English Australia

Survey of major ELICOS regional markets in 2015

June 2016

ENGLISH AUSTRALIA

QUALITY | SUPPORT | ASSURANCE

Executive Summary

of a report prepared for English Australia by Environmetrics

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English Australia contact: Brett Blacker
Environmetrics contact: Philip Smith

Ref: 8060

Environmetrics Pty Limited

PO Box 512 Broadway NSW 2007

Tel: +61 1300 802 446

Email: philip@environmetrics.com.au

ABN 61003546192

English Australia

PO Box 1437 Darlinghurst NSW 1300

Tel: +61 2 9264 4700

Email: easec@englishaustralia.com.au

www.englishaustralia.com.au

ABN 90 087 690 408

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Department of Education and Training

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Introduction

This is the twentieth survey of the ELICOS sector commissioned by English Australia. A benchmark study was commissioned in 1996, which covered enrolment statistics for the previous calendar year. A follow-up study was conducted in 1997. Austrade undertook these two studies. This current study is the eighteenth undertaken by Environmetrics and covers enrolments for the 2015 calendar year.

The purpose of the study is to gain a clear picture of the number of overseas students and visitors who undertook English language studies in Australia in 2015. Particular attention was taken to obtain statistics on:

- student numbers by nationality;
- student numbers by visa type;
- numbers of individual and group enrolments;
- length of enrolments; and
- enrolments in each state or territory.

This summary presents the main findings of the study. Data is analysed to provide an overall profile of the ELICOS sector, as well as a profile for Asia Pacific, Europe, the Americas and the Middle East & North Africa.

Executive Summary

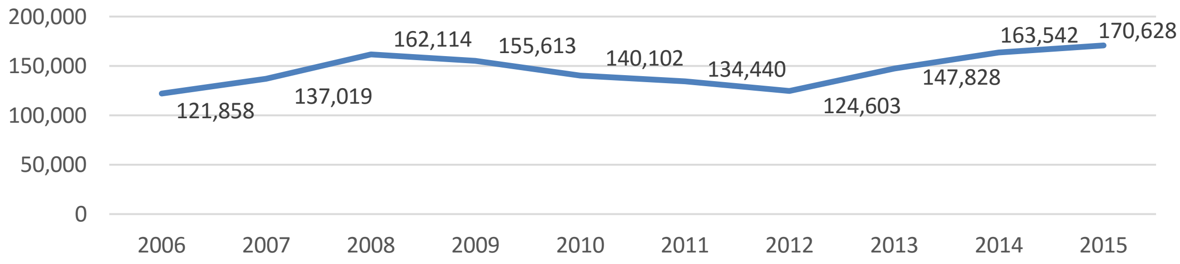
- 2015 emerged as a dynamic and challenging year for the ELICOS market generating a new market profile. Key regional and state shares changed reflecting the growth and decline in the markets. There were highs and lows reflecting the volatility of the changing market.

- The Americas continued strong growth in 2015 to become the second most important ELICOS market with Europe dropping to third position. The Asia Pacific was the largest source region and continued to grow solidly. The growth in those markets was tempered by strong declines in the European and Middle Eastern regions.

- The state profile changed in 2015 with Victoria having strong growth overtaking Queensland to become the second largest state for ELICOS enrolments. Western Australia also grew strongly with NSW growing modestly. Queensland and South Australia declined slightly.

- Total enrolments increased by 4% on 2015 growing to the largest ever recorded at 170,628.

Fig 1. **Total Enrolments 2006-2015**



- In 2015 the average course length dropped 0.5 of a week to 12.4 weeks, returning to past levels after the strong increase in 2013/2014. The regions however showed some variation from 2014 with Asia Pacific decreasing 0.7 week and the Middle East continued decline dropping 0.8 of a week. Despite the strong declines in enrolments of Europeans the course length dropped only 0.4 of a week.

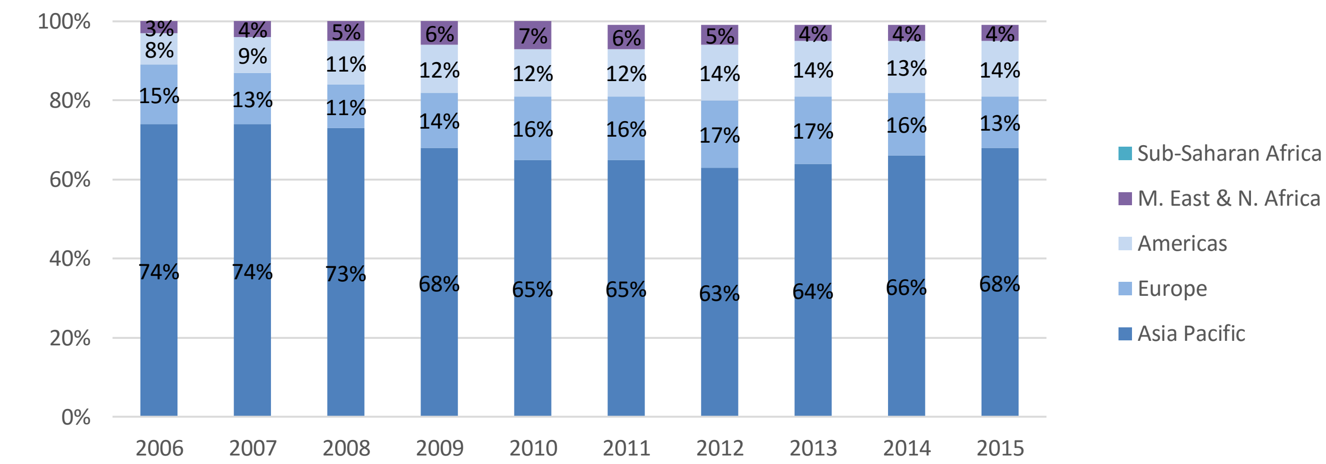
- In terms of weeks studied in 2015 (2,107,024) there was little overall change from 2014, with a slight increase in student weeks of 2,192 or +0.1%. This stability however does not reflect the change in the regions where the Americas + 12% (+39,406 weeks) and Asia Pacific +1.3% (+18,143 weeks) grew. Balanced with strong declines from Europe of -20% (-51,282 weeks) and from the Middle East of -3.5% (-4,454 weeks).

- The economic impact[1] of the ELICOS market in 2015 was $2,074m which was similar to that generated in 2014 of $2,075m. This flatness being reflective of the significant drop in European enrolments and the declining average length of study, despite an overall growth in enrolments.

- The Asia Pacific region dominated once again accounting for 68% of all enrolments, an increase of 2% on 2014. The Americas grew to 14% to command the number 2 ELICOS market position at 14% building on the constant growth of this market over the last 10 years. Europe dropped 3% points to 13% reflecting the weakening of this market after stable growth in the last 5 years. The Middle East and North Africa region remained stable at 4%.

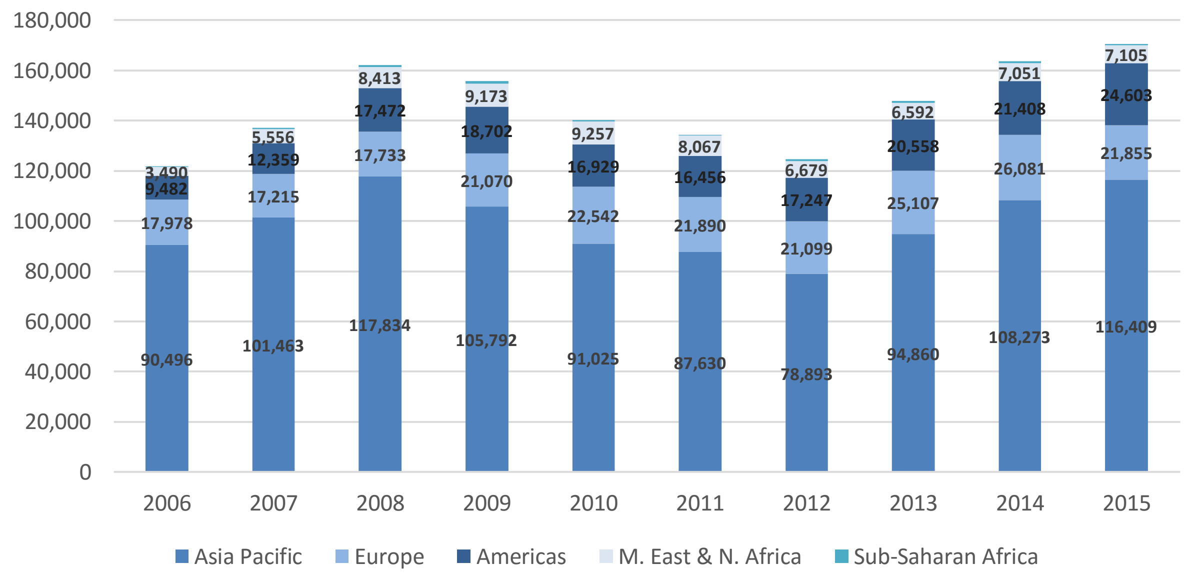
[1] Economic Impact is based on $1.92 additional spend to fees

Fig 2. **Regional share (%) of total enrolments 2006-2015**



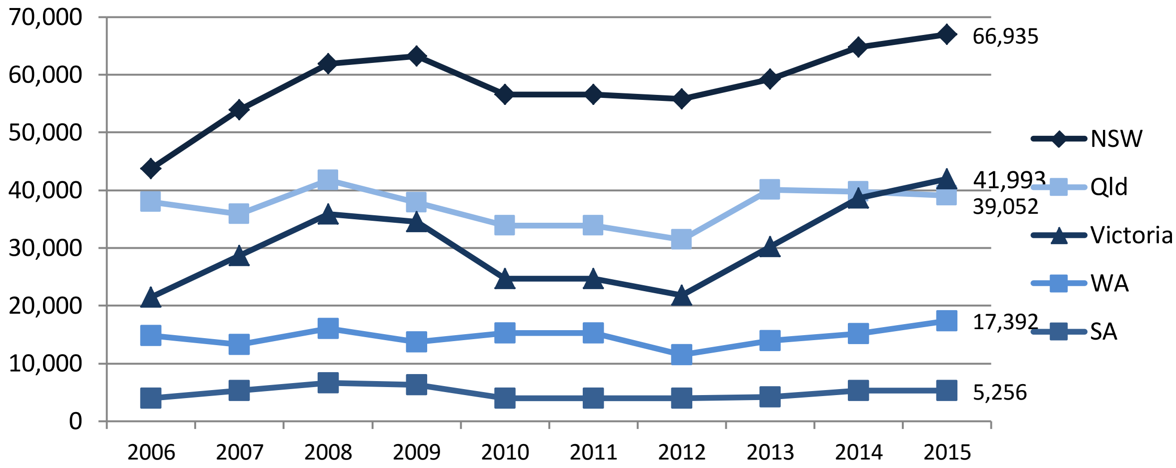
- The regional enrolment profile is dominated by Asia Pacific which grew 8% (+8,136 students) (see Fig 3). The Americas had significant growth at 15% (+3,195), generating the largest student numbers ever at 24,603. The chart also shows the decreasing European (-16% -4,226) numbers returning to levels recorded from 2009-2012 at 21,855 in 2015. The Middle East changed little in 2015. Sub-Saharan generated enrolments of 656 students in 2015.

Fig 3. **Total enrolments by region 2006-2015**



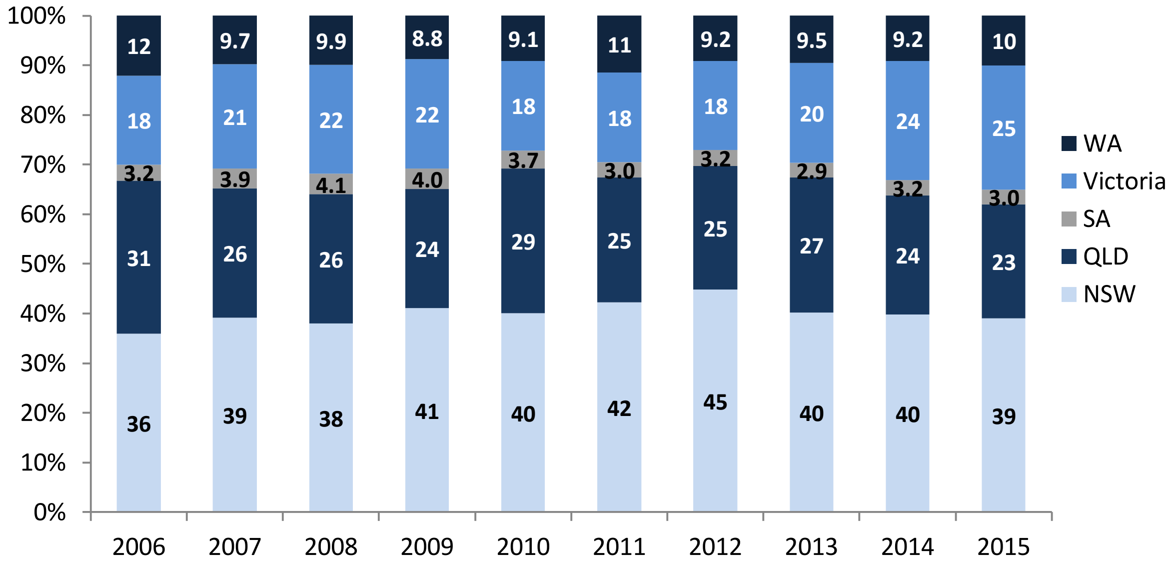
- In 2015 all states grew in terms of student enrolments except Queensland (39,052) which generated a decline of -2% (-675). Victoria (41,993) had significant growth +9% (+3,365) overtaking Queensland to become the second most popular ELICOS destination. Western Australia (17,392) also experienced significant growth +15% (2,279). NSW (66,935) moderately increased +3% (2,164) and South Australia (5,256) declined -1% (-47).

Fig 4. **Total enrolments by state 2006-2015**



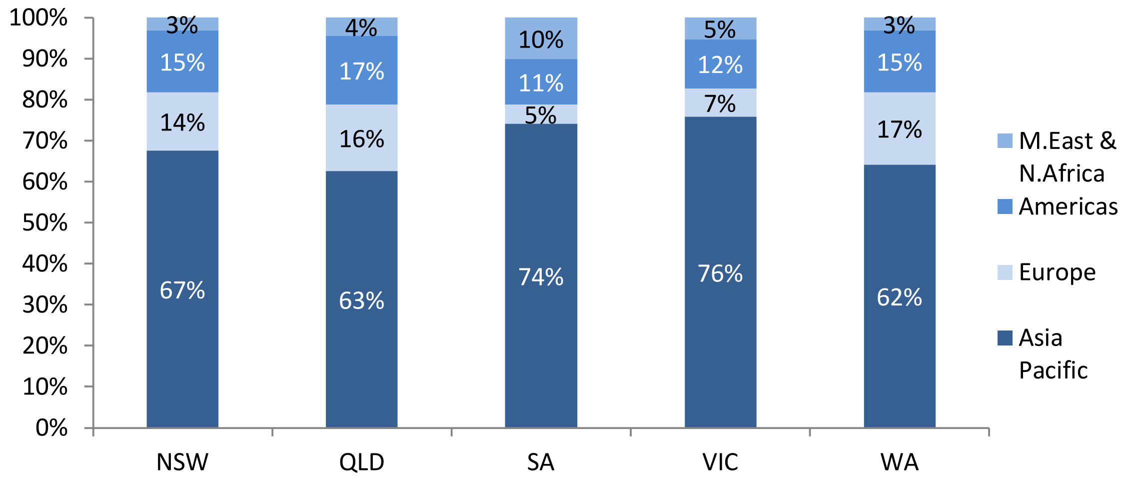
- This growth and decline generated a changed profile of state share (see Fig 5) in 2015. NSW is still dominant, though dropping 1%, generated in part by the declining European market. Victoria has overtaken Queensland to hold second position, reflecting the steady growth from 2012. Western Australia had strong growth to account for 10% of the ELICOS state market. Queensland continued its decline, since 2013, accounting for 23% of the state share. South Australia also declined slightly in 2015 with a share of 3%.

Fig 5. **Total enrolments by state 2006-2015 (percent)**



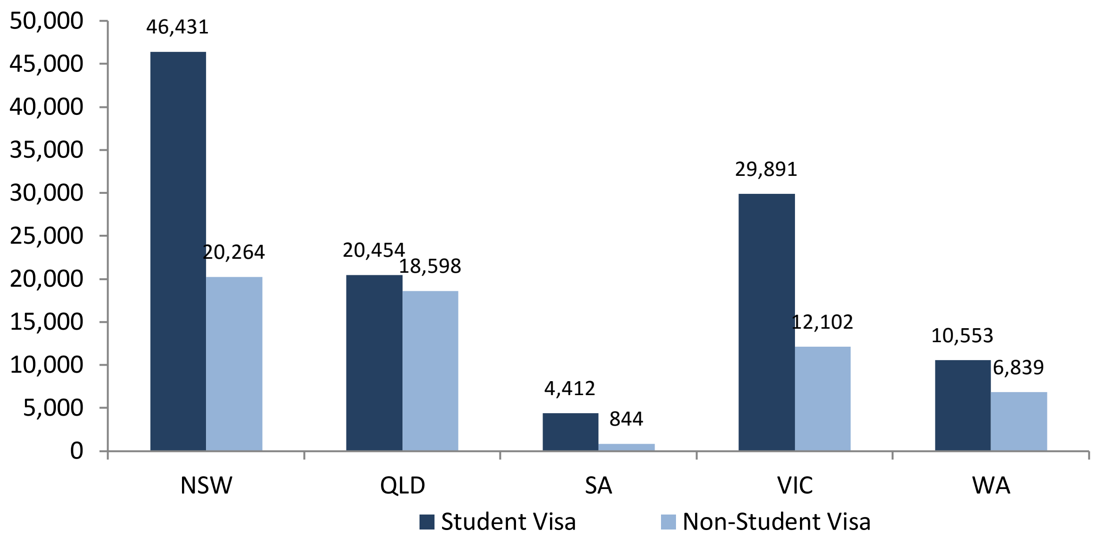
- The regional profile for ELICOS varies considerably from state to state. Asia Pacific was the most important region for all states. WA has the strongest diversity, with Asia Pacific students making up only 62% of all ELICOS enrolments. SA (76%) and Victoria (74%) have a strong reliance on Asia Pacific enrolments. Western Australia (17%) and Queensland (16%) have a greater dependence on European enrolments.

Fig 6. **Source region by state 2015**



- Non-student visas are more important in Queensland and Western Australia.

Fig 7. **Visa type by state 2015**



- The economic impact varies from state to state. NSW ($772.1m) is the strongest increasing slightly on 2014 at +0.5% or $4.1m. Victoria ($631.3) generates strong value add increasing in 2015 +5% by $29.1m. Western Australia's ($11.1m) contribution increased positively in terms of economic impact by +20% increasing $35.2m. Queensland ($371.2m) declined -14% or $61.7m and South Australia ($87.7m) also declined -8% or $7.5m in 2015.
- Asia Pacific was the most important source region for all states. China is the most important source country for NSW, Victoria, Western Australia and South Australia. Japan is the most important source country for Queensland.

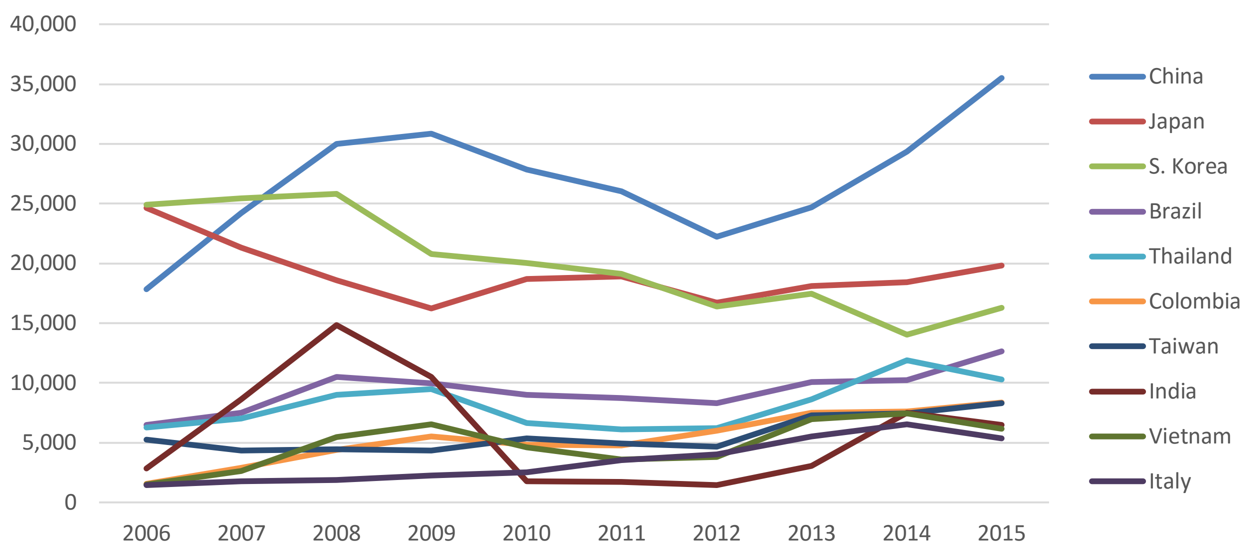
- In 2015 the positioning of the top 3 countries remained unchanged. China retains 1st place, followed by Japan with South Korea remaining in 3rd. Brazil returned to 4th place with Thailand dropping to 5th. Taiwan moved to 7th place with India in 8th and Vietnam in 9th. Italy in 10th place is the only European country in the top 10.

Fig 8. **Top ten source countries 2015**

	2014	2015	Enrolments	Share of market	Change from 2014	% Change from 2014
1	China	**China**	35,528	21%	*+6,166*	*+17%*
2	Japan	**Japan**	19,809	12%	*+1,363*	*+7%*
3	South Korea	**South Korea**	16,266	10%	*+2,209*	*+16%*
4	Thailand	**Brazil**	12,641	7%	*+2,382*	*+23%*
5	Brazil	**Thailand**	10,269	6%	*-1,619*	*-14%*
6	Colombia	**Colombia**	8,384	5%	*+756*	*+10%*
7	India	**Taiwan**	8,297	5%	*+862*	*+12%*
8	Vietnam	**India**	6,509	4%	*-994*	*-13%*
9	Taiwan	**Vietnam**	6,174	4%	*-1,306*	*-18%*
10	Italy	**Italy**	5,354	3%	*-1,208*	*-18%*

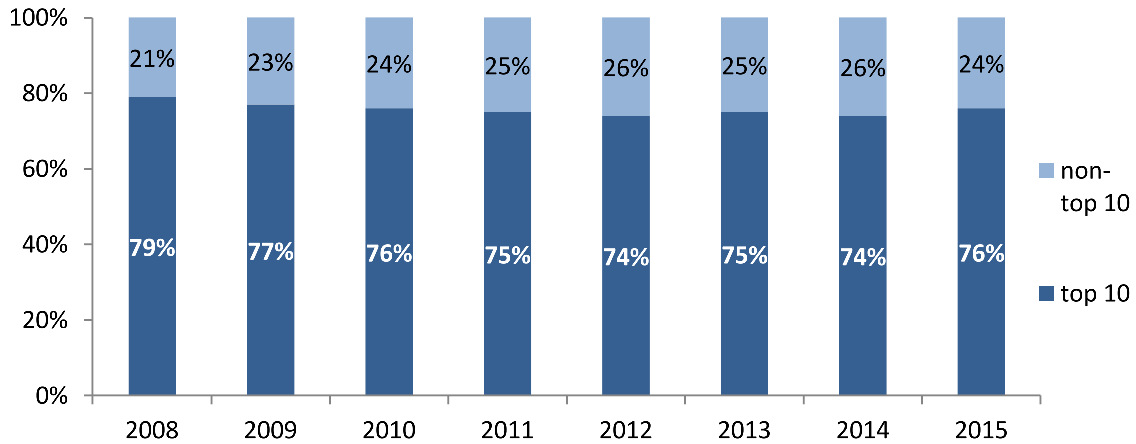
- The historical trend (see Fig 9) of the top 10 for the ELICOS market reflect the rises and falls with China dominating in terms of growth trajectory.

Fig 9. **Top ten Source Countries 2006- 20015**



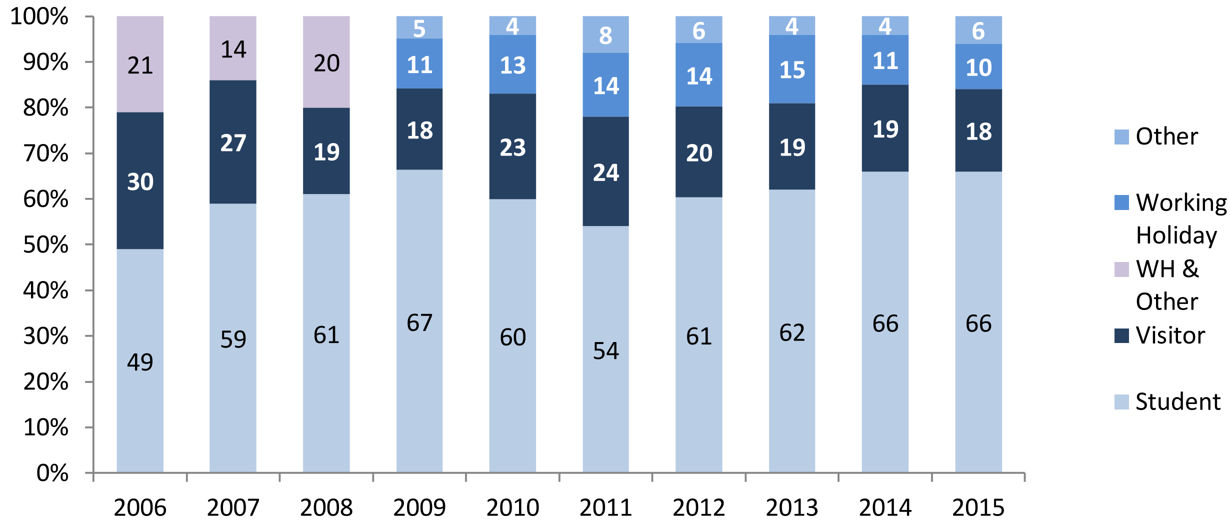
- The top ten countries contributed 76% of all ELICOS students in 2015 and are therefore of critical importance. This percentage increased 2% in 2015 returning to the level of 2010 after declining slightly over the last 4 years. 43% of all ELICOS enrolments in 2015 came from the top three source countries, an increase of 5% in terms of the top 3 countries' dominance. China's share gained 3% to 21% increasing its dominance.

Fig 10. **Top ten source countries as a % of total enrolments 2008-2015**



- The strongest growth in terms of student numbers came from China, South Korea, Brazil and Taiwan.
- The strongest decline in student numbers came from Germany, Russian Federation, Italy, Vietnam and Thailand with the strongest decline in weeks and revenue coming from Vietnam and Indonesia.
- In 2015 Student visas increased +4% (+4,130) with other visas strongly increasing +49% (+3,506). Working holiday declined slightly -0.3% (-54) with visitor visas declining -2% (-496). These visa changes impacted on the share of market (Fig 11) with student visa remaining stable at 66%, other visa increasing and working holiday and visitor declining.

Fig 11. **Visa status – percentage of total enrolments 2006-2015**
[Note: from 2009 working holiday and other visas were separated.]



- Those who enrolled with Student visas had a higher average number of student weeks than those with any other visa type. The average for student visas decreased by a week to 15.3 (from 16.3) weeks. Student visa holders study for the longest time, visitor visas are the shortest (4.9 weeks) with working holiday at 8.4 weeks and other at 9.8 weeks, growing from 8.1 weeks in 2014.

- Numbers of group enrolments declined in 2015 by -14% (-1,765), dropping proportionately to 6% (from 7%) of total enrolments. The average course length for group enrolments increased to 3.9 weeks up from 3.7 weeks in 2014. In terms of course weeks, however, groups only contributed 1.9% (from 2.2%) of the total.

- Asian nationalities again dominated group enrolments, contributing 93% of the total increasing from 91% in 2014. Japanese students made up 48% of group enrolments, up 4% on 2014.

- English Australia member colleges accounted for 86% of total enrolments in 2015.

Asia Pacific (individuals and groups)

- Total numbers of enrolments for the Asia Pacific region increased from 108,273 in 2014 to 116,409 in 2015. This represents an increase of +8% (+8,136).

- The biggest increase in actual numbers came from China +6,166 students (+21%), South Korea +2,209 (+16%) and Japan +1,363 (+7%). These were also the top three key countries.

- The proportion of student visas decreased to 63% from 67%, with visitor visas remaining stable at 18%, working holiday visas increasing to 12% from 11% and other visas increasing to 6% from 4%.

- Total student weeks increased from 1,386,856 to 1,404,999 (+1%) in 2015, with the average number of weeks spent studying decreasing to 12.1 (from 12.8 in 2014).

- Total estimated spending of students from the Asia Pacific region was $1,432.1m compared with $1,407m in 2014. This is an overall increase of +2% from 2014.

The Americas (individuals and groups)

- Total numbers of enrolments from the Americas increased from 21,408 to 24,603 in 2015. This represents an increase of +15% (+3,195). The Americas are now the second most important source region for ELICOS enrolments.

- Brazil is the biggest contributor of enrolments, representing 51% of all enrolments from the region in 2015 growing +23%. The second most important source country, Colombia, accounted for 34%.

- The visa profile remained the same as in 2013/14 with 85% of all enrolees from the Americas on student visas, with 9% arriving on visitor visas, other visas accounting for 5%, and work and holiday visas accounting for less than 1%.

- There has been a significant increase of +12% in the total number of student weeks (from 330,715 to 370,121), generated by the increase in enrolments given course length dropped to 15.0 weeks from 15.5.

- Total estimated spending of enrolees from the Americas increased to $329m from $304m in 2014. This is an overall increase of +8% from 2014.

Europe (individuals and groups)

- Total numbers of enrolments from Europe decreased from 26,081 to 21,855 in 2015. This represents a decline of -16% (-4,226). Europe dropped to third position in ranking of ELICOS enrolments.
- Italy is the key country but declined in student enrolments in 2015 to 5,345 (-18% - 1,208). Several key countries significantly dropped in enrolments Germany (-42%), France (-24%) and Switzerland (-7%) reflecting the decline in international visitor numbers from these countries in 2015.
- Student visas are growing in importance in the European market growing to account for 50% of all visas in 2015 up from 43% in 2014. There has been a decline in visitor 31% to 28% and working holiday 22% to 17% visas echoing trends of the last few years as student visas grew.
- The total number of weeks enrolled has decreased from 258,325 to 207,043 in 2015 (a decrease of -20%) drawn by the strong decline in enrolments. The average course length for European students dropped to 9.5 weeks from 9.9.
- Total estimated spending of European students was $176.3m compared with $225.3m in 2014. This is an overall decrease of -22% or $49m in 2015.

Middle East & North Africa (individuals and groups)

- The Middle East & North Africa remained stable in 2015 with an increase of less than 1%. Total enrolments for the Middle East & North Africa increased from 7,051 to 7,105 in 2015.
- There were mixed results across the region with some countries experiencing significant positive shifts: Oman (+24%), UAE (+23%) and Saudi Arabia (+8%) and others strong negative shifts: Libya (-60%), Kuwait (-42%), Iraq (-38%) Egypt (-30%), Turkey (-22%) and Lebanon (-17%). The most important source country, Saudi Arabia, increased enrolments by +8% in 2015.
- 71% of all enrolees from the Middle East & North Africa held student visas, down from 80% in 2014, with other visas accounting for 16% and visitor visas 13%, with work and holiday visas accounting for less than 1% in 2015.
- Total weeks studied for the Middle East & North Africa decreased by -4% on 2014 (from 124,084 to 119,630) despite the stability of enrolments. This can be explained by the decline in the average course length from 17.6 in 2014 to 16.8 in 2015.
- The total estimated spending of students from the Middle East & North Africa was around $132.1m showing slight downturn from $133.7m in 2014.