

International Education Scanning Report

May 2014



**NEW ZEALAND
EDUCATION**

ThinkNew

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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) Directions, 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.



May 2014 Executive Summary

Markets

1. US study visas grew by 2% from Jan-Apr 2014. Retention is becoming an increasingly important issue in the US.
2. UK study-related visas grew 6% in the year ended Mar 2014, while student visitor visas (for study up to 6 months) rose by 14%. Growth came from China, Brazil, Malaysia, Libya and Iraq. India and Pakistan declined again.
3. Australian enrolments are booming, up 10% in the year ending Mar 2014, while commencements were up 21%. Providers with access to streamlined visa processing are doing best.
4. Digital English language learning is tipped to boom, especially in Asia.
5. A new ranking system launched with EU support, MultiRank, allows people to make their own comparisons, rather than providing top 100 lists. Russia plans to develop a ranking system too. Meanwhile UNESCO warned about the dangers of too great a focus on ranking systems

Immigration

6. The UK's Immigration Act 2014 pass, affecting health charges and requiring landlords to check on migrants' status.
7. Australia extended streamlined visa processing to advanced diploma students, which currently only make up 1% of the market.

Strategy & Policy

8. English will be dropped from the gaokao, China's school leaving exam, in 2017 (a year earlier than planned).
9. India's new government should lead to more dynamism in the Indian economy, but nationalistic undercurrents could affect foreign providers.
10. The UK is likely to have more quality assurance of offshore education by UK providers.
11. US study abroad initiatives are gaining momentum, and have a much more bottom-up focus than plans that we have reviewed from Scotland, Australia or England.
12. Ireland is consulting on a new Code of Practice and International Education Mark, which is timely given the rash of closures by private education providers in the country.

1.0 Markets

Enrolments

[US Immigration Statistics Apr 2014](#) (comparisons are to Jan 2014 figures)

- Student numbers were up 2%, while exchange visits were up 5%. Students from Saudi Arabia (10%), India (8%) and China (1%) were all up, while Europe (-2%) were down.
- 29% of all non-exchange students (F and M) were from China, and 11% were from India.
- 78% of Indian students enrolled in STEM subjects, compared to 35% of all international students enrolling in STEM subjects.

[UK immigration statistics for Jan-Mar 2014](#)

- Study-related visas issued rose by 6% in the year ending Mar 2014, with the highest growth from China (8%), Brazil (102%), Malaysia (23%), Libya (85%) and Iraq (44%). The highest declines were from Pakistan (-46%) and India (-17%).
- Student visitor visas (for study up to 6 months) issued rose by 14%, with the highest growth from China, Libya, Turkey and Russia.
- The number of students granted post-study extensions for work dropped from 39,000 in the year ended Mar 2013 to 6,000 in the year ended 31 March 2014. This reflected policy changes closing off options for students.

[UK English Language Schools](#)

- English language school teaching weeks in the UK increased by 1% in 2013, but student numbers were up 17%. The Middle East was up the most for student weeks (24%), while Spain was down the most (-16%).

[Australian Enrolment Data – Year to Date March 2014](#) (see also [visa data for the year to March 2014](#), and [2013 export income from international education](#))

- Enrolments were up 10%, while commencements were up 21%.
- The highest growth in enrolments was in ELICOS (30%) and higher education (7%) while the lowest growth was in schools (0.3%).
- The highest growth in commencements was in ELICOS (30%), higher education (17%) and VCET (21%), while the lowest growth was in schools (4%).
- For the three biggest nationalities for enrolments, China was up 6%, India was up 17%, and Vietnam was up 22%. Brazil, the 7th biggest nationality, was up 52%.

- Growth is seen as being driven by those providers with [access to streamlined visa processing](#), either directly or via packaged courses with higher education providers. The high growth is also spurring some concern that the government may crack down to slow that growth.

US Retention

NAFSA released an [initial report on international student retention in the US](#) – the work is part of a larger study that will be released later in 2014. The report showed a mismatch between staff and student perceptions over why students transferred (see [infographic](#)). Students felt transfers to other institutions occurred because of access to jobs/internships, affordability, and scholarship availability. Staff felt that it was because of reputation, finance or academic matters. Staff also felt that orientation processes and writing/tutoring services were much more important in supporting students than did the students themselves.

The research was presented at NAFSA's conference and the [Chronicle of Higher Education covered the session](#). The Chronicle went on to [publish a longer story](#) on the issue. Retention is growing in importance in the US, as their international enrolments increase quite quickly (and institutional responses lag, as they usually do).

A [further Chronicle story](#) compared the South Korean and Chinese markets. The South Korean market has matured and declined in the US, and the article explored whether the Chinese market was likely to go the same way. There is a strong line of thinking in the US that the Chinese market will continue to expand for some time, but there are also those who see a bubble developing that will burst soon (as it did in other countries).

Digital English Language Learning

Ambient Research has explored the digital English language learning market around the world, [producing reports](#) on 7 different countries and regions over Feb-Jun 2014. They estimated the 2013 market size at about \$1.8b, with the largest region (Asia) projected to grow at a compound spending growth rate of 14% pa until 2018. In Asia, the highest spending growth rates (all above 15% pa) were seen to be in mobile apps and edugame, mobile learning, and collaboration-based learning. Sri Lanka, Thailand and Pakistan were projected to have spending growth rates above 40% pa.

The research is useful reading for anyone in the digital English language learning market, or competing with such products. The documents we reviewed only include the abstract, but you can buy the rest from the firm.

Student Research

Hobsons released [Beyond the Data – Influencing international student decision making](#) (39 pages) in May. It was based on a Jan 2014 survey of 18,000 people, who enquired about study in Australia or the UK. The report explored what was important to students, how

they made their decisions and what communications they expected from institutions. Most of the answers aren't surprising (ie most people choose subject and country before choosing an institution), but the sections on social media use have new information. Overall, it's worth reading as it's based on a large sample, and provides up to date information. [Another report](#) was released about the same time, and is 90% the same, but is 43 pages long.

MOOCS

- The [policy and practical issues around MOOCs](#) were debated at the British Council's Going Global conference.
- Coursera has launched a [Global Translator Community](#) to get its courses into more languages, while also announcing new partners for [physical Learning Hubs](#) ([PIE News](#)). Both help increase the reach of their MOOCs.
- An [Arabic language MOOC platform](#) was launched on 19 May. Edraak uses technology from EdX.
- The British Council is to [launch an English language MOOC](#) on the UK's FutureLearn platform.
- Irish universities might [unite under the National University of Ireland's brand](#) for online education.

Rankings

Universitas 21 released its [third annual ranking of education systems](#). China was up the most from the previous year, although the report is best for comparative study, rather than the rankings themselves. This year's report included an adjusted list according to a country's economic development, on which China did even better than the main list.

QS released university rankings for [Latin America](#) and [Asia](#).

A new ranking system was also launched on 13 May – [U-Multirank](#) ranks universities from A-E in 30 different areas, and allows users to choose what matters to them ([media release](#)). There are no top-100 lists. For NZ, the University of Auckland is in the list but only easily calculated metrics like citation rates are provided. The website should have more data as it develops.

Russia plans to [develop a ranking of higher education institutions](#) by June 2015.

The UNESCO Institute of Statistics advised in a [report on Asian higher education](#) that a focus on getting high rankings for one or a few institutions can run the risk of hurting pockets of excellence in other institutions (that issue is a live one in NZ too). The UNESCO report goes well beyond ranking issues, and is worth reviewing for all those focusing on the region.

Singapore has consciously sought to increase rankings in recent decades. It has hired many foreign academics as part of that strategy, which has [started to see a backlash from local academics](#).

Irish Closures

Five English language and business schools closed in Apr-May 2014, and the government [set up a task force of officials and stakeholders](#) to help support affected students – see [Task Force website](#). Other English language schools are offering courses at €60/week, about a 70% discount, to affected students until they complete the weeks not done yet on their original course.

Ministers were also working on new regulation around immigration and provider entry/quality.

Snippets

1. **Agents** Research by OBHE and i-graduate has shown [increasing uptake of agents by students since 2007](#), with institutions also seeing a higher conversion rate from applications to enrolments when agents are involved. On the less positive side, an agency dropped by the Canadian University of Windsor is [suing the institution for \\$24.1m](#) over allegations of staff poaching and more.
2. **Going Global** Check out summaries of the [British Council's May Going Global conference](#).
3. **Latin America** ICEF had a [good summary](#) of a [major survey of Latin American higher education](#). ICEF summarised the internationalisation findings, which are not available in English, but the sections on student mobility and study abroad may be worth getting translated. The Australasian region was near the bottom of the priority list for institutional cooperation, but student interest in the region was better, in relative terms.
4. **UK Schools** The [UK Independent Schools Council's Census](#) showed that non-UK branch campuses grew from 20 in 2012 to 29 in 2013, while student numbers went up 52% (p.21).
5. **Junior Travel** A UK company offering experimental learning (often with English) to those aged under 18 has [rebranded](#) – worth a look if you operate in the area.
6. **Expulsion** A German student was [expelled from a NZ secondary school after purchasing drugs](#).
7. **China 2+2** A marketing consultant wrote an [overview of 2+2 degree programmes in China](#) (NZ had 2% of such programmes).
8. **Dubai** An Iranian university had a to close a Dubai campus [operating without approval](#).



9. **Pakistan** A knowledge park in Lahore is [attracting interest from institutions in the UK, Bangladesh, Malaysia, the USA and Turkey](#).
10. **NSW** The New South Wales Auditor-General [explored university finances](#), finding that international students made up 21.8% of universities' students, and that fees had gone up 31% from 2008 to 2012.
11. **Latin America** The American Council on Education put out a [brief on engaging with higher education systems in Argentina, Brazil and Chile](#).
12. **Arab-Turkey** A developing [Arab-Turkish university network](#) is a good example of regional university cooperation.
13. **Market Reviews...**covered [Hong Kong school graduate's choices](#), [Argentina](#), [New Zealand](#) (marketing strategy), [Australia](#) (source markets), [German language students](#), and [Irish English language schools](#).

2.0 Immigration

UK

The [Immigration Act 2014](#) passed into law on 14 May ([link to legislation](#)). It allows for National Health Service surcharges on students, amongst others. It also requires landlords to check the immigration status of students (student accommodation was carved out from that requirement).

Australia

[Advanced diploma students will be eligible for streamlined visa processing](#) (SVP) at low immigration risk providers by early 2015 ([policy details](#)). SVP was extended to non-university degree providers in Mar 2014. Many TAFEs and private colleges will [still be unable to access SVP](#), as advanced diploma students only make up about 1% of the market (though that may grow)..

Australia added [the TOEFL internet-based test and the Pearson Test of English Academic and English tests for visa purposes](#) from Nov 2014, with Cambridge English: Advanced (CAE) likely to be added in early 2015.

The Australian immigration department [won a legal case over a visa refusal](#), because the student had not updated their residential address. The department sent the student a letter asking for proof of medical insurance, which the student had, but the letter went to an old address. The judge was surprised that the department hadn't found a way around the issue...

3.0 Strategy & Policy

Chinese Gaokao/Graduate Study

[English language testing will now be removed from the gaokao](#), the Chinese school leaving exam, in 2017, rather than the originally planned 2018 date ([China Daily](#)). Chinese language and mathematics will have more prominence in the gaokao. English will stay in the curriculum and will be tested in other ways.

The [introduction of fees on postgraduate study in China](#) from Sep 2014 has seen a large reduction in applications, and a shift towards professionally oriented programmes. Tuition fees for a master's degree will likely be US\$1,300-1,600, while postgraduate numbers may be limited to around 450,000. Graduates with postgraduate degrees have had lower employment rates than those with undergraduate degrees in recent years.

India

India's new government could have a big impact on international education. Narendra Modi's party, the Bharatiya Janata Party (BJP), has a large majority, while Modi has a reputation for getting things done in Gujarat, the state that he led since 2001. There will probably be a marked contrast from the slower change under the previous leading party, Congress.

The [BJP manifesto](#) reflected the party's nationalistic roots, but it also set out a comprehensive set of reforms, including on education (pp.22-26). There was a very strong focus on skills, to make the most of the "World's Largest Workforce". Proposals covered a focus on skills for employment, MOOCs for vocational training, correspondence courses for basic business and entrepreneurial skills, bringing Indian universities up to global standards, and a 2-year National Commission on Education to consider what needs to be done.

A bill to allow foreign universities to set up in India has been stalled for some time. While the BJP is seen as a nationalistic party, Modi's success in Gujarat has been partly due to his attraction of foreign direct investment. He is better placed than his predecessors to allow for greater involvement of foreign providers in Indian education.

There are still risks for international education. Ravi Lochan Singh cautioned that [Australia should be wary of the BJP's nationalism](#), and especially the influence of the RSS, a group that usually supports the BJP.

US Study Abroad

The Institute of International Education's (IIE) Generation Study Abroad initiative [gained 150 new partners](#) by 20 May, doubling the number involved on the 3 Mar launch date (ENZ also made a [commitment](#)). They have all made some form of commitment to increase the numbers of US students studying abroad. The IIE also released a green

paper on [What will it take to Double Study Abroad?](#) (23 pages) The paper was based on a Mar 2014 event and came up with 11 big ideas to increase study abroad. The ideas range from branding to practical changes in campus systems to private sector partnerships. There is a lot of energy behind the IIE's approach, and they are aiming for commitments rather than just publishing a worthy report.

The US State Dept released a new [100,000 Strong in the Americas](#) website for the major student exchange project within the Americas.

Two US states (New York and Minnesota) [may regulate study abroad programmes](#) (US students going overseas), requiring reports on student safety, and more transparency over costs.

Transnational QA

The UK's Quality Assurance Agency, which covers higher education, released [Strengthening the quality assurance of UK transnational education](#) (29 pages) on 3 May. It is the report on a consultation that started in Dec 2013, which we picked at the time was about the QAA increasing its offshore reach. 69% of respondents agreed that transnational education (TNE) needed extra quality assurance, but there was even more support for a flexible approach. The strongest opposition was to proposals that reviews lead to formal judgments or badges.

There was a preference for adding offshore visits to existing reviews, rather than creating a standalone process. Respondents also felt that the QAA had focused too much on risk, rather than quality enhancement.

The QAA will now develop a new approach that includes: linked, but separate, TNE and institutional reviews; balancing risk reduction and quality enhancement; and an improved database of provision. They will also work on the more practical details of how visits will be organised.

Irish Quality Mark

Quality and Qualifications Ireland are consulting on [how providers will be authorised to use the new International Education Mark](#) (22 pages). The Mark will be available to providers that comply with a Code of Practice for the provision of programmes to international students. Providers will need to meet general quality assurance requirements and have approved programmes. The Code of Practice's likely coverage is set out on p.20 and is much as would be expected.

An existing quality mark and associated guidelines set up by ACELS (a group of English language schools) will be discontinued, but replaced by the new Mark and an accreditation scheme for providers of English language teaching.

Providers seeking approval to use the Mark will need to show five years' experience in delivering high quality education to domestic (including European) students. That is quite a tough standard to set, and essentially restricts entry, although gaining the Mark does not appear to be a requirement to enroll international students. The Mark will get some extra momentum after recent provider closures in Ireland (see Markets section).

Snippets

- **UK Study Abroad** The UK's Business Secretary, Vince Cable, wants to [boost UK students studying in China from 5,400 now to 80,000 by 2020](#) and is seeking private sector support ([British Council](#)).
- **NZ Study Abroad** [103 PM's Scholarships for Asia](#) were awarded in New Zealand.
- **France-China** France is [aiming to increase Chinese student numbers](#) from 35,000 (which may be a 2013 figure) to 50,000 by 2015, with a focus on Masters and PhD programmes.
- **Malaysia...**is [seeking to grow international school numbers](#), as part of an ambitious growth plans for international students.
- **Australia...**[extended funding and loan support](#) for non-public higher education providers.
- **Brazil's...**Science Without Borders scholarships programme is [expected to end with the latest tranche](#), in which Australia picked up 1,700 students (the UK [picked up 2,700](#)). Some other students who wanted to go to Portugal were sent to second-choice destinations Australia and Canada, and [later had their funding pulled after not meeting English language requirements](#).
- **Belarus...**wants to [increase its international students](#) (now 16,000), like everyone else.

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