International Development

The current state of play

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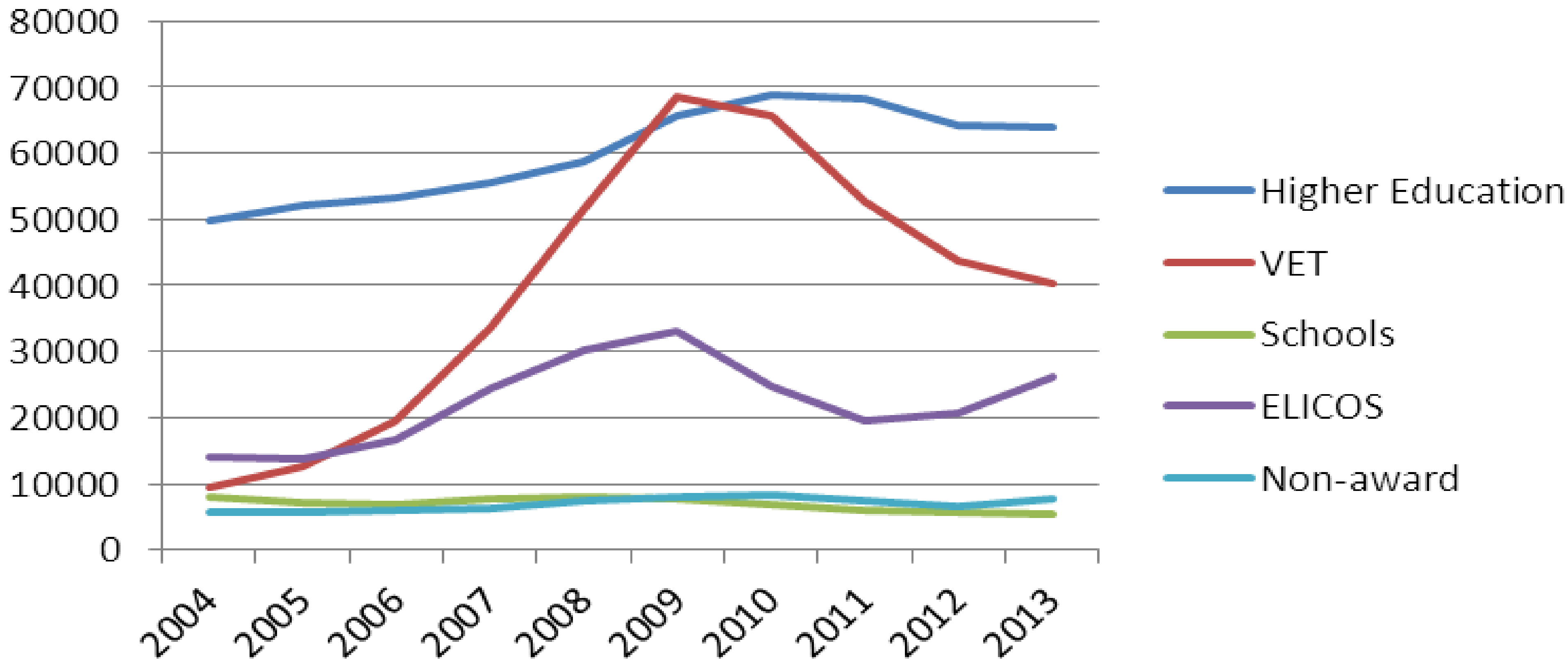
Victoria's TAFE export sector: challenges and opportunities

- Victoria's broader international education sector is currently experiencing a return to sustainable growth.
- This recovery is occurring in pockets and influenced by SVP.
- Key challenges for the VET sector onshore have included (but not limited to):
  - changes to migration settings since 2009;
  - absence of SVP for Victorian VET providers; and
  - the TAFE sector's shifting operating environment
- Notwithstanding these challenges, there is marked opportunity for Victoria's TAFE sector in offshore delivery.
- Victoria has been the unequivocal leader though market share is under threat..

Trends in Victoria's international VET sector - onshore

Figure 1: International student onshore enrolments in Victoria, by sector, 2004 to 2013 (AEI 2014)



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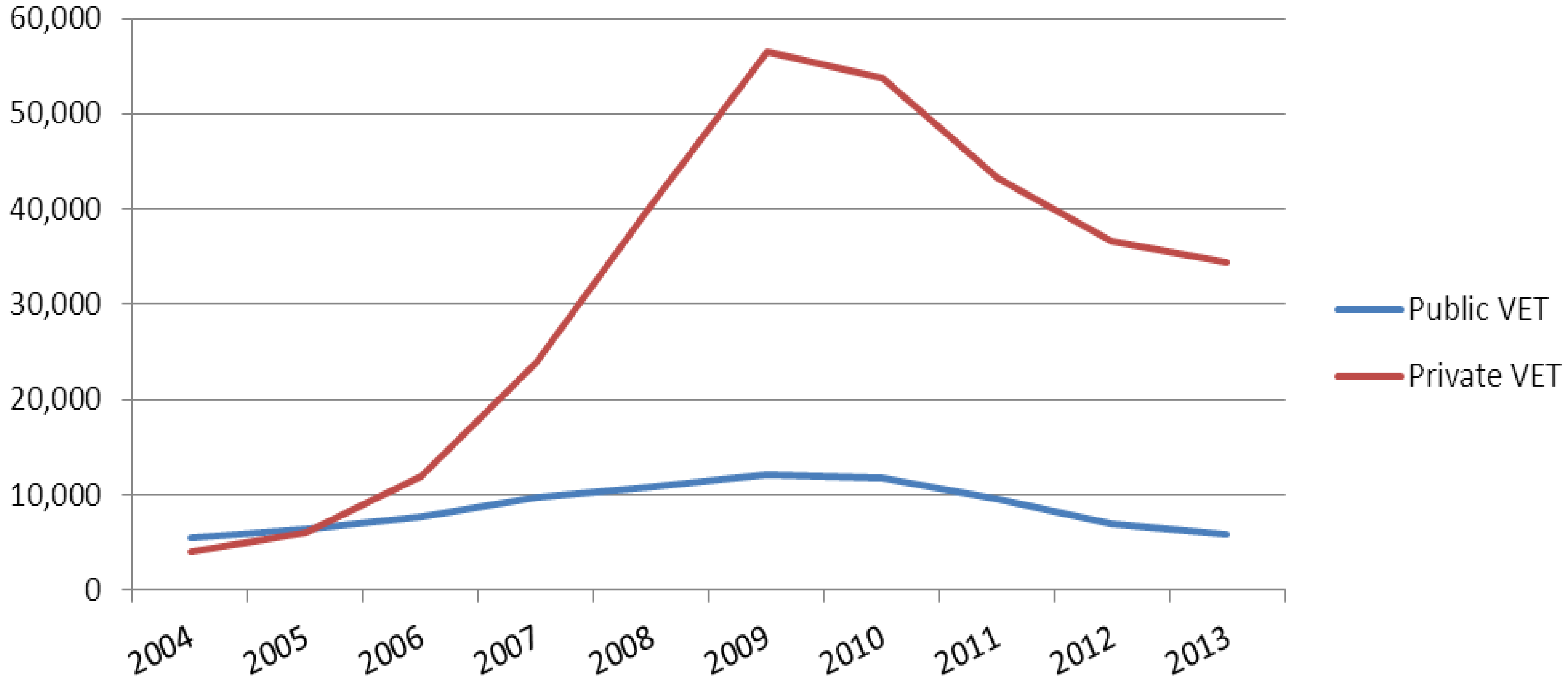
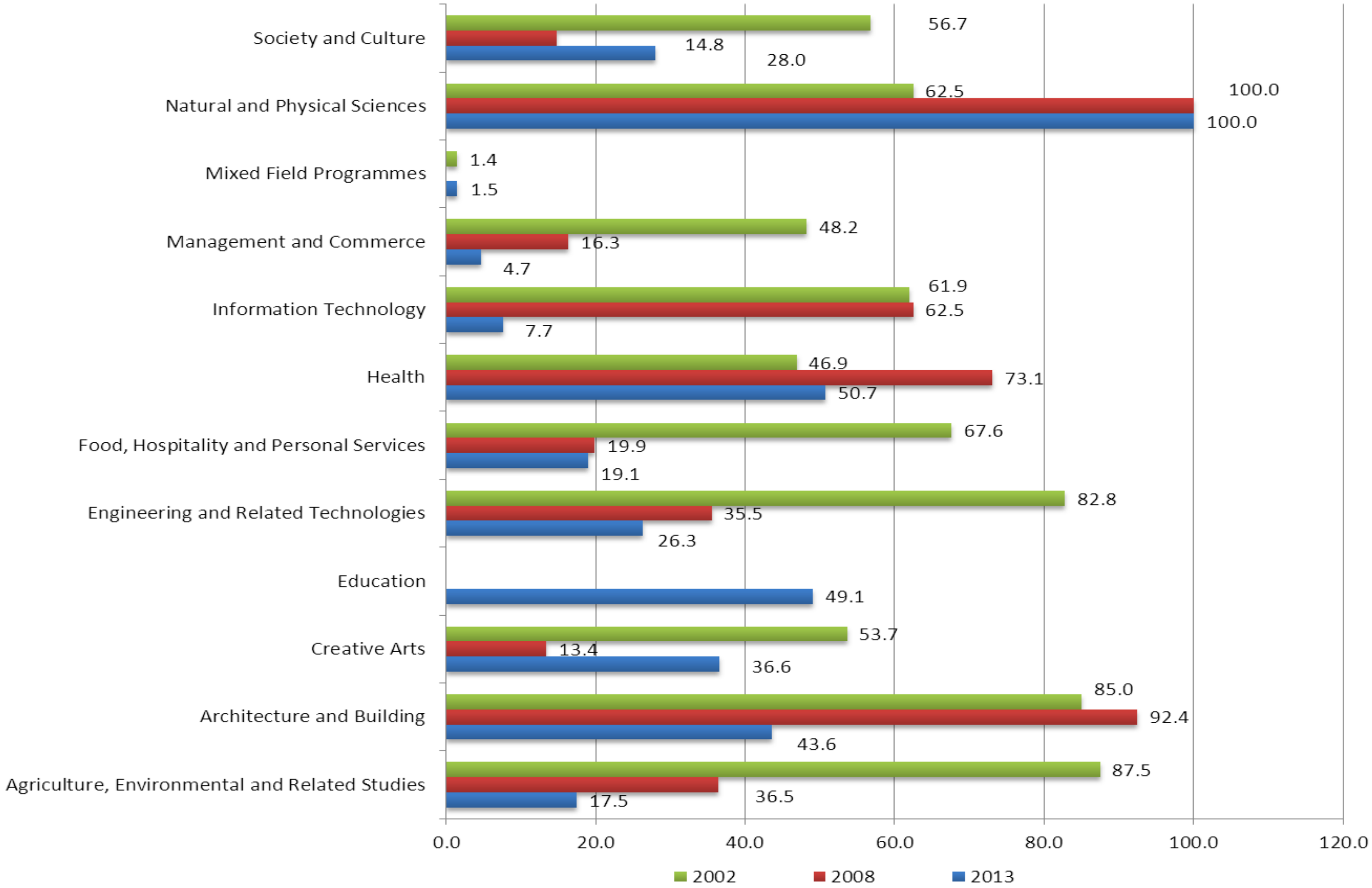
Trends in Victoria's international VET sector - onshore

Figure 2: Public and private onshore international VET enrolments in Victoria, 2002 to 2013 (AEI 2014)



Trends in Victoria's international VET sector - onshore

Figure 3: Public VET market share (%) of international VET enrolments in Victoria, by field of study, 2002-13 (AEI 2014)



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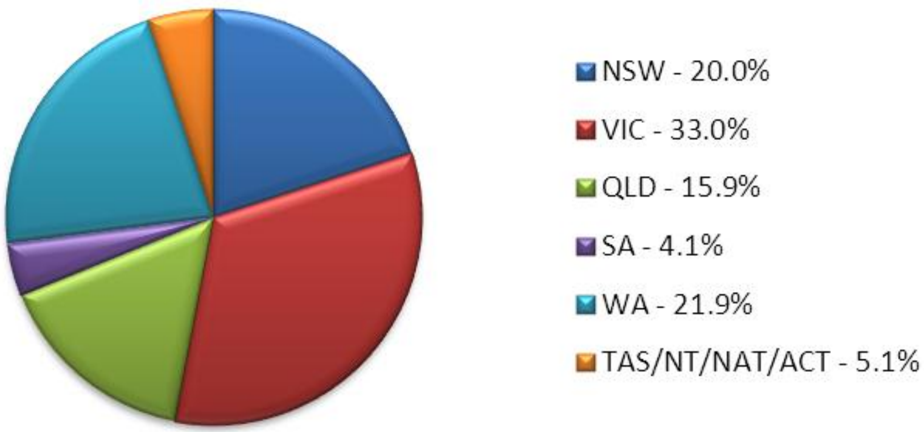
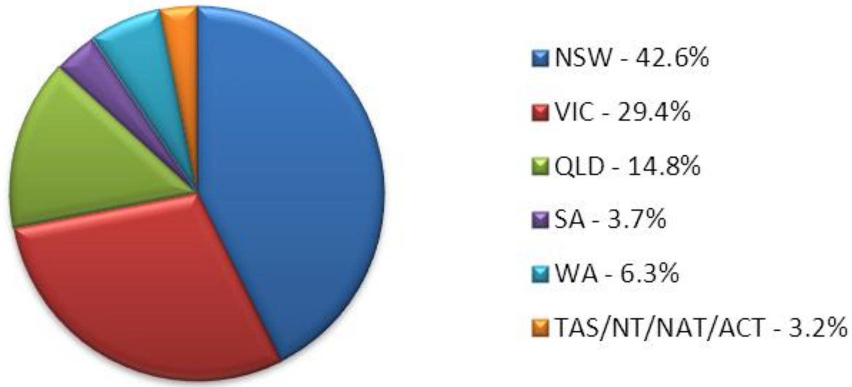
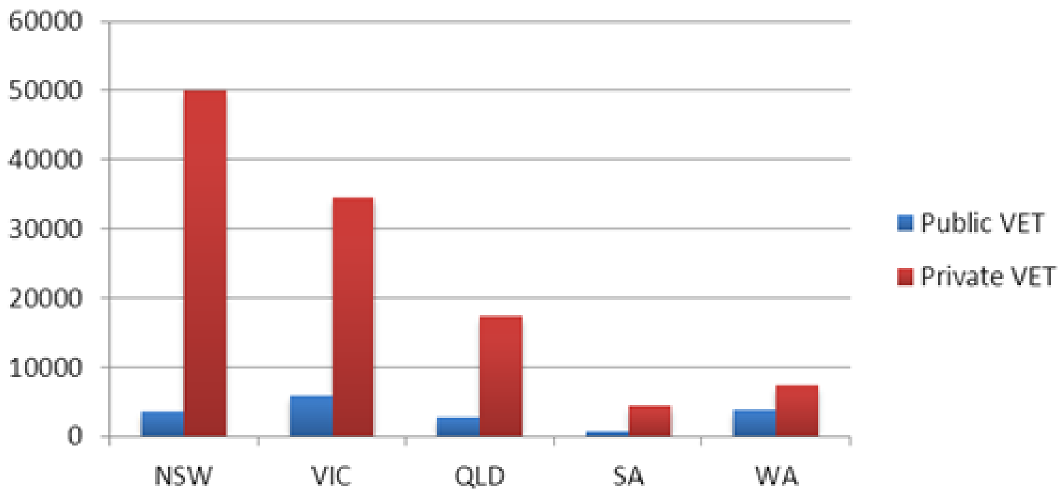
Trends in Victoria’s international VET sector - onshore

Market share of onshore international public VET enrolments, by State, 2013 (AEI 2014)



Market share of onshore international private VET enrolments, by State, 2013 (AEI 2014)





Public and private onshore international VET enrolments, by State, 2013 (AEI 2014)

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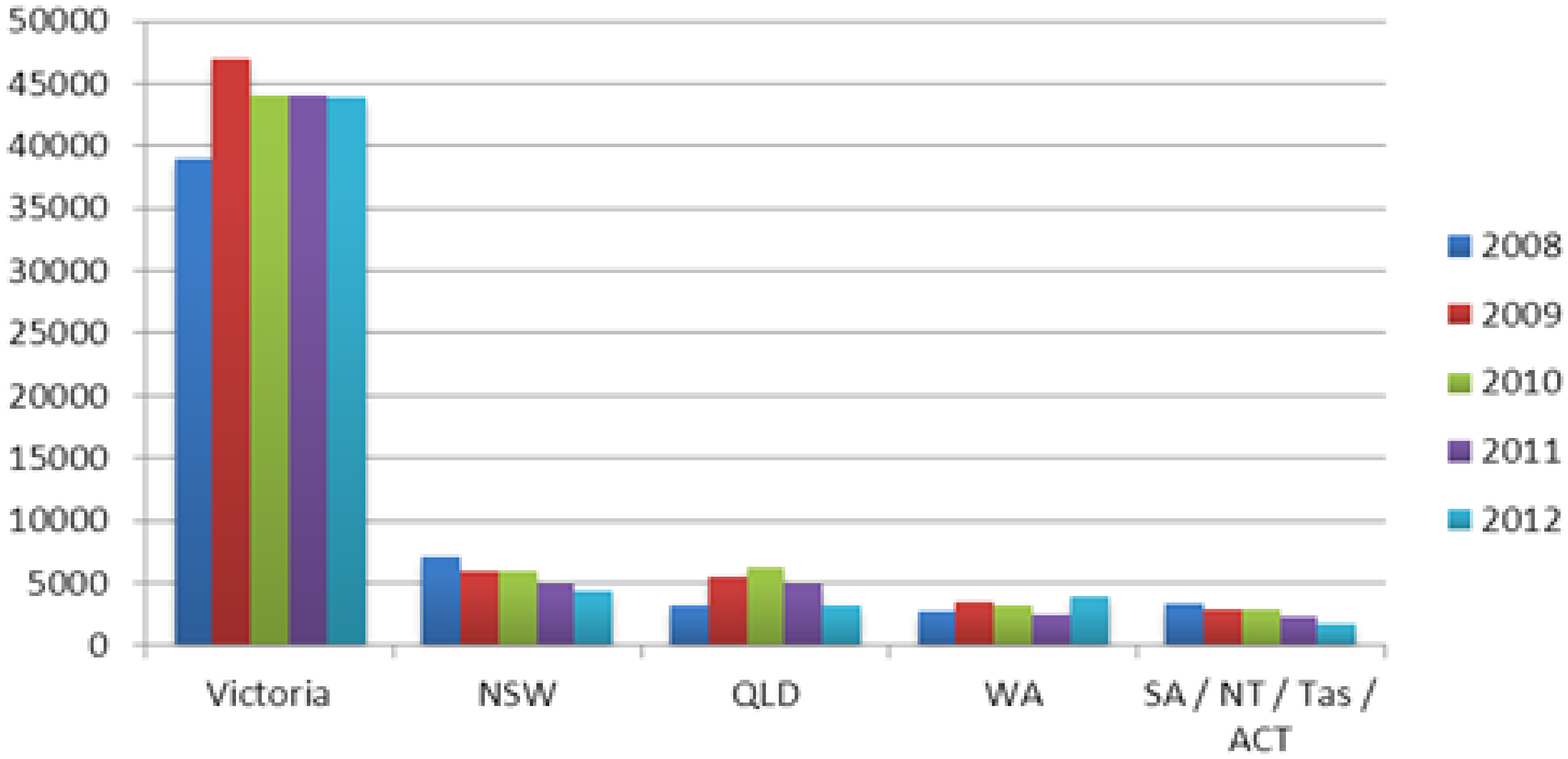
Operating Challenges - Onshore

- Streamlined Visa Processing
  - - growth in university pathway programs and TAFEs lumbered with high levels of compliance
  - Victorian TAFEs disadvantaged by DIBPs approach to approving state systems
  - Extension to Advanced Diploma programs and potential to warp the market (currently only 6,000 enrolments in Adv Dip vs 16,000 in Dip)
- Genuine Temporary Entrant (GTE) discriminates disproportionately against VET students
- Continued incidence of course hopping

Trends in Victoria's international VET sector - offshore

Figure 7: Students studying with offshore public VET providers, by State, 2008-12 (NCVER 2014)*



* Figures are indicative only. Some TAFE institutes have cautioned on the reliability of NCVER (2012) data, however it is currently the only reputable source for Australian VET TNE figures.

Trends in Victoria's international VET sector - offshore

Figure 8: Enrolments with offshore public VET providers, 2008-12 - top 15 markets (NCVER 2014)*

Rank*	Country	2008	2009	2010	2011	2012
1	China	33,861	40,496	37,575	37,253	36,426
2	Kuwait	206	963	815	993	938
3	South Korea	855	822	743	736	817
4	Macau	0	0	0	0	814
5	Fiji	526	582	320	397	642
6	Philippines	33	2	310	272	637
7	Vietnam	1,002	1,212	1,098	920	575
8	Iran	0	0	176	346	567
9	Singapore	429	603	781	753	439
10	Qatar	228	539	355	957	418
11	Vanuatu	184	341	420	279	310
12	Malaysia	182	244	77	302	287
13	Samoa	130	211	270	192	240
14	Hong Kong	162	193	223	210	214
15	England	0	24	113	16	131
	Others	1,146	672	752	408	443
	TOTAL	**38,944**	**46,904**	**44,028**	**44,034**	**43,898**

* Ranked by 2012 student numbers

NCVER data contains inaccuracies and misrepresents sector activity.

(But it's the best we currently have!)

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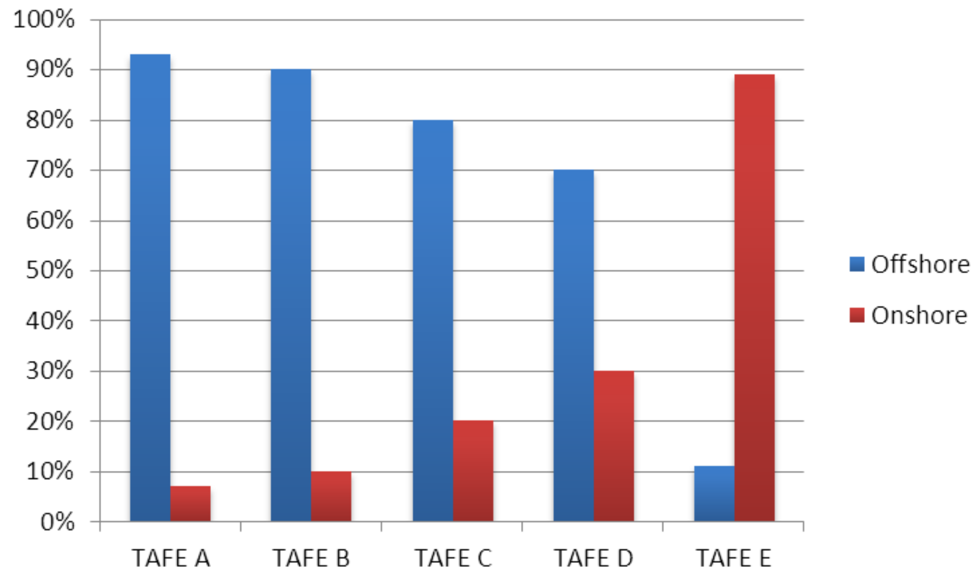
Balance of onshore & offshore delivery

(Proportion of international delivery at 5 Victorian TAFE institutes)

Table 1: Percentage share of offshore versus onshore international enrolments, by Victorian TAFE provider, 2010-13 (DEECD 2013)

		FY 2010	FY 2011	FY 2012	Q3 2013
TAFE A	Offshore	91%	93%	95%	93%
	Onshore	9%	7%	5%	7%
TAFE B	Offshore	80%	82%	82%	90%
	Onshore	20%	18%	18%	10%
TAFE C	Offshore	77%	82%	82%	80%
	Onshore	23%	18%	18%	20%
TAFE D	Offshore	43%	42%	37%	70%
	Onshore	57%	58%	63%	30%
TAFE E	Offshore	3%	3%	11%	11%
	Onshore	97%	97%	89%	89%

Figure 9: Percentage share of offshore versus onshore international enrolments, by Victorian TAFE provider, Q3 2013 (DEECD 2013)



- Table 1 shows the percentage breakdown of onshore and offshore international enrolments for five of Victoria's TAFE institutes. Figure 8 is an illustration of these figures for Q3 2013.
- For all but one TAFE institute, the proportion of offshore students is significantly greater than that of onshore international VET enrolments.

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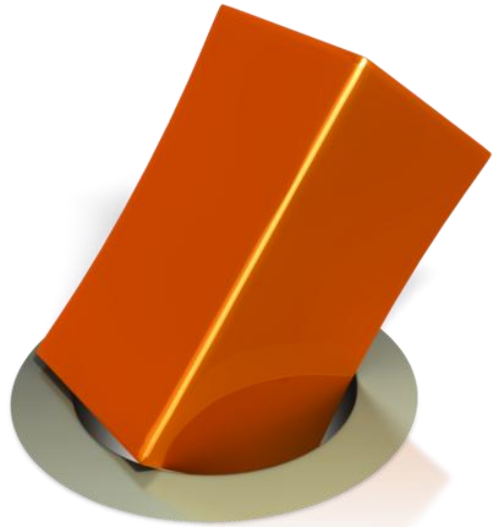
Operating Challenges - Offshore

- There is a growing disconnect at the national level between

Regulation and **quality assurance** of offshore VET delivery

Promotion & **expansion** of <u>current</u> models of offshore VET delivery



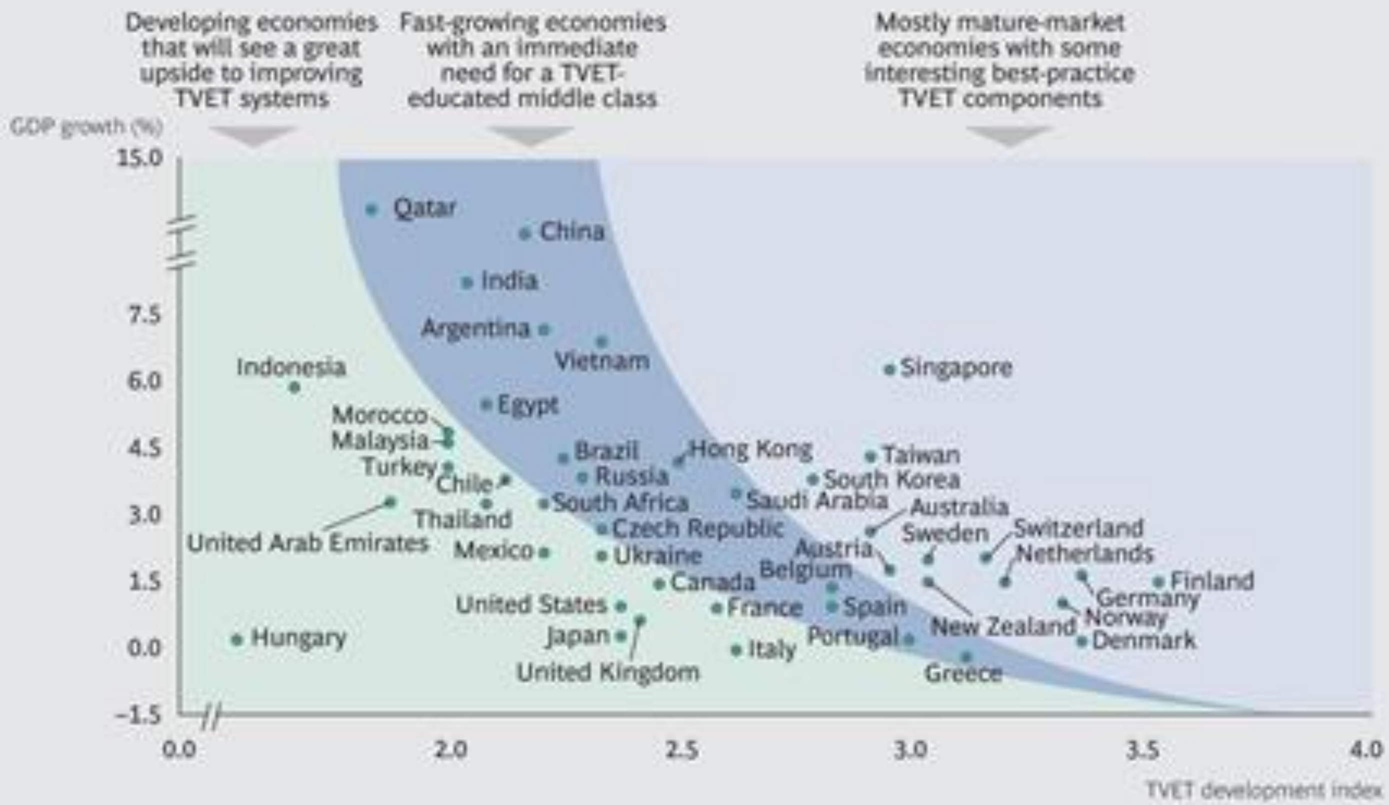
- Victorian TAFE has the most to lose and most to gain depending on the future regulation and promotion in this space
- ASQA's move into offshore audit in 2015 poses a significant challenge to current model of delivery.
- VET offshore delivery models are varied - includes ***offshore consultancy, industry training, RPL, auspice training, licensing, skill sets and full qualifications***
- The data on where this activity is taking place and the value of this offshore work is not quantified

Current Initiatives

- **<u>Policy Review and Advocacy for Offshore Delivery</u>**
  - International Education Strategy for Victoria commits us to ***" support Victoria's leading position in offshore delivery of education and training by undertaking a policy review of the regulation of offshore education."***
  - Consultation now completed with sector, goals is to have a shared advocacy position to support continued growth in offshore delivery.
- **<u>Evaluation of Victorian International Education Cluster (VIEC)</u>**
  - Project concluded in June 2014. Provides an opportunity to consider future models for collaboration, including options that may be specific to TAFE sector
- **<u>VISPSA – Victoria India Skills Partnership Start-up Allowances</u>**
  - Support to establish sustainable models of VET delivery in India
  - Recognise the need for seed funding to create workable business models in India
  - Submissions encouraged at any time

Global Demand for Australian VET

EXHIBIT 1 | BCG's TVET Performance Matrix Ranks the Relative TVET Performance of 45 Countries



Source: BCG analysis.
Note: The GDP growth shown is an average of annual growth rates from 2005 through 2011.

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TAFE and Global B2B

- Public sector workforce development through formal education, study tours and professional development programs
- Advising on reform of education systems including qualifications frameworks, curriculum, industry linkages, articulation agreements
- Scholarship programs - many governments have established international scholarship programs as a solution to the lack of capacity to support rapid expansion of higher education within their own country, to provide education and training that is not available within their country or to develop country capacity in specific targeted areas, such as scientific research.
- Direct delivery of education, e.g. transnational education opportunities
- Support for significant social, economic and policy reform programs through research, consultancy and policy advice.

Issues to consider

1. What are the broad markets for vocational education and training services exports and what is the scale of these opportunities?

2. Who are the strong competitors (Australian and international) for these opportunities? What models do they employ in sourcing and securing work?

3. What is the appetite of Victoria TAFEs to continue to grow offshore markets? How is this impacted by onshore enrolments and changes ?

Issues to consider

1. What are the key barriers to TAFE institutions bidding successfully on large-scale international projects?
2. Under what circumstances should TAFE / VET institutions seek to collaborate with other Victorian institutions and/or other Victorian entities (education or otherwise) on offshore projects? What approaches and models could be considered for collaboration?
3. Do potential international clients differentiate between government-owned TAFEs and the private sector VET institutes?
4. What should be the nature of the government's role, consistent with the commercial autonomy of TAFE and VET institutes?

Thank you

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