Sustaining Growth: How secure is the industry?

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11 October 2006

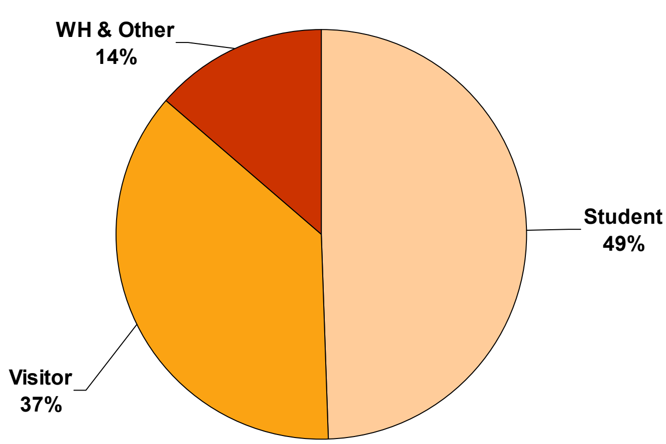
ELICOS Statistics

- Two main sources of statistics:
  - AEI produces statistics every month for Student visa holders;
  - EA also produces an annual report which includes Visitor and Working Holiday & Other visa holders.

AEI Statistics 2005

Sector	2004	2005	
ELICOS	45,794	49,883	+8.9%
Schools	11,622	10,658	-8.3%
VTE	32,373	38,260	+18.2%
Higher Ed	65,841	66,360	+0.8%
Other	20,295	20,686	+1.9%
TOTAL	**175,925**	**185,847**	**+5.6%**

2005 ELICOS students – visa types

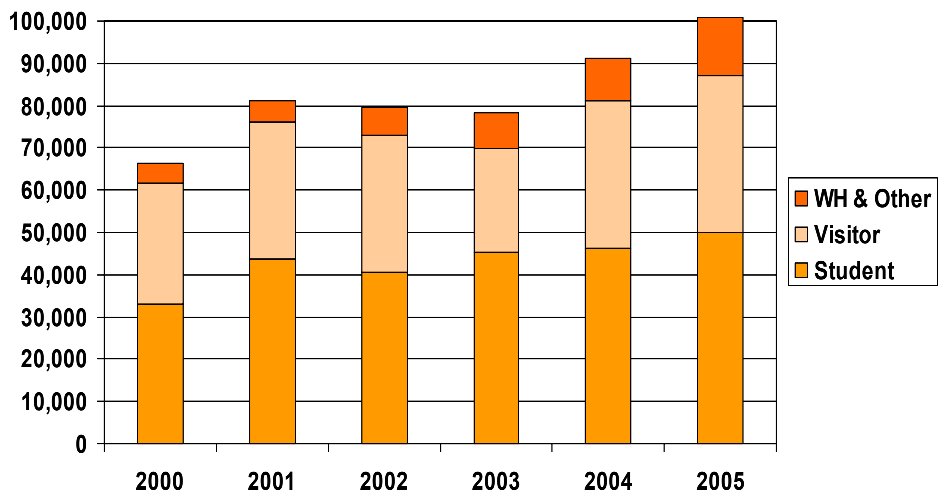


Current status of Australian ELICOS sector - overall

- declining importance of student visas
  (from 58% in 2003 to 49% in 2005)
- increasing importance of visitor visas
  (from 31% in 2003 to 37% in 2005)
- increasing importance of working holiday and other visas
  (from 6% in 2001 to 11% in 2003 to 14% in 2005)
- ELICOS sector vulnerability is reduced by this diversity

ELICOS commencements

(all visa types)



Current status of Australian ELICOS sector - overall

- post 2001 – DIMA visa changes and 9/11 – declining numbers in 2002 & 2003
- 2004 – flattening of student visas but growth in non-student visas (particularly from Japan & Korea)
- 2005 – return to growth in student visa holders – Korea, Brazil, Czech & Other
- 2005 – also growth in non-student visas – growing importance of working holiday & other visas
- 2006 – strong growth in student visas

Areas of Concern

- 2006 AEI student statistics continue to show growth – YTD July stats show +17.1% for ELICOS student visas.
- Areas of concern – continued decline in the Japanese market and for the last 6 months a continued decline in the Chinese market – should be a concern for other sectors.

Areas of Growth

- Strong growth in Korea, Thailand and Vietnam
- Strong growth out of S. America – Brazil and Colombia
- Signs of strong growth out of the Gulf region especially from Saudi Arabia

China

- Concern with the beginning of a decline – now sustained over 7 months of 2006.
- The imposition of an IELTS score of 5 has an impact on the numbers of ‘eligible’ students – currently China is only an academic pathway market.
- Major opportunities with Beijing Olympics (2008) & Shanghai World Expo (2010).
- ELT in China is worth 15 billion yuan

Independent ELICOS (China)

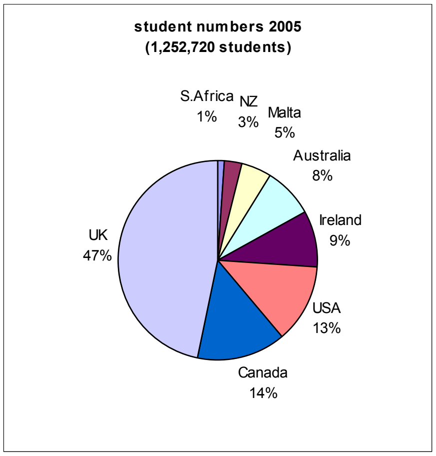
- Internationally - 3 distinct markets for ELT:
  a) pathway to further study
  b) stand-alone English - career, professional, leisure etc
  c) study-tourism (short course, not necessarily on a student visa)
- Numbers of students for a) dominate Chinese ELICOS numbers in Australia.
- Numbers for c) are growing from a small base.
- 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.

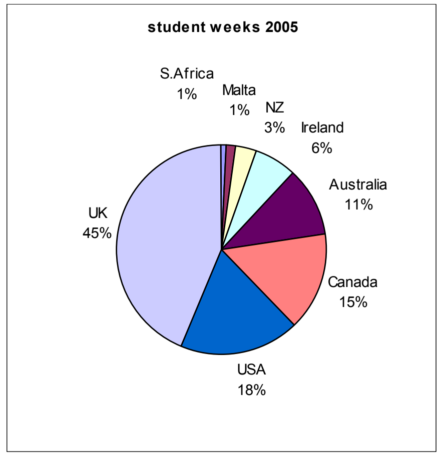
Global Market 2005

ELT statistics are measured in two ways:

- number of students
- number of weeks studied

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%
	1,221,438	**1,252,720**	**+3%**

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%
	9,583,510	**10,683,180**	**+11%**

"English Next"

- David Graddol – commissioned by the British Council – produced two publications:
  - "Future of English?" 1997
  - "English Next" 2006
- Graddol speculates that 'Global English' may mean the end of EFL
- Numbers learning English will probably peak in 10-15 years

"English Next"

- TEFL will decline for a number of reasons
  - English being learnt at an earlier age
  - Competition to providers like Australia/US/UK from non-native speaker providers in Asia and Europe
  - Native-speaker like proficiency is becoming less important as English is being used as a lingua franca between non-native speakers of English

Possible decline in students studying in MESDCs

- Major English Speaking Destination Countries facing 3 kinds of competition:
  - rapid expansion of universities in key source countries coupled with education reforms will slow demand;
  - these countries are re-positioning themselves as net exporters of higher education;
  - more countries in Asia and Europe will offer more courses through the medium of English

"English Next"

- Global community of English speakers formerly defined by language use:
  - native speakers eg. Australia
  - second-language speakers eg. India
  - foreign language speakers eg. Japan
- Blurring of these categories leading to an increasing need to define learners by their level of proficiency rather than their bilingual status
- Native speakers now perceived as presenting an obstacle to the free development of global English

Implications for the Australian ELICOS sector

- 'native speaker' models of declining importance
  - Cultural baggage – irrelevant to learners of English as an international language
  - 'gold-plating' – unnecessary expense
  - Native speaker not necessary for effective communication
  - Lacking bilingual skills of translating & interpreting
- Non-native speaker teachers more widely available – perceived as more effective, better understanding of bilingual education

ENGLISH AUSTRALIA

Implications for the Australian ELICOS sector

- changing learners' needs demand different teaching skills/teacher profiles
  - English for Young Learners
  - English as a Lingua Franca
- need to develop different products
- merging with mainstream education
- ease of access results in cost of acquisition declining
- need to develop value-add services