



International Education Scanning Report

February 2014



Authored by Dave Guerin of
Education Directions Limited

If you need further information on
international education please contact:

Business Development Team

Education New Zealand

Phone: 04 472 0788

Email: ebd@educationnz.govt.nz

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Report Purpose

Education New Zealand (ENZ) has asked 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 will raise issues and address policy questions, but are intended to facilitate, not lead, discussion.

This report will only improve with feedback from its users. You can fill in a survey at <https://www.surveymonkey.com/s/NJG38DT> or contact the author, Dave Guerin of Education Directions, at 0800 500 552 or dave@ed.co.nz. If you wish to contact ENZ about the scanning report, please contact the Business Development Team ebd@enz.govt.nz.

February 2014 Executive Summary

Markets

1. We have pulled together a range of enrolment and immigration data for major English-speaking countries, and would welcome feedback. We need to know what would work best for readers.
2. There is more activity in the market for course search and guidance sites, both for international education and US domestic education. This could affect current agent relationships.
3. The British Council released a must-read study on higher education opportunities in India.
4. English Australia explored scenarios for English Language schools – well worth a read.

Immigration

5. New Canadian immigration regulations will increase the regulation of education institutions, especially in the private sector. Work rights will also be opened up to a wider range of institutions and are automatically granted. On the other hand, language schools will lose access to co-op work permits.
6. The UK had a scandal after English language tests and other immigration documentation were rorted. Two testing centres were completely corrupt, while banking records were also falsified.
7. Australia backed down on kicking out most students who changed providers, but did close the door on future students trying the same trick.

Strategy & Policy

8. We have pulled together a table of 15 countries that have growth targets for international students. Most were in the 3-12% range, but some had outlandish targets (Mauritius aimed for 143% growth each year for 13 years...). We are keen to get feedback on how such data on targets, and progress towards them, could be used by readers.
9. Germany released its latest international education strategy, although it confirmed previously announced targets. They are much more focused on international engagement than direct revenue generation (fees are negligible in Germany).

1.0 Markets

Enrolment/Immigration Data

We're starting to track enrolments around the world, and we'd appreciate feedback on what people are looking for. As a start, we have collected some data from Jan-Feb 2014 data releases, aiming for the most recent indicators. While China and India are amongst the largest markets for each of the destinations listed, the other countries vary in importance for each destination. The "Other" columns usually list changes in other major markets for that destination.

We have not yet tried to analyse the differences between data sets, but we're keen to know how many markets people would like to track, and in what ways.

The data suggest that higher education in the USA is growing the fastest, and that aligns with all other information available. American universities and colleges are pushing hard for international enrolments and are doing well, although tensions are emerging about [integration of international and domestic students](#) ([Chronicle of Higher Ed](#)). US graduate enrolments from India should continue to rise, [given recent GRE test volumes](#), but Chinese test takers seem to be declining in numbers.

Table 1 – Annual Percentage Changes in Enrolment/Immigration Data by Destination and Source Countries

Destination	Data	Overall	China	India	Brazil	Pakistan	Other	Other
UK	Study Visas Issued Dec 2013	4	9	-21	147	-55	24 (Malaysia)	Student Visitor Visas up 14%
Australia	Enrolments Dec 2013	2.6	0.4	-8.6	16.3	15.2	0.1 (S Korea)	16.0 (Vietnam)
USA	Fall 2013 Higher Ed Enrolment Survey	13	7		17		55 (Iraq)	25 (Saudi Arabia)
Canada	Foreign Students' Entries Sep 2013	5	12	-6	-3		10 (France)	-5 (S Korea)
NZ	Students with Valid Visas	5.9	10.4	33.9	7.8	-12.3	-12.1 (S Korea)	4.0 (Japan)

NB The UK's [non-EU higher education applications](#) for 2014/15 were up 9%.

Our second table shows that growth varies considerably by sector around the world. It looks as though NZ's ITP and PTEs are performing well compared to peers, although university growth is

slower. We should emphasise that the datasets should only be used for indicative purposes, as they mix visa and enrolment data, which often have important differences.

Table 2 - Annual Percentage Changes in Enrolment/Immigration Data by Destination and Sector

Destination	Data	Overall	Unis/HE	FE/VET/ITP	PTE	ELS	Schools	Non-Award
UK	Study Visas Issued Dec 2013	4	7	-34		-2	-2	
Australia	Enrolments Dec 2013	2.6	0.4	-6.4		20.1	-3.8	11.2
Australia	Commencements Dec 2013	9.3	8.1	-0.1		21.0	4.7	11.6
Canada	Foreign Students' Entries Sep 2013	5	0	17			5	
NZ	Students with Valid Visas	5.9	2.6	18.7	7.5		6.7	

As we mentioned above, we welcome feedback on issues such as:

- what data readers would like to track (eg which source countries, sectors and destinations); and
- how much interpretation and contextualisation readers want done on the data.

Listing & Review Sites

In early March we attended SXSWedu, a major conference in Texas with a focus on education technology. There was considerable venture capital investment going into services that help people identify an appropriate subset of universities, and support subsequent applications (ICEF [reviewed wider private investment trends](#) in Feb). While those services focused on the domestic US university market, the services could pivot to have a focus on international students (and use their base of US university clients to support that). We expect Internet-based services to play a bigger part in international education decisions in the next few years.

Many organisations already offer sites that list and review educational experiences, and we have collected February stories on a few of them.

- Abroad 101, which hosts student reviews of study abroad programmes, [had an ownership change in Dec 2013 and has plans for expansion](#). They hope to get deeper assessments of what students gained from their experience.

- Hotcourses is [off the market](#) after a sale fell through, but plans to shift its focus from listing courses, to helping students apply for courses.
- ICEF reviewed Possibility U and other services that [help people select education options](#).

While there have been many predictions that education agents could be supplanted by technology, as have many travel agents, there are countervailing forces. While most short-distance travel has shifted to booking sites, complex travel plans remain a key market for travel agents, and offshore education is generally a bigger and more complex decision than simple travel. Still, there is more energy and money going into IT-based matching and guidance software, and we will monitor the area

Offshore Provision

The month had several stories on experiences of branch campuses, as well as plans for growth in current or aspiring education hubs.

- The South China Morning Post explored [Duke University's Chinese campus](#), while THE reviewed [UK institutions' Chinese campuses](#).
- A Chronicle of Higher Education blog [explored the terminology around branch campuses](#).
- The UK's University and College Union [criticised the arrangements that the University of Central Lancashire \(UCLan\) has for its offshore activities](#). UCLan has had some failures and setbacks, but the report highlights the scrutiny that public providers face with offshore activities. The UCLan group CEO was also [interviewed by THE](#).
- Uzbekistan is [pursuing a Korean university to set up an offshore campus](#).
- The PIE News interviewed the head of Chinese organisation BOSSA on [facilitating partnerships between Chinese and foreign universities](#), including pre-Masters programmes.
- Mauritius will have a [new campus with space for 5,000 international students](#), with international providers welcome to set up. The country hopes to get 100,000 students by 2025 (from 924 in 2012).
- India's private Amity University is [investing US\\$82m in a 5,000 student campus](#) at Dubai International Academic City (DIAC). Amity enrolls 100,000 international students in 7 countries. DIAC has 20,000 international students in 21 branch campuses.
- Private universities in Sri Lanka will be [exempted from having to meet the requirements of local professional bodies](#), sparking a backlash. The exemption may encourage offshore providers to set up.
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Tough Entry Standards

While some countries just set language requirements for intending students, [Russia is also proposing](#) a year's preparatory study and an understanding of 18th and 19th century Russian literature! The story referred to other bilateral arrangements that might avoid the need for such tests.

Indian Higher Education

The British Council released a report on [opportunities for higher education cooperation with India \(48-page report\)](#). It was based on interviews with over 50 senior people in India higher education and government. Challenges for India included: low enrolment in higher education; low quality of teaching; limited research capacity; and uneven growth and access. Much work is underway in India, to improve quality, equity and the number of places available. Some of the key opportunities for British institutions (and by extension other overseas institutions) are listed below.

- collaborations over teaching and learning;
- research partnerships in STEM, but also in the humanities, arts and social sciences;
- support for higher education reform;
- UK to India mobility for students and early stage researchers;
- developing vocational skills
- supporting links between researchers and industry.

The British Council's report should be an essential read for any higher education institution engaging with India. One important point was the high level of scepticism amongst interviewees that legislation for foreign institutions would pass, or that for-profit higher education would be allowed.

Another study released in Feb looked into [internal migration of Indian youth for education](#), which may be reducing human capital in those states with net losses of youth ([University World News](#)).

English Language in Australia

English Australia (EA) developed [four scenarios for the future of English language education](#), after workshops in Dec 2013. The two axes were competitiveness and alignment.

- *Drowning, not Waving*. No common vision, stifling regulation, universities get preference, and internal focus of industry.
- *Sink or Swim*. Market-driven policy focus, so larger consortia develop (becoming more influential than peak bodies) and are successful in attracting talent/finance and using technology. The consortia develop global industry partnerships and testing approaches. Smaller providers close.
- *Missed the Boat*. A bureaucratic focus on consensus delays innovation, while a government focus on quality raises costs and promotes conformity. As the market changes quicker than Australian education, students increasingly go elsewhere.
- *Smooth Sailing*. Simpler visas, public transport concessions, lighter quality assurance support growth, while providers invest in new delivery approaches. EA promotes internships and runs a student satisfaction survey.

Scenarios often fall prey to bias, and the last scenario listed above is obviously the preferred one for EA, and has been loaded with goodies. EA's CE, however, [felt that Sink or Swim might be the most likely](#). The scenarios are well worth a read, as they bring together a range of ideas from well-informed people – just run the ideas through your own filter, rather than that of the scenarios.

Snippets

1. **English Test Expansion** Oxford University Press has [developed a mid-stakes English proficiency test](#) (the Oxford Test of English), with plans to compete with IELTS and TOEFL later. Meanwhile, the Pearson Test of English Academic plans more test centres in 20 different markets this year.
2. **Schools** ENZ released a paper from a [school sector international planning workshop](#), while the NZ Herald had a [long feature on the sector](#). Pamoja Education [teaches 1,400 International Baccalaureate students online](#) and plans major growth.
3. **Rankings** The latest QS subject rankings were released on 26 Feb, listing the [top 50 universities in 30 different subjects](#).
4. **Fees** A UK campaign has started for [international student fees to be fixed for the course duration](#). The University of Edinburgh [introduced such a scheme](#) in Feb.
5. **Accounting**...may be kept on Australia's skill shortages list, according to [a well-argued post](#).
6. **Research Links** UK Russell Group universities will [link with top Chinese institutions](#).
7. **Asian Mobility** A [UNESCO review of international student mobility in Australia, China, Indonesia, S Korea, Malaysia, the Philippines, and Thailand](#) is useful background reading for those involved in the markets ([92-page report](#)). A [SE Asian credit transfer scheme](#) will be piloted in 2014.
8. **Erasmus+**...will now be [open wider to Latin American students and academics](#).
9. **Pathways** The Assn of Indian Universities is apparently [not recognising some bachelor's degrees](#), as students have not spent at least 3 years studying with the granting institution (ie 1 year may be with a pathway provider). As the article's author suggested, this is a major issue for offshore universities, as it limits employment and further study opportunities for graduates.
10. **UK Students** 51% of international students in the UK felt the government was unwelcoming to them, but only 19% wouldn't recommend study in the UK ([NUS study](#)). The results were worse for Indian, Pakistani and Nigerian students.
11. **Grad Student Survey** QS released a [comparative survey of intending graduate students](#) who engaged with QS in 2008-09 or 2012-13 (7,500 people all up). It is worth reviewing for insights, but doesn't appear to have any control over sampling, or real statistical analysis. Don't rely on it.
12. **Student Mixing** US research showed [mixing of foreign & domestic students reduces xenophobia](#).
13. **Market Reviews**
 - A [survey of universities in the former USSR](#) (Russia, Ukraine, etc) explored internationalisation.
 - ICEF reviewed the [au pair market](#), which can be paired with language tuition.
 - Review of the [South African English language schools market](#).
 - Review of the [Australian high schools market](#).

2.0 Immigration

New Canadian Regulations

[Major changes to Canadian immigration regulations](#) were announced on 12 Feb, to take effect on 1 Jun 2014 ([new regulations](#)). The new rules are set out below, with the current situation described in brackets at the end of each bullet point.

1. **Requirement to Study** Applicants must enrol in and continue to pursue studies in Canada. (Currently only need to show that they intend to pursue studies in Canada when applying.)
2. **Designation of Institutions** Study permits will only be issued to successful applicants who are pursuing studies at an educational institution that has been designated to receive international students. (Currently may apply to any educational institution.)
3. **Simpler Work Rights** Study permits will automatically authorize the holder to work off-campus for up to 20 hours per week during the academic session and full-time during scheduled breaks without the need to apply for a separate work permit. The study permit holder must be pursuing academic, vocational or professional training of six months or more that leads to a degree, diploma or certificate at a designated institution. (Currently only applies to publicly-funded and certain privately-funded post-secondary institutions, and students must apply for a permit.)
4. **Tighter Co-Op Work Permits** Only international students who are pursuing studies at a secondary school or at a designated institution may apply for a Co-Op Work Permit if a co-op placement is an integral part of their course of study. (Currently applies to any international student.)
5. **Applying in Canada** Visitors may apply for a study permit from within Canada if they are at the pre-school, primary or secondary level, are on an academic exchange or a visiting student at a designated learning institution, or have completed a course or program of study that is a condition for acceptance at a designated learning institution. (Currently visitors may only apply from outside Canada.)
6. **Shorter Post-Study Visa Expiry** A study permit becomes invalid 90 days following the completion of studies unless the foreign national also possesses a valid work permit or another authorization to remain in Canada. (Currently students can stay until their permit expires.)
7. **Registered Indians** Registered Indians who are also foreign nationals may study in Canada without a study permit as they have the right of entry into Canada. (Currently there are no clear regulations for Registered Indians.)
8. **Post-Study Work** Eligible international graduates will be authorized to work full-time after their studies are completed until a decision is made on their application for a Post-Graduation Work Permit. (Currently they are not allowed to work while awaiting approval.)

One of the main changes is the designation of institutions by provinces. This will involve an extra quality process, but the details still need to be worked out for many provinces. (In [British Columbia](#),

the extra requirements are quite minor beyond existing quality assurance.) Designation won't be fully operational by June 2014, so the new rules will take some time to be fully enforced. Transition arrangements will operate for up to 3 years for those students already studying. The main negative impact of designation will be on:

- private language schools, which are only compulsorily regulated in one province (Nova Scotia, since 2013), but many do undergo quality assurance; and
- private non-degree granting institutions, which face varying levels of regulation.

While non-designated institutions won't be able to get student permits for their students, people will still be able to study for up to six months without a student permit.

Canada stands out for its current low levels of regulation of institutions, and the Canadian government is seeking to tighten control in order to reduce risks. The Regulatory Impact Statement (RIS) for the Regulations said that:

- “(some) institutions take advantage of international students by offering subpar education, or promise courses or programs of study that they are unauthorized or unequipped to deliver. ...Other educational institutions are involved in more unscrupulous activities, such as operating as so-called “visa mills” with the sole purpose of facilitating the entry of foreign nationals into Canada. ...in some cases, nongenuine students use their study permit as a primary means to gain full access to the Canadian labour market.”

Work rights are the other big area of change, with work rights automatically granted with a study permit and to a wider range of institutions. Work rights and co-op work permits (for work related to study) will, however, not be available to English and French language programs, as the government wanted to focus on offering work opportunities to those most likely to migrate to Canada. Unsurprisingly, [Languages Canada was concerned at the change](#) and suggested that the loss of co-op options [might result in 12-15,000 fewer students each year](#). Such a reduction may not help other countries, as the affected students may be enrolling to secure work, rather than education.

The RIS for the regulations cites the 10-year costs as C\$357m (C\$347m from lower tuition revenue for non-designated institutions) and the benefits as C\$536m (C\$490m from higher tuition revenue for designated institutions). While the costs seem high, they were calculated on a conservative basis, and may well be lower. The government also expected to deter 4,800 non-genuine students on average each year.

Overall, Canada should be able to market a simple work rights offer during and after study, but institutions and students will face tighter regulation, which will grow over time.

UK Testing Scandal

Immigration fraud was unveiled by [BBC's Panorama programme](#) on 10 Feb after a yearlong undercover investigation. The BBC sent non-EU students undercover to get evidence on camera.

- A TOEIC testing centre had every candidate enter the room, and then had them replaced at their seat by a substitute who sat the test. They locked the front gate before the test started, possibly to delay any inspection. At a second test, a room of students was read out answers to a multi-choice test.
- Other students were sold fake records of bank funds to support visa applications. A person with the student's name was identified with a large bank balance in India, and their details were supplied to UK authorities. In another case, statements were forged.

TOEIC and TOEFL tests, both run by ETS, were [suspended due to Panorama's investigations](#) – ETS hoped to make progress towards normal status within a month. Two colleges in the investigation were also suspended. [The PIE News](#) reported that all visa applications based on ETS-run exams in the UK were also put on hold.

A [student representative](#) pointed out that the Panorama story never mentioned the scale of the problem, and accused the programme of being sensationalist. He made some good points, but the video evidence is compelling and deserved a strong government response.

Another scandal emerged when the UK's immigration minister resigned after it was [found out that his cleaner of seven years didn't have the right to work in the UK](#).

UK General News

An Immigration Bill had its second reading in the House of Lords in Feb, with [negative comments on the proposed National Health Service levy and checks by landlords on tenants' legal status](#). Subsequent [proposed amendments](#) would exempt students from restrictions on tenancies, driving licences, bank accounts and other services (we don't know the likelihood of the amendments passing).

A House of Lords investigation into immigration policies and STEM subjects heard evidence that the [decline in Indian students was reducing STEM enrolments](#). Treasury, meanwhile, hinted at [freeing up post-study work opportunities for students from research-intensive universities](#).

As we noted last month, [visa fees went up around 4% in the UK](#) in Feb ([The PIE News](#)).

Australia

Australia's Immigration Dept [backed down on threats](#) to cancel visas for 1,400+ students who had moved from providers in the streamlined visa processing (SVP) system to non-SVP providers. They will now apply the policy mainly to students who changed after the government's publicity from 14 Jan 2014. Another source said that students who changed to a different type of course (ie a non-degree) [would face more investigation](#). The overall approach is sensible, avoiding paperwork and negativity, while closing the loophole. The Immigration Dept's publicity includes the image at left (from their [Facebook page](#)).



Talking of SVP, [a list of 19 new SVP providers](#) was released on 11 Feb, along with existing university SVP participants. The list included private organisations and TAFEs.

New Zealand

NZ's Industry Partner Programme, which is similar to Australia's SVP, has [come in for high praise in comparison to Australia's scheme](#).

3.0 Strategy & Policy

Expansion Plans

Many countries plan to expand international education, so we've decided to put together a table of the various targets. The data isn't perfect, so it should only be used for indicative purposes (not all figures come from official documents).

Considering the limits on the data, some countries' expansion ambitions do seem unduly positive – Mauritius seems unlikely to achieve 143% growth for 13 years running. Most countries fall in the more realistic 3-12% annual growth rate range (although maintaining 10% growth or more over a long period will be hard).

Country	Base	Base Year	Target	Target Year	Annual Compound Growth %	Notes
Mauritius	924	2012	100,000	2025	143.4	
Sri Lanka	10,000	2013	100,000	2020	38.9	Base was under 10,000
Russia	2.5%	2013	10%	2018	32.0	% of all students
Singapore	84,000	2012	150,000	2015	21.3	
Japan	138,000	2013	300,000	2020	11.7	
Malaysia	90,000	2012	200,000	2020	10.5	
Taiwan	78,000	2013	150,000	2020	9.8	
Finland	20,000	2013	60,000	2025	9.6	
Ireland	26,000	2010	38,000	2015	7.9	Higher education
Canada	239,000	2011	450,000	2022	5.9	
UK	430,000	2011/12	600,000	2018	5.7	Higher education, numbers are estimates
China	328,000	2012	500,000	2020	5.4	
NZ	\$2.5B	2010	\$5.0B	2025	4.7	Dollar value targets
Australia	402,000	2012	520,000	2020	3.3	Target is estimate
Germany	280,000	2013	350,000	2020	3.2	

We would welcome feedback on how useful data on countries' targets, and their progress towards them, would be for readers.

German Strategy

The German Academic Exchange Service (DAAD) [adopted its Strategy 2020](#) on 5 Feb ([17-page report](#)), and the main initiatives included scholarships, structures of Internationality, and expertise for academic collaborations. The document was quite dense, but some key points were:

- a continued goal for 350,000 international students by 2020 (up from 280,000 now);
- raising those students' success rate to 75%; and
- giving 50% of each graduating class the chance to gain international study-related experience.

Snippets

- **Yemen** Yemeni authorities will [no longer pay for students to attend private Malaysian universities](#), citing high costs and low quality (4,000 Yemenis are currently enrolled).
- **UK-Australia** The UK Minister for Universities and Science proposed that UK and Australians universities should [cooperate over building links with Indonesia and similar countries](#).
- **Switzerland** The Swiss recently voted to restrict immigration by a 50.3% majority, and the final changes (to be decided by the Government) were likely to lead to restricted access to the EU's Erasmus+ and Horizon 2020 funds. Student groups were [lobbying for international students to be excluded from any cap](#). Later in the month, the European Commission [approved the first restrictions on Swiss involvement in EU funds](#). The Swiss situation is due in part to the [high number of foreign higher education students](#) – 38% of all students in 2011, with most paying domestic student fees.
- **Assessing Internationalisation** The European Consortium for Accreditation released [A Guide to Assessing the Quality of Internationalisation](#).
- **NZ Grants** The NZ government [granted \\$0.5m towards international education growth initiatives](#) ([list of projects](#)).

Education New Zealand, Level 9, 15 Murphy Street, Thorndon, PO Box 12041, Wellington 6144, New Zealand
PH +64 4 472 0788 | **FX** +64 4 471 2828 | www.educationnz.govt.nz | www.newzealandeducated.com