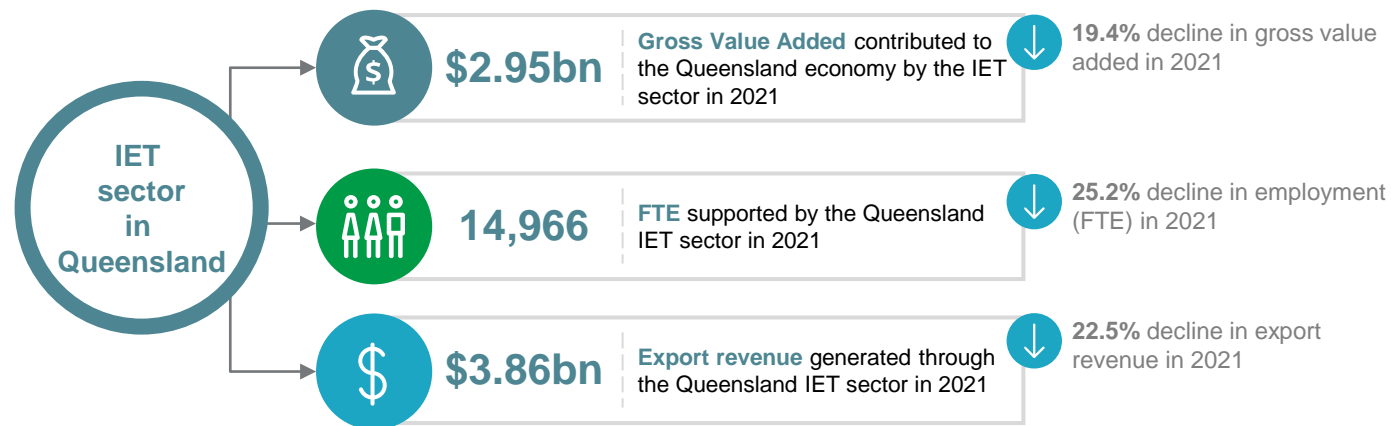


Performance of the sector in 2021



Impacts of COVID-19 on the IET sector

In 2021, the COVID-19 pandemic continued to heavily disrupt the IET sector. The combination of sustained border closures, strict public health measures and elevated global uncertainty restricted both demand and supply in the sector.

These forces culminated with Queensland recording its largest decline in international student enrolments in 20 years from 2020-21 (23%). As anticipated, this decline was larger than in 2020 (11%) and reflects the fact that 2021 was the first year in which both study semesters were impacted by the pandemic.

Despite this significant shock, there are indications that the sector is beginning to plan, adapt and re-position for a recovery. For example, there has been rapid growth in the level of expenditure from offshore fees (89%) indicating that the sector is innovating and expanding its online service offerings. Further, preliminary indications suggest that demand is starting to increase – with year-to-date IET commencements in June 2022 in Queensland 6% higher than the previous year.

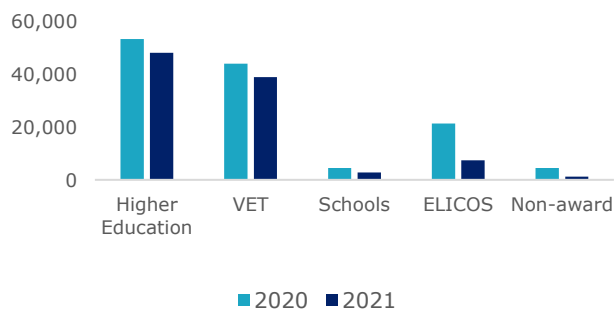
More broadly, the *Australian Strategy for International Education 2021-2030* was announced, outlining a broad plan for the recovery and set of priorities for the sector. Similarly, TIQ has rapidly responded to the pandemic, as articulated in *Queensland's International Education and Training Roadmap 2021-22*.

These developments suggest that despite the substantial decline in the sector's activity in 2021, there are reasons for optimism about the sector's prospects and that Queensland (and Australia more broadly) can continue to leverage its strong value proposition to be an attractive study destination.

International education and training in Queensland 2021 – at a glance

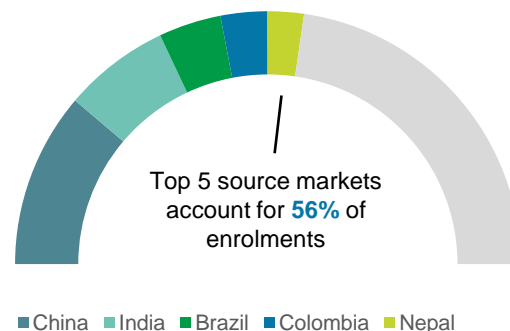
98,607 international student enrolments in 2021

23% decline in enrolments in 2021 compared to 2020.




Source market concentration

Source market concentration increased slightly in QLD in 2021.



International student enrolments

International student enrolments

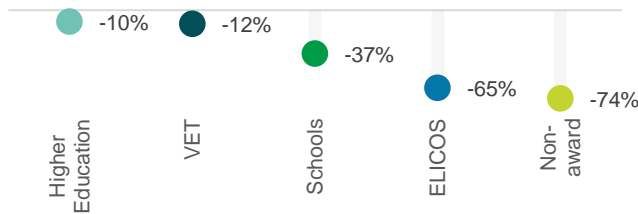

98,607
 enrolments in 2021

In 2021, student enrolments in Queensland (on student visas) reached **98,607**. **Higher education** remained the largest sub-sector, with **48,260** enrolments, followed by the VET and ELICOS sectors. **Queensland remained the third largest market** for IET enrolments in Australia accounting for 13.8% of total enrolments.


-23%
 decline in enrolments 2020 to 2021

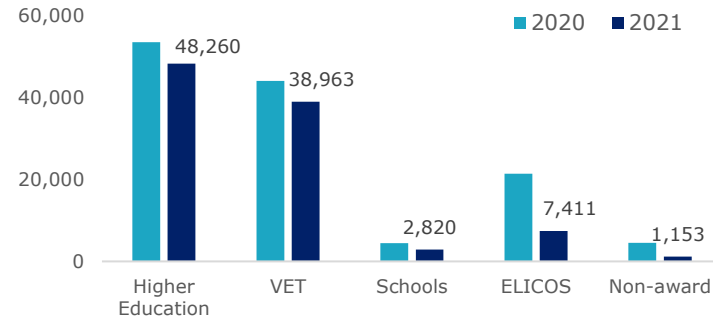
In 2021, Queensland recorded the **largest percentage decline in international student enrolments in the last 20 years**. This result has been driven by the cumulative impact of the COVID-19 pandemic and associated closure of international borders.

Chart 1: Growth by sub-sector, 2020 to 2021



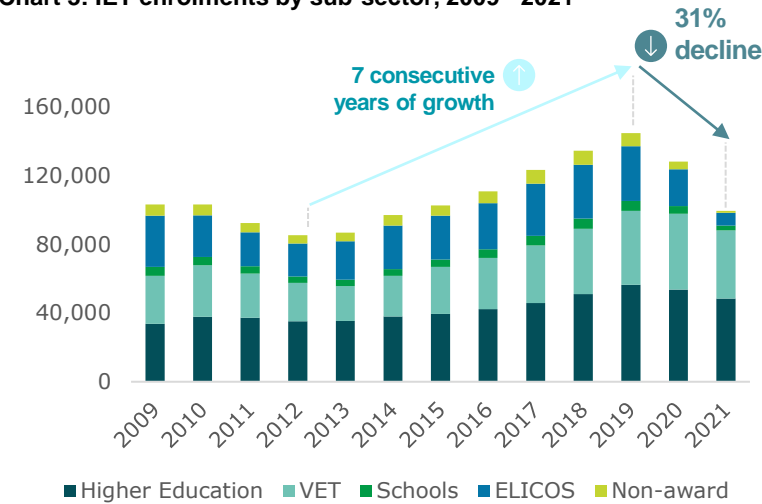
Source: Australian Government Department of Education, international student enrolment data. Enrolments in December 2020 and 2021.

Chart 2: IET enrolments by sub-sector, 2021



Source: Australian Government Department of Education, international student enrolment data. Enrolments in December of each year.

Chart 3: IET enrolments by sub-sector, 2009 - 2021



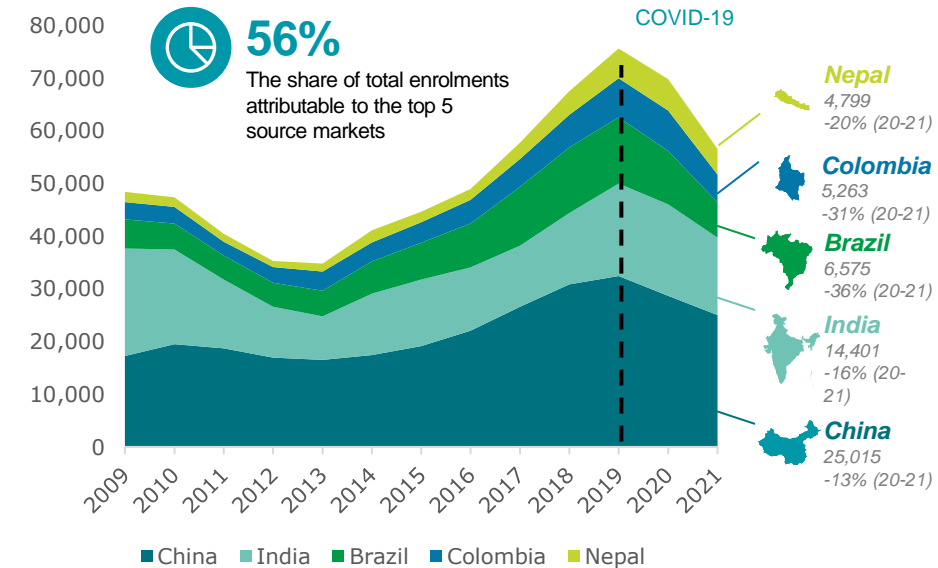
Source: Australian Government Department of Education, international student enrolment data. Enrolments in December of each year.

Enrolments by source market

The largest source markets for international student enrolments in Queensland continued to be China and India, which together accounted for **40% of total enrolments in Queensland in 2021**.

Overall, **all of Queensland's top 10 source markets recorded declining enrolments in 2021**, with **Japan** and **Brazil** recording the largest declines of 39% and 36% respectively.

Chart 4: Enrolments in top 5 source markets, 2021



Source: Australian Government Department of Education.

Note: (1) The totals presented in each table may differ slightly from the sum of each of the component parts due to rounding (2) The total number of enrolments by subsector and source market may differ due to differences in the underlying data provided by the Department of Education.

International student enrolments

Source market concentration

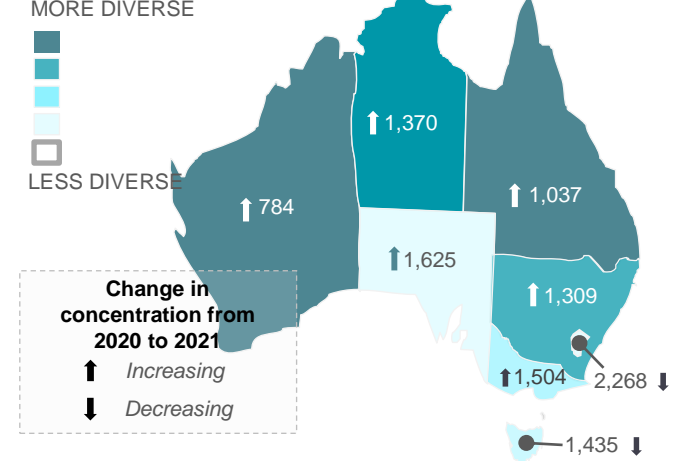
Overall, **Queensland is the second most diverse IET sector in Australia**, with a diversity index score of 1,037 in 2021*.

Market concentration increased slightly in 2021, continuing the recent 3-year trend.

This was driven by an increased concentration of enrolments in Queensland's top 5 source markets, which have increased to account for 56% of enrolments in 2021, up from 55% in 2020. This compares to 62% of enrolments in the top 5 source markets for NSW, and 66% for Victoria.

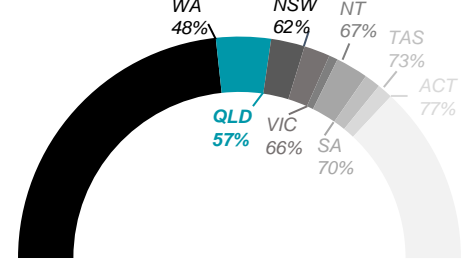
The IET sector in Queensland remains less concentrated than other states, such as NSW and Victoria, and relatively consistent with competitor international markets (with the exception of the UK), particularly in higher education (see Chart 6).

Figure 1: Source market concentration by state and territory, 2021



Source: Deloitte Access Economics estimates

Figure 2: Proportion of IET enrolments in top 5 source markets



Source: Australian Government Department of Education.

*Deloitte Access Economics measures the degree of enrolment source market concentration within a region by the Herfindahl-Hirschman index. This is defined as the sum of square of the source market shares of enrolments. The index can range from 0 to 10,000, with a low index suggesting that enrolments in the IET sector are spread over a diverse range of source markets. This can make the sector more resilient to shocks in the global market.

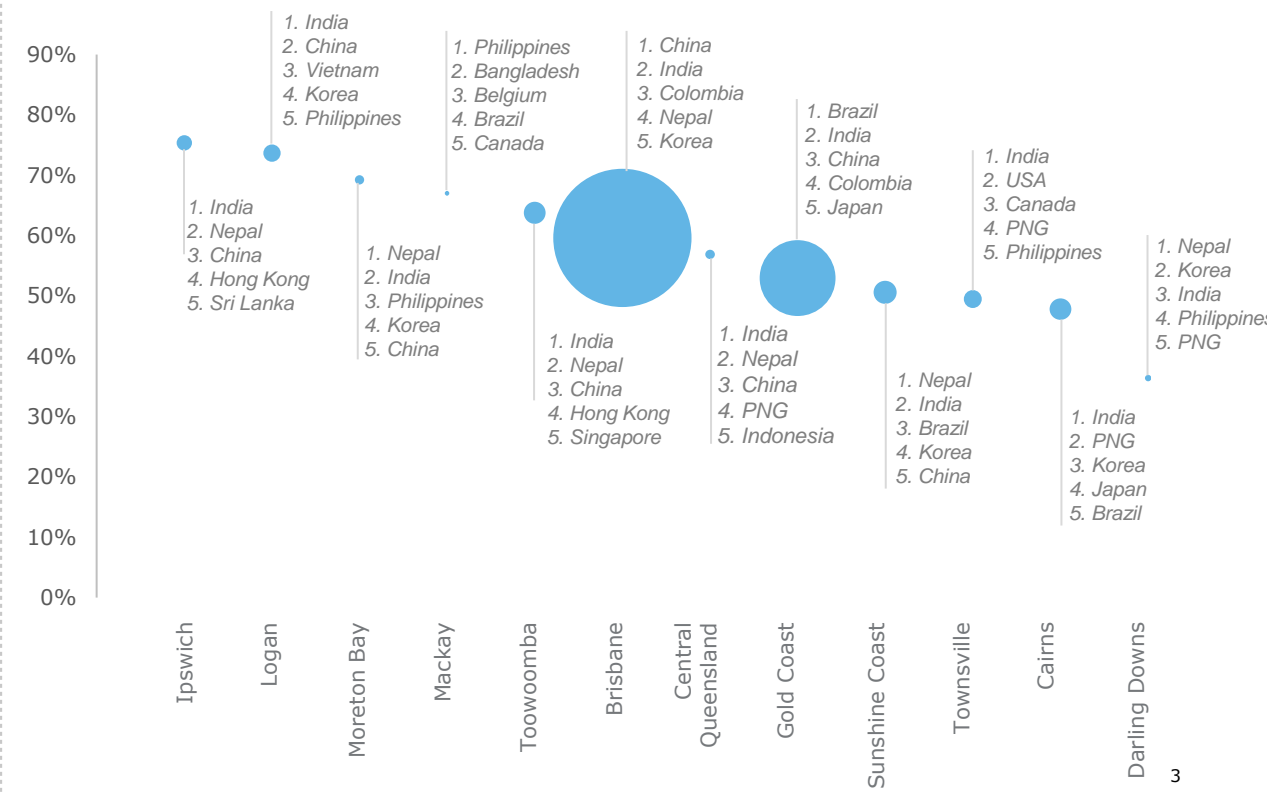
Note: (1) The totals presented in each table may differ slightly from the sum of each of the component parts due to rounding (2) The total number of enrolments by subsector and source market may differ due to differences in the underlying data provided by the Department of Education.

Regional concentration

Geographically, **IET enrolments are concentrated in Brisbane and the Gold Coast**, which account for 91% of IET enrolments in Queensland in 2021. This increased by one percentage point from 2020.

Market concentration varies significantly within regions. Ipswich, Logan and Moreton Bay are the most concentrated regions with over 70% of IET enrolments in the top 5 source markets. Darling Downs, Townsville and Cairns are the most diverse markets, with less than 50% of enrolments in the top 5 source markets.

Chart 5: Proportion of IET enrolments in top 5 source markets, by SA4 region, 2021

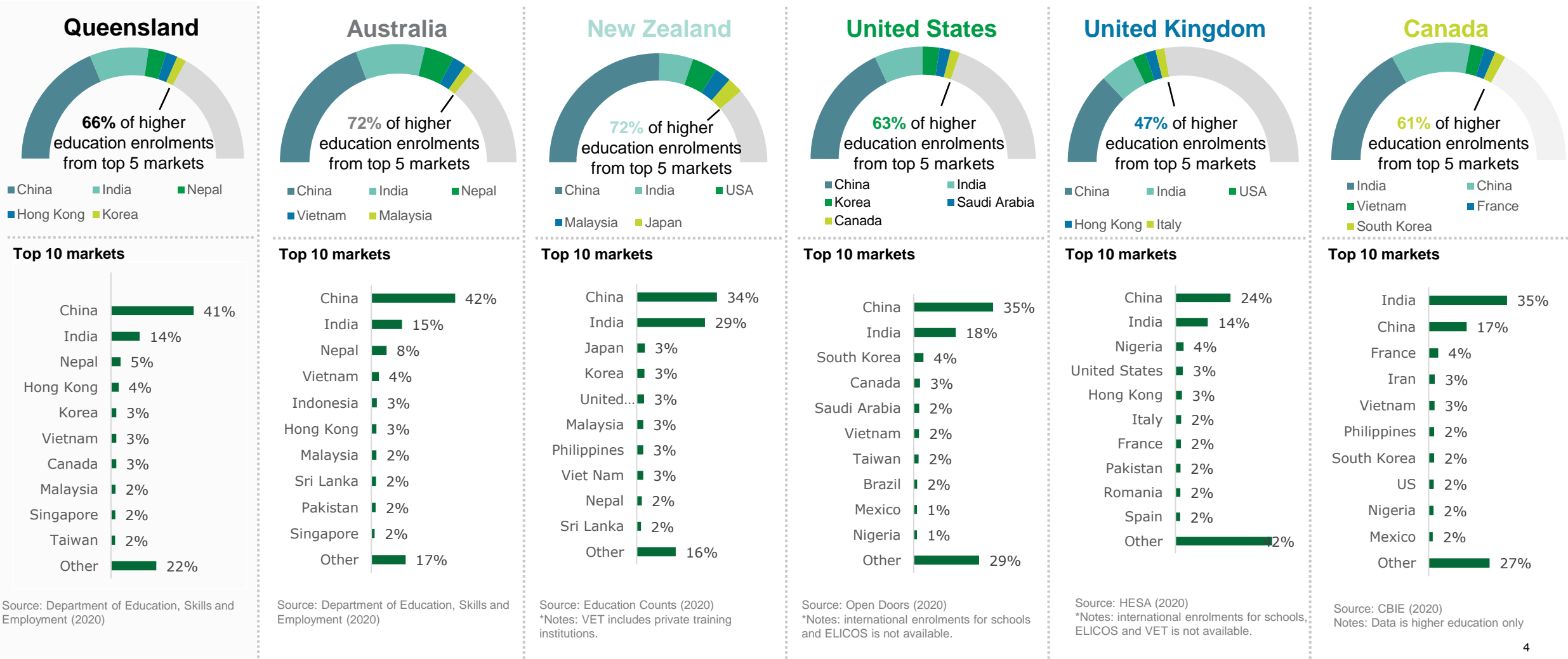


Source: Australian Government Department of Education. Enrolments in December 2021.

International student enrolments

Higher education source market concentration: comparison with competitors

Chart 6: International onshore enrolments in higher education by student source market (2021)



International student enrolments

ELICOS



Impacts on pathways and IET sub-sectors

ELICOS has historically been considered a pathway for international students to continued academic studies in other sectors, with estimates that in 2020 alone 4,975 ELICOS students would have progressed to another IET sector in Queensland in the absence of the pandemic**. This suggests there will be further changes to international student pathways in future years, particularly students who would typically complete further study in VET or higher education sectors.

*Sources: Department of Home Affairs, Student visa and Temporary Graduate visa program report, December 2020. **Compares the 2020-21 program year to 31 December 2020 compared with the same period in the previous year. English Australia: Economic impact in Queensland report, June 2021



Impacts on provider capacity

English Australia report that the ELICOS provider workforce has also been significantly impacted by the pandemic, with 37% of employees losing their job during this period, and 16 per cent of ELICOS colleges hibernating at the time of publication**. There is an ongoing risk of business closures and **impacts on provider capacity** to deliver education for future ELICOS students, and support international student pathways.

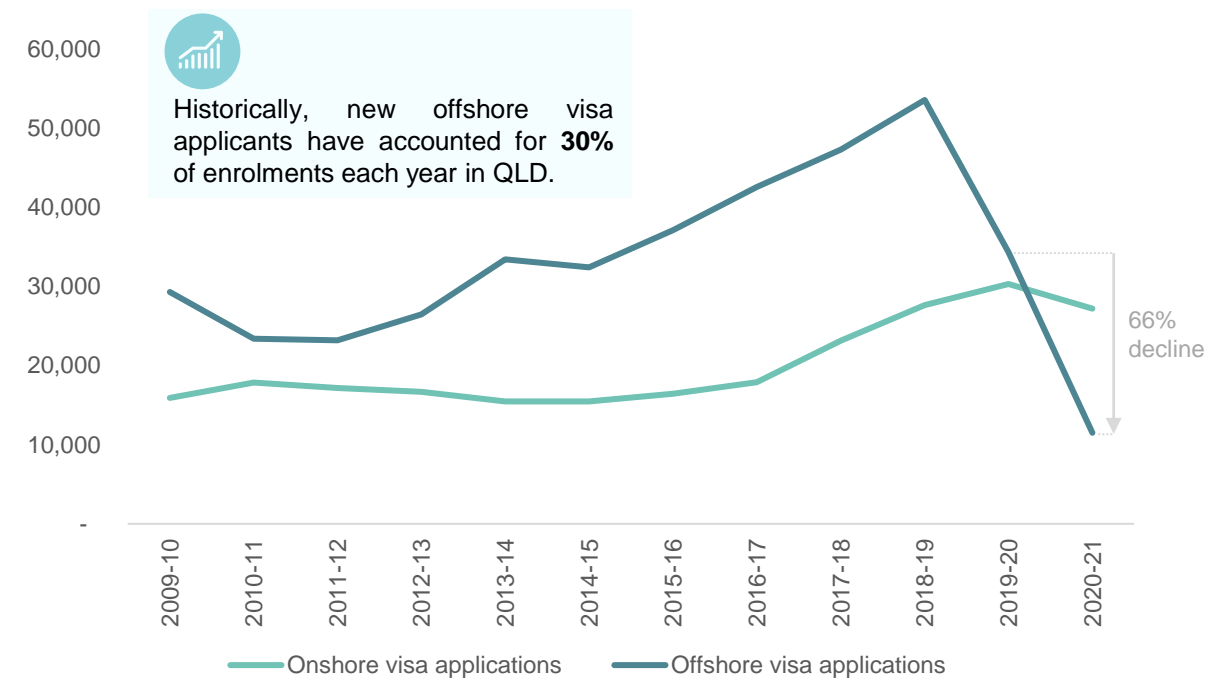
Source: English Australia: Economic impact in Queensland report, June 2021

New visa lodgements

From 2020-21, **total student enrolments and commencement declined by 23% and 33% respectively**. A key driver of declining enrolments and commencements in 2021 was declining offshore student visa applications in Queensland.

Historically, new visa applications have been driven by offshore lodgements, however these declined by 66% in 2020-21, largely due to border closures in 2020 and 2021 as a result of the COVID-19 pandemic (Chart 7).

Chart 7: Queensland student visa lodgements by location



Source: Department of Home Affairs: Student Visa Program. Years are financial years. Primary applicant visas.



Enrolments



Export revenue



Contribution



Regional results



Key industries



Recovery

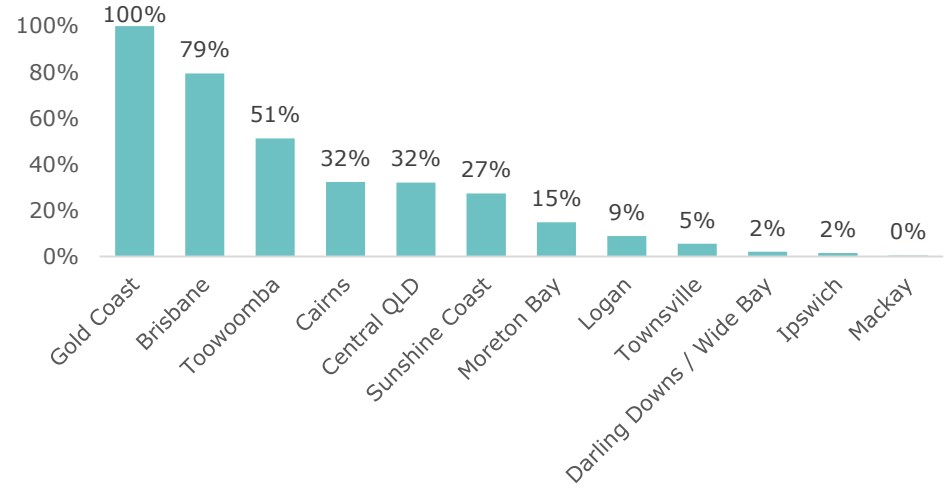
Provider capacity

Capacity of CRICOS providers

In 2021, there were approximately **649 CRICOS education providers operating in Queensland**, with a total capacity of 211,914 CRICOS registered places.*

Queensland educational institutions were operating at 47% capacity in 2021. This indicates that capacity exists to facilitate further growth in the state, particularly in regional areas. Provider capacity and resilience is critical for supporting the future pipeline of students.

Chart 8: Operating capacity across Queensland regions

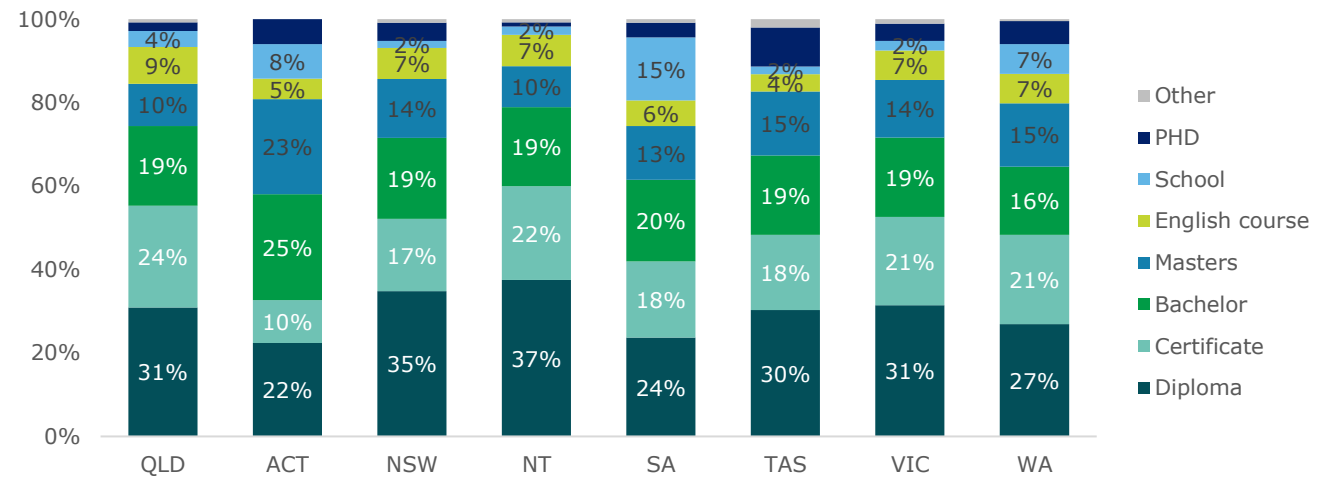


*Deloitte Access Economics uses CRICOS registered places as a measure of capacity and student enrolments as a measure of demand. Source: Australian Government Department of Education, Skills and Employment. Data current as of 31 December 2021.

The **majority of courses offered in Queensland are in the fields of management or commerce** (31% of total) and society and cultural studies (19%). Comparatively, Natural and Physical sciences (4%), Architecture and Building (3%) and Agriculture, Environmental and Related Studies (1%) are less common.

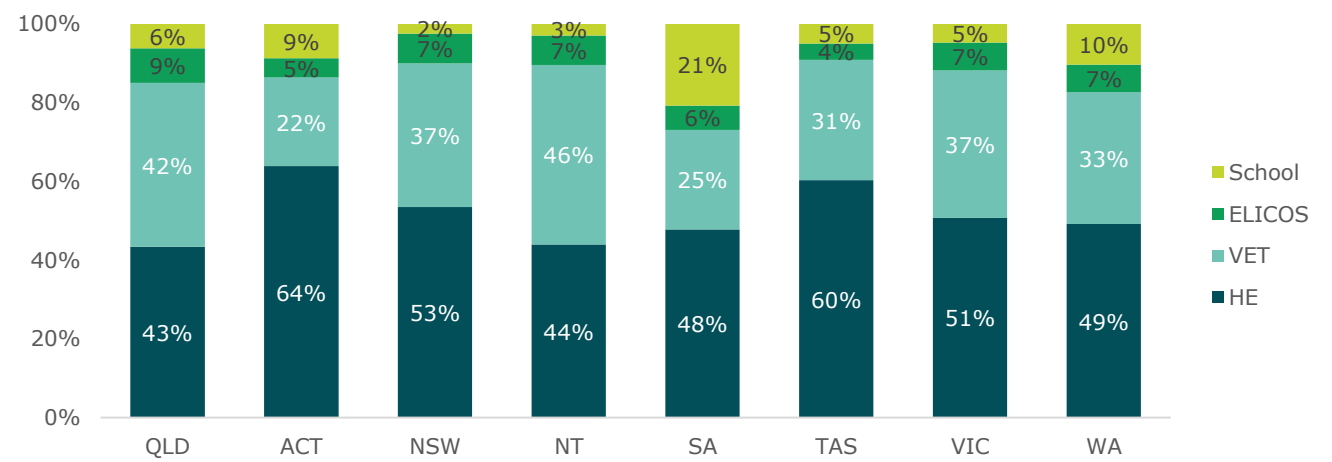
In Queensland, the majority of CRICOS courses offered are diplomas (31% of total) and certificates (24%).

Chart 9: CRICOS courses by qualification type



Higher education providers account for **43% of all courses** in Queensland, marginally higher than the share of VET courses (42%). Queensland has the lowest proportion of HE courses of all the State and Territories.

Chart 10: CRICOS courses by sector



Source: Australian Government Department of Education, Skills and Employment. Data current as of 31 December 2021.

Export revenue

Export revenue

\$3.86bn
 Export revenue in 2021

In 2021, the IET sector recorded export revenue of **\$3.86bn**. **Higher education was the largest sub-sector, with \$2.6bn** in export revenue (67% of total education export revenue). Border closures resulted in a significant amount of offshore and online activity, as students were unable to enter/return to Australia. This led to a substantial increase in the level of export revenue associated with offshore activity, which grew by 59% to \$678 million in 2021.

-22.5%
 decline in export revenue from 2020 to 2021

Overall, export revenue declined by 22.5% from 2020 to 2021. The Non-Award and ELICOS sectors experienced the largest proportional declines in revenue, of 80% and 50% respectively.

Chart 11: Export revenue by IET sub-sector, 2020 to 2021

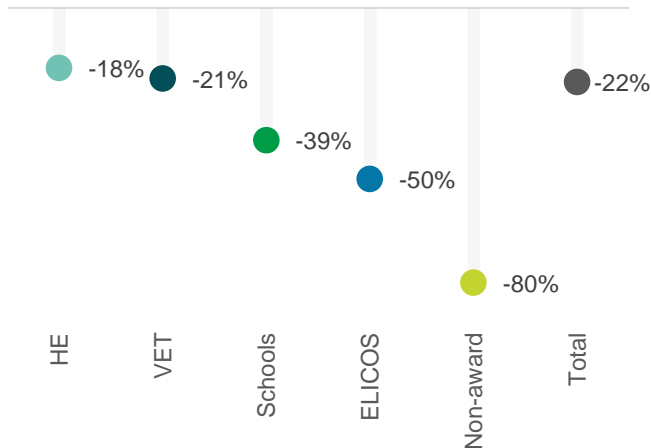
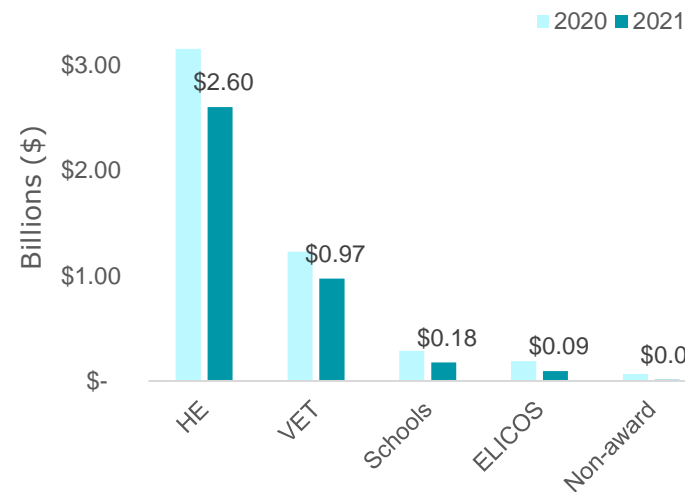


Chart 12: IET revenue by sub-sector, 2020 and 2021 (\$bn)



Source: ABS (catalogue number 5368), Australian Government Department of Education, Deloitte Access Economics estimates.

Source: ABS. Australian Government Department of Education. Deloitte Access Economics estimates.

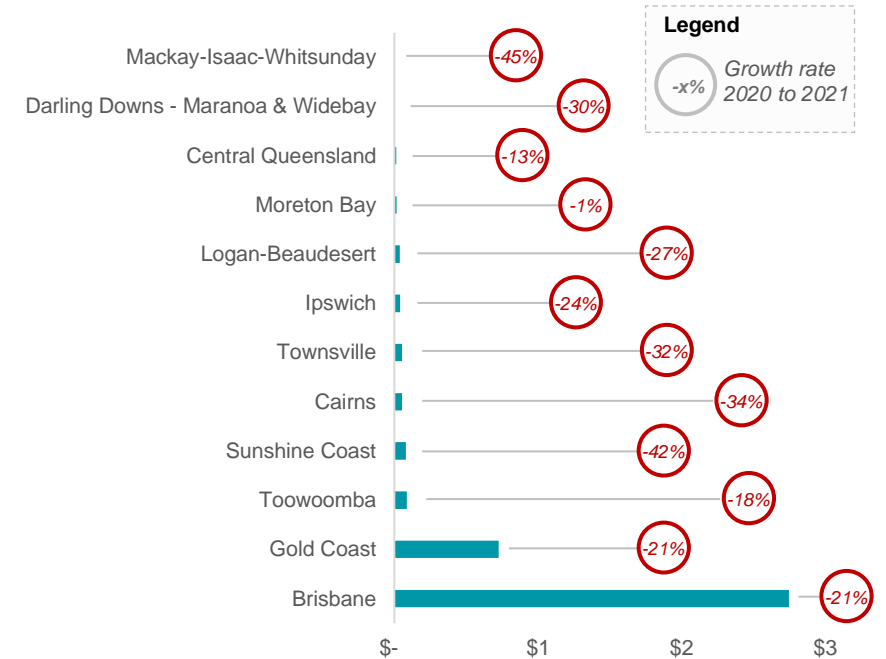
Regional breakdown

Brisbane and Gold Coast remained the two largest segments of the Queensland IET sector, attracting **90% of export revenue** in 2021.

All Queensland regions are estimated to have experienced declines in export revenue in 2021.

Overall, Mackay and Sunshine Coast are estimated to have recorded the greatest decline in revenue, with revenue declining by approximately 45% and 42% respectively.

Chart 13: Export revenue in 2021, regions of QLD



Source: ABS, Australian Government Department of Education. Deloitte Access Economics estimates.

Contribution of the IET sector

Direct economic contribution

The IET sector directly contributed **\$1.77 billion** to the Queensland economy and supported **8,554 full-time equivalent (FTE)** jobs in 2021 (Table 1).

This represents the value of economic activity associated with firms that directly supply goods and services to international students and their visitors.

Table 1: Direct economic contribution of the IET sector, 2021

	Value added (\$B)	Employment (FTE)
Onshore students	\$1.39	8,190
Offshore students	\$0.38	335
VFRs	\$0.00	29
IET sector	\$1.77	8,554

Source: Deloitte Access Economics estimates.

Indirect economic contribution

The IET sector also indirectly contributed **\$1.18 billion** and **6,412 jobs (FTE)** to Queensland in 2021. This represents the flow-on effects for industries that supply goods and services to the IET sector. This includes the maintenance services supplied to training providers, and the agricultural producers that restaurants source their food from.

Table 2: Indirect economic contribution of the IET sector, 2021

	Value added (\$B)	Employment (FTE)
Onshore students	\$1.00	5,607
Offshore students	\$0.18	789
VFRs	\$0.00	16
IET sector	\$1.18	6,412

Source: Deloitte Access Economics estimates.

Total economic contribution



\$2.95bn

Value added contributed to the Queensland economy by the IET sector in 2021

In total, the IET sector directly contributed **\$2.95 billion** to the Queensland economy and supported **14,966 full-time equivalent (FTE)** jobs in 2021 (Table 3).

The largest contribution to total IET industry value added was made by the **HE sub-sector**, which contributed approximately 68% of the total value added in 2021 (Chart 14).

From 2020 to 2021, the contribution by the IET sector declined by 19.4% in terms of value added, and 25.2% in terms of employment.

Chart 14: Sub-sector contribution to total IET industry value added, 2021

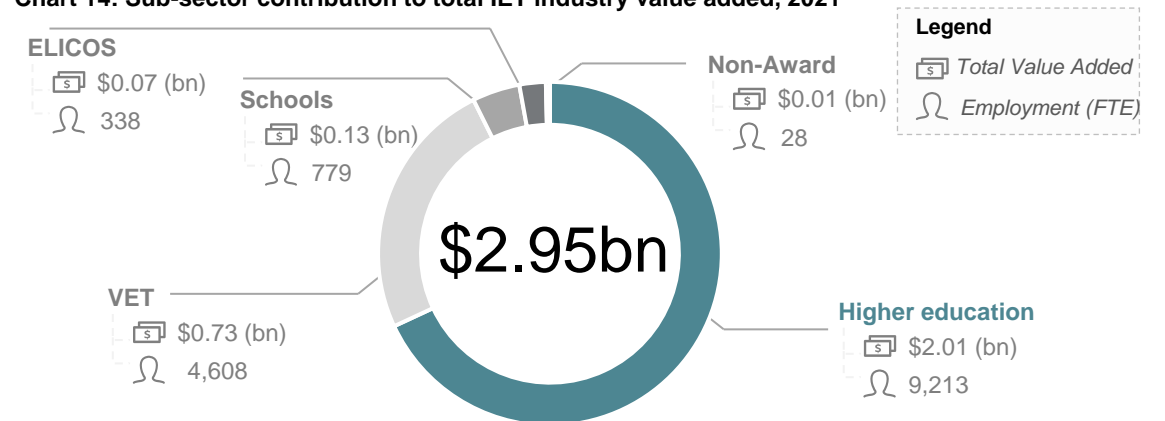


Table 3: Total economic contribution of the IET sector, 2021

	Value added (\$B)	Employment (FTE)
Onshore students	\$2.39	13,796
Offshore students	\$0.56	1,124
VFRs	\$0.00	46
IET sector	\$2.95	14,966

Source: Deloitte Access Economics estimates; Australian Bureau of Statistics.

Regional significance of IET

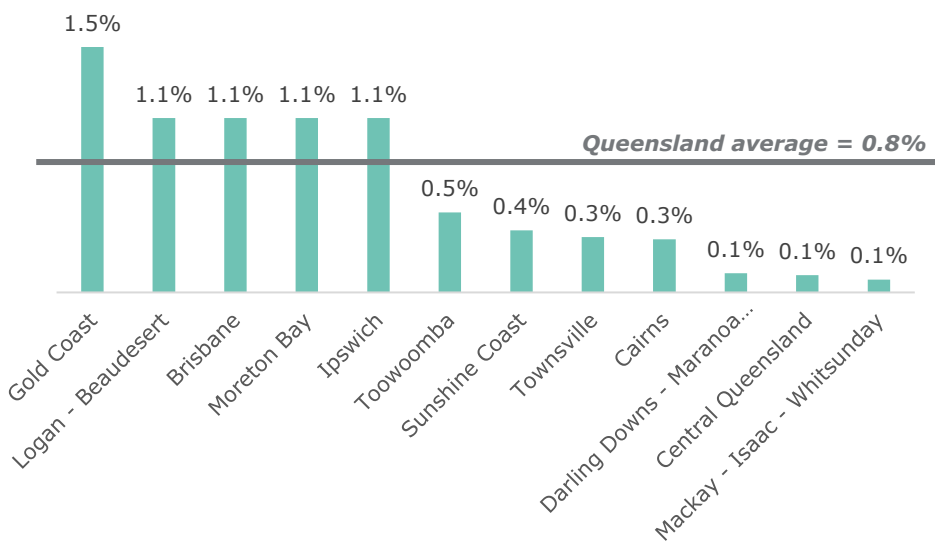
Regional significance of IET

In 2021, it is estimated that the **IET sector directly represented 0.6% of the total Queensland economy** in value added terms.

When the indirect contribution is included, **the total contribution of the IET sector represented 0.8% of the State economy** (in terms of value added).

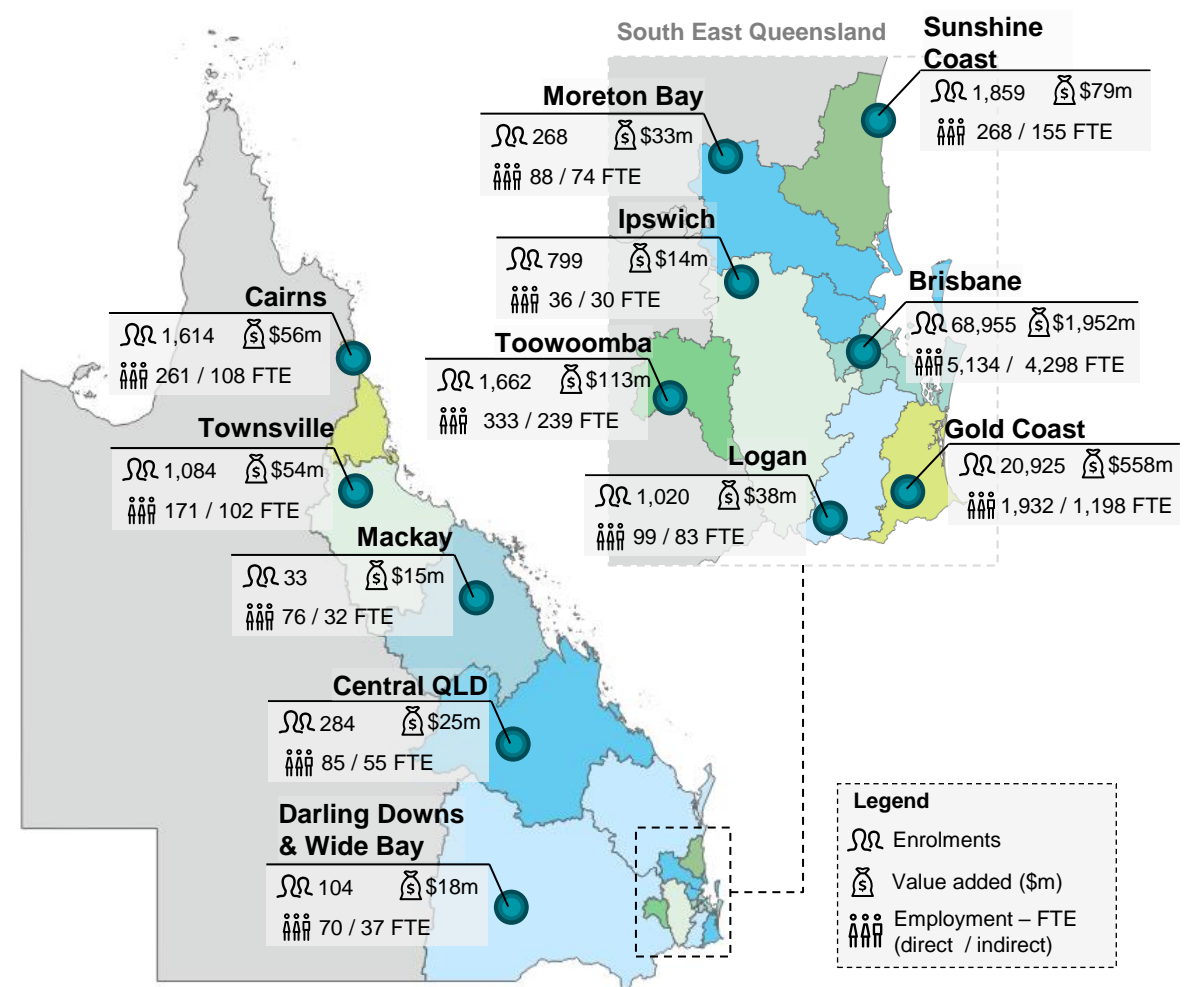
The sector makes a **broad contribution to both metropolitan and regional areas**. In 2021, the sector made the largest proportional contribution (direct and indirect) to the **Gold Coast**, where it accounted for 1.5% of the regional economy, with four other regions have a share larger than 1%, including Logan – Beaudesert, Brisbane, Moreton bay and Ipswich.

Chart 15: Contribution of the IET sector to regional economies (total economic contribution), 2021



Source: Deloitte Access Economics estimates.

Figure 3: IET total contribution to regional economies, 2021



Legend

- Ω Enrolments
- 💰 Value added (\$m)
- 👤 Employment – FTE (direct / indirect)

IET ecosystem

Key industries

The most significant industries supporting the IET sector are **education services** (48% of export revenue); and **accommodation services** (22%). In essence, the tuition fees and accommodation costs of onshore students therefore represent over two-thirds of **total IET export revenue**.

Chart 16: IET export revenue by industry, 2021




Table 4: Direct employment breakdown by IET industry (economic contribution), 2021


Industry	Employment (FTE)
Accommodation	1,664
Cafes, restaurants and takeaway food services	811
Clubs, pubs, taverns and bars	288
Rail transport	42
Road transport and transport equipment rental	355
Air, water and other transport	74
Travel agency and tour operator services	0
Cultural services	114
Casinos and other gambling services	68
Other sports and recreation services	205
Retail trade	594
Education and training	584
All other industries	334
Total	8,554


Source: Deloitte Access Economics estimates.

A range of industries within the broader IET ecosystem continue to be impacted by the impacts of COVID-19 and the absence of onshore students. During 2021, the closure of international borders and enforcement of strict public health measures had a profound impact on many businesses, despite some managing to successfully adapt their business models to the changing circumstance.

While the precise nature and timing of the sector's recovery remains uncertain, it is likely that businesses heavily exposed to the sector will be impacted for several years (due to the direct and pipeline impacts). These industries may include:

 **Study Tours** are one of Queensland's strengths in the international education sphere, combining education, cultural exchange and tourism activities for students. Education providers and tourism operators are experiencing the impacts of border closures and pandemic restriction.

 **Purpose-built student accommodation (PSBA)** providers suffered from reduced student occupancy levels in 2021, and face long-term impacts and further uncertainty given ongoing border closures. Some providers are proposing to use facilities for student quarantine, posing an emerging opportunity for recovery when international borders reopen.

 **International student agents and businesses** have faced job losses and reduced provider capacity since the onset of COVID-19. A resilient industry must be in place in order to enable the future pipeline of student enrolments, support students to return, and assist in the recovery of the sector.

Recovery of the IET sector

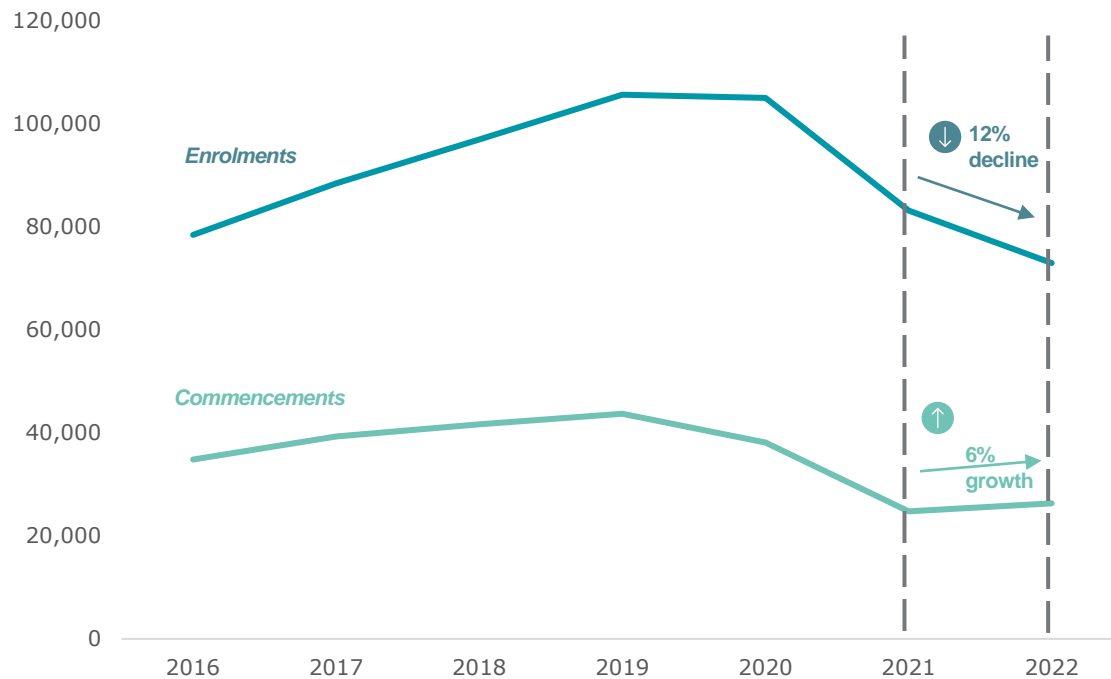
Trends in enrolments in commencements

While the impacts of COVID-19 will likely continue to have an impact on the IET sector over the medium-to-long term, emerging trends suggest that **student demand may be starting to recover**.

As at June 2022, YTD international student commencements in Queensland were 6% higher than the same period in 2021. This suggests that while total enrolments were down (-12%) due to cumulative impact of COVID over the last few years, new students are starting to return to the Queensland market. Furthermore, this recovery in international student commencements does **not appear to be uniform across all of the state's top source markets** – while markets such as Nepal, India and Brazil have recorded strong growth between 2021-22, China and Colombia are still in decline.

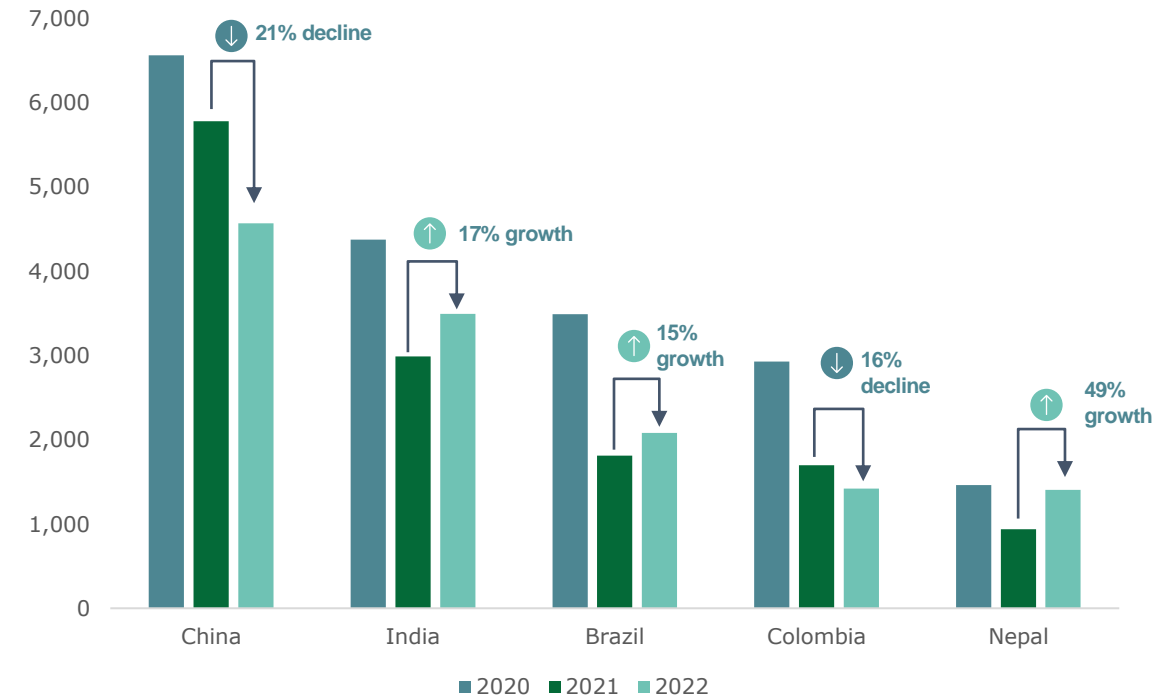
While it is too early to definitively determine if this is the start of a widespread recovery, it is a positive development and warrants ongoing monitoring.

Chart 17: International student enrolments and commencements in Queensland (June YTD, 2016-22)



Source: Australian Government Department of Education.

Chart 18: International student commencements in Queensland's top 5 source markets (June YTD, 2020-22)



Source: Australian Government Department of Education.

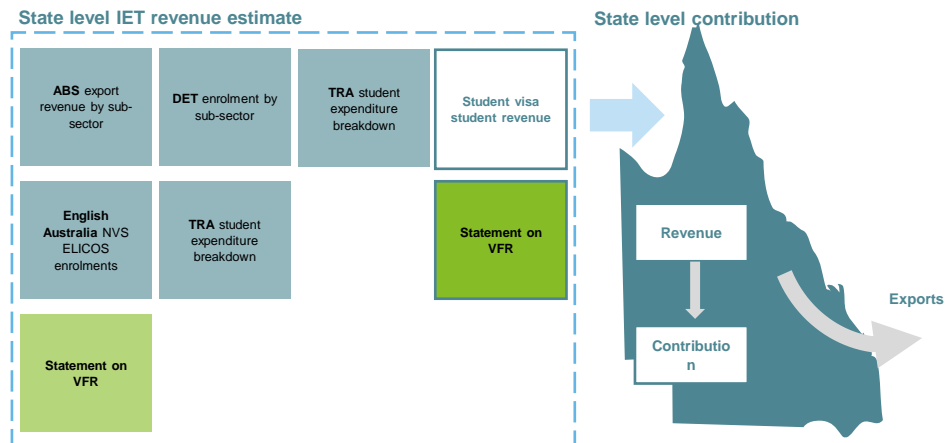
Frequently Asked Questions

Methodology

Trade and Investment Queensland has worked with Deloitte Access Economics to produce consistent and comparable regional estimates of the contribution of IET to Queensland and its regions. The analysis has been informed by publicly available enrolment and expenditure data from the Commonwealth Department of Education, the Australian Bureau of Statistics (ABS), and Tourism Research Australia (TRA).

The ABS accounts for the impact of COVID-19 on IET export revenue by: (1) capturing the course fee of students studying offshore through 'correspondence courses' rather than 'education-related personal travel', (2) reflecting lower expenditure resultant from any students that have deferred their enrolments, and (3) reflecting any potential changes in students' expenditure on goods and services by using the latest TRA data on student expenditure.

Economic contribution estimates are produced using modelling assumptions consistent with Tourism Research Australia's Regional Tourism Satellite Account (RTSA) model. This model is the most contemporary and sophisticated of its kind in Australia, and been applied in a wide range of contexts to understand the economic contribution of tourism related industries. This is the first year in which this methodology has been available to use in the IET context, and hence represents a substantial methodological change to previous years. To account for this change and enable fair year-on-year comparisons, the 2020 economic contribution estimates in these factsheets have been 'back-cast' by applying the new methodology to the previous year's data. Hence, there are minor differences between the 2020 results presented in these factsheets, and those included in the previous year's factsheets (as noted in the results).



Understanding economic contribution

The economic contribution estimates presented in these factsheets (including both value added and employment) represent the total economic contribution of international students in Queensland to a specific region (e.g. Brisbane or Cairns). This means that in smaller regional markets (e.g. Mackay) a substantial portion of the economic contribution of the sector is driven by students from other regions in Queensland travelling to the area and spending money on goods and services, or local businesses supplying goods and services being consumed by students in other regions.

Using the results

For consistency in reporting, value added and employment (rather than export revenue) are the correct metrics to use in measuring the significance of the IET sector to a region. While it is appropriate to refer to the *total* value added and employment when referring to the overall size or contribution of the IET sector in a particular region, only the *direct* value added and employment figures should be used when comparing the IET sector against other industries within the same region.

Glossary

Contribution

<i>Direct contribution</i>	The contribution generated by direct transactions between the international student and the producer of goods and services. This includes their education fees, as well as living expenses.
<i>Indirect contribution</i>	The subsequent flow-on effects created by the requirement for inputs from those industries supplying goods and services to IET. For example, this might include the fresh produce supplied to supermarkets visited by students.
<i>Total contribution</i>	The sum of the direct and indirect contributions from IET.

Export revenue

The sales revenue received by the IET sector in providing goods and services to international students.

Value added

A measure of the sector's return on its capital and labour. It is the indication of the sector's value and contribution to the regional economy. Export revenue and value added should not be summed.

Visiting friends and relatives (VFR)

Visitors who specifically indicate in the International Visitor Survey that they are visiting Queensland for the purpose of visiting an international student.

Disclaimer

These are Deloitte Access Economics' estimates for international student enrolments and contribution based on the best available data. The results do not include the contribution to Queensland from international students studying elsewhere in Australia (e.g. through tourism).

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