The NAO found that students had claimed funds for which they were ineligible, and that some providers had enrolled underprepared or unmotivated students (leading to high dropout rates), enrolled students on unapproved courses, and not reported attendance correctly. Other students were supposed to be registered for external exams, but had not been. It is a classic example of what happens when funding is made available without sufficient safeguards. The downside for the international education sector in the UK is that it will provide more ammunition for those opposed to immigration.

Figure 2

Growth in the number of students receiving support at alternative providers



Source: Student Loans Company data

Australia The Australian Productivity Commission has [started a research project on the policy settings for student visas](#). It will look into system design and enforcement, the impact of policy changes, and the links between visa conditions and providers' incentives. Comment was sought by mid-December 2014 (see [10 submissions](#)), with a paper due in April 2015.

Snippets

- **Greece** A new amendment tabled in the Greek Parliament would [allow qualifications awarded by private colleges to be recognised as bachelor and master's degrees](#) provided they were approved by an international accreditation organisation. Such degrees have only been able to be offered by public institutions to date, and the change may immediately help American-run colleges operating in Greece. The story we have linked to is quite partisan on the issue.
- **Australia-Japan Meetings** Universities Australia is [working with Japanese universities and the governments of the two countries to develop an MOU](#) on qualifications recognition, joint degree models, and university engagement with business.
- **Vietnam** The [first cohort of education agencies has undergone the certification course](#) necessary after the Vietnamese government passed regulations in 2013 to clean up the education agency industry. Agents must pass an 8-week courses, and hold US\$24,000 in an escrow account. While the rules are tightening, a deadline for compliance had not yet been announced.
- **Finland** The Finnish coalition government [failed to reach agreement on a proposal to introduce tuition fees for students from outside the European Economic Area \(EEA\)](#) (ICEF). Universities had signed up to the proposal but student and political opposition stopped the change.
- **Ireland** The Irish Naturalisation and Immigration Service extended the implementation date of the Interim List of Eligible Programmes (which will replace the current Internationalisation Register) from 1 Jan 2015 to 21 Jan 2015, to allow the High Court to produce its judgment on current legal proceedings (no link).

Quality Assurance

United Kingdom The Quality Assurance Agency (QAA) [published the report from its thematic enquiry into quality and standards at the London campuses of UK universities](#) (18 pages). The inquiry was ordered after evidence of abuse on many London campuses (mostly at non-university providers) was found in June.

THE reported that the [QAA's findings were generally positive in relation to universities](#), but that is a fairly generous reading of the report. The QAA identified many risks around entry standards, agent use, staffing, outcomes and other areas. Given that university external quality assurance bodies tend to downplay problems, and emphasise universities' positive responses, the report appeared to identify some serious problems. The performance was not as bad as at various private colleges that had closed, but the QAA listed 2 brief positive features at the universities and 10 more detailed areas of risk. Universities were addressing the problems, but that was probably mainly due to the threat of losing visa sponsor status.

In closely related news, the Home Office reportedly issued draft guidance documents to selected institutions on changes to Tier 4 policy. Under the proposed legislation, [Confirmation of Acceptance of](#)

[Studies \(CAS\) will no longer be able to be issued by universities for students enrolling at branch campuses, private partners, pathway programmes, or English language school partners.](#) That would seriously affect many of the branch campus arrangements currently used by universities, as well as other pathways.

Transnational Education Regulation

- **China** The Ministry of Education is [introducing new regulations for 'X + Y' joint programmes](#), which will also affect foreign institutions already offering an approved joint programme. 246 existing programmes have also had their approval revoked, all below degree level. The overseas programme partners came from many countries, including Australia, France, Germany, Japan, the UK and the US. Looking at the list, there were [308 discontinued items in Feb 2015](#), including some bachelor's and master's degree programmes.

National Scholarship & Research Schemes

- **Indian Scholarships** The Indian Council of Cultural Relations (ICCR) reported that [nearly 40% of scholarships for foreign students went unused in the past 3 years](#). The scholarships included full fees and free board, but were not taken up due to poor promotion, poor administration and the limited subjects that could be taken (eg Indian languages, culture, and social sciences)
- **Hong Kong** [The Hong Kong Education Bureau announced a US\\$44.86m scholarship fund to provide 100 students with full tuition at 'world renowned universities'](#) (up to US\$32k pa) provided they return to work in Hong Kong after graduation. Students can attend any institution in the top 100 for any of 4 global rankings.
- **New Colombo Scheme** [Indonesia, China and India were the top three destinations for Australian students](#) in the 2015 round of the New Colombo mobility grant scheme.
- **Canada** Stephen Harper [announced the renewal of the Canadian Francophonie Scholarship Program \(CFSP\) for a 5-year period](#). He also [announced the African Leaders of Tomorrow Scholarships Fund](#), with 130 scholarships provided over 5 years to African students to pursue a master's degree in public administration in Canada.
- **US Funding** [Education and cultural exchange programs were given a \\$21.2m boost](#) compared to 2014 in the US FY2015 omnibus appropriations bill.

Immigration

Australia The Dept of Immigration and Border Protection (DIBP) sent a consultation paper titled [Future directions for streamlined visa processing](#) (SVP) (26 pages) to Australian peak bodies in mid-Nov 2014.

- The DIBP sought feedback from peak bodies on the benefits and effectiveness of SVP, the investments made by providers, whether providers were targeted by non-genuine students, and the market advantage for participating providers.

- The DIBP currently runs two models – SVP (for the lowest risk providers, mainly universities) and an Assessment Levels framework (AL) based on the immigration risk of students' country of citizenship (for all other providers). DIBP sought feedback on a new combined model that rated both the students' home country and education providers' historic immigration risk (based on visa refusals, fraudulent documentation, visa cancellations and overstaying).
- Other items up for consultation included reducing the number of visa classes, managing partner relationships, and reviewing the immigration risk methodology.

The proposed new approach might remove the stigma for those providers that aren't in SVP, while also rewarding the top providers within subsectors with a higher overall immigration risk level.

Responses from [Universities Australia](#), [English Australia](#), [ACPET](#) and the [Commonwealth Ombudsman](#) showed the range of views. The Universities Australia submission was a good read, as it showed their experience of the higher risks, the increased incidences of course-hopping, and the actions of non-genuine students. ACPET and English Australia noted the divergence in enrolment growth for those who had access to SVP (up) and those who did not (flat or down). Policy advice should go to Ministers by June 2015, with decisions taking effect in mid-2016.

United Kingdom Home Secretary Theresa May was reported to have [plans to force all non-EU graduates to return to their home country and apply for a new visa from there](#), even if they intended to remain in the UK and switch to a work visa category. The policy would have the appearance of reducing net student migration to zero, and may appeal to voters in the upcoming UK election. On the ground, it would be likely to seriously damage student recruitment efforts.

On a more positive note, the University of Sheffield won a [THE award](#) for its [#weareinternational](#) campaign to support students applying to study in the UK. The PIE News had a [good write-up](#) of the initiative, which helped people complete the visa process.

Trade Issues

- **China-Australia FTA** The PIE News had more details on the trade agreement between China and Australia (see our November report) that [will add 77 more private Australian providers to the Chinese government's "white list" of quasi-approved institutions](#). Currently only one private Australian provider is listed.
- **NZ-Korea FTA** New Zealand and South Korea [signed a free trade agreement](#). While [extra commitments have been made](#) on services and education, they do not appear to be significant. Other agreements [boosted working holiday places to 3,000](#) (from 1,800), [allowed 50 primary sector trainees to enter NZ](#), and provided for 150 short-term English language training places for young Koreans (no link).

Political Risk

- **US-Chinese Connections** A US House subcommittee held a hearing on [whether American colleges' Chinese connections could compromise their academic freedom](#). The Chair called for an investigation into whether US institutions had compromised academic freedom in



agreements with Chinese organisations. He also called for an [investigation into Confucius Institutes on American campuses](#). This particular hearing will probably not amount to much, but it is part of a broader trend questioning engagement with China that has more to do with friction in superpower relationships than Congressional fervour for academic freedom.

- **Saudi Arabia** [Universities in Saudi Arabia have introduced strict measures to monitor the ideological orientation of faculty members](#) after a Syrian teacher at Dammam University left her post to join ISIL.

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