




The International Education Landscape

Continues to shift rapidly and Australia is being left behind



SPP predicts international students may not return to 2017 levels for 3 years. Australia is being left behind and without a roadmap we will continue to tread water.

Ben Apted and Jens Myhrman

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While Australia remains closed, competitors are actively moving to grow their international student market share.

When borders closed in March 2020, many international students had already relocated to Australia. As a result, the 2020 impact was not as severe as many anticipated, and several Universities reported better than expected financial results for 2020. The impact of COVID-19 and border closure will be felt for years to come, as illustrated below by weak commencement numbers following the border closure – numbers which will cause a continuous pipeline effect.

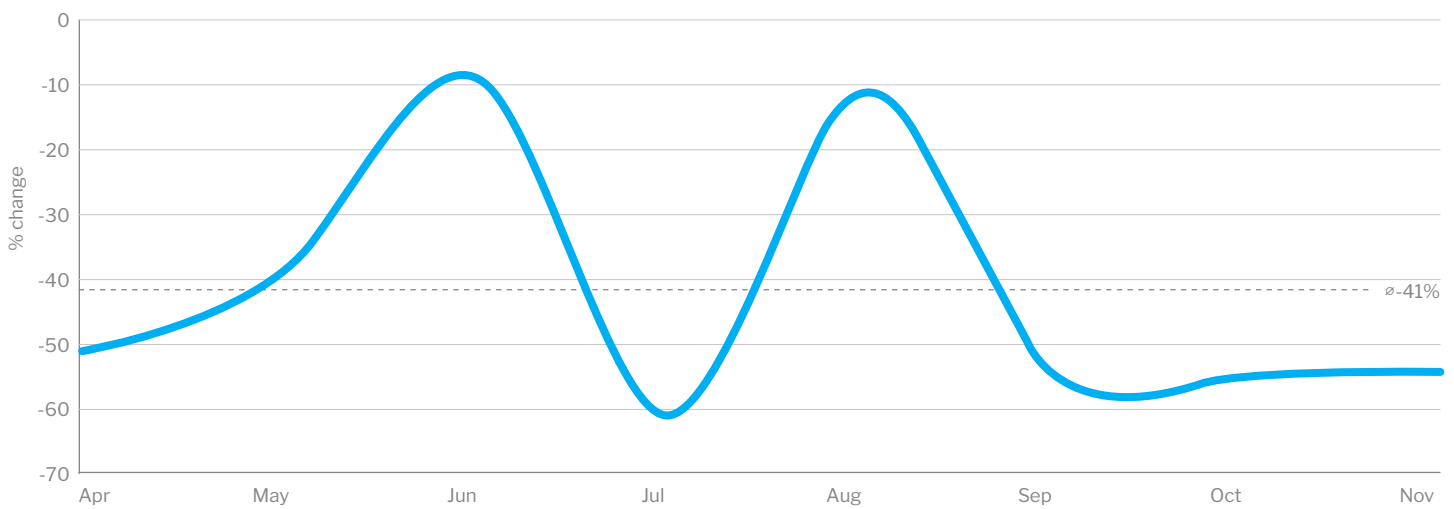
Between the uncertainty of when Australia will re-open and the clear propositions offered by competitors, many students will reconsider their preferred study destination.

Australia has no roadmap or commitment to international students as to when and how they will be allowed in. As positive evidence of vaccine effectiveness in slowing the disease emerge, students are gearing up to get on with their study.

Australia is likely to face a decreased market share of a smaller global student mobility market as we re-emerge out of the pandemic. Add the increased tensions between our number one source market -China, and the relative competitiveness of Australia as a study destination diminishes substantially.

International student commencements 2019 vs 2020 with closed borders

('000 Commencements YTD November 2020, DESE, April 2019 - Nov 2020. Please note VET is excluded¹)



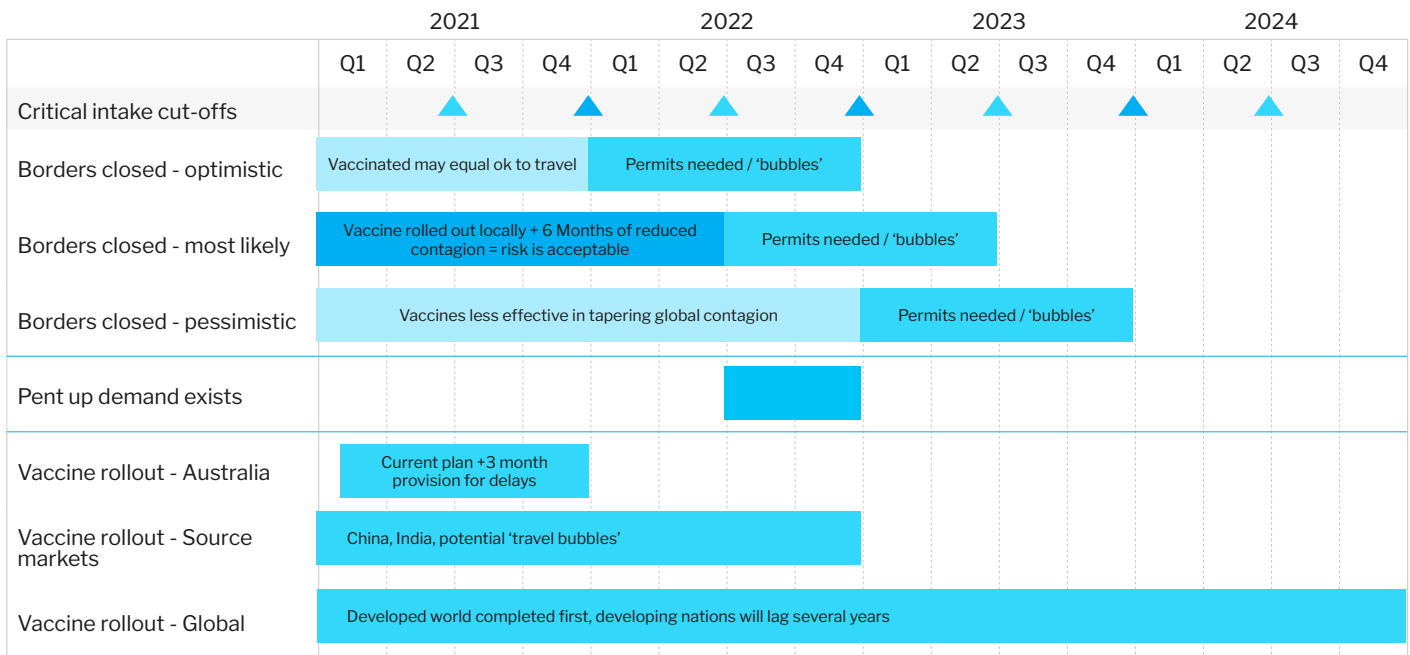
The timing of borders reopening is linked to vaccine rollout and reduced global contagion, but even an optimistic scenario shows that returning to 2017 levels will take years.

Suppressing the public health risk with vaccines and re-opening borders is critical for the sector's recovery. Three potential scenarios have been illustrated, considering different timing of borders re-opening:

- **Optimistic scenario** - orders open in time for January 2022 commencements.
- **Most likely scenario** - orders open in time for January 2023 commencements.
- **Pessimistic scenario** - orders open in time for January 2024 commencements.

¹ Please note that VET commencements have been excluded since there was a one-off migration from HE to VET by students already in country, masking the real impact of closed borders.

Illustrative timing of borders re-opening across scenarios



Students are enrolling right now, but there are risks to call out in the enrolment data that we should be aware of.

For as long as Australia does not provide a clear roadmap on how and when we will re-open, we can only assume that commencements will continue to be in line with what we have seen by the end of 2020, around -50% compared to 2019 levels.

Based on these and other assumptions, we have modelled what the future may look like. The columns in the graph on the next page represent our most likely scenario where borders open in time for Semester 1 2023, and the error bars indicate the pessimistic and the optimistic scenarios respectively.

Considering the pipeline effect of sustained low commencement numbers, we can already see that it will take years to return to levels seen in recent years. Even with an optimistic outlook on borders re-opening and students coming to Australia at scale, we already know that we are years off returning to overall numbers seen in 2017.



Some institutions are reporting strong international enrolments as at 9th March 2021. Many of these enrolments are made upon the assumption that study will be possible within a few months, face to face. We will need to watch for deferrals. Strong enrolments right now does not necessarily mean conversion to study. A second issue may relate to high numbers of students studying online which comprise mostly continuing students. New students starting online and offshore could well be much lower if continuing students are overrepresented in this data.

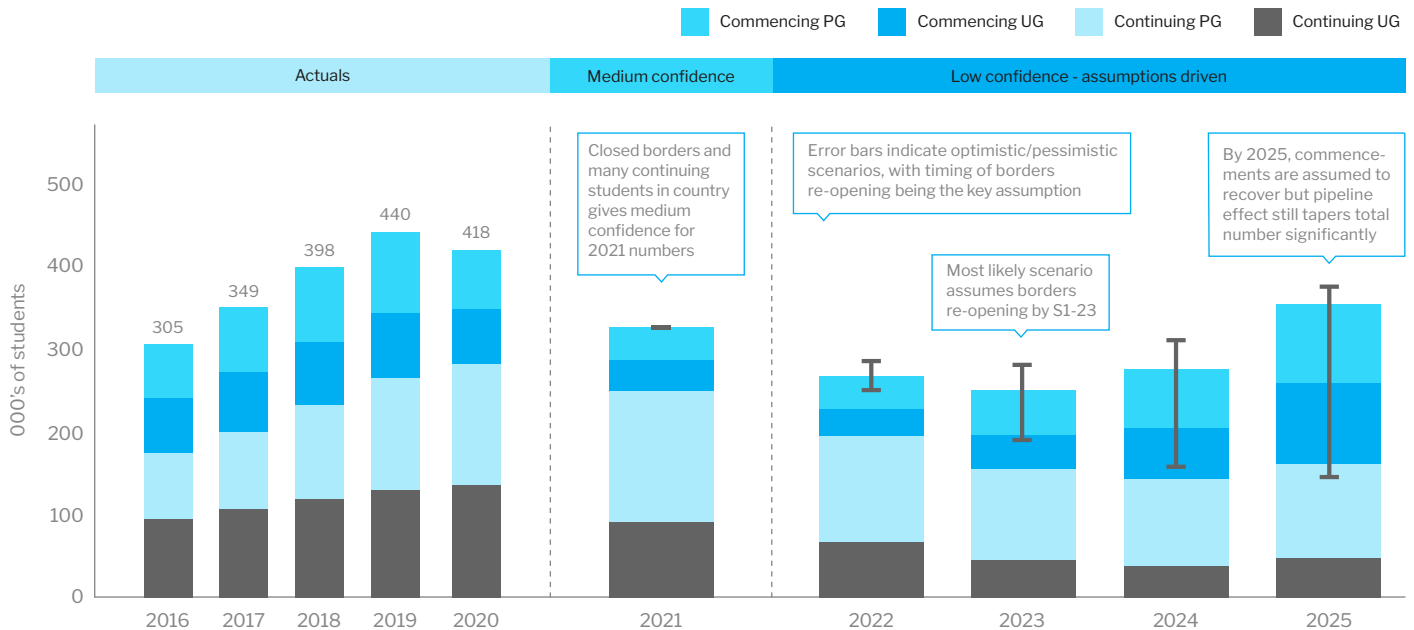
SPP is committed to support a higher education and research sector with substantial economic, social and cultural impact. Without a roadmap that clearly articulates a desire for international students to return, and a framework for their return, we risk major long term issues that will flow well beyond recruitment of students into our ability to attract and retain talent, and positive migration for years to come.



Australia needs a clear roadmap for when and how we will open our borders to international students again. Without it, we will feel the economic, social and reputational impact for many years to come.

Australian Higher Education International Student Enrolments – 2016-2020 Nov YTD actuals and 2021-2025 estimates

(Enrolments, SPP analysis, DESE data 2021)



About SPP

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- Simple communication
- Bringing experience to bear



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