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SYMBOLS AND USAGES

billion  1,000 million
kg     kilogram
m      metre
n.a.   not available
n.e.c  not elsewhere classified
n.p.   not published
n.y.a. not yet available
no.    number
'000   thousand
'000m  thousand million
$      dollar
$m     million dollars
$b     billion dollars
$US    American dollar
%      per cent
*      estimate has a relative standard error of 25% to 50% and should be used with caution
**     estimate has a relative standard error of greater than 50% and is considered too unreliable for general use
. .    not applicable
—     nil or rounded to zero (including null cells)

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals.
Over the last twenty years, there has been strong growth in transnational education. According to the OECD there were 2.7 million tertiary students worldwide enrolled outside their country of residence in 2004, an increase of 41% since 2000 (1.9 million students) and over 200% since 1985 (0.9 million students).1

Since the 1980s, Australia has become a major player in the international student market, offering globally recognised courses and qualifications. In 2004, Australia was the fifth largest destination for overseas students, attracting 6% of all tertiary students enrolled outside their country of residence.1 In 2005, overseas students represented approximately 18% of all higher education students in Australia.2

The provision of education services to full-fee paying overseas students is emerging as an important industry for the Australian economy. Education services provided in Australia to international students were valued at over $9 billion in export earnings in the financial year 2004–05. This was the third highest export for Australia, and generated more than wool ($2.3 billion), wheat ($3.2 billion) and beef ($4.5 billion) in terms of value.3 Full-fee paying overseas students are also an important revenue source for Australian universities. In 2005, revenue from full-fee paying overseas students represented 15% of all revenue within the higher education sector.2

As well as being an important revenue source, overseas enrolments can help educational institutions reach the critical mass needed to diversify the range of educational programmes offered to all students.1 The presence of international students offers a further benefit to all students, as well as the community more generally – an opportunity to experience and expand knowledge of other cultures and languages.

Trends in international student arrivals

In 2005, there were 375,000 overseas visitor arrivals to Australia for education purposes, more than double the 157,000 visitor arrivals to Australia in 1995 for education, and more than ten times the 30,000 education arrivals in 1985.

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Overseas visitor arrivals for education purposes

Over the last twenty years, there has been strong growth in transnational education. According to the OECD there were 2.7 million tertiary students worldwide enrolled outside their country of residence in 2004, an increase of 41% since 2000 (1.9 million students) and over 200% since 1985 (0.9 million students).1

Since the 1980s, Australia has become a major player in the international student market, offering globally recognised courses and qualifications. In 2004, Australia was the fifth largest destination for overseas students, attracting 6% of all tertiary students enrolled outside their country of residence.1 In 2005, overseas students represented approximately 18% of all higher education students in Australia.2

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Trends in international student arrivals

In 2005, there were 375,000 overseas visitor arrivals to Australia for education purposes, more than double the 157,000 visitor arrivals to Australia in 1995 for education, and more than ten times the 30,000 education arrivals in 1985.
Most visitor arrivals to Australia for education are short-term arrivals (i.e. intending to stay less than 12 months). This in part reflects study in short-term courses such as some English language courses, as well as the travel intentions of overseas students who may plan to return to their home country for holidays during or at the end of an academic year. In 2005, there were 261,000 short-term visitor arrivals for education and 113,000 long-term visitor arrivals (i.e. intending to stay 12 months or more). The proportion of short-term arrivals has remained much the same (around 70% of all education arrivals) since 1985.

**Country of residence**

The number of overseas arrivals from Asia for education purposes has increased over the past twenty years. In 1985, five of the top ten countries of residence for visitor arrivals were in South East Asia (Malaysia, Indonesia and Singapore) or in North East Asia (Hong Kong and Japan) with arrivals from these countries representing 44% of all education arrivals for that year. In 2005, eight of the top ten countries of residence were from South East Asia or North East Asia representing 59% of all education arrivals.

Arrivals from China were the largest group of overseas education arrivals in 2005 representing nearly one-fifth (17%) of all visitor arrivals for education purposes, up from just over 1% in 1985. Other major arrivals from Asia were from Malaysia, Thailand, and Japan.

### Overseas visitor arrivals for education purposes: major countries of residence and proportion female

<table>
<thead>
<tr>
<th>Selected countries of residence</th>
<th>1985(a)</th>
<th>2005(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Arrivals</td>
<td>Proportion female</td>
</tr>
<tr>
<td>China (excludes SAR)</td>
<td>0.4</td>
<td>24.9%</td>
</tr>
<tr>
<td>Hong Kong (SAR of China)</td>
<td>1.5</td>
<td>41.7%</td>
</tr>
<tr>
<td>India</td>
<td>0.3</td>
<td>13.7%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1.7</td>
<td>36.4%</td>
</tr>
<tr>
<td>Japan</td>
<td>1.0</td>
<td>64.5%</td>
</tr>
<tr>
<td>Korea (Republic of South)</td>
<td>0.2</td>
<td>26.5%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>7.7</td>
<td>45.5%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2.2</td>
<td>47.5%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.3</td>
<td>42.3%</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.7</td>
<td>41.8%</td>
</tr>
<tr>
<td>United States of America</td>
<td>2.2</td>
<td>58.5%</td>
</tr>
<tr>
<td><strong>Total(b)</strong></td>
<td>29.9</td>
<td>41.8%</td>
</tr>
</tbody>
</table>

(a) Annual data (i.e. total number of arrivals in the year).  
(b) Includes other countries not listed and therefore components do not add to total.  

In 2004, there were almost 2.7 million tertiary students studying outside their own country of residence. Australia has 6% of the total market share of these international students behind the United States of America (22%), the United Kingdom (11%), Germany (10%) and France (9%). However, overseas students represent almost 17% of all tertiary students in Australia, compared with the United Kingdom (13%), France (11%) and the United States of America (3%).

### Tertiary students(a) studying overseas — 2004

<table>
<thead>
<tr>
<th>Destination country</th>
<th>Overseas tertiary students</th>
<th>Proportion of total tertiary students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>167.0</td>
<td>16.6%</td>
</tr>
<tr>
<td>France</td>
<td>237.6</td>
<td>11.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>260.3</td>
<td>11.2%</td>
</tr>
<tr>
<td>Japan</td>
<td>117.9</td>
<td>2.7%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>300.1</td>
<td>13.4%</td>
</tr>
<tr>
<td>United States</td>
<td>572.5</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Total(b)</strong></td>
<td>2 651.1</td>
<td>--</td>
</tr>
</tbody>
</table>

(a) Enrolled outside their country of residence.  
(b) Includes other countries not listed and therefore components do not add to totals.  
countries of residence for education arrivals in 2005 included South Korea and the United States of America (both with 8% of visitor arrivals) Japan (7%) and Malaysia (6%).

Increases in the numbers of Asian students studying in Australia over the past two decades may be due to changing social and economic policies in their home countries. It has been suggested that the emergence of a larger middle class in countries in east Asia which have long placed a high value on education has provided a ready source of students.4

Although the majority of overseas visitor arrivals for education are from Asia, Australia attracts international students from across the world. In 1985, visitor arrivals for education came from 113 different countries, rising to 176 countries in 2005.

...age and sex

In 2005, the peak age group of overseas visitor arrivals for education purposes was 20–24 years (43%). This reflects the fact that most visitor arrivals were studying in the higher education sector. A further 27% were aged 25 years or over, 24% were aged 15–19 years and the remainder (6%) were aged less than 15 years.

Over the last two decades there has been a steady increase in the proportion of female overseas arrivals for education purposes. In 2005, 51% of education arrivals were female, up from 42% in 1985.

There are some marked differences in the proportion of female visitor arrivals for education according to country of residence. For example, just 20% of all education arrivals from India in 2005 were female, while 60% of education arrivals from Japan were female. While the proportion of female visitor arrivals for education increased for most countries over the last twenty years, the proportion of female visitor arrivals from China more than doubled (from 25% to 53%) and almost doubled for South Korea (from 27% to 52%) over the period.

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**Overseas student enrolments**

AEI student enrolment data is derived from the Commonwealth Provider Registration and International Student Management System.

Student enrolments are the number of course enrolments by overseas students studying in Australia on student visas.5

Student enrolments do not represent the number of overseas students in Australia on student visas as students studying more than one course will have enrolments recorded for each course they are studying. In July 2005, there were 270,000 overseas students studying in Australia on a student visa.5 These students were enrolled in 520,000 courses across all education sectors.5

Student enrolments data are also different to the number of overseas students studying in Australian institutions. Whilst recording enrolments for each course of study the data excludes enrolments by: overseas students studying on non-student visas; sponsored students (including AusAID, Defence, Endeavour International Post Graduate Research Scholarship); and students studying in off-shore courses. When these exempt categories are included, the number of overseas students studying onshore or off-shore in Australian institutions was estimated to be 415,000 in July 2005.5

**Education sectors**

Since 2002, enrolments have been allocated to education sectors on the basis of their course level with the Australian Qualifications Framework (AQF).

Higher Education includes Associate Degree, Bachelor Degree, Graduate Certificate, Graduate Diploma, Masters Coursework, Masters Preliminary, Masters Research, Doctor of Philosophy and Higher Doctorate Qualifying Programmes.


School includes Kindergarten Studies, Primary School Studies, Junior Secondary Studies and Senior Secondary Studies.

English Language Intensive Courses for Overseas Students (ELICOS) enrolments are treated differently, with all courses identified as ‘English Language’ allocated to the ELICOS sector irrespective of the AQF level of course, whether or not also studying in another sector.

Courses not covered by the AQF are allocated to Other. These courses include Enabling Courses, Foundation Studies and Non-Award courses.
Enrolment patterns

International students in Australia study across a wide range of education sectors and in a variety of courses and fields of study. Some restrict their study to a particular sector while others study across multiple sectors. For example, study in both the English Language Intensive Courses for Overseas Students (ELICOS) and higher education sectors is a common study pathway for many overseas students.

...enrolments by sector

In 2005, there were 345,000 overseas student enrolments in various courses across all sectors, more than triple the 111,300 overseas student enrolments in 1995, according to Australian Education International (AEI).

While all sectors grew between 1995 and 2005, the major driver of growth in overseas student enrolments was Higher Education which increased fourfold and contributed around half (53%) of the total enrolment increase over the period. In 2005, Higher Education enrolments comprised almost half (48%) of all enrolments. This was followed by Vocational and Technical Education (VTE) and ELICOS (each 19%).

Of the 164,000 international students enrolled in Higher Education in 2005, almost one in four were from China (24%), followed by India (14%) and Malaysia (9%). More than half of all enrolments were for bachelor degrees (59%) followed by masters by coursework (35%). In addition, more than half (55%) of enrolments were in either 'Business administration and management' or 'Computer science and information systems'.

VTE was the second largest sector with 66,100 enrolments in Australia in 2005. Almost one in five student enrolments were from China (18%), followed by Hong Kong (8%) and Thailand and Japan (7% each). The majority of VTE enrolments (80%) were at either Diploma or Advanced Diploma level, with the remaining 20% enrolled at the Certificate I through IV level. The top three fields of study in 2005 were 'Business administration and management', 'Services hospitality and transport', and 'Computer science and information systems'.

In 2005, there were 65,000 ELICOS enrolments, most of which were in non-government institutions (69%). One quarter of ELICOS students were from China (25%), 17% were from South Korea and 12% were from Japan.

While almost one in five (19%) of all overseas student enrolments were in the ELICOS sector, there were some differences according to nationality. For example 50% of all student enrolments from Brazil and 43% of all student enrolments from South Korea were in ELICOS. Although a quarter of all ELICOS enrolments were from China (25%), only one in five Chinese students attended an ELICOS course. A small proportion of all student enrolments from India (5%) and Malaysia (1%) were ELICOS enrolments.
In 2005, there were 26,000 overseas student enrolments in Australian schools. Most student enrolments were in Secondary schools (91%), with just 9% in Primary schools (including Kindergarten). In addition, 61% of student enrolments were in non-government schools and 39% in government schools.9

...study pathways

There were just over 100,000 overseas students who commenced studying in Australia in 2002 and who continued their studies through to 2005. Two-thirds (66%) of these students studied in one sector only over that period and the remainder (34% or 34,000 students) were multiple sector students. Most (74%) of these multiple sector students were enrolled in two sectors over the period. A further 23% were enrolled in three sectors, and the remainder were enrolled in four or more sectors.10

The most common study pathway for multiple sector students was an ELICOS-Higher Education pathway (21%), followed by ELICOS-VTE (15%) and VTE-Higher Education (13%). The next most common pathways were Other-Higher Education and ELICOS-VTE-Higher Education (both 8%). Almost one-third (31%) of multiple sector students did not undertake an ELICOS course.10 A similar amount (32%) of multiple sector students were from China. Students from Hong Kong, South Korea and Indonesia together comprised a further 27% of all multiple sector students.10

More than one-quarter of all Chinese multiple sector students (29%) followed an ELICOS-Higher Education study pathway with 40% of Thai and 34% of Taiwanese multiple sector students following the same study pathway. ELICOS-VTE study pathways were recorded for 42% of Japanese and 28% of Thai multiple sector students, while 26% of both Malaysian and Indonesian multiple sector students and 22% of those from Hong Kong followed a VTE-Higher Education education pathway.

Exporting education

In 2005, export revenue raised through the provision of education services to international students studying in Australia was valued at $9 billion. International students spent almost $3.8 billion dollars on fees (up from $1.8 billion in 2000), with 67% of this spent in the higher education sector. Expenditure by students on goods and services ($5.3 billion) was more than double that in 2000 ($2.2 billion).

Remaining in Australia after study

International students who have obtained an Australian qualification may apply for permanent residency onshore, providing they meet the selection criteria, under the General Skilled Migration Program. In 2004, there were 42,300 overseas students who had completed their higher education course. Of these, 34% (14,400 students) were approved for permanent residence onshore under

<table>
<thead>
<tr>
<th>Students(a) studying in Australia by sector — 2002–2005</th>
<th>Proportion of all students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Students '000</td>
</tr>
<tr>
<td>Single sector</td>
<td>66.1</td>
</tr>
<tr>
<td>Higher Education</td>
<td>31.8</td>
</tr>
<tr>
<td>VTE(b)</td>
<td>6.7</td>
</tr>
<tr>
<td>ELICOS(c)</td>
<td>11.6</td>
</tr>
<tr>
<td>School education</td>
<td>3.4</td>
</tr>
<tr>
<td>Other</td>
<td>12.7</td>
</tr>
<tr>
<td>Multiple sector</td>
<td>34.3</td>
</tr>
<tr>
<td>Total overseas students</td>
<td>100.4</td>
</tr>
</tbody>
</table>

(a) Who commenced study in 2002.
(b) Vocational and Technical Education.
(c) English Language Intensive Courses for Overseas Students.

Source: Australian Education International Research Paper, Study pathways of international students in Australia, 2002 to 2005, Number 2006/1.

| Expenditure by international students in Australia — 2005 |
|---|---|---|
| Type of expenditure | Goods and services | Total |
| Sector | Fees $m | $m | $m |
| Higher education | 2 509 | 3 722 | 6 231 |
| VTE(a) | 481 | 644 | 1 125 |
| ELICOS(b) | 255 | 281 | 536 |
| School education | 287 | 400 | 687 |
| Other | 234 | 222 | 456 |
| Total(c) | 3 793 | 5 324 | 9 141 |

(a) Vocational and Technical Education.
(b) English Language Intensive Courses for Overseas Students.
(c) Includes New Zealand and other non-award students.

Source: DIAC visa data; DIAC overseas arrivals and departures data; DEST student fees data; DEST Survey of International Student Spending; Consumer Price Index, Australia (ABS cat. no. 6401.0).
selected skilled categories (880, 881 or 882). More than one third of these students were computing professionals (36%) and over a quarter were accountants (28%). Just 5% of overseas students granted permanent residence were tradespersons.

Endnotes

12 Birrell, B et al. 2006. Australia’s Net Gains from International Skilled Movement – Skilled Movements in 2004–05 and earlier years, Centre for Population and Urban Research, Monash University.
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