

**THE AUSTRALIAN CHAMBERS OF COMMERCE IN  
BEIJING AND SHANGHAI  
SUBMISSION**

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**THE AUSTRALIAN GOVERNMENT'S  
DEPARTMENT OF EDUCATION AND TRAINING  
NATIONAL STRATEGY FOR INTERNATIONAL EDUCATION**



**June 2015**

## **Submission to Australia's National Strategy for International Education**

### **Australian Chambers of Commerce (‘AustCham’) Beijing & Shanghai**

The Australian Chamber of Commerce’s (AustCham) Beijing and AustCham Shanghai membership includes representatives from the major components of the Australian international education sector operating in China, which contributes an estimated AUD\$17 billion, or 35 to 40 per cent of Australia’s education export sector.

This submission from AustCham Beijing and Shanghai is based upon detailed consultative meetings with AustCham Beijing and Shanghai Education Committees and industry input in market.

#### **BACKGROUND**

For the purposes of meeting submissions deadlines and to clarify the needs of the different sectors, AustCham has developed responses based on each major education sector – schools, vocational education and training, and higher education. AustCham members acknowledge that sectors do not necessarily operate in isolation and recommend that Governments and institutions give thought to increased interconnectivity between and through sectors. For example, any individual student could undertake their VCE in Tianjin, their undergraduate program in Melbourne and return to Shanghai to later complete a dual PhD program.

More broadly, AustCham members operating in sectors outside of education (e.g. finance, agriculture, etc.) have indicated that creating a globally minded workforce that is familiar with both Australia and China will be vital to their future success. Further, AustCham members report that having employees that are provided with Australian accredited training will increase efficiency, while at the same time supporting Chinese Government aspirations to up skill parts of their workforce.

#### **1. VISA POLICY ALIGNMENT WITH AUSTRALIAN AND LOCAL INDUSTRY**

As China’s modernisation accelerates, and middle-class household spending increases, so policy settings are essential to ensure Australia’s continuing strategic role in international education in China and to foster the growth of Australian education quality brands, and their interplay with industry and relevance to China’s modernisation policies.

The policy environment on immigration student visas is critical to this vision.

Australian companies operating in China, and our products represented in China and North Asia, should be given every support in often challenging human resource and skills needs, with the purpose to maximise their capacity for high quality recruitment, while leveraging Australia’s leadership in China of transnational education partnerships.

A critical issue for policy is to improve immigration visa policy.

At a national level, AustCham recommends its affiliate, the Australian Chamber of Commerce and Industry, is given a more prominent role under the Coordinating Council, with the purpose of assisting government Immigration, Education, DFAT and Austrade

bureaucrats generate greater flexibility for student internships with industry, create real opportunities for graduate workforce recruitment, and short and longer term in-country and regional student placements.

In China, official bilateral education forums may benefit from better inclusion of an AustCham representative, with provider and industry voice, perhaps as Observer status for these meetings. The China Ministry of Education has indicated its desire for improved industry engagement, and this approach may bring greater outcomes focus to the International Education Strategy in strategic offshore markets.

At an Embassy level, countries including Canada have included expert education representatives under strict protocols to operate within overseas Missions, in order to improve governance and systems advice on visa processes. To date, Immigration Department systems have not overcome the vast number of visa applications being rejected in certain categories, particularly vocational education, suggesting that the systems themselves require fundamental reform.

## 2. MARKETING

AustCham Beijing and Shanghai represent both public and private sector membership which includes, the leaders in international education operating in China and North Asia, who contribute toward Australia's current successful education export sector. Members operate in the following critical market segments:

- School Education – onshore and offshore
- Technical and Vocational Education
- Higher Education, Science and Research

The Chamber submits that for Australia to maintain its ranking as the world's third largest inbound market in international education -- and to remain as the number one in transnational education -- more coherent marketing utilising a unified branding will be required.

Many of Australia's major competitor ranked countries have adopted more coherent branding strategies and they continue to gain in international education. The successes of these other countries has been an important consideration in the formulation of Australia's International Education Strategy, and the recent decisions by the Minister for Education and Training, the Hon. Christopher Pyne MP, to adopt the Chaney Committee Review, and establish a Coordinating Council on International Education. While commendable for its Canberra-based coordination, AustCham believes this needs to be extended with an Australian Study unified brand offshore.

Some examples of the marketing adopted by competitor international education markets as strong alternative destinations for Chinese students include:

- **The British Council** aims to bring all education-related issues under the umbrella of the British Council/EducationUK.

- **Study Canada** provides a comprehensive marketing brand. The Study Canada CEC Network covers every continent, and all segments of the international education system. It includes visa advice, and web links.
- **Germany** works under the umbrella of the DAAD (German Academic Exchange Service) to coordinate marketing efforts of Germany as a study destination. Further, Germany's industry/aid agency, GiZ, brings a unique support for its educators and export industry with applied research projects continually updated and embedded in strategic markets.
- As has been observed by the Education Working Group, Austrade's education arm primarily acts as a service provider to Australian universities, rather than offering a 'one stop shop' for Chinese residents seeking information. Indeed, the Australian Government use 'Future Unlimited' as the brand for Australian education, however, the lack of a governance framework under which education agents may operate their B2C marketing acts to create confusion in offshore markets for potential students. Due to competitive forces, Australian Government should provide a more comprehensive and less fragmented national approach to address these issues.

The Chamber recommends there are special learnings especially from the German offshore model, and highly relevant to the Australian strategy. This is in terms of opportunities for applied research and joint industry projects to support TNE offshore, and approaches to elevate Brand, Relevance and Employability strengths of the Australian cross-sectoral system.

## SCHOOLS

The AustCham Education Working Groups include representatives from Australian schools and programs in China and from non-Australian schools serving the Australian expatriate community in China. Comments and recommendations encompass the views of both groups.

### 1. Strategic Action 4.2: Marketing Australia as a high quality education destination.

As of March 2015, approximately 7,500 Chinese students were enrolled in Australian schools.<sup>1</sup> These students are recruited to both government and independent high schools, mainly through local agents. Further growth has been predicted due to recent changes to visa assessment levels that allow Chinese students to commence at an Australian school from Year 7.

However, there is some evidence that growth may plateau, due to strong competition from other countries such as the USA, and because students are now able to choose from a growing number of local international schools and a wide variety of locally delivered foreign programs.

Marketing of schools in China is also hampered by the fact that, each Australian state still operates its own curriculum and issues its own Year 12 certificate. There is no single "Australian school brand" to market, and in some cases states market their individual strategies for high school completion partnerships.

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<sup>1</sup> Source - Department of Education and Training Year to Date March 2015 international student data

AustCham members support the action to continue to market Australia as a high quality education destination and encourage the Australian Government to work with State and Territory Governments to develop strategies to better represent the Australian schooling sector as one cohesive high quality “brand”. “Study Australian”, rather than “Study In Australia”, would better represent both the onshore and transnational arms of Australian international education offerings.

## **2. Strategic Action 6.2: Enhancing Opportunities to Provide Education Opportunities Overseas**

AustCham supports this strategic action and recommends that the Australian Government work with State and Territory Governments to develop a cohesive approach to support all Australian schools to access offshore education opportunities, whether through school campuses or individual programs.

Australian high school qualifications have been introduced into China over the past ten years and now operate profitably in a number of provinces. They also serve as a medium through which student and staff exchanges between the Australian and Chinese high schools can operate.

Australian school providers, however, lag behind their US and British/UK counterparts in China. A report compiled by researcher Chris Francis notes that of the international secondary school programs provided in China, just under 4% are provided by Australian providers, with over 30% delivered by US providers and approximately 20% delivered by UK providers, with students often pursuing tertiary qualifications then in the US or the UK. There is only one known fully registered Australian school in China, Haileybury College in Tianjin.

The draft strategy notes that *“an offshore Australian education at school level can increase the interest of students in pursuing tertiary education in Australia”*. This is true, but Australian school programs in China have the potential to offer much more – professional development for Australian teachers, especially language teachers, and hubs for sister school and school exchange programs. The draft strategy’s recommendation to explore shared service hubs may support smaller providers wanting to access the schools market.

## **3. Strategic Action 3.1 – Preparing students for global engagement and Strategic Action 3.2 – Rejuvenating Language Study**

AustCham members, including those representing Australian business and industry, strongly support the recommendations to prepare Australian students for global engagement and to rejuvenate language study in Australian schools. Creating globally minded, internationally aware Australian children, who in turn bring a global perspective to Australia’s tertiary institutions and businesses, is key to Australia’s future prosperity.

AustCham members note that:

- Encouraging Australian schools to increase language learning also relies on Australian universities and employers valuing language capabilities and actively seeking out graduates and employers have demonstrated a global outlook.

## Higher Education Section

Australia's universities have nurtured a deep heritage with the China higher education system. Chinese students and their families have favoured Australia strongly for offshore tertiary education, and this continues to be a major portion of the Australian export sector.

During this same period, transnational education ('TNE') partnerships have been popular.

For the purposes of this AustCham submission, special mention is noted on TNE policy.

### Transnational Partnership Development

By end of 2014, there were as many as 2058 transnational programs registered as operating in China. These programs involve approximately 600 Chinese universities and approximately 400 overseas universities, from 25 countries, and many polytechnics and technical colleges.

The total number of students enrolled in transnational programs across the China is currently at its peak, which sits at approximately 550,000 students. It has also been estimated that the total number of graduates from transnational programs in China is approximately 1.5 million graduates. Australia is ranked in the first place in terms of the number of existing joint programs and institutes. The transnational ('TNE') program, including joint program and institutes, is a key pillar underpinning the rapid growth of international student recruitments – for universities and TAFEs.

There is no doubt that demand for transnational programs remains strong from China universities and polytechnics.

The P.R. China Ministry of Education (MOE) has recently reviewed TNE partnerships, and providers have reported a tightening to the regulatory environment.

AustCham advocates that it is important for Australian official policy to provide support for institutions operating in China, to be granted transparency in process, audits, and similar governance. However, unfortunately because providers and industry under AustCham are not provided access to official bilateral forums, there remain few viable channels in which Australian higher education providers can have effective access to TNE policy. The following is a guide to supportive strategies, and illustrates the considerable importance outcomes on this issue have to AustCham membership – providers and industry.

### Strategic actions:

- The AustCham education working group should work closely with the Australian embassy's education section to invite the Chinese MOE speakers to present the policy updates, and engage with Australian education providers, especially the Australian higher education professionals who have been heavily involved in transnational project development & management. Whilst it would help Australian education service providers to better understand Chinese policy movements and implications, it would also provide the Chinese MOE with greater knowledge over Australian education system and policies. This eventually would lead to deepening mutual understandings
- Work with Austrade, and several well-established Australian joint institutes or China programs to incorporate the showcasing of Australia's best practices & expertise, and the contribution these translate to local industry and productivity as outcomes of

running transnational programs. Greater emphasis on TNE employment outcomes surveys may be incorporated. The intended participants range from Chinese & Australian government officials, industry leaders to Chinese leading education media. It would help to uplift Australian brand awareness and attract more prospective students

- Australian education quality assurance agencies should establish a regular communication mechanism with Chinese MOE in terms of quality assurances and supervisions. The Chinese MOE is currently tightening the regulatory control over the transnational programs' quality assurances and scrutiny. The mandatory annual reviews on the existing and newly-approved joint programs and joint institutes have been introduced. It is widely anticipated that the quality assurance would become extremely important in operating transnational programs in China. To ensure it has a regular exchange mechanism between two governments and quality assurance agencies would be of benefit.
- Australian higher education providers should fully utilize the effect of alumni promotion. To showcase the achievements the alumni have made would be highly attractive to the prospective students as well as the Chinese general public mainly because it is the best reflection of the high-quality education standard and capacity. It is recommended to organise more open lectures and roadshows along with the eminent alumni who can add great value in marketing and promotion
- The forum regarding cross border education and exchange jointly held by the Australian Embassy in Beijing and the Chinese MOE, during March 2015, has been well received by the stakeholders involved. AustCham recommends that similar types of forums can be organized in the future.

Meanwhile, it is equally important for Australian higher education providers and government to seek ways incentivize these outstanding alumni to support marketing & promotion activities in China. The proposed incentives scheme could include but not be limited to

- Recognition of the alumni's contributions through the awards issued by Australian universities or governments
- Streamlined visa application to visit Australia
- The discounted tuition fee for the alumni's immediate relatives who wish to study in Australian universities.

## **VOCATIONAL EDUCATION**

### ***Policy context***

China is by far Australia's largest market for offshore TNE delivery, representing three quarters of the market in Vocational Education and Training (VET). Some key data affecting our recommendations:

- Australia enrolls more Chinese VET students than any other country in 'twinning' and joint qualification courses – 42,500 Chinese students in China colleges and polytechnics in 2014 (AEI)

- The increased policy driver of China's Ministry of Education for articulation pathways from school, to VET and higher education, and interest in competency training, relates largely from the AusAID \$20M VET capacity building project commissioned in Chongqing (2004-07), and the success of TAFE Institutes offshore partnerships – now totalling almost 100 active programs in VET and diploma alone.
- It would be timely to revisit the TVET Chongqing programme, and a futuristic approach to new models which relate to the policy on 600 universities moving to applied technology or polytechnic universities, and how industry and TNE modelling may be further involved.
- China's State Council policy paper, *Accelerating the Development of Modern Vocational Education* (No 19, 2014), outlined a policy to encourage 600 of China's 2000 universities to move to become applied technology or polytechnic universities. The Director-General of International Education, China Ministry of Education, outlined to a joint Sino-Australia Forum on International Education (Beijing, March 2015) that this policy change will provide the opportunity for deeper 'connectivity' between China universities and Australia's TAFEs in particular, which includes dual sector universities.
- China's continued economic growth and consumer market expansion will be dependent on China further developing a skilled productive workforce who can participate more effectively in high value adding industries. This presents a significant opportunity for the Australian private and public VET sector.<sup>2</sup>

Several **recommendations** are noted for the International Strategy in VET:

- The Australian International Education Strategy should elevate **balance and more purpose to our role as No 1 in China in TNE technical and vocational education**, in recognition of China policy focus on skills.
- Further, a Goal may include provisions to fund a three-five year programme to identify and promote **Champions from Chinese TAFE/VET alumni**. These employment outcomes strategies would contribute to better profile for Australian TAFE/VET collaboration in the employment and wealth-creation outcomes, and recognise the considerable number of Chinese students now graduating in an Australian 'twinning' and English qualification
- AustCham recommends the Goals incorporate support to establish an **Industry Skills Research Centre**. The purpose is to elevate awareness for Australian and China industry, the 100 TAFE partnerships with China polytechnics, and the MOE's plans for 600 new applied technology universities and polytechnic universities, and how Australian providers may best collaborate – ideally with industry engagement. The earlier comments about the German offshore model, and relevance of applied research projects offshore to better link industry with TNE partnerships would significantly support this approach.

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<sup>2</sup> 2013 China Country Brief, Australia Education International, Department of Education

TAFE Directors Australia recently established a Centre for Skills Excellence under a strategic partnership with the China MOE's CIVTE research agency, which may form the basis of negotiations.

- It is critical the goals under the new International Strategy accord improved mutual outcomes for China and Australia, with **investment in VET** behind this approach. To date, great attention (and investment) has been devoted by the Commonwealth to university China engagement, and the International Strategy is timely to bring balance, and an Australian tertiary approach – especially for universities and TAFEs which are recognised under regulation by the nationalist government's approach.

An equally important issue for future Australia China education policy is management of private colleges, universities and ELICOS. Each are important components of Australian education, and now respectively operate – onshore and offshore -- under the vocational regulator, ASQA, and higher education regulator, TEQSA.

AustCham acknowledges the past years of positive cooperation with China including student and staff exchanges, VET capacity building projects, articulation arrangements with Chinese universities and large numbers of Chinese students enrolling with Australian private education and training providers. To date, there is still no formal recognition of Australia's private sector by the Chinese Ministry of Education.

Outstanding is the omission of the private VET and Higher Education providers from The Supervision and Management of Cross-border Higher Education Information Website of the MoE (known as the 'JSJ list'). This remains an important issue for resolution.

Equally, in China the status of private technical and university institutions has been unclear.

- AustCham recommends the Goals of the International Strategy include policy **measures to overcome these barriers to entry for private education**, relating to identified quality providers operating in Australia's ELICOS, private college and university sectors.
- Australia's VET regulator ASQA, and Immigration (DIBP) be encouraged to **scope new 'low risk – high quality' provider assessments of Australian VET providers**, to better enable People's Republic of China Ministry of Education, to consider expanding the JSJ listing to the private sector more broadly - noting that the public sector, including TAFE and Universities, are already on the list.

Beijing and Shanghai, 19 June 2015.

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