

## Analysis of Australia's Education exports

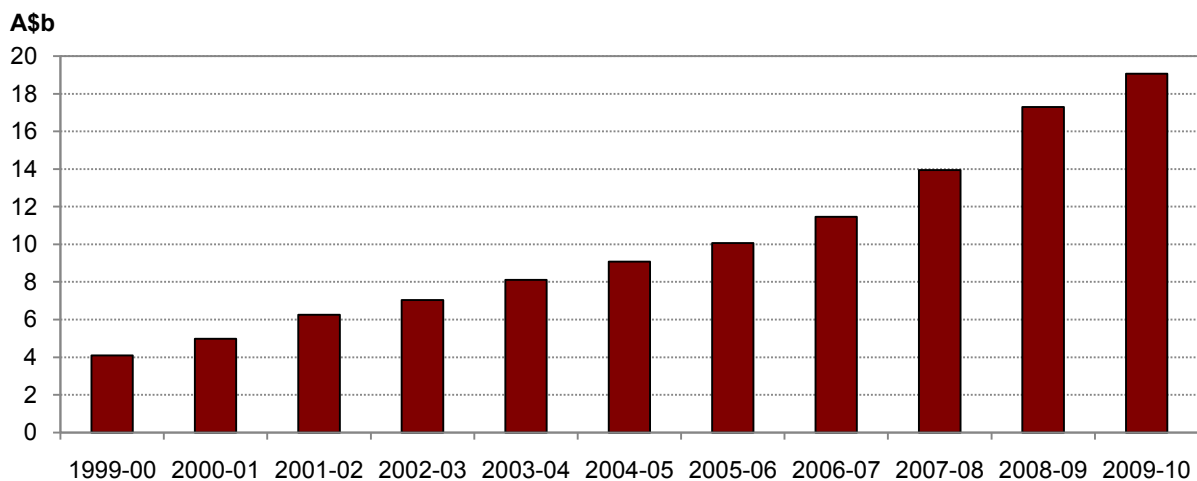
Australia's exports of *Education services* are an important part of Australia's services exports to the world, accounting for around 36 per cent of total services exports in 2009-10. With the significant public and media interest in *Education services* exports over the last year the following analysis examines the performance of this sector in more detail.

In this analysis, the data on the value of education exports refers to the 2009-10 financial year, the latest available detailed data from the Australian Bureau of Statistics (ABS), the international student enrolments data refers to the 2010 calendar year, the latest available data from Australian Education International (AEI) and the Student Visa refers to the first 6 months to December 2010 from the Department of Immigration and Citizenship (DIAC).

### Education services exports (2009-10)

Australia's total *Education services* exports rose 10.2 per cent or \$1.8 billion to \$19.1 billion in 2009-10 (see **Chart 1**). *Education* exports were composed of *Education-related travel services* (which include fees and living expenses of foreign students studying in Australia) and *Other education services* (which includes the non-travel related education services such as consultancy services).

Chart 1: Growth in exports of Australia's Education services



Based on ABS catalogue 5368.0.055.003.

In 2009-10, *Education-related travel services*, Australia's largest services export, rose 10.6 per cent or \$1.8 billion to \$18.5 billion<sup>7</sup> (in volume terms exports rose 6.8 per cent while prices received rose 3.5 per cent). Total fees paid by foreign students rose 11.4 per cent to \$7.0 billion while foreign student living expenses in Australia rose 10.3 per cent to \$11.3 billion.

The *Other education services* (including royalties) fell marginally, down \$4 million to \$583 million in 2009-10. Within this category:

- *Education consultancy services* fell 35.8 per cent to \$95 million
- *Correspondence courses* fell 12.0 per cent to \$22 million
- *Services through educational institutions* rose 17.3 per cent to \$265 million
- *Royalties on education services* fell 7.4 per cent to \$25 million

<sup>7</sup> Please note that in January 2011 the ABS revised the value of *Education-related travel services* for 2009-10 down \$408 million from \$18.5 billion to \$18.1 billion. This downward revision was mainly due to ABS projections of student visa data being replaced with actual data. However, the ABS has not yet revised the detailed education services data for 2009-10 which was released in December 2010 (ABS catalogue 5368.0.055.003 *International Trade in Services by Country, by State and by Detailed Services Category, Financial Year, 2009-10*). As a result, this analysis of education exports can only be based on the original data release in December 2010. These further revisions to *Education-related travel services* will be incorporated into the next edition (2010) of DFAT's *Trade in Services, Australia* publication due out in July 2011.

- *Other education related services* rose 9.3 per cent to \$176 million.

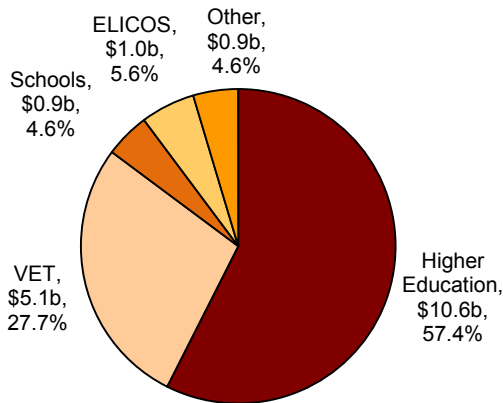
Preliminary ABS data for *Education-related travel services* for 2010, shows that the value of these exports fell marginally (\$23 million) to \$17.7 billion. The more detailed data on *Education services* for 2010 is not released by the ABS until 19 May 2011 and will be included in the next issue of this publication.

**Education-related travel services exports by sector**

*Education-related travel services* exports were dominated by the *Higher Education sector* which accounted for 57.4 per cent of exports in 2009-10 (see **Chart 2**). This was followed by the *Vocational, education & training sector (VET)* which accounted for 27.7 per cent, the *English Language Intensive Courses for Overseas Students (ELICOS)* which accounted for 5.6 per cent and the *Schools education sector* which accounted for 4.6 per cent.

The ‘*Other*’ components (consisting of enabling, foundation and non-award courses, students from New Zealand and students on Ausaid/Defence scholarships) accounted for the remaining 4.6 per cent.

**Chart 2: Exports of Education-related travel services by sector, 2009-10**

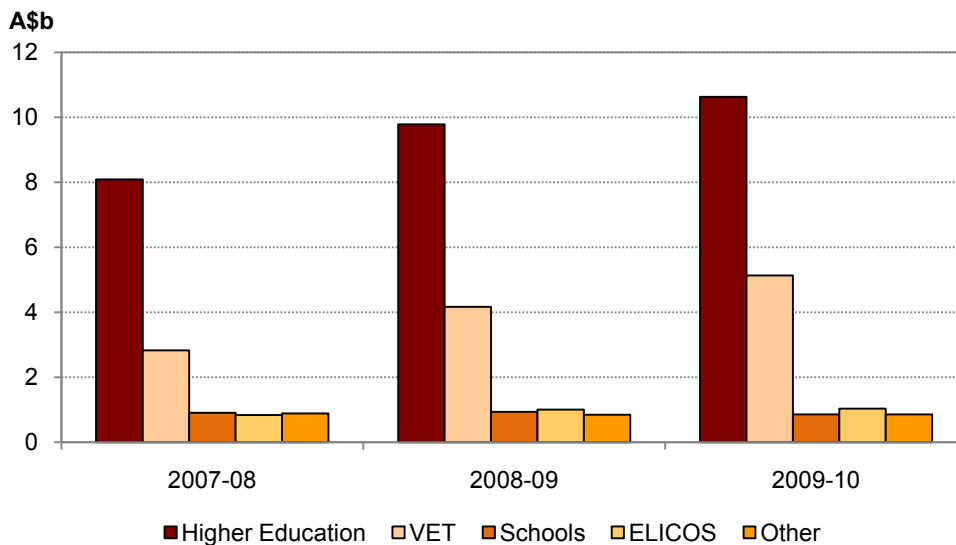


Based on ABS catalogue 5368.0.055.003.

In 2009-10, the overall growth in the value of *Education-related travel services* exports (see **Chart 3**) was due to:

- *Higher education sector* which rose 8.7 per cent to \$10.6 billion
- *VET sector* which rose 23.2 per cent to \$5.1 billion

**Chart 3: Growth in Education-related travel services exports by sector**



Based on ABS. catalogue. 5368.0.055.003.

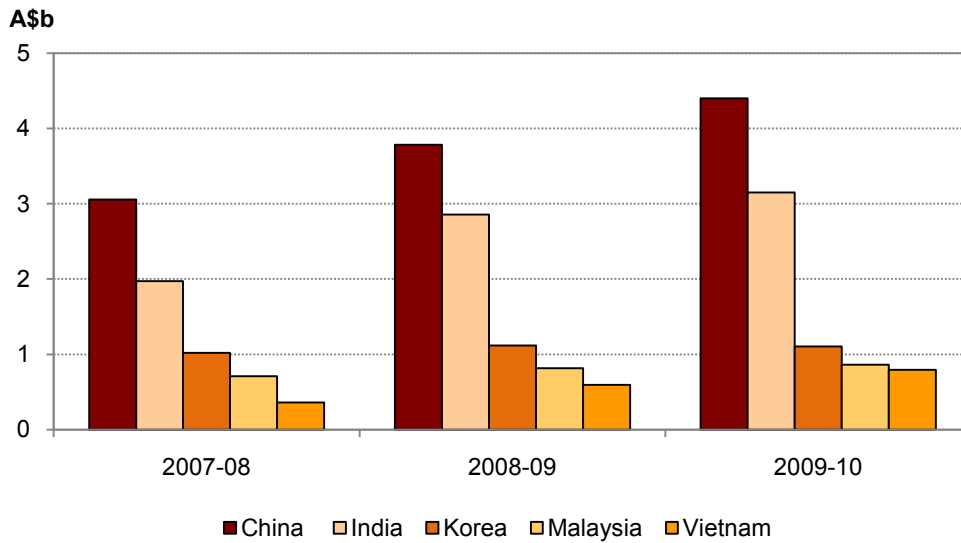
- *ELICOS* sector which rose 3.1 per cent \$1.0 billion
- 'Other' components rose 1.3 per cent to \$860 million.

Partly offsetting these rises, the *Schools education* sector fell 8.8 per cent to \$852 million.

**Education-related travel services exports by major market**

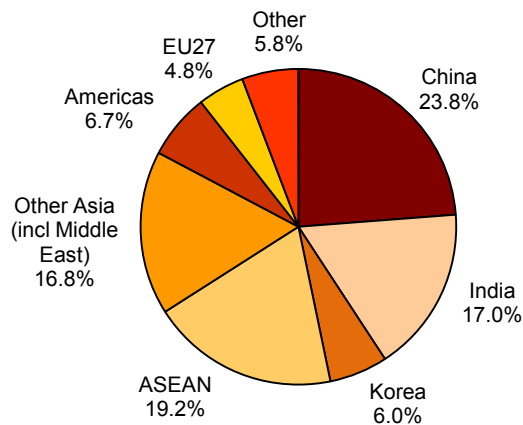
The largest market for Australia's exports of *Education-related travel services* in 2009-10 was China. The value of *Education-related travel services* to China rose 16.3 per cent to \$4.4 billion. The second largest market was India, with the value of *Education-related travel services*, up 10.3 per cent to \$3.1 billion in 2009-10 followed by the Republic of Korea, with the value of *Education-related travel services* down 1.3 per cent to \$1.1 billion in 2009-10 (see **Charts 4 and 5**).

**Chart 4: Growth in Australia's top five markets for Education-related travel services**



Based on ABS catalogue 5368.0.055.003.

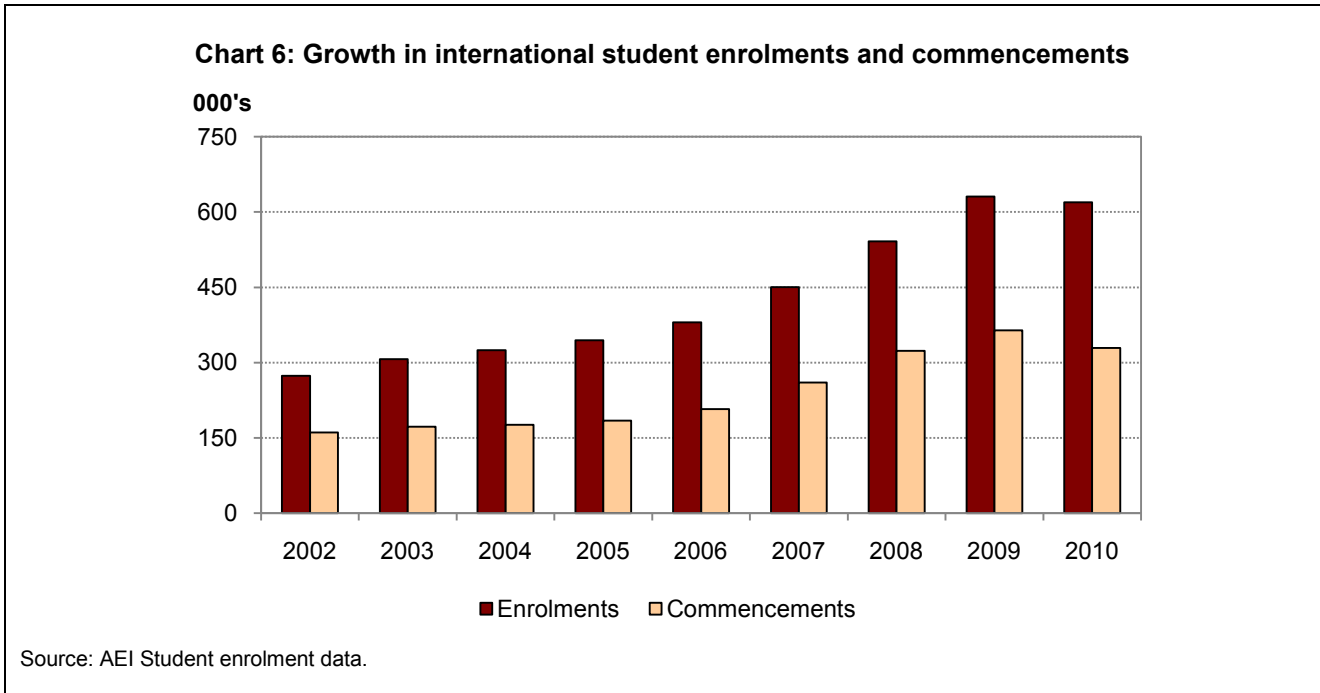
**Chart 5: Australia's exports of Education-related travel services by market share, 2009-10**



Based on ABS catalogue 5368.0.055.003.

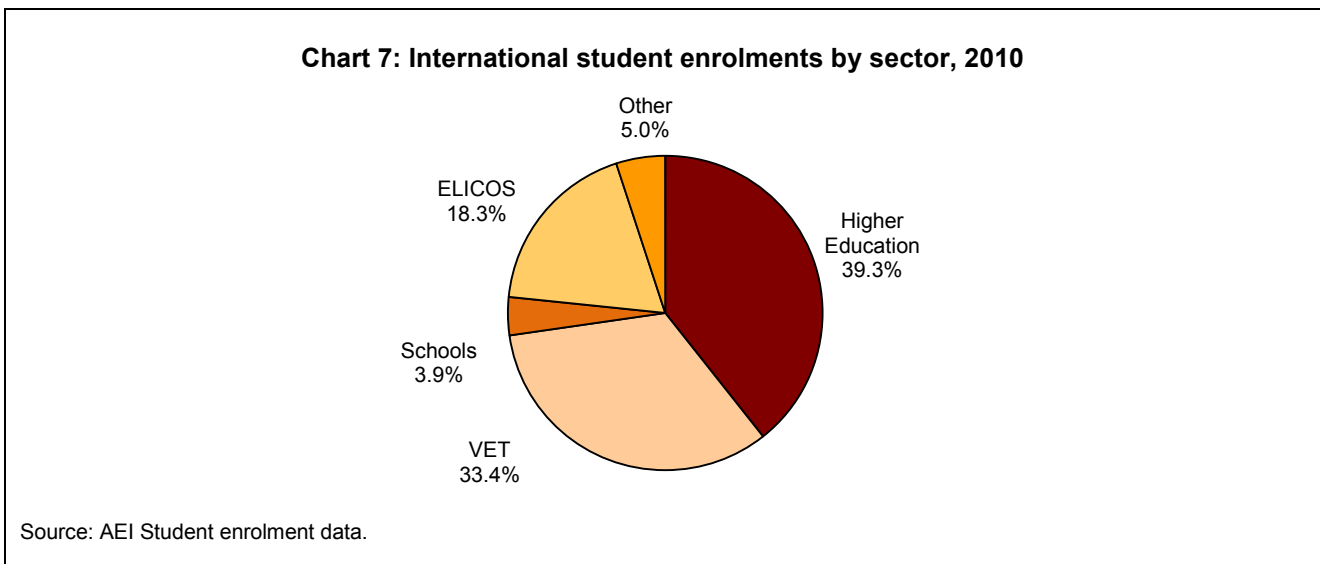
### International student enrolments (2010)

In 2010, total international student enrolments fell 1.8 per cent to 619,119 based on data from AEI<sup>8</sup>. There were 329,352 commencements in 2010, a decline of 9.6 per cent on the previous year (see **Chart 6**).



### International student enrolments by sector

The *Higher education sector* enrolments accounted for 39.3 per cent of total enrolments, the *VET sector* accounted for 33.4 per cent, the *Schools education sector* accounted for 3.9 per cent and the *ELICOS sector* accounted for 18.3 per cent. The 'Other' components<sup>9</sup> accounted for 5.0 per cent of total enrolments (see **Chart 7**).



The overall decline in the number of international student enrolments in 2010 was due to:

- *ELICOS sector* which declined 17.5 per cent to 113,447
- *Schools education sector* which declined 11.5 per cent to 24,235
- *VET Sector* which declined 0.7 per cent to 206,581

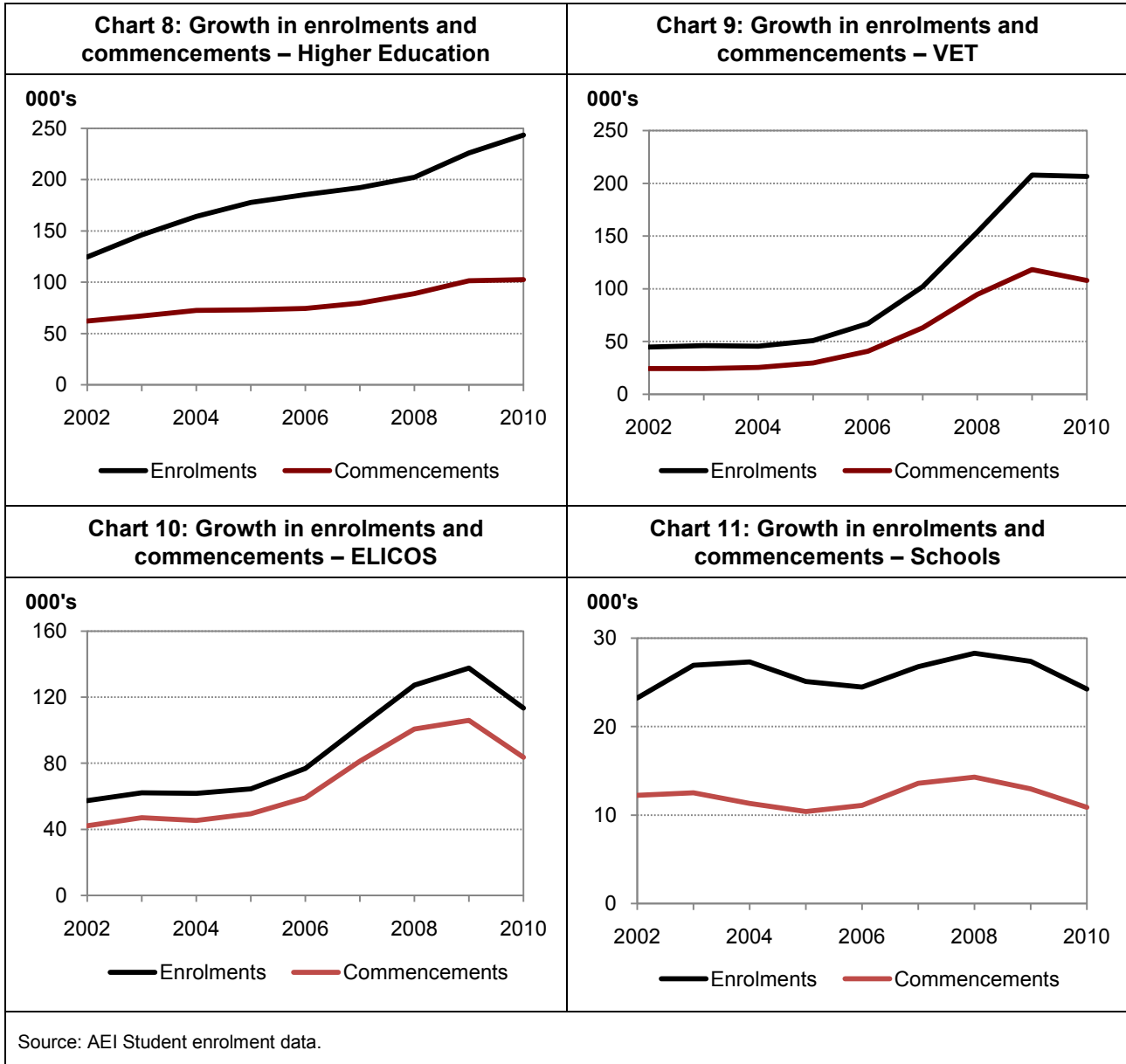
<sup>8</sup> AEI Student enrolments data generally does not represent the number of students. Instead data counts the number of actual course enrolments. A student attending two different courses (e.g. ELICOS and a Bachelor degree) will have both enrolments counted.

<sup>9</sup> Includes enabling, foundation and non-award courses but excludes student enrolments from New Zealand and students on Ausaid/Defence scholarships in 2010.

- 'Other' components which declined 1.6 per cent to 31,235 enrolments.

Partly offsetting these falls was an increase in the *Higher education sector* (up 7.8 per cent to 243,591).

In 2010, total international student commencements in the *Higher education sector* rose 1.0 per cent to 102,538, the *VET sector* fell 8.9 per cent to 107,752, *Schools education sector* fell 16.1 per cent to 10,882 and the *ELICOS sector* fell 21.1 per cent to 83,604. The 'Other' components fell 3.6 per cent to 24,576 commencements (see **Charts 8 to 11**).



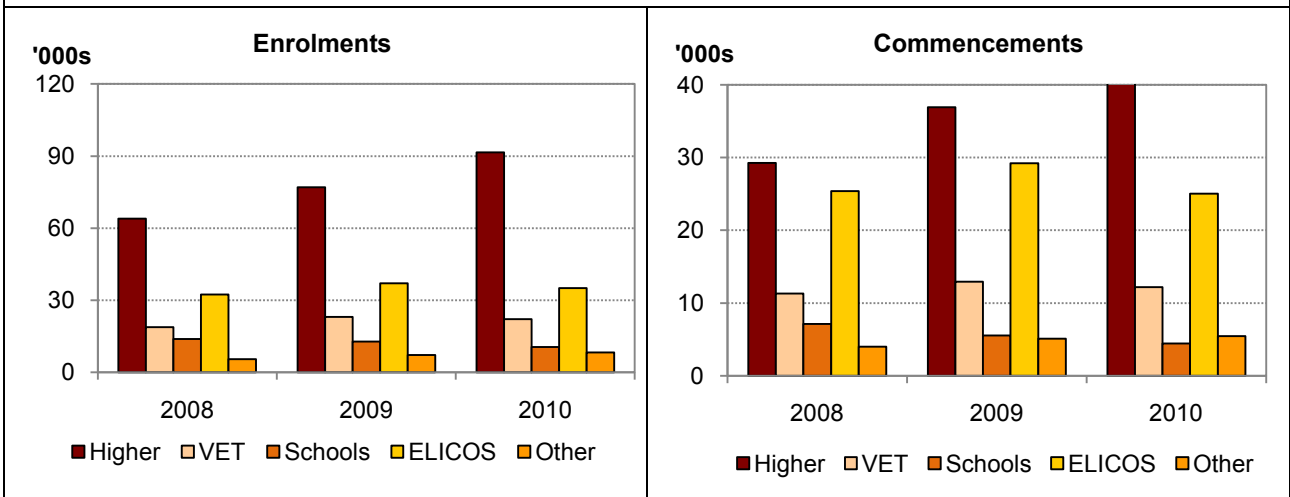
**International student enrolments by major source**

The largest source for Australia's international student enrolments in 2010 was China (see **Chart 12**). In 2010, student enrolments from China rose 6.7 per cent while commencements were up 0.2 per cent. The largest sector for student enrolments from China was the *Higher education sector* which accounted for 54.6 per cent of total enrolments in 2010.

The second largest source of international student enrolments was India (see **Chart 13**). In 2010, student enrolments from India fell 16.8 per cent while commencements fell 36.8 per cent. The largest sector for student enrolments from India was the *VET sector* which accounted for 75.3 per cent of total enrolments in 2010.

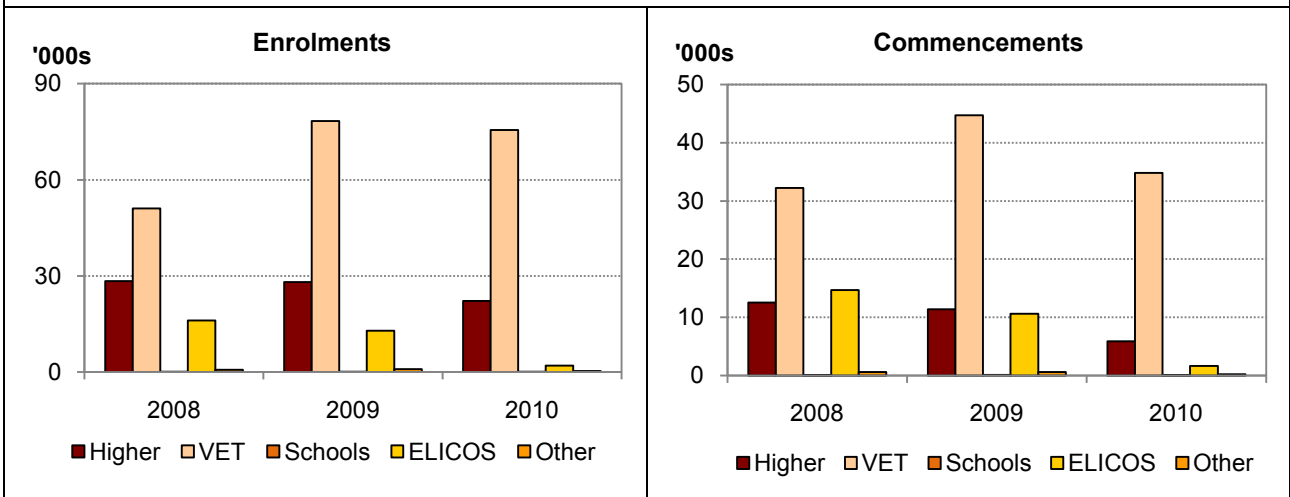
The third largest source was the Republic of Korea (see **Chart 14**). In 2010, student enrolments from the Republic of Korea fell 4.7 per cent while commencements fell 5.7 per cent. The largest sector for student enrolments from Republic of Korea was the *VET sector* which accounted for 31.8 per cent of total enrolments in 2010, closely followed by the *ELICOS sector* which accounted for 29.2 per cent of total enrolments.

**Chart 12: Growth in student enrolments and commencements from China**



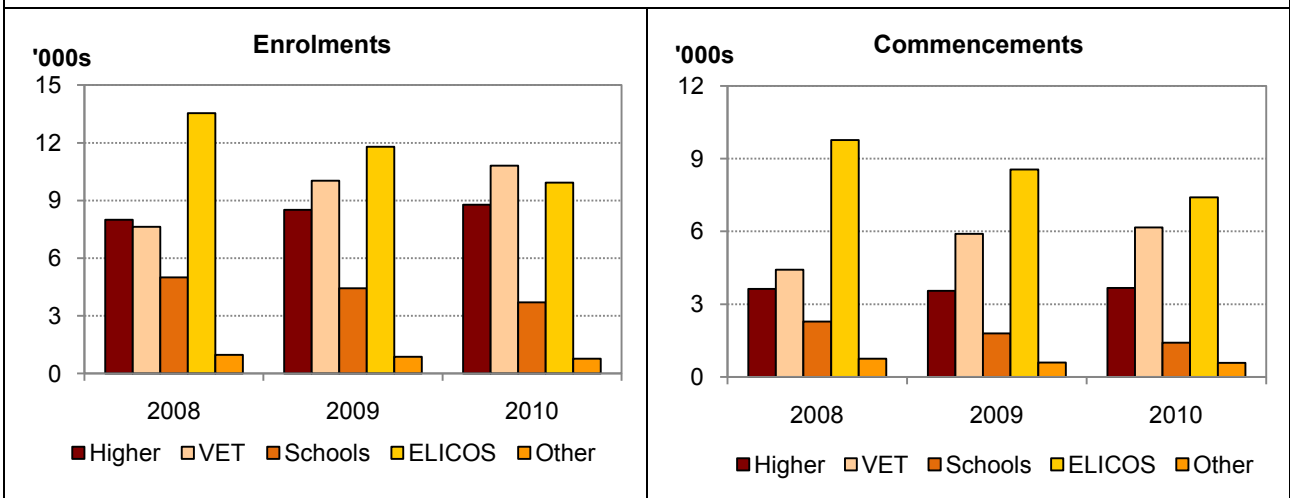
Source: AEI Student enrolment data.

**Chart 13: Growth in student enrolments and commencements from India**



Source: AEI Student enrolment data.

**Chart 14: Growth in student enrolments and commencements from Republic of Korea**



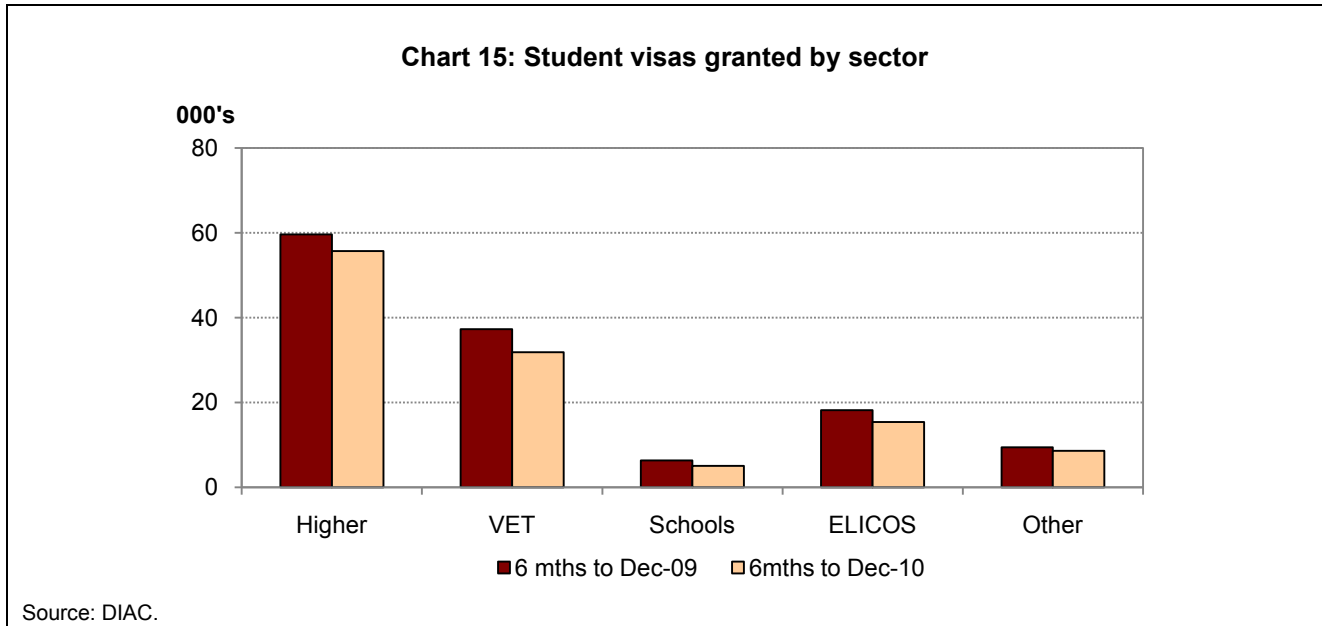
Source: AEI Student enrolment data.

### International student visa (six months to December 2010)

The trends in the student visa data (both lodged and granted) published by the Department of Immigration and Citizenship (DIAC) can be used as a forward indicator of the likely trends that will be observed in the value of exports of *Education-related travel services* over the next year.

It should be noted that recent movements in student visas numbers can be expected to take time to flow through to the overall stock of international students in Australia, especially for the *Higher education sector* (with students studying for a number of years). This will, in turn, delay the flow-on effect to the overall value of *Education-related travel services* in the short term.

In the six months to December 2010 compared to the six months to December 2009, the total number of student visas<sup>10</sup> lodged fell 14.9 per cent, while the number of visas granted fell 10.9 per cent (see **Chart 15**).



The number of student visas granted in the *Higher education sector*<sup>11</sup> fell 6.6 per cent (lodged fell 10.6 per cent), in the VET sector fell 14.6 per cent (lodged fell 21.7 per cent), in the ELICOS Sector fell 15.4 per cent (lodged fell 14.4 per cent), in the *School sector* fell 20.2 per cent (lodged fell 22.7 per cent) and the 'Other' sector (consisting of non-award courses and students on Ausaid/Defence scholarships) fell 8.6 per cent (lodged fell 5.8 per cent).

The following tables show the number of student visas granted by sector and by major country for the six months to December 2010 compared with the same period last year.

**Table 1: Number of student visas granted by sector (a) (b)  
(Number)**

	6 months to Dec-09	6 months to Dec-10	% share of total	% change
<b>Total student visas granted</b>	<b>130,958</b>	<b>116,690</b>		<b>-10.9</b>
<i>by sector:</i>				
Higher Education	59,623	55,705	47.7	-6.6
VET	37,308	31,862	27.3	-14.6
Schools	6,370	5,081	4.4	-20.2
ELICOS	18,207	15,401	13.2	-15.4
Other	9,450	8,641	7.4	-8.6

(a) Excludes students from New Zealand. (b) Share based on 6 months to Dec-10.  
Source: DIAC.

<sup>10</sup> Excludes students from New Zealand as they do not require a student visa.

<sup>11</sup> For this analysis the *Higher education sector* includes the visas granted for Post graduate courses. This is aligned with the both the ABS and AEI definition of the *Higher education sector*.

**Table 2: Number of student visas granted by country (a) (b)  
(Number)**

	6 months to Dec-09	6 months to Dec-10	% share of total	% change
<b>Total student visas granted</b>	<b>130,958</b>	<b>116,690</b>		<b>-10.9</b>
<i>of which top ten Citizenship countries:</i>				
1 China	28,298	24,963	21.4	-11.8
2 India	16,302	12,727	10.9	-21.9
3 Republic of Korea	7,508	5,994	5.1	-20.2
4 Brazil	5,537	4,862	4.2	-12.2
5 Thailand	6,051	4,701	4.0	-22.3
6 Nepal	2,987	3,805	3.3	27.4
7 Saudi Arabia	3,450	3,671	3.1	6.4
8 Indonesia	4,055	3,638	3.1	-10.3
9 Malaysia	3,955	3,636	3.1	-8.1
10 United States	3,949	3,446	2.8	-12.7

(a) Excludes students from New Zealand. (b) Rank and share based on 6 months to Dec-10.  
Source: DIAC.

### More information

For more information please refer to the tables in Section 7 of this publication, or the ABS website ([www.abs.gov.au](http://www.abs.gov.au)), the Australian Education International website ([www.aei.gov.au](http://www.aei.gov.au)) and the Department of Immigration and Citizenship website ([www.immi.gov.au](http://www.immi.gov.au)).