

# Current ELICOS sector issues

and ramifications for other  
sectors

AIE Conference – 12 October 2006

## Summary

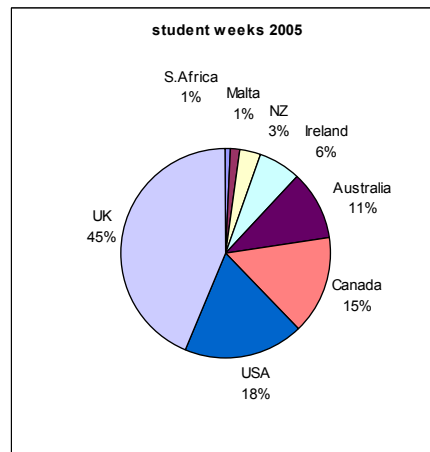
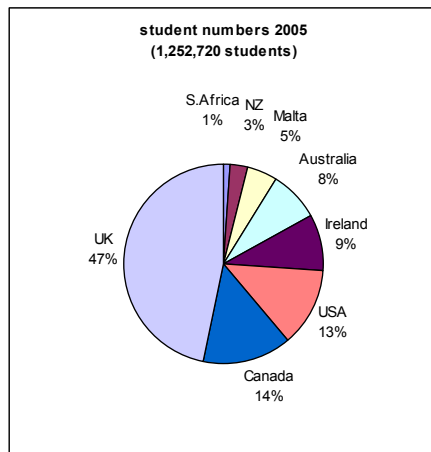
1. Current Context
2. Developments/Issues
3. Questions
4. Discussion

# The Global market for ELT



- Precise size unknown, however estimated value of US\$9.2 billion in 2005 (up from US\$8.3 billion in 2004), with over 1,271,000 students (up from 1,221,000 in 2004).
- Dominated by UK (46% of students – down from 50% in 2004); USA (14%) now matched by Canada(14%).
- Australia 8.0% of students (up from 7.5% in 2004 & 6.1% in 2003) and 10.7% of student weeks (up from 10.4 in 2004 & 8.8% in 2003).

# The Global market for ELT



SOURCE: LANGUAGE TRAVEL MAGAZINE OCTOBER 2006

## 2005 Global growth - students



	2004	2005	+/-
UK	617,038	586,186	-5%
Canada	141,762	178,261	+26%
USA	156,375	162,055	+4%
Ireland	95,160	113,940	+20%
Australia	91,129	101,087	+11%
Malta	55,578	61,607	+11%
NZ	51,456	35,749	-31%
S. Africa	12,940	13,835	+7%
	<b>1,221,438</b>	<b>1,252,720</b>	<b>+3%</b>

## 2005 Global growth - weeks



	2004	2005	+/-
UK	4,182,112	4,689,488	+12%
USA	1,798,313	1,943,045	+8%
Canada	1,465,900	1,628,742	+11%
Australia	995,918	1,142,016	+15%
Ireland	294,996	683,640	+132%
NZ	602,035	364,640	-39%
Malta	162,714	148,599	-9%
S. Africa	81,522	83,010	+2%
	<b>9,583,510</b>	<b>10,683,180</b>	<b>+11%</b>

## 1996 – 2006



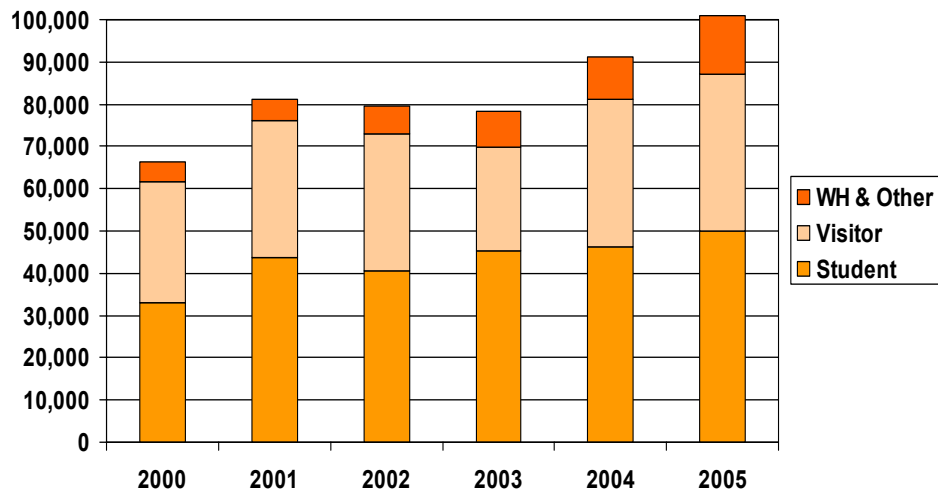
- NEAS accredited colleges
  - 1996 – 124 colleges
  - 2006 – 234 colleges (89% growth)
  
- ELICOS students
  - 1996 – 72,545
  - 2005 – 101,087 (39% growth)

## 2005 – key statistics



- 101,087 commencing ELICOS students
- 1,142,016 student weeks
- average length of course 11.3 weeks
- 84% individuals, 16% groups

## ELICOS commencements (all visa types)



## 2005 – source of growth



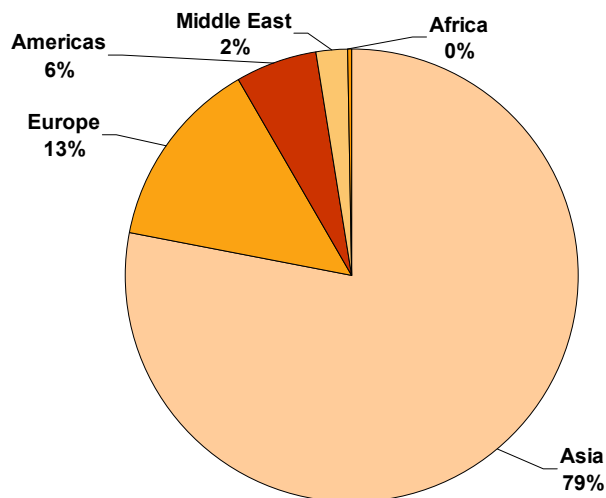
- +8% in student visa holders (3,762)
- +7% in visitor visa holders (2,368)
- +38% in working holiday & others (3,827)
- +7% growth from Asia (4,408)
- +20% growth from Europe (2,262)
- +66% growth from Americas (2,437)
- +51% growth from Middle East (752)

## 2005 – source of growth

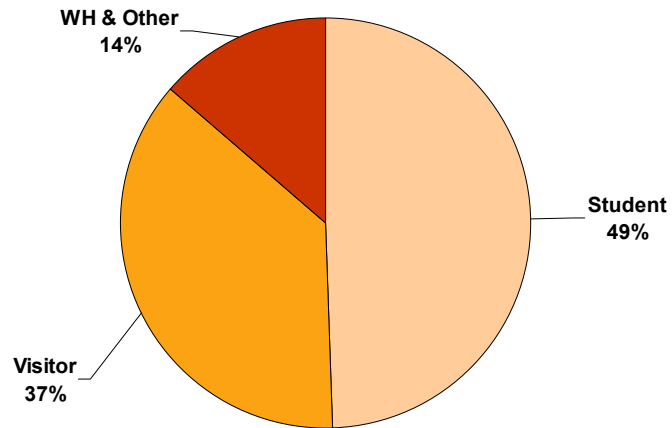


- +13% growth in individual students (9,847)
- +1% growth in group students (111)
- increase in individuals from Korea (4,119)
- increase in individuals from Brazil (1,844)
- increase in individuals from China (1,073)
- increases mainly in QLD (+25%) & SA (20%)

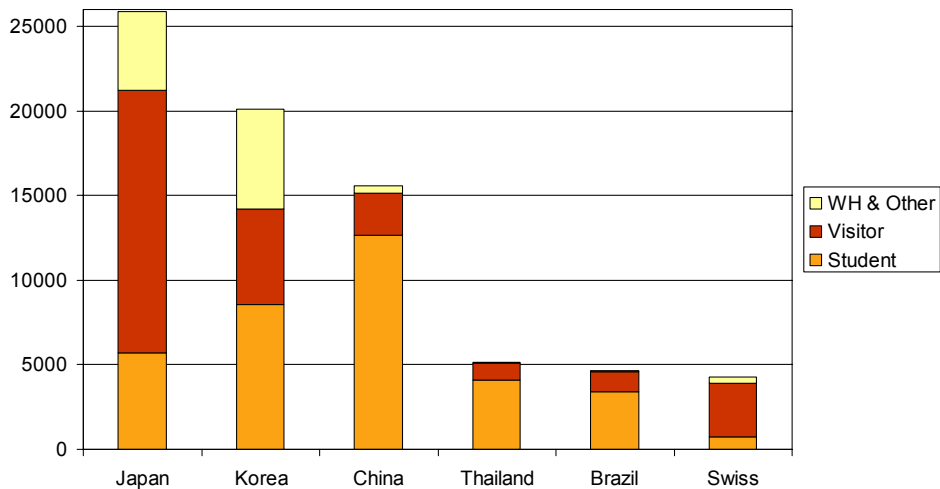
## 2005 ELICOS students – regions



## 2005 ELICOS students – visa types



## Top 6 ELICOS countries (all visa types – 2005 data)



## Pathways



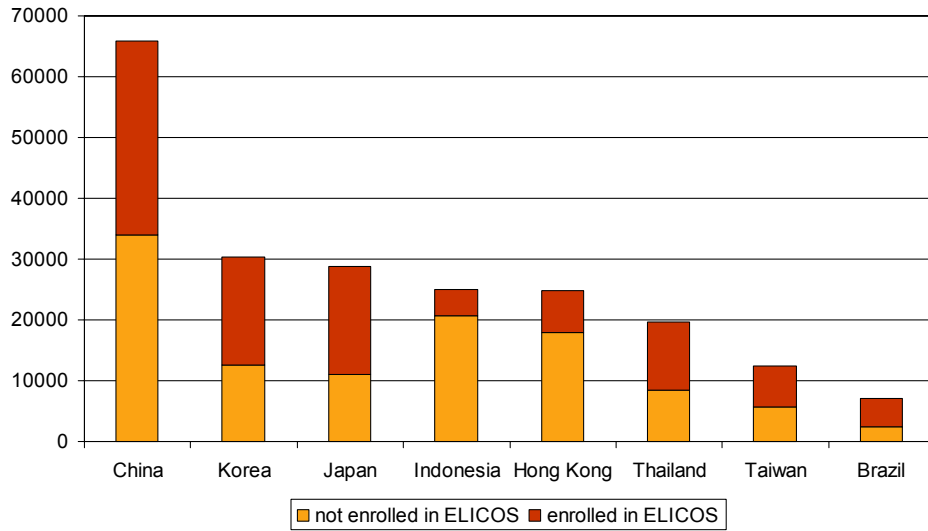
- Data used for analysis relates to student visa holders only
- Data covers enrolments over a three year period – longitudinal/pipeline [429,022]
- Majority of student visa enrolments are single sector (76%) [327,478]
- Single sector ELICOS [57,825]
- 24% were multiple sector [101,544]
- 68% of multiple sector students were enrolled in ELICOS at some stage [69,147]

## Pathways



- Approx 127,000 student visa holders enrolled in ELICOS courses over this period
- 45.5% ELICOS only
- 20.7% ELICOS to Higher Ed
- 12.8% ELICOS to VTE
- 7.8% ELICOS to Schools
- 7.6% multiple pathway eg. ELICOS to Schools to Higher Ed

## Top 8 ELICOS nationalities (student visa holders only)



## 2. Developments / Issues



- international
  - competitors
  - markets
  - trends
  
- domestic
  - government policy
  - trends

## 2. Developments / Issues



- a) declines in key markets eg. China and Japan
- b) new competitors eg. Philippines, Singapore, China
- c) transnational delivery – growth & extent

## 2. Developments / Issues



- d) commoditisation of ELT 'product' – price sensitivity
- e) the future of English (and study in English)
- f) existing competitors – accreditation/visas

## 2. Developments / Issues



- g) increasing focus on the importance of English
- h) General Skilled Migration review
- i) Citizenship (and English test)
- j) entry standards for further study/direct entry vs IELTS

## 2. Developments / Issues



- k) Working Holiday visa changes
- l) IELTS requirement for English only & package courses

## Student Visa Regime

- major changes introduced in 2001
- changes included English language requirements
- two main aspects to the requirements:
  - minimum levels of English required
    - for Independent ELICOS (AL4)
    - for ELICOS + further study (AL3 & AL4)
  - restrictions on length of ELICOS study (AL3 & AL4)

## Main areas of impact – Countries

- AL4
  - China (all), Vietnam (ELICOS & Non-Award), India (VET)
- AL3 Pathways
  - Bangladesh (all), India (all except VET), Indonesia (ELICOS, VET & Non-Award), Jordan, South Korea (VET), Russia (all), Turkey (all), Vietnam (Schools, VET, Higher Ed)

## Main areas of impact – Independent ELICOS (China)



- Internationally - 3 distinct markets for ELT:
  - a) pathway to further study
  - b) stand-alone English - career, professional, leisure etc
  - c) study-tourism (short course, not necessarily on a student visa)
- Numbers of students for a) dominate Chinese ELICOS numbers in Australia (but are declining).
- Numbers for c) are growing from a small base (ref. EA/Environmetrics Survey for 2004).
- Numbers for b) are virtually non-existent (only 0.069% of all Chinese students gained an Independent ELICOS student visa in 2004/2005 compared with the global average for all countries of 15%). This is extremely unusual in a global context where English language skills are growing in importance.

## 2. Developments / Issues



- m) AESOC review of quality standards for ELICOS
- n) lack of government acknowledgement of importance of non-student visa holders

### 3. Questions



- Is the global market for English language training growing or shrinking? in the short-term and the long-term?
- Will Australia's share of the global market continue to grow?
- Is transnational delivery 'cannibalising' onshore ELT delivery?
- Is 'quality' a marketable differentiating factor for ELT or is price the main driver?

### 3. Questions



- How do we overcome perceptions –students', agents', g'ments', other sectors' – that English language skill development is a hurdle to be crossed rather than having intrinsic value and impacting on future study and career success?
- Are our own governments (c'wealth and state) supporting or handicapping the sector?
- Will the various visa changes (and the increasing compliance requirements of ESOS) encourage ELT providers to step outside the ESOS framework?

## 4. Discussion / Q&A



- Which of the questions raised are priority issues for you?
- How would you answer these questions?
- What additional questions do you believe are confronting the sector?
- What will be key areas of focus for the sector in 2007?