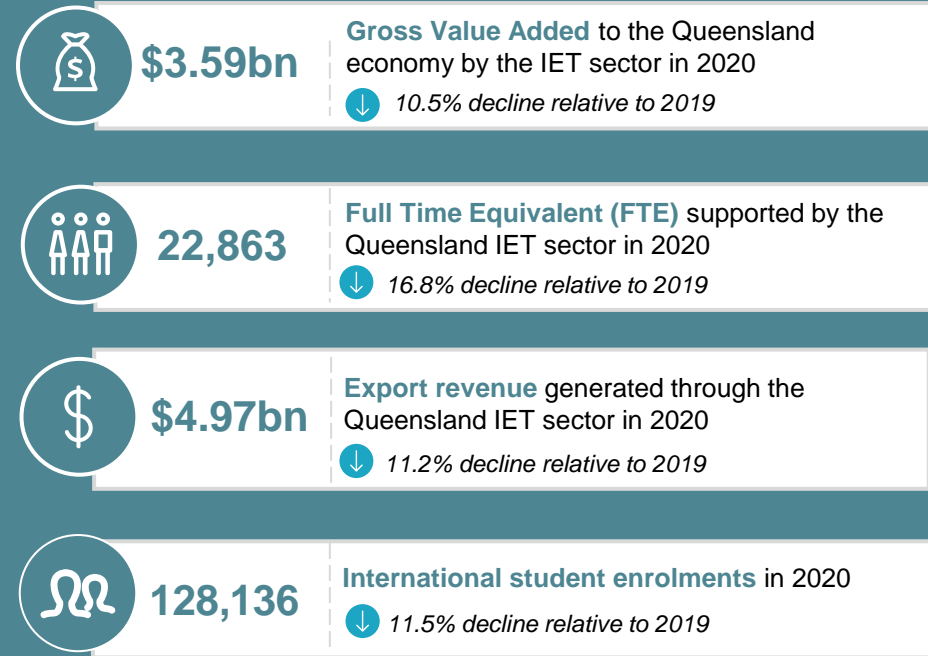


International education & training snapshot: Queensland 2020

STUDY QUEENSLAND
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Impacts of COVID-19 on the IET sector

In 2020, the COVID-19 global pandemic and Australia's emergency response – including the closure of international borders - resulted in substantial disruption to the international education and training (IET) sector and ongoing uncertainty about the likelihood and timing of recovery.

Queensland experienced a decline in international student enrolments following seven consecutive years of growth. At the end of 2020, 23,229 student visa holders in Queensland were located outside Australia, either studying offshore, or having deferred or cancelled their enrolments.

The global IET environment (including economic and health conditions in source markets) remains uncertain, with ongoing disruptions to student mobility likely. The impacts of the pandemic and the recovery pathway will, as a result, remain volatile in the short to medium term.

Despite the challenges the IET sector continues to face, lead indicators underscore the sector's strength and point to its future success. The recovery outlook is an encouraging one: the underlying value proposition of an Australian – and Queensland – education remains, and indications point to students returning onshore in large volumes when travel restrictions permit.

The 2020 data presented in this factsheet serves as a baseline for the future recovery of the sector in Queensland.

International student enrolments

International student enrolments

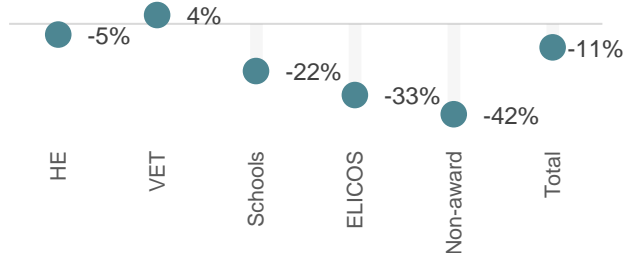
128,136
enrolments in 2020

In 2020, student enrolments in Queensland (on student visas) totalled **128,136**, declining for the first time since 2011. **Higher education** remained the largest sub-sector, with **53,462** enrolments, followed by the VET and ELICOS sectors. Queensland remained the third largest market for IET enrolments in Australia accounting for 14.5% of total enrolments. However, this represented a decline from 15.2% in 2019.

-11.5%
decline in enrolments 2019 to 2020

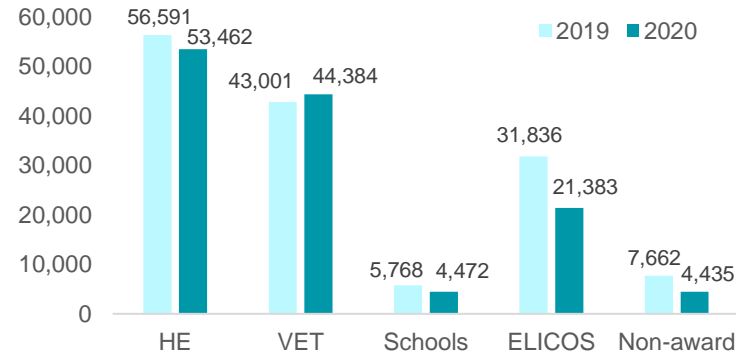
The onset of COVID-19 and timing of Australia's border closures in 2020 disrupted a large cohort of international students who had departed the country or were intending to arrive for studies. It is likely that the impact of COVID-19 on enrolments (given cancellations and deferrals) will not be fully observed until 2021.

Chart 1: Growth rate (%) by sub-sector, 2019 to 2020



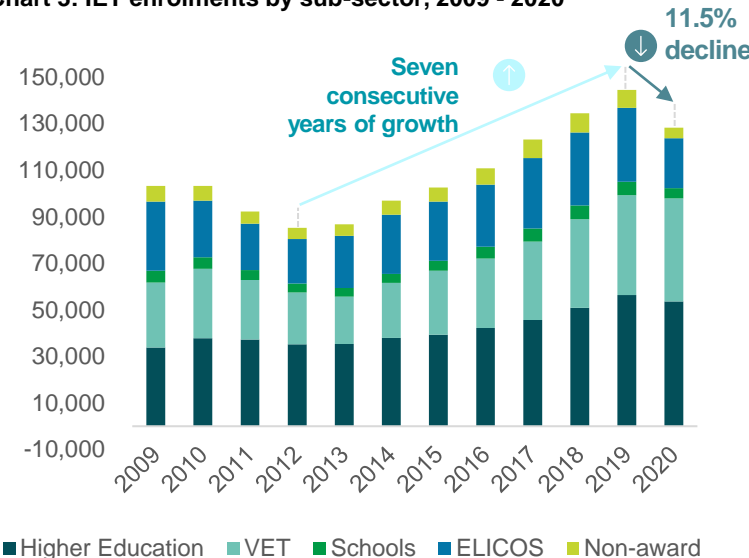
Source: Australian Government Department of Education, Skills and Employment, international student enrolment data. Enrolments in December 2019 and 2020.

Chart 2: IET enrolments by sub-sector, 2020



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

Chart 3: IET enrolments by sub-sector, 2009 - 2020



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

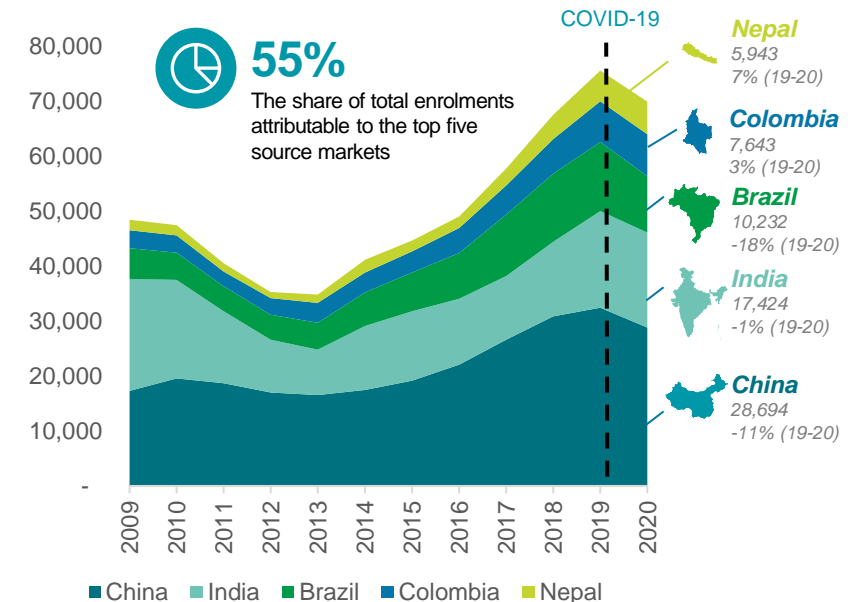
Enrolments by source market

The largest source markets for international student enrolments in Queensland continued to be China and India, which together accounted for **36% of total enrolments in Queensland in 2020**.

Overall, Queensland recorded **declining enrolments from 80% of its source markets in 2020**. Of Queensland's top ten source markets, Japan and Brazil recorded the largest percentage decline in enrolments, declining by 22% and 18% respectively.

However, **three of Queensland's top 10 source markets recorded growth** in IET enrolments in 2020. These were the Philippines (14%), Nepal (7%); and Colombia (3%).

Chart 4: Enrolments in top five source markets, 2020



Source: Australian Government Department of Education, Skills and Employment.

International student enrolments

Source market concentration

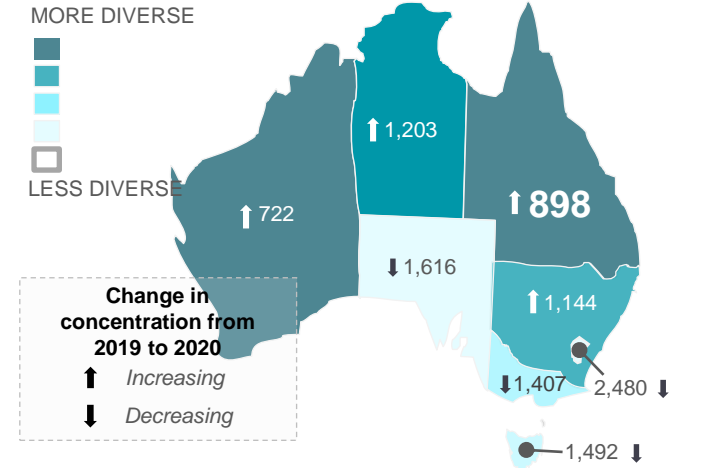
Overall, **Queensland has the second most diverse IET sector in Australia**, with a diversity index score of 898 in 2020*.

Market concentration increased slightly in 2020, continuing the recent three-year trend.

This was driven by an increased concentration of enrolments in Queensland's top five source markets, which have increased to account for 55% of enrolments in 2020, up from 52% in 2019. This compares to 60% of enrolments in the top five source markets for NSW, and 63% for Victoria.

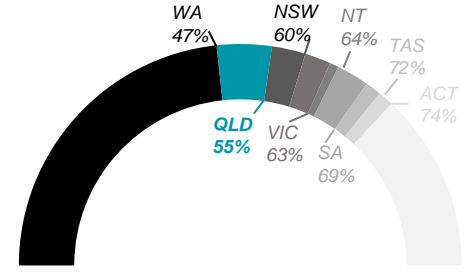
The IET sector in Queensland remains less concentrated than other states, and relatively consistent with competitor international markets (with the exception of the UK), particularly in higher education (see Chart 6, overleaf).

Figure 1: Source market concentration by state and territory, 2020



Source: Deloitte Access Economics estimates

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



Source: Australian Government Department of Education, Skills and Employment

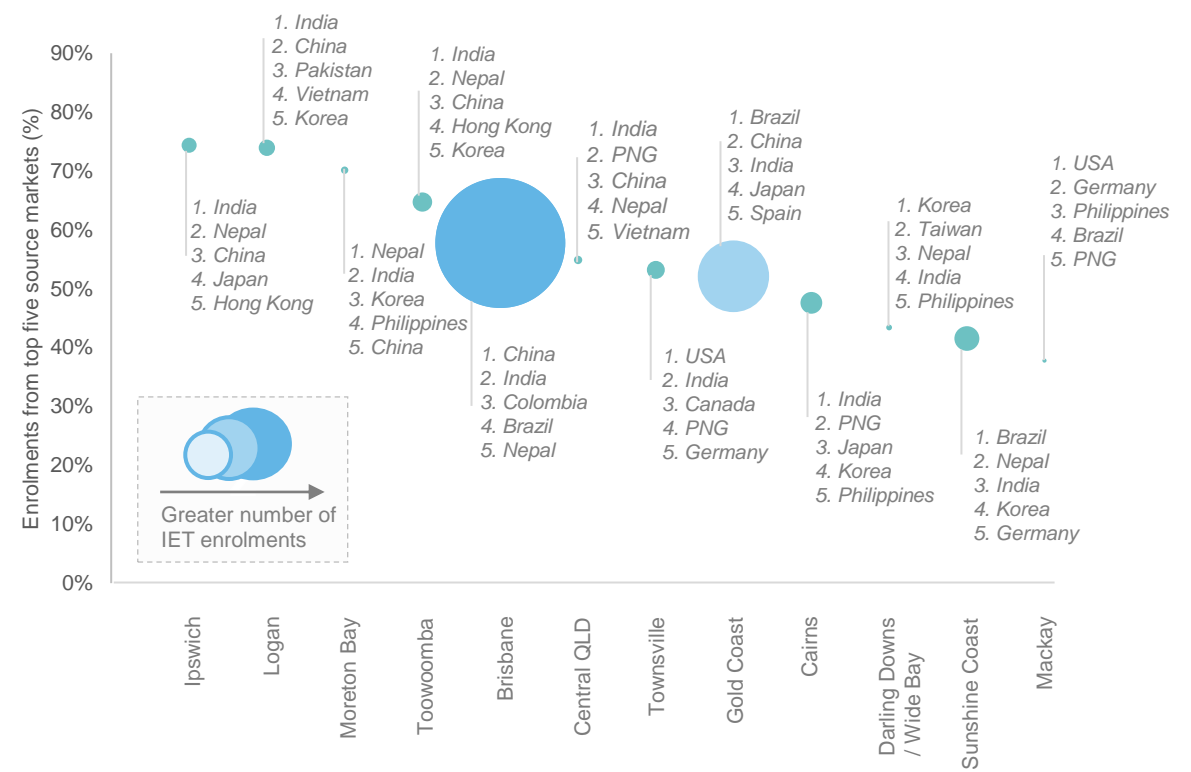
*Deloitte Access Economics measures the degree of enrolment source market concentration within a region by the Herfindahl-Hirschman index. This is defined as the sum of square of the source market shares of enrolments. The index can range from 0 to 10,000, with a low index suggesting that enrolments 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.

Regional concentration

Geographically, **IET enrolments are concentrated in Brisbane and Gold Coast**, which accounted for 90% of IET enrolments in Queensland in 2020. This is unchanged from 2019.

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

Chart 5: Proportion of IET enrolments in top five source markets, by SA4 region, 2020

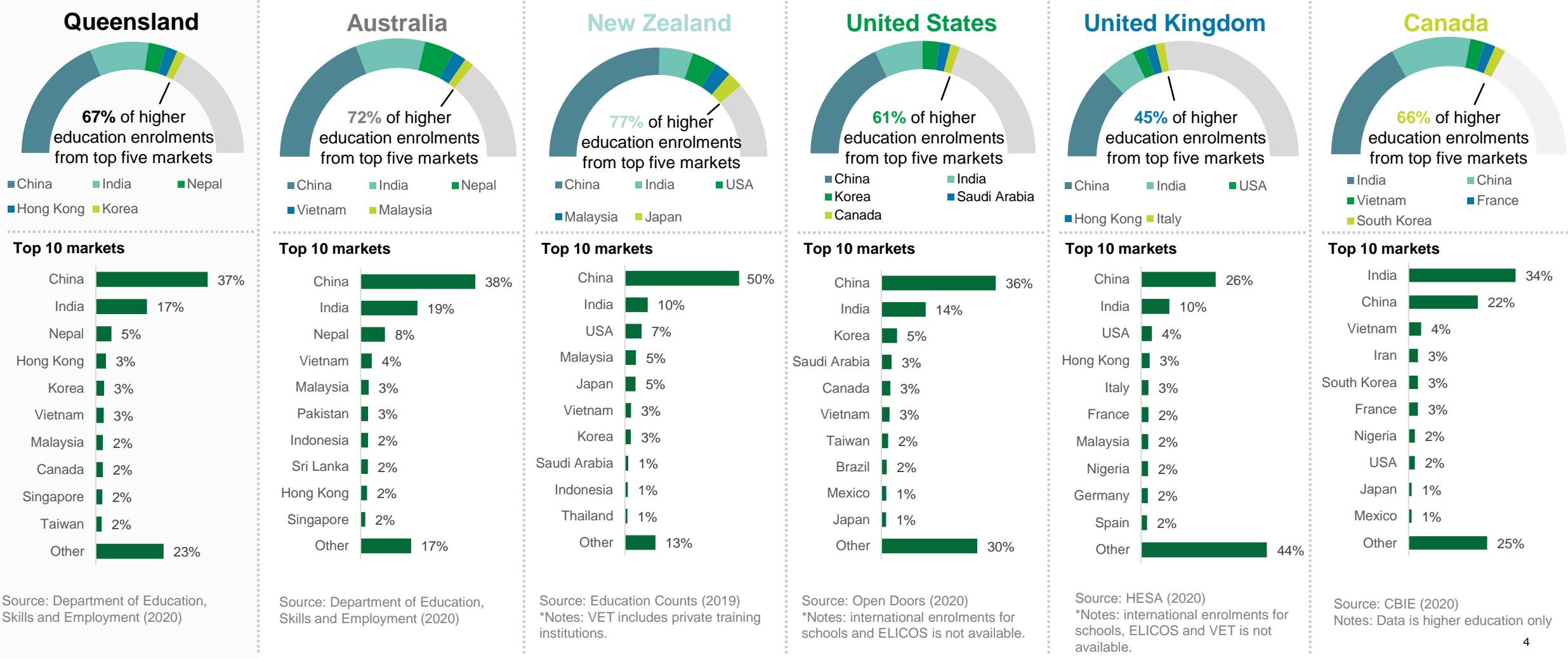


Source: Australian Government Department of Education, Skills and Employment. Enrolments in December 2020.

International student enrolments

Higher education source market concentration: comparison with competitors

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



International student enrolments

ELICOS



Snapshot of the sector

In 2019-20, student visas granted for the ELICOS sub-sector **decreased by 18%** compared to 2018-19. Although onshore ELICOS visa applications lodged onshore increased by 1.5%, visa applications lodged offshore **decreased by approximately 80%** in 2018-19.

Source: Department of Home Affairs. Years are financial years. Visas are primary and secondary visas.



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 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% 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



Non-student visas

In addition to those on student visas, 21,473 international students on non-student visas (NSV) also chose to study in Queensland in 2020*. The estimated revenue of NSV ELICOS was \$51 million, equal to 15% of the student visa ELICOS market.

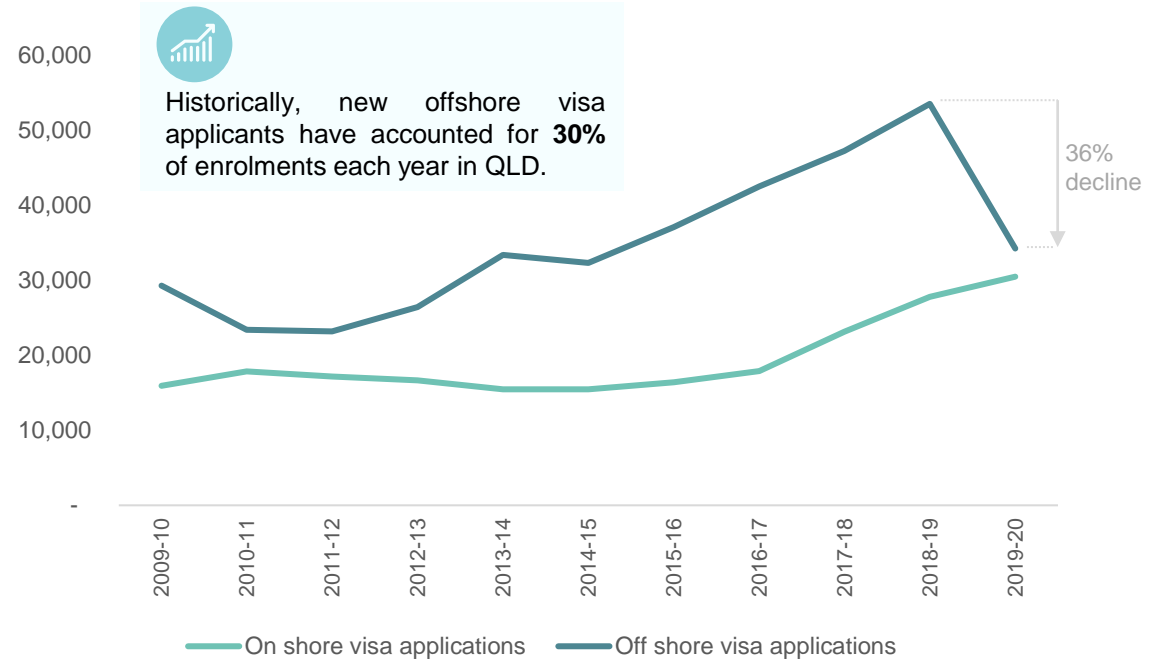
Source: English Australia: Economic impact in Queensland report, June 2021

New visa lodgements

Total student enrolments **declined by 11.5%**, while commencements **declined by 25.6%** over the period of 2019 to 2020. A key driver of declining enrolments and commencements in 2020 was declining offshore student visa applications in Queensland.

Historically, new visa applications have been driven by offshore lodgements, however these declined by 36% in 2020, largely due to border closures as a result of the COVID-19 pandemic in early 2020 (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.

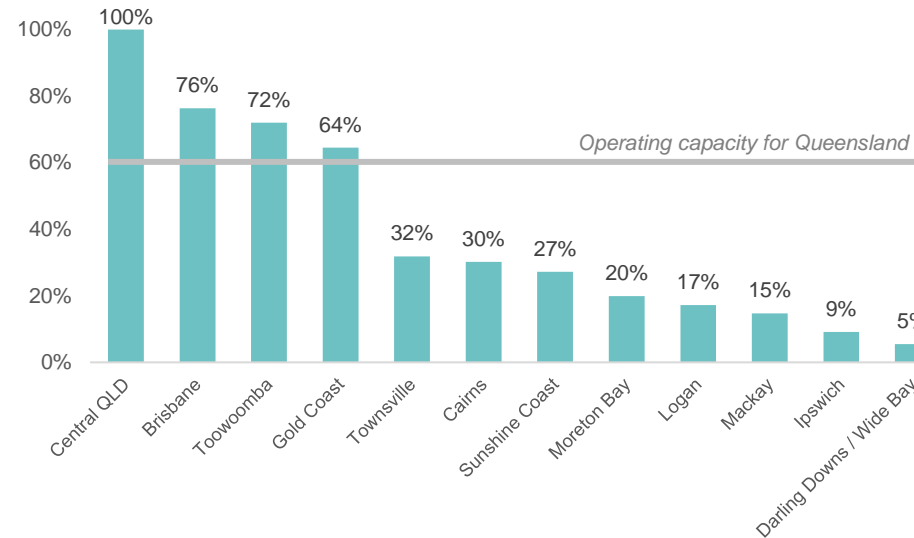
Provider capacity

Capacity of CRICOS providers

In 2020, there were approximately **336 CRICOS education providers operating in Queensland**, with a total capacity of 211,424 CRICOS registered places.*

Queensland educational institutions were operating at approximately 60% capacity in 2020. This indicates that capacity exists to facilitate further growth in the state. Provider capacity and resilience is critical for supporting the future pipeline of students.

Chart 8: Operating capacity of CRICOS providers across Queensland regions, 2020

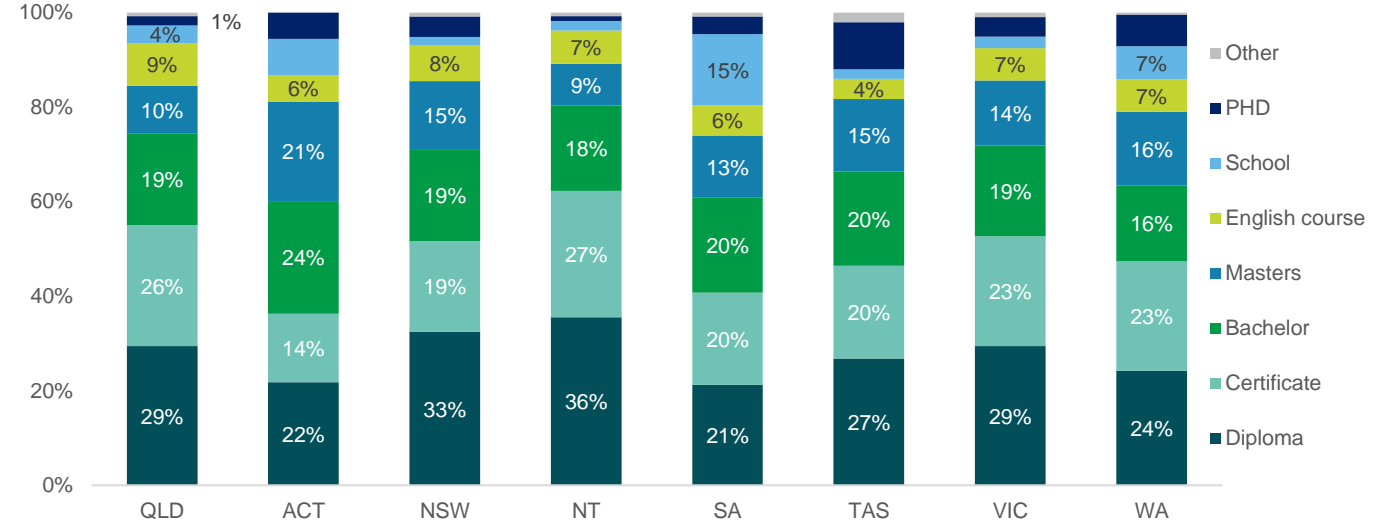


*Deloitte Access Economics uses CRICOS registered places as a measure of capacity and student enrolments as a measure of demand. Source: Australian Government Department of Education, Skills and Employment. Data current as of 30 July 2021.

The **majority of courses offered in Queensland are in the fields of management or commerce (31% of total)** and society and cultural studies (20%). Comparatively, science (4%), architecture (3%) and environmental studies (1%) are less common.

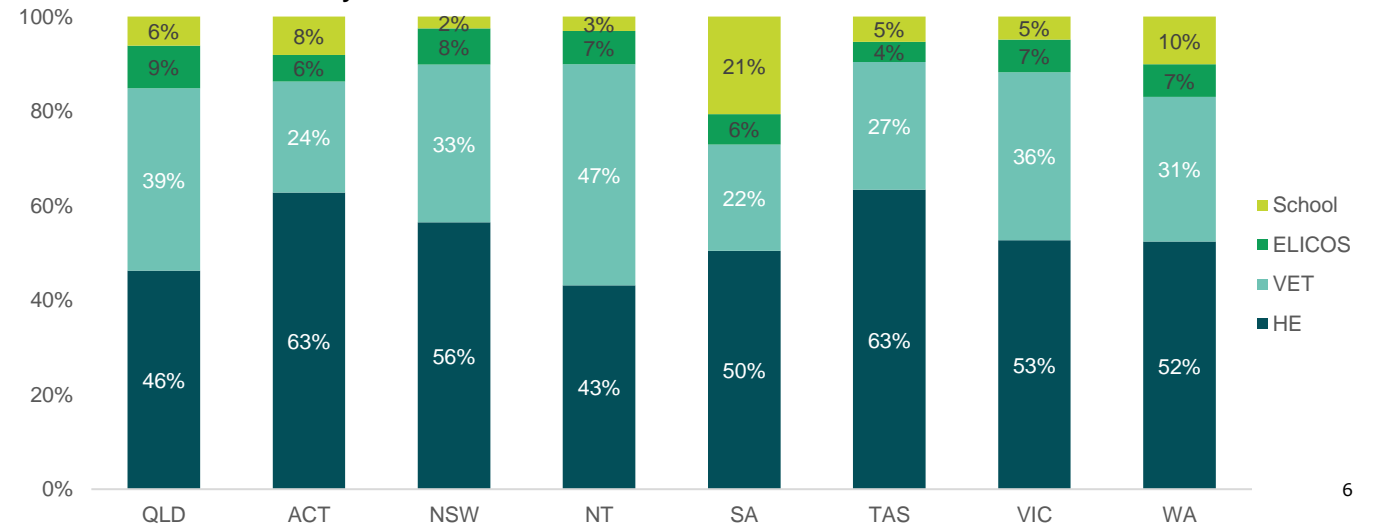
In Queensland, the majority of CRICOS courses offered are diplomas (29% of total) and certificates (26%).

Chart 9: CRICOS courses by qualification type



Higher education providers account for **46% of all courses** in Queensland, the highest proportion of all sub-sectors. Queensland has the second lowest proportion of HE courses when compared to other states.

Chart 10: CRICOS courses by sector



Source: Australian Government Department of Education, Skills and Employment. Data current as of 30 July 2021.

Export revenue

Export revenue

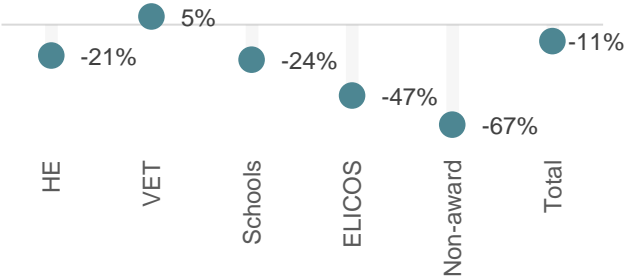
\$4.97bn
Export revenue in 2020

In 2020, the IET sector recorded export revenue of **\$4.97bn**. Higher education was the largest sub-sector, with **\$3.2bn** in export revenue (64% 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. Export revenue associated with increased offshore activity totalled \$426 million.

-11.2%
decline in export revenue from 2019 to 2020

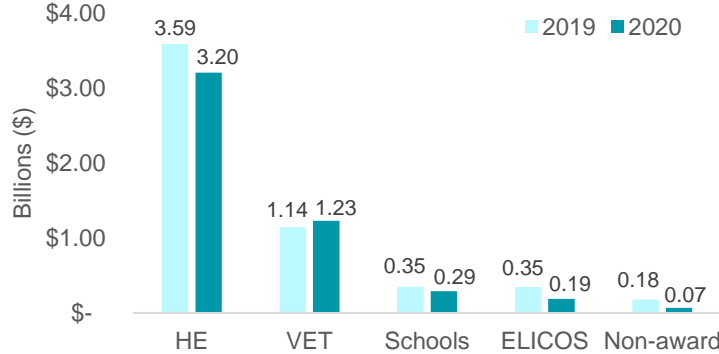
Overall, export revenue declined by 11.2% from 2019 to 2020. Export revenue declined at a faster rate than enrolments partly due to an increased proportion of student holders being located offshore.

Chart 11: Growth rate (%) of export revenue by IET sub-sector, 2019 to 2020



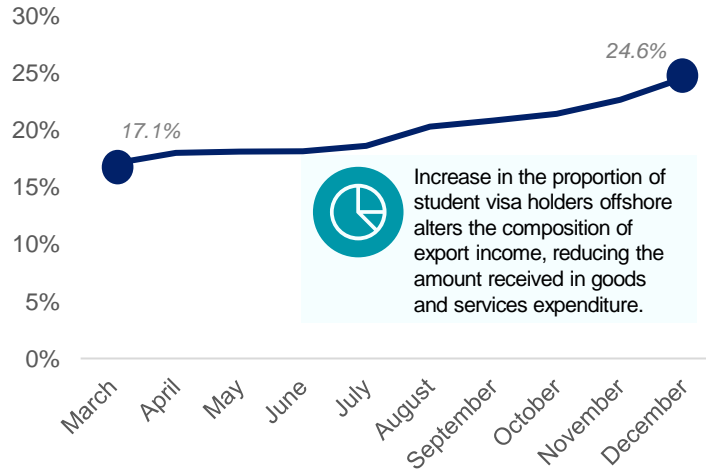
Source: Australian Bureau of Statistics (catalogue number 5368), Australian Government Department of Education, Skills and Employment, Deloitte Access Economics estimates.

Chart 12: IET revenue by sub-sector, 2019 and 2020 (\$bn)



Source: Australian Bureau of Statistics. Australian Government Department of Education, Skills and Employment. Deloitte Access Economics estimates. Note: 2020 calendar year values are estimated given that some datasets have not yet been released – see the “Methodology” section for more information.

Chart 13: Percentage of primary and secondary student visa holders offshore, 2020



Increase in the proportion of student visa holders offshore alters the composition of export income, reducing the amount received in goods and services expenditure.

Source: Department of Home Affairs, Deloitte Access Economics analysis.

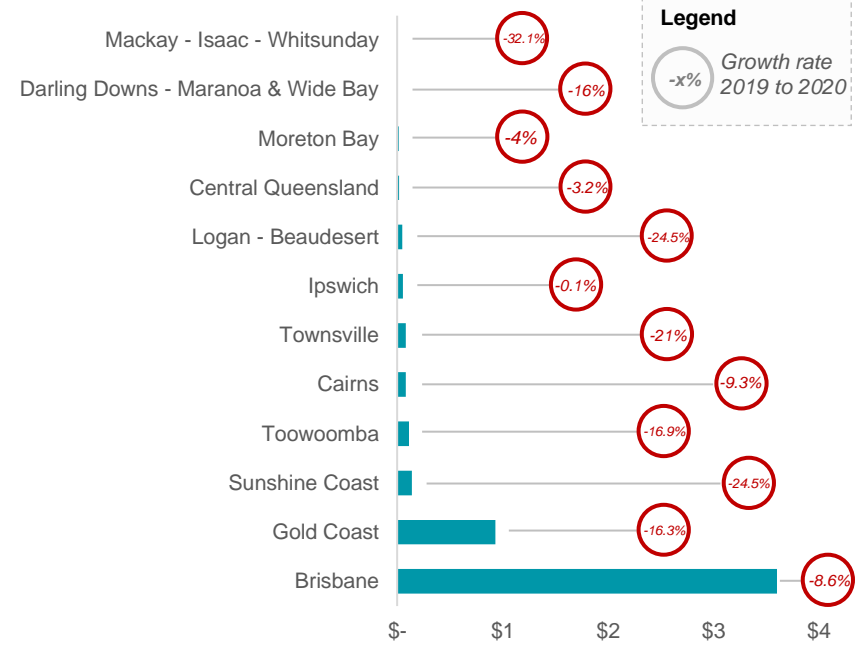
Regional breakdown

Brisbane and Gold Coast remained the two largest segments of the Queensland IET sector, attracting **89% of export revenue** in 2020.

All Queensland regions are estimated to have experienced declines in export revenue in 2020.

Overall, Mackay and Logan – Beaudesert are estimated to have recorded the greatest decline in revenue, with revenue declining by approximately 32.1% and 24.5% respectively.

Chart 14: Export revenue in 2020, regions of QLD (\$bn)



Source: Australian Bureau of Statistics, Australian Government Department of Education, Skills and Employment. Deloitte Access Economics estimates.

Economic contribution of the IET sector

Direct economic contribution

The IET sector directly contributed **\$2.61 billion** to the Queensland economy and supported **16,847 full-time equivalent (FTE)** jobs in 2020 (Table 1).

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

Table 1: Direct economic contribution of the IET sector, 2020

	Value added (\$B)	Employment (FTE)
Student visa students	\$2.02	13,223
NSV ELICOS	\$0.02	141
Offshore students	\$0.57	3452
VFRs	\$0.00	31
IET sector	\$2.61	16,847

Source: Deloitte Access Economics estimates.

It should be noted that the increase in offshore students supporting employment (FTE) in Queensland is attributable to transfers from student visa holders in previous years, rather than a net change.

Indirect economic contribution

The IET sector also indirectly contributed **\$975 million** and **6,016 full-time equivalent (FTE) jobs** to Queensland in 2020. 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, 2020

	Value added (\$B)	Employment (FTE)
Student visa students	\$0.86	5,055
NSV ELICOS	\$0.01	57
Offshore students	\$0.10	890
VFRs	\$0.00	14
IET sector	\$0.97	6,016

Source: Deloitte Access Economics estimates.

Total economic contribution



\$3.59bn

Value added contributed to the Queensland economy by the IET sector in 2020

In total, the IET sector directly contributed **\$3.59 billion** to the Queensland economy and supported **22,863 full-time equivalent (FTE)** jobs in 2020 (Table 3).

The largest contribution to total IET industry value added was made by the **HE sub-sector**, which contributed approximately 69% of the total value added in 2020 (Chart 15).

From 2019 to 2020, the contribution by the IET sector declined by 10.5% in terms of value added, and 16.8% in terms of employment.

Chart 15: Sub-sector contribution to total IET industry value added, 2020*

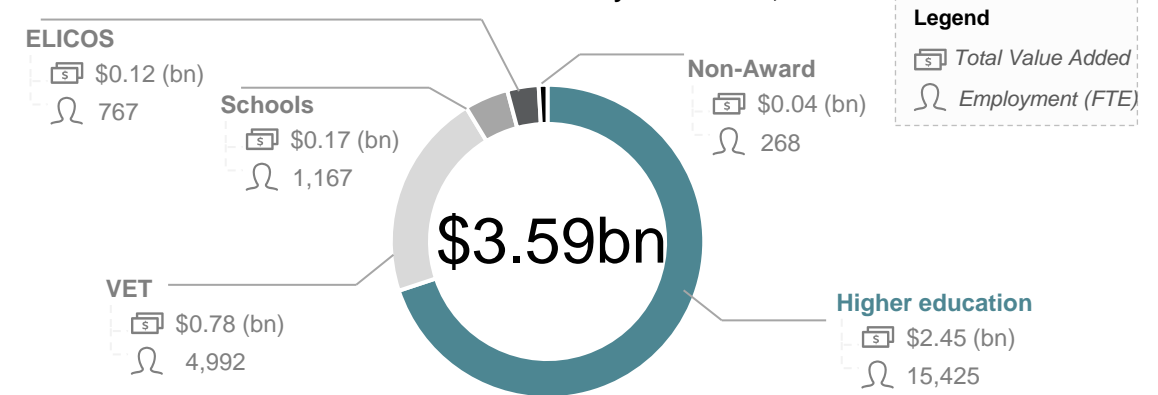


Table 3: Total economic contribution of the IET sector, 2020

	Value added (\$B)	Employment (FTE)
Student visa students	\$2.88	18,278
NSV ELICOS	\$0.03	197
Offshore students	\$0.67	4,343
VFRs	\$0.01	46
IET sector	\$3.59	22,863

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

Regional significance of IET

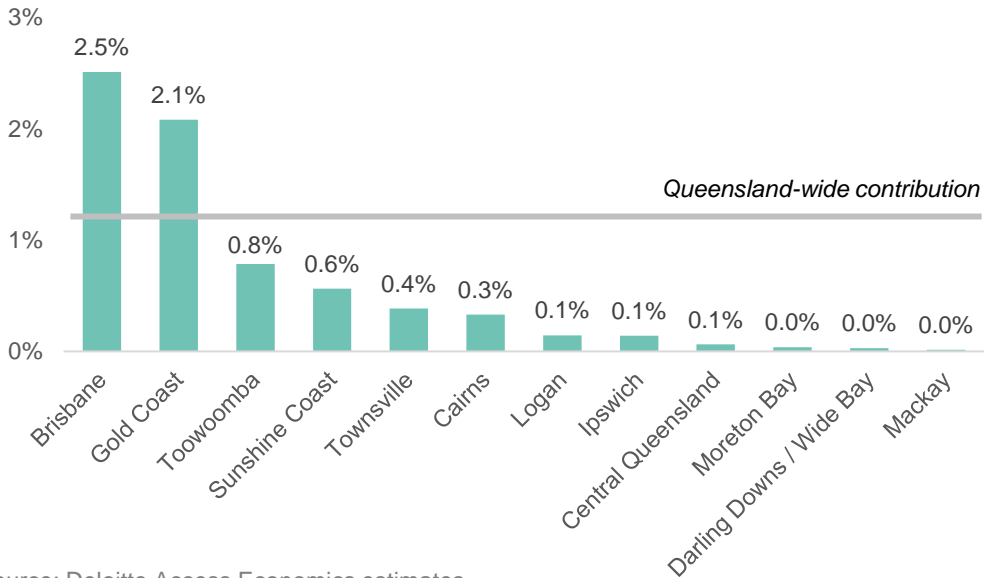
Regional significance of IET

In 2020, it is estimated that the **IET sector directly represented 0.8% of the total Queensland economy** in value added terms (no change from 2019). It represented **0.7%** of Queensland's total employment (compared to 0.8% in 2019).

When the indirect contribution is included, **the total contribution of the IET sector represented 1.1% of the State economy** (in terms of value added) and **0.9%** (in terms of employment). This compares to 1.2% in value added, and 1.1% in terms of employment, in 2019.

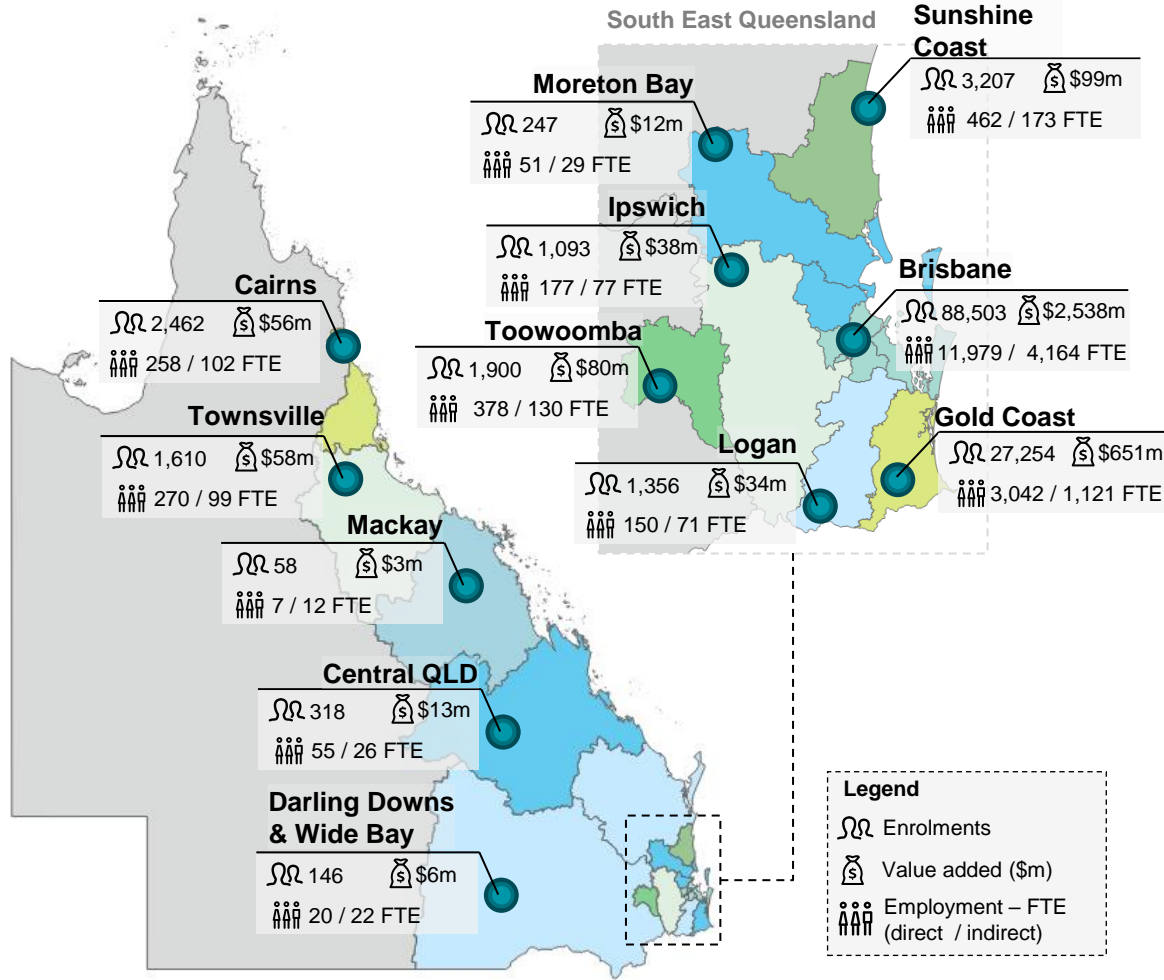
The sector is largely concentrated in the Brisbane and Queensland regions, which account for 90% of the total economic contribution to the state. However, the sector plays an important role in other regional economies, such as Toowoomba, Sunshine Coast and Townsville, contributing to more than 0.4% to their regional product in 2020.

Chart 16: Contribution of the IET sector to regional economies (total economic contribution), 2020



Source: Deloitte Access Economics estimates.

Figure 3: IET total contribution to regional economies, 2020



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** (43% of export revenue); and **accommodation services** (23%). Therefore, the tuition fees and accommodation costs of onshore students represent approximately two-thirds of **total IET export revenue**.

Chart 21: IET export revenue by industry, 2020

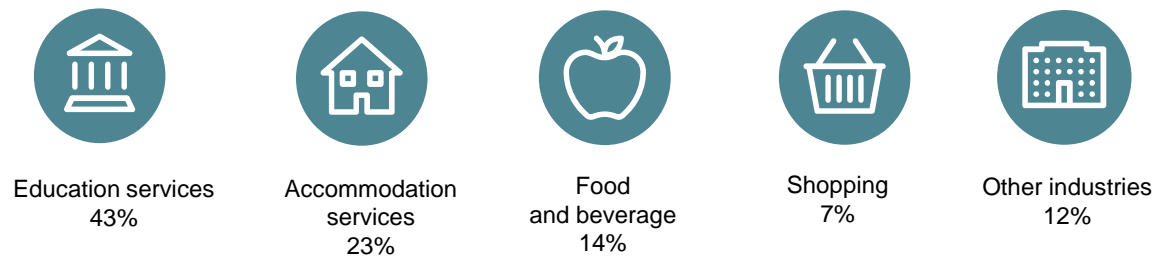



Table 4: Employment breakdown by IET industry (economic contribution), 2020


Industry	Employment (FTE)
Accommodation	502
Cafes, restaurants and takeaway food services	1,866
Clubs, pubs, taverns and bars	808
Rail transport	71
Road transport and transport equipment rental	519
Air, water and other transport	74
Travel agency and tour operator services	-
Cultural services	123
Casinos and other gambling services	23
Other sports and recreation services	215
Retail trade	1,516
Education and training	8,582
All other industries	8,564
Total	22,863


Source: Deloitte Access Economics estimates.

A range of industries within the broader IET ecosystem experienced the impacts of COVID-19 and the absence of many onshore students. It is likely the prolonged nature of the disruption may undermine the ecosystem in 2021, with businesses pivoting their business models to remain viable (particularly in student accommodation and English language provision).

In particular, several industries in close proximity to the IET sector are expected to face longer-term impacts owing to the disrupted pipeline of new international students.

 **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 saw reduced student occupancy levels in 2020, and face long-term impacts and further uncertainty given ongoing border closures. To respond to the impacts of COVID-19, some providers are exploring options to extend their services to non-students, posing an emerging opportunity for recovery.

 **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.



Enrolments



Export revenue



Contribution



Regional results



Key industries



Recovery

Recovery of the IET sector



The recovery of the IET sector will continue to remain challenging as Australia pursues vaccination programs, virus suppression strategies and retains border controls. The 2020 data provides a baseline for the future recovery of the sector in Queensland. However, despite these conditions, there are leading indicators of the strength of the sector and future success.

Value proposition of an Australian education

In 2020, international students in both the higher education and VET sectors emphasised several factors when choosing to study in Australia:

- Reputation of Australia's education system
- Reputation of the provider
- Provider's course offerings
- Reputation of the qualification
- Personal safety and security
- Chance to experience a new culture or lifestyle

Source: Quality Indicators for Learning and Teaching. Student Experience Survey 2020. The International Student Experience Survey is used as a proxy for key drivers of demand for IET in Australia.

Survey results **reiterate that the value proposition of an Australian education – and that of Queensland** - remain as key features of the IET sector, which are likely to outlast disruptions posed by the COVID-19 pandemic. However, there are challenges ahead for the sector. Australia's brand and reputation is being challenged by key competitors (the United States, Canada, the United Kingdom) who are welcoming international students onshore and offering favourable migration pathways for students. Monitoring Queensland's relative attractiveness as a destination for international students will be critical to the recovery and future competitiveness of the IET sector.

Return to onshore study

The share of students outside Australia moderates the decline in onshore students, and also presents an opportunity for the IET sector to recover when international borders reopen.

In Queensland, **25% (or 23,229) of student visa holders were outside Australia** and may be affected by COVID-19 related travel restrictions. Furthermore, deferrals of enrolment suggest these students intend to return to onshore study. Overall, this presents a large number of students overseas who may return to onshore study in Queensland when this is a possibility.

Source: Department of Home Affairs. Data as at 20 December 2020.

The potential for recovery in key source markets

Queensland's two largest source markets: The largest source markets tell different distinct stories, with the Chinese market having a higher share of students studying offshore (57% of total), in contrast to India, where the majority of students are onshore (82%). The economic outlook (GDP growth) for both markets is forecast to improve in 2021, signifying the potential for these two source markets to recover more quickly relative to other key Queensland source markets.



China

11,531 student visa holders outside Australia (57% offshore).
The majority of those students (67%) are in the HE sector.



India

2367 student visa holders outside Australia (18% offshore).
Primarily consists of post-graduate research (26%) and HE (24%) students.

The Latin American source market: Queensland's third and fourth largest source markets, Brazil and Colombia, are characterised by a larger composition of students in the VET sub-sector, and fewer offshore students. Economic recovery to pre-pandemic levels is expected in Q3 2022 (pending borders opening), suggesting these markets will be slower to recover. Furthermore, there is a risk of reduced capacity to pay for international studies, given major ongoing COVID-19 disruptions in these markets.



Brazil

203 student visa holders outside Australia (6% offshore).
Majority of total enrolments (90%) are in VET, with only 4% of offshore students.



Colombia

167 student visa holders outside Australia (5% offshore).
Similar to Brazil, 86% of students are enrolled in VET, with only 4% of offshore students.

Source markets that demonstrated growth in 2020: Nepal (Queensland's fifth largest source market) and the Philippines both demonstrated enrolment growth in 2020. Of the two countries, the Philippines demonstrates greater potential for students to return to onshore study, with 20% of total students currently offshore. The economic outlook (real GDP) forecasts a 6.9% growth for the Philippines in 2021, compared to 3.7% for Nepal, which is likely to be slower to recover.



Nepal

323 student visa holders outside Australia (7% offshore).
Enrolment is highest in HE, however, 90% of students are in Australia.



Philippines

656 student visa holders outside Australia (20% offshore).
Highest level of enrolments in VET offshore (20% of enrolments for that sector).

Sources: Department of Home Affairs. Data as of 20 December 2020, IMF World Economic Outlook (April 2021), OECD economic outlook (2021).

Frequently Asked Questions

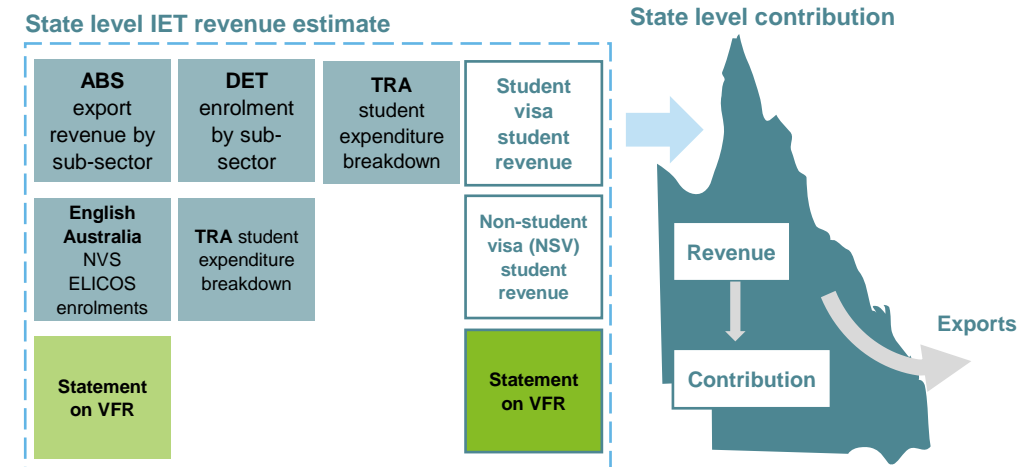
Methodology

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 Department of Education, Skills and Employment (DESE), 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.

The analysis focuses on the export revenue and economic activity associated with (1) onshore international students in Queensland, and (2) the additional cross-border delivery of international education to students offshore as a result of COVID-19 border closures. There is a high degree of uncertainty over the export revenue associated with cross-border IET due to limited publicly available information. Consequently, a simplifying assumption based on higher education enrolments has been applied in determining their distribution in its regions.

The economic contribution is estimated by incorporating Deloitte Access Economics' integrated regional input-output model (DAE-IRIOM) with the Tourism Satellite Accounting framework, which is the internationally approved approach for measuring the economic contribution of tourism exports, including IET.



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 studying in Queensland.

Non-student visa (NSV)

Refers to international students studying in Queensland who do not hold student visas, and can include students in ELICOS courses and on study tours. This analysis only quantifies the contribution of NSV ELICOS students.

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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