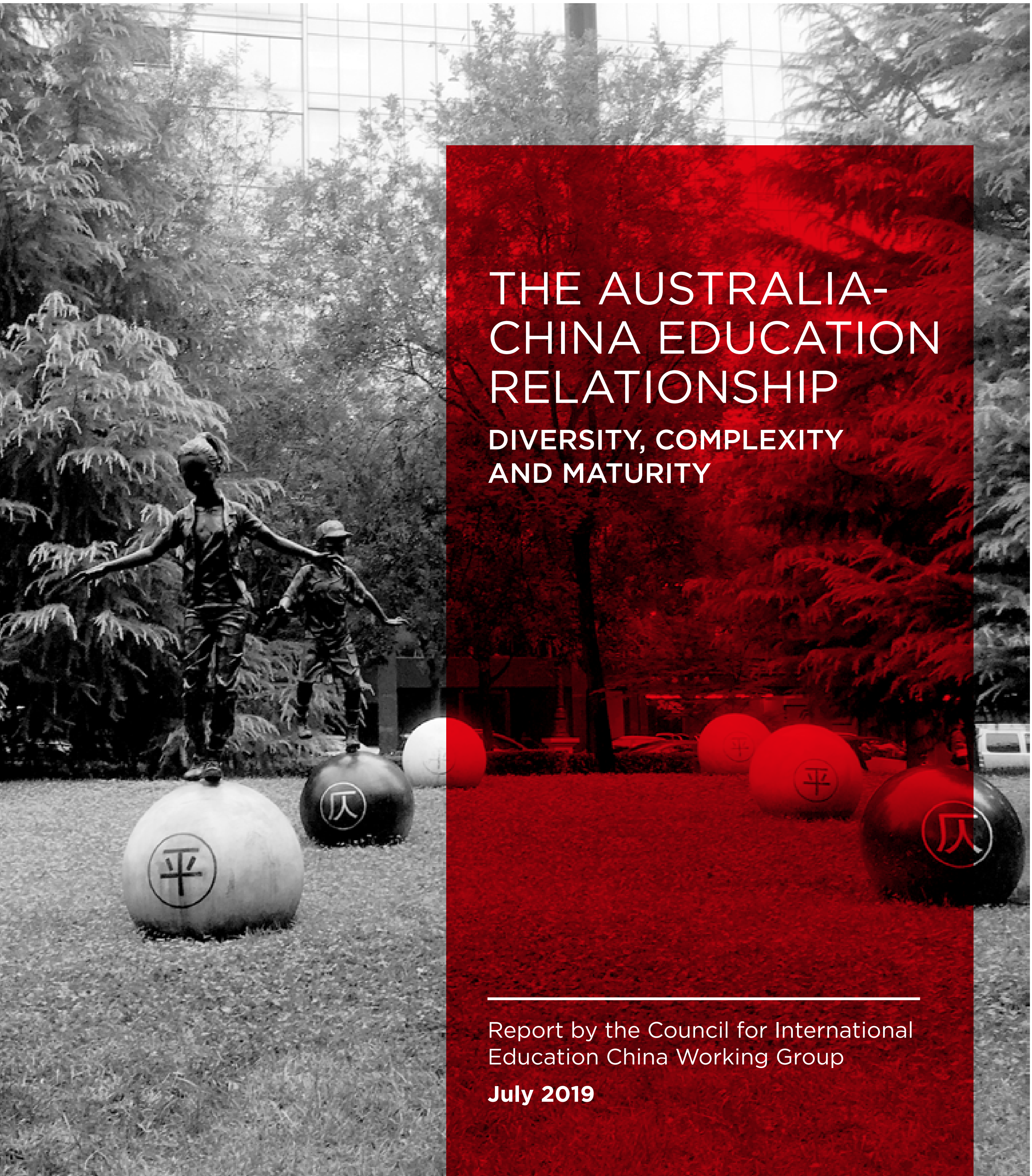

THE AUSTRALIA-CHINA EDUCATION RELATIONSHIP

DIVERSITY, COMPLEXITY AND MATURITY

Report by the Council for International Education China Working Group

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Cover illustration: Public art in the Tang Dynasty City Wall Park, Xi'an. The characters engraved on the spheres, 平 (*ping*) and 仄 (*ze*), reflect the tonal patterns and rhythms of Chinese poetry.

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EXECUTIVE SUMMARY

In late 2018, the Council for International Education formed the China Working Group (the Working Group) to encourage a diversification and broadening of Australia's education, research and innovation engagement with China. Its terms of reference included increasing engagement with sectors beyond higher education, increasing Chinese regional engagement, increasing region-to-region engagement, increasing cooperative innovation partnerships, and diversifying research collaboration. This report examines the challenges and opportunities in each of these issues, while also identifying new approaches to quality assurance and collaboration.

Currently, Australia's education and research engagement with China is broad, especially in terms of government-to-government cooperation and relationships between providers across all education sectors. Australia is a key destination for Chinese international students, and Australian universities and research organisations have increasingly deep and long-standing research interests, engagement and expertise in China. Australia's global reputation for quality education, training and research, combined with existing government-to-government, institution-to-institution and people-to-people links, provides a solid foundation to progress the bilateral education relationship more broadly.

We have much to be proud of, but Australia cannot be complacent, as our competitors continue to elevate, innovate and enhance engagement. Yet increased development and the transformation of the Chinese economy is leading to heightened demand for skilled workers, research and innovation. Improved incomes and a growing middle class will further increase demand for high quality education and training with strong employability outcomes.

China is investing significantly in modernisation and reform to all parts of its education sector, which will expand its capacity to deliver high quality education. However, there will continue to be demand for internationally recognised, quality education from China's rising middle class, and this demand will continue to exceed its expanded capacity. As China faces this significant shortfall, Australia has an opportunity to elevate, broaden and deepen engagement with China even further. Moreover, China's reform will highlight different types of opportunities in offshore support and delivery across all sectors, meaning governments and providers will need to rethink their approach to offshore engagement.

In this broad context, the Working Group advocates developing more sustainable relationships through, among other things, elevating the education relationship, greater sharing of education policies and information, increased research collaboration between Australian and Chinese institutions and researchers, and enhanced mutually beneficial collaboration in transnational and online education.

The Australia-China education relationship is presenting expanded opportunities from which both countries can benefit. The analysis and recommendations in this report identify a clear pathway to strengthen the bilateral education relationship, increase research collaboration, and facilitate cooperative innovation.

COMMENDATIONS

1. The Australia-China bilateral education relationship has enjoyed strong growth in the last few years, and spans many decades of collaboration. Broad, deep and long-standing research collaboration, student and professional mobility, and resilient relationships among governments, providers, institutions and other key stakeholders underpin the success of the education relationship.
2. The existing relationships forged between Australian and Chinese providers across all education sectors have been positive and fruitful. Through the combined efforts of the Australian Government and the education sector in increasing cooperative partnerships and building on existing successes, we have opportunities to further diversify and broaden engagement across the education, training and research sectors.

RECOMMENDATIONS

1. Australian Government to elevate the Australia-China bilateral education relationship by identifying opportunities for ministerial and other state or state-like interactions, forums and agreements, leveraging architecture such as the recently-announced National Foundation for Australia-China Relations, and investigate the establishment of a People-to-People (P2P) Dialogue, involving both state and non-state actors.
2. Australian Government to finalise a new memorandum of understanding (MoU) on Strategic Collaboration with the Chinese Ministry of Education (MoE) to provide the framework and general principles to strengthen strategic cooperation in education, training and research. The MoU is to be supported by an action-oriented joint work program, appropriate resourcing and a strong platform for the sector to play an advisory role in the implementation of the MoU.
3. Australian Government to expand marketing and promotional activity in China as well as identify capability development projects across all sectors of education to harness the emerging opportunities, including regional engagement, and to promote a more diverse range of course offerings beyond the field of management and commerce.
4. All stakeholders in the international education sector to strengthen and increase opportunities whereby Australian and Chinese institutions can exchange ideas, policies and research to support emerging areas identified in the report.
5. All levels of Australian government and the Australian international education sector to work together, through the Council of Australian Governments, to secure endorsement of a single senior school certificate brand to complement individual state and territory certificates, and position the reputation of Australian school qualifications delivered in China.

6. Australian Government and peak industry bodies to explore opportunities with Chinese counterparts to support skills recognition and mobility for Chinese VET graduates from Australia, by benchmarking skills and development of occupational standards, particularly for occupations that are in demand in the Chinese labour market.
7. Providers and industry bodies to work with the Australian Government to strengthen the reputation of Australian qualifications by examining post-qualification career outcomes of Chinese graduates of the Australian education system, and promote employment pathways for graduates across all sectors.
8. Australian Government to seek dialogue with the MoE and its online research centre on the development of joint online award and non-award programs on a pilot basis.
9. All stakeholders in the international education sector to work with the Australian Government to develop a communication strategy focused on a fresh narrative for the Australia-China bilateral education relationship, showcasing the mutual benefits of the engagement to both Australian and Chinese audiences.

1. CURRENT ENGAGEMENT WITH CHINA

To appreciate fully the history, complexity, and depth of the Australia-China education, training and research relationship, and then to assess how Australia can enhance this relationship, it is important to first develop a snapshot of Australia's current levels of engagement. The Working Group's stocktake of current engagement took into account international education data as well as input provided by all major stakeholder groups. The Working Group began this work by developing a sectoral engagement survey designed for education, training and research providers, followed by engaging with a number of critical informants from within Australia's education system, eliciting qualitative perspectives on opportunities for future growth.

This stocktake and sectoral engagement survey identified that while Australia's education and research engagement with China is broad, there continues to be significant opportunities to expand engagement with China in a way that is mutually beneficial to both countries. In this context, Australia is striving to meet the needs of China as its domestic economy is driving increased mobility across its workforce, with increasing numbers of students, professionals and researchers seeking to travel overseas to take advantage of Australia's state-of-the-art education system.

1.1 Australian international education and China

Australian international education has a world-leading reputation for quality. Hundreds of thousands of international students, a large proportion of whom are from China, are attracted to Australia each year. Chinese students represent around 30 per cent of all international students in Australia, the majority of whom tend to return to China post-qualification to pursue employment[1], and thereby enhance the Australian education system's global reputation. According to the Chinese Ministry of Education (MoE), since 2014 the return rate of overseas Chinese students has remained above 78 per cent.[2] These returning students play an important 'soft power' or cultural ambassadorial role for advancing Australia's international education reputation, while also strengthening bilateral academic ties and professional and business linkages.

With the expansion of post-qualification work opportunities and visas, not all Chinese students return to China immediately after their international student experience. This is important for Australia, as there is a strong link between flows of international students, especially postgraduate students, and academic

1 See Bob Birrell and Katherine Betts (2018), *Australia's higher education overseas student industry: In a precarious state*, available at https://tapri.org.au/wp-content/uploads/2016/04/final-report-overseas-student-industryV2.pdf; and Jonathan Chew and Ethan Fogarty (2018), *Sustainable growth in international higher education*, available at http://unbouncepages.com/sustainable-growth-international-higher-education/.

2 See 'Number of student returnees on the rise', *China Daily*, 15 January 2019, available at http://www.chinadaily.com.cn/a/201901/15/WS5c3d48bca3106c65c34e4851.html.

employment.[3] Many overseas academics gain positions in the Australian higher education sector after gaining an Australian doctoral qualification. In the period 1993–2010, after the UK, China was the second largest single source of permanent academics coming into Australia.[4] This connection increases Australia's links with global Chinese academic networks that, in turn, could lead to increases in the Australia-China collaborative research output.

Through the Chinese diaspora, ethnic Chinese have played a key part in Australian society. The population of ethnic Chinese in Australia has fluctuated, with periods of high migration, such as the gold rushes of the nineteenth century and the high-skilled migrants of the early 21st century. The 2016 census reported that 8.3 per cent of Australia's foreign-born population came from China[5], with 1.2 million people of Chinese ancestry.[6] This indicates, to some extent, the social context underpinning our international education exchanges.

CASE STUDY 1

Tourism benefits of Chinese international students

There are economic flow on effects of Chinese international students, as they often bring a host of friends and relatives to visit them while they live and study in Australia.

Deloitte Access Economics estimates that tourists who come to Australia to visit friends and relatives of international students contribute a total of $222 million in value added to the Australian economy because of tourism expenditure, supporting the employment of 2,359 FTE jobs.* These figures are based on 109,103 travellers who came to Australia for a holiday or to visit friends and relatives who stated that a reason for their trip to Australia was to visit an international student friend or relative studying here. These visitors are a subset of the broader visitor population of 544,949 who visited an international student at some stage during their trip to Australia but may not have come to Australia primarily for that reason.

* Deloitte Access Economics (2015), 'The value of international education to Australia', available at https://internationaleducation.gov.au/research/research-papers/Documents/ValueInternationalEd.pdf.

3 See Marijk van der Wende (2017), *Opening up: Higher education systems in global perspective*, available at https://www.researchcghe.org/perch/resources/publications/wp22.pdf.

4 Of the academics born overseas who gained permanent positions in the Australian higher education sector from 1993-2010, 7,606 were from the UK, with China accounting for 7,266. See Graeme Hugo (2014), 'The role of international migration in Australia's research workforce', *Asian and Pacific Migration Journal*, 23 (1): 27–54.

5 See https://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/2071.0Main%20Features602016?opendocument&tabname=Summary&prodno=2071.0&issue=2016&num=&view=.

6 See https://www.abs.gov.au/AUSSTATS/abs@.nsf/mediareleasesbytitle/D8CAE4F74B82D446CA258235000F2BDE?OpenDocument.

With Chinese students representing almost a third of international students, at least a third—perhaps more—of these visitors are potentially from China. Moreover, a recent study by Pyke et al (2013) found that 64% of Chinese international student alumni had travelled back to Australia in the last five years and the majority had travelled twice or more frequently.[7] This highlights the future benefits that international education can bring to the tourism sector.

Within this historic context, many Australian universities have developed deep and longstanding research interests and engagement in China. These robust education partnerships and research collaborations evidence Australia's quality teaching and learning and help to promote Australia's global reputation as home to some of the best minds and research teams in the world. As observed by Belinda Robinson, former Chief Executive of Universities Australia, the quality of Australia's education system is a drawcard: 'We know that international students are attracted to Australia by the excellent quality of the education we provide and the calibre of both teaching and research here'.[8]

1.2 Chinese domestic factors

The increased number of Chinese students studying in Australia reflects a global trend of more Chinese people travelling internationally for study. In 2017, UNESCO data indicates there were almost 850,000 Chinese international university students globally.[9] As shown in Table 1, Australia is the second-most popular destination for Chinese students after the USA.

Table 1 – Popular destinations for Chinese international students by country in 2017

Country	Proportion of total of Chinese international students	Proportion of international students who are Chinese
USA	34%	33%
Australia	13%	29%
UK	11%	28%

Source: UNESCO.

This extraordinary growth in the number of Chinese students choosing to study in Australia over the last few years has slowed more recently, from 18 per cent in 2017 to 11 per cent in 2018.[10] If we compare the total number of Chinese enrolments in Australia in 2018 (255,896) to the number of Chinese enrolments in 2014 (150,814) when this

7 Joanne Pyke, Min Jiang, Terry Delacy, Edward Smith, Guijun Li, and Al-Min Li (2013), *The role and influence of China based alumni on travel and tourism*, available at http://vuir.vu.edu.au/22397/1/the-role-and-influence-of-china-based-alumni-on-travel-and-tourism.pdf.

8 See https://www.universitiesaustralia.edu.au/Media-and-Events/media-releases/Australia-s-international-student-numbers-continue-to-grow#.XQg7I2wUlfw.

9 See http://uis.unesco.org/en/uis-student-flow.

10 See https://internationaleducation.gov.au/research/International-Student-Data/Pages/InternationalStudentData2018.aspx#Pivot_Table.

wave of growth first began, it represents almost 70 per cent growth. While this level of growth is still very healthy, this could represent a natural slowdown from record growth in 2017. Bilateral tensions may also be influencing Chinese students' decision to study in Australia, coupled with China's investment in its own education system.[11]

China is undergoing a transformation to what it terms a moderately prosperous society. As disposable incomes rise, China's growing middle class aspires to quality health care and education, more sophisticated financial services products and the opportunity to travel.[12] In this context, China is continuing its significant reform and modernisation of its education sector. Under its *Education Development 13th Five-Year Plan* (2015–2020), China is investing heavily in its universities to enhance performance in international rankings and become globally competitive in international education.

Investment in its university system has already improved China's overall position in global university rankings and China's movement up the global rankings is likely to continue. China's two top-ranked universities, Tsinghua University and Peking University, now rank higher than Australia's top ranked universities in some global university rankings. In 2019, China had three universities in the Times Higher Education World Rankings top 100,[13] six universities in the QS World Rankings top 100,[14] and three universities in the top 100 of the Academic Rankings of World Universities (ARWU).[15]

Since 2004, China has become a key research partner for Australian universities and, according to University of Queensland's Chancellor, Peter Varghese, 'research collaboration between Australian and Chinese scholars will only increase'.[16] Chinese universities, which are attracting high quality academic teachers and researchers, are now demonstrating a growing capacity to deliver high-quality education. China is also showing a growing capacity to deliver international education, and is the third largest destination country for international students after the US and UK.[17] According to University of NSW's Vice Chancellor Professor Ian Jacobs, China is establishing more universities, 'and those are getting much better quality, very rapidly … The Chinese government understands education is everything if they are going to be the high tech country they aspire to be'.[18]

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11 Sian Powell (2019), 'Chinese interest wanes amid changing priorities', *The Australian*, 6 March, p. 26.

12 More information is available in Ross Garnaut (2018), '40 years of Chinese economic reform and development and the challenge of 50' in Ross Garnaut, Ligang Song and Cai Fang (eds.), *China's 40 Years of Reform and Development: 1978–2018*, pp. 29-51, available at https://press-files.anu.edu.au/downloads/press/n4267/pdf/book.pdf.

13 See https://www.timeshighereducation.com/world-university-rankings/2019/world-ranking#!/page/0/length/25/locations/CN/sort_by/rank/sort_order/asc/cols/stats.

14 See https://www.topuniversities.com/university-rankings/world-university-rankings/2019.

15 See http://www.shanghairanking.com/ARWU2018.html.

16 Peter Varghese (2018), 'The China balancing act for university prosperity', *The Australian*, 10 October, p. 28.

17 Hang Gao and Hans de Wit (2017), 'China and international student mobility', *International Higher Education*, 90, available at https://ejournals.bc.edu/index.php/ihe/article/view/9992/8676.

18 Jordan Baker (2019), 'A knowledge race: Australian universities set to suffer drop in students from China', *The Sydney Morning Herald*, available at https://www.smh.com.au/education/a-knowledge-race-australian-universities-set-to-suffer-drop-in-students-from-china-20190301-p5113e.html.

Despite the Chinese government's strong investment in its higher education sector, all indications suggest demand for internationally-recognised, quality education from China's rising middle class will increase. According to a Deloitte Access Economics report, increased urbanisation and average incomes in developing economies such as China 'will propel large volumes of people into contention for international education, and at a time when the global economy's demand for high-skilled workers is increasing sharply'.[19] While this demand will continue to exceed China's own supply capacities for the near future, for a Chinese student the proposition of an overseas education experience is not just about a lack of enrolment capacity in China's higher education system. The international education proposition is much more about aspirational lifestyle, prestige, and opportunity.

Australia is still experiencing strong growth in Chinese student enrolments. According to Jacobs, 'Demand is still very high, and [demand for] postgraduates is higher than ever. I am not sure if we have yet hit the peak. More and more students from China want opportunities and their system cannot yet respond to demand'.[20]

Yet, others suggest the increase in Chinese student numbers will slow in a range of overseas destination countries. According to a 2019 report in the *University World News*, 'While very difficult to predict, it is quite likely the numbers of Chinese students going abroad to several of the key receiving countries will slow or even decline'.[21] Similarly, as Varghese warns, 'In the short to medium term it is more likely than not that demand will remain strong. But, like any market, the market in international students can be cyclical and influenced by external factors'.[22] These could include rising tensions in the US-China relationship, which could raise Australian international education as a substitute, or rising tensions in the Australia-China relationship, which could have the opposite effect.

1.3 Sectoral engagement with China

The international marketplace views Australia's high quality education system favourably. This is particularly so in China. The past 30 years have seen strong growth in education partnerships between Australia and China's higher education sectors, and higher education is our most rapidly growing sector in terms of Chinese international student enrolments. The close ties with China in the higher education sector, as well as the strong growth in Chinese overseas students in higher education, provide an excellent foundation for other sectors to build on. These include Vocational Education and Training (VET), Schools, and English Language Intensive Courses for Overseas Students (ELICOS), which already enjoy a high level of bilateral cooperation, including many collaborative partnerships.

19 Deloitte Access Economics (2015), *Growth and opportunity in Australian international education*, available at https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-growth-opportunity-australian-international-education-011215.pdf.

20 'A knowledge race'.

21 See, for example, Philip G Altbach (2019), 'The coming 'China crisis' in global higher education', *University World News*, 6 April, available at https://www.universityworldnews.com/post.php?story=20190403104242366.

22 'The China balancing act'.

Vocational Education and Training

Australia and China have enjoyed a long history of cooperation in the VET sector and have continued to do so through the MoU between the Australian and Chinese governments on cooperation in VET, signed in 2017. Australian public and private providers have been partners with Chinese institutions to deliver both non-award and full qualifications in China for more than two decades. A flagship collaboration has been the Australia China Chongqing Vocational Education and Training Project that ran from 2002–2007 with government funding from both countries. Australia-China cooperation in VET has taken place, or continues to take place, in many forms including:

- Joint institutes and joint programs for delivery of formally approved Sino-foreign joint sub-degree level programs in China. The MoE issues a 'Chinese-Foreign Cooperative Education License' and lists details of the approved programs on the relevant part of its Jiaoyu Shewai Jianguan Xinxi Wang (JSJ) website,[23]
- TAFE Directors Australia's MoU with the China Education Association for International Exchange (CEAIE) in 2008, to develop the Vocational Leadership Training Program that delivered training for Chinese leaders of vocational institutes between 2010-2015, and
- The Australian Skills Quality Authority's MoU with CEAIE, signed in 2015, to coordinate joint audits of Australian vocational qualifications delivered in China in partnership with Chinese institutions.

China's elevated focus on VET or Technical and Vocational Education and Training (TVET) reform, as articulated through the *2019 Implementation Plan for TVET*, coupled with the difficulty of delivering full sub-degree Australian Qualifications Framework (AQF)-accredited qualifications offshore, will likely see a shift away from the traditional joint program model. China is also encouraging foreign institutions to focus on a smaller number of partners, and develop broader, deeper partnerships.

Chinese institutions are seeking support to develop a curriculum that is appropriate for a Chinese workplace, and aspires to a global standard. Australian TAFEs and private vocational education providers are focussed on working with Chinese institutions in a knowledge transfer and capability building capacity, as well as partnering with industry and government to provide bespoke skills development support, appropriate for local circumstances. Partnerships are also likely to focus on innovation, technology transfer, and staff and student support.

23 This is available at http://www.jsj.edu.cn/.

CASE STUDY 2

Queensland College – A vocational training education cooperative project

Queensland College is a Vocational Training Education Cooperative Project jointly established by Shanghai Second Polytechnic University (SSPU) and TAFE Queensland (TQ) in September 2000.

Under this project, trainers from both Australia and China work closely to meet teaching requirements of both sides, and the curriculum design must meet the requirements of the Chinese education authorities and the relevant industry bodies as well as the Australian regulator, Australian Quality Skills Authority (ASQA).

The project has demonstrated benefits to both countries, such as raising the profile of Australia's VET system in China, and embedding Australia's competency-based training concept and quality assurance system.

Since the establishment of this cooperation, 202 teachers from TQ have delivered teaching in Queensland College, and 65 teachers from SSPU have been to Australia for teacher training and further study. There have been Chinese 135 students who have travelled to Australia to continue their study.

While the program initially commenced in Brisbane, for a number of years Cairns has been the base of the SSPU students. In Cairns, they do a six-week program at TAFE, before starting six-week internships with local businesses.

According to TQ North international business manager Mark McCarthy, the difference in environment is marked: 'The SSPU students appreciate that their studies at TAFE and work experience in Cairns will be highlights that they can include in their portfolios when they return to China and seek employment with companies specialising in public relations and marketing to international businesses'.

Since its inception in September 2000, the dual diploma program across five discipline areas have benefited more than 3,000 graduates in China, who have now become contributors to China's developing economy.

Schools

China has the largest number of international schools in the world—over 800—and there is an expectation of continued growth.[24] As outlined in a report by NSW Government's Education Standards Authority (NESA) and Nous Group, the delivery of Australian school education in China operates on several levels, including partnerships with Chinese government schools or private providers to deliver Year 12 certificate education.[25]

Australian school education has a growing presence in China, including a range of state and territory engagement. For example:

- Victoria is the largest Australian provider of secondary school education involved in offshore delivery, with 9 Victorian schools delivering 27 VCE programs in China,[26]
- South Australian delivery of the South Australian Certificate of Education (SACE) represents the second largest program, with seven partnerships delivering the SACE International. Both the VCE and SACE are offered in a northern hemisphere timetable model to suit Chinese schooling,
- The Western Australian Certificate of Education (WACE) has three programs in China, and
- The Australian Capital Territory's Education Certificate is delivered in one program in Shanghai.

There are key market opportunities in China that offer particularly strong potential for Australian school agencies and providers seeking to export school curriculum, assessment and regulatory products.

English Language Intensive Courses for Overseas Students

In 2018, ELICOS experienced 5 per cent growth in onshore enrolments from China (to 47,716). Almost 145,000 Chinese students pursued an English language course in one of eight major English Language Teaching (ELT) destinations, and in 2018, Australia had the second highest number of student weeks in ELICOS from these students.[27]

Parallel to the growth in onshore ELICOS enrolments is the growth in competitor bilingual schools and foundation course offerings in China. Students undertaking such courses are less likely to require enrolment in ELICOS programs prior to commencing their university or higher education studies in Australia. In addition, Chinese students generally prefer to

24 This figure includes bilingual schools. See ISC Research (2018), *ISC market research data*, available at https://www.iscresearch.com/data.

25 NSW Government Education Standards Authority and Nous Group (2019), *Final report: International opportunities for Australian school curriculum, assessment and regulatory products*, available at https://internationaleducation.gov.au/International-network/Australia/InternationalStrategy/EGIProjects/Documents/Final%20report_International%20opportunities%20for%20Australian%20schooling_Nous_2019.pdf.

26 Victoria State Government (2018), *Victoria's China strategy: Progress report 2018*, available at https://www.vic.gov.au/sites/default/files/2019-01/Victorias-China-strategy-progress-report.pdf.

27 More information is available at https://www.englishaustralia.com.au/market-intelligence/monthly-market-reports; English Australia (2018), 'Raising the profile in China of Australia's excellence in the delivery of English language training', available at https://internationaleducation.gov.au/International-network/Australia/InternationalStrategy/EGIProjects/Documents/Raising%20the%20Profile%20in%20China%20in%20English%20Language%20Training%20FINAL.pdf.

opt for traditional, in-country and in-classroom tuition. In-country delivery has developed over the past decade to offer a competitive and convenient choice.

Online learning of English has also been steadily growing in China, despite the fact that it does not deliver formal qualifications. According to a recent report by English Australia, in 2017 approximately 25.8 million Chinese had learned English online, with the market growing at an average annual rate of 20 per cent in the last decade.[28]

1.4 Research engagement with China

China has been Australia's key partner in research collaboration in many areas of advanced technological development, innovation and commercialisation. Collaboration occurs through many forms including through individual researchers, universities, and industry and government research organisations.

Research output is a key driver of international university rankings, which is an important component of Australian institutions' attractiveness to potential international students and researchers. Australian universities are ranked among the world's best, which attracts high quality international PhD students, including those from China. This flow of Chinese postgraduates, as outlined earlier, increases Australia-China research collaboration and taps into global Chinese academic networks.

It is difficult to overstate the depth and speed of research engagement between Australian universities and their counterparts in China. This has skyrocketed from minimal engagement 20 years ago to, as shown in Table 2, China becoming our second most important research partner behind the US. Moreover, Australia is China's third largest partner in research collaboration between 2016–2018, measured in terms of number of co-authored publications.

Table 2 – Australia-China research collaboration (2016–2018)

Number of joint publications	Top collaborating disciplines	Australia's top collaborating countries	China's top collaborating countries
34,137 (21%) of 162,397 joint publications	Engineering (9,842) Computer Science (6,443) Material Science (6,008) Physics and Astronomy (4,637)	US (45,578) China (34,137) UK (33,535)	US (154,967) UK (38,730) Australia (34,137)

Source: www.SciVal.com – 19 June 2019.

28 Ibid.

In 2018, Australian universities had 1,741 formal agreements with Chinese universities, which is more than with universities in any other country.[29] The majority of these agreements include academic or research collaboration, and the Chinese institutes with the most agreements with Australian universities include the Chinese Academy of Sciences, Fudan University, Shanghai Jiao Tong University and Tsinghua University.

CASE STUDY 3

ARC Research Hub for computational particle technology

The ARC Research Hub for Computational Particle Technology is an excellent example of bringing together world-class, multidisciplinary teams of university scientists collaborating with many leading industry partners on research and development projects to drive industry growth, productivity and competitiveness. Headed up by Professor Aibing Yu and based at Monash University, the $12.9 million dollar research hub focuses on generating new theories, computer models and simulation techniques through close collaboration with four leading international companies, three of which are Chinese: Jiangsu Industrial Technology Research Institute (JITRI), Rio Tinto, Baosteel and Longking.

This research hub aims to develop and apply advanced theories and mathematical models to design and optimise processes that are widely used in the minerals and metallurgical industries. These will be achieved through detailed analysis of the fundamentals governing fluid flow, heat and mass transfer at different time and length scales, facilitated by various novel research techniques. One of the examples is that the hub works to optimise the ironmaking process to reduce the energy inputs as well as reduce carbon dioxide emissions.

Through comprehensive collaborative efforts, this research hub will provide significant economic and environmental benefits to industry, such as blast furnace ironmaking, the main process for producing iron ore for the steelmaking industry. It also aims to generate a significant impact across a range of emerging industries of vital importance to Australia's economic and technological future.

Outside of the university environment, Australian industry partners and researchers also collaborate with China on science, technology and innovation through the Australia-China Science and Research Fund (ACSRF).[30] The ACSRF is one of only two country-specific research funds supported by the Australian Government[31], and is jointly funded by the Australian Government Department of Industry, Innovation and Science and the Chinese Ministry of Science and Technology. The ACSRF facilitates activities that support enduring partnerships between researchers, encourages the application and commercialisation of research outcomes, and provides early career

29 See https://www.universitiesaustralia.edu.au/policy-submissions/international/international-links-member-universities/.

30 Further information on the ACSRF is available at http://www.science.gov.au/acsrf.

31 The other country-specific research fund is the Australia-India Strategic Research fund (AISRF).

researchers the opportunity to gain relevant Australia-China research experience. It achieves this through three key elements:

- Joint Research Centres, which are virtual centres linking Australian and Chinese research institutions conducting research-related activities identified as priority areas by the Australian and Chinese governments,
- Thematic science workshops, seminars and symposia, including the long-standing Australia-China Science Academies Symposia Series, which seek to strengthen cooperative research links between Australia and China in areas of mutual interest, and
- Exchange programs, including the jointly funded Young Scientists Exchange Programme for early to mid-career researchers, which provide opportunities for researchers from Australia and China to undertake exchange to establish linkages with a range of research organisations and learn about the science and research environments of each country.

In April 2019, the Australian Government announced a $4.7 million boost to the ACSRF. This will strengthen innovation and science links with China to help tackle challenges facing key industry sectors, with a focus on developing medical and alternative energy security technology. In agreement with the Chinese Government, the funding will support Joint Research Centres on priority areas, and reflects both Australian and Chinese industry growth sectors, as well as science and research priorities.

Government-to-government engagement on science stretches back almost four decades with a treaty on science and technology cooperation signed in 1980. Joint research funding arrangements between Australia and China have been in place since 2001. The Australian Government's Commonwealth Scientific and Industrial Research Organisation (CSIRO) has been working with China for over 40 years. The longest-standing partner in that time has been the Chinese Academy of Sciences (CAS), which first established relations with CSIRO in 1975. Since then there have been great benefits for both countries through research collaborations, staff exchanges and new scientific and technological innovations. As well as CAS, CSIRO also works with many other partners in China, including government bodies and state-owned enterprises, universities and commercial companies.

Research collaboration benefits all participants. This is demonstrated through the SciVal Field-Weighted Citation Impact (FWCI), which is a measurement of research impact. China has a FWCI of 1.01 for research that is not co-authored (meaning that it is cited 1 per cent more than world average), but 2.40 for joint publications with Australia (i.e. cited 140 per cent more than average for equivalent research).[32] As shown in Table 3, the FWCI of papers co-authored by Australia and its top collaborating countries is significantly higher than any of the individual countries.

32 See https://www.scival.com/.

Table 3 – Field Weighted Citation Impact (FWCI) for Australia's three major collaboration partners

Country	Joint publications with Australia (2016–2018)	Individual FWCI	FWCI for collaborations with Australia
USA	45,578	1.41	2.96
China	34,137	1.01	2.40
UK	33,535	1.58	3.12

Source: SciVal – 19 June 2019.

Notwithstanding the reciprocal benefits of research collaboration, there has been media and other public commentary suggesting there are security risks arising from collaboration between university researchers in Australia and Chinese scientists affiliated with the People's Liberation Army. It is argued these collaborative research activities may facilitate technology transfer in the security and military sphere.[33] While it is important to continue to encourage more research collaboration between universities and academics, Australia should also establish rules and mechanisms to safeguard academic values and integrity in areas of research that may present risks to Australia's national interests, as identified by Australia's intelligence agencies.

1.5 Trends in student mobility: Australia to China

The Australian Government is committed to supporting international student mobility through a range of scholarships, fellowships and grants, including the New Colombo Plan, where China has been a key destination. These and other initiatives are helping to lift knowledge of China in Australia and strengthen people-to-people and institutional relationships, through study and work integrated learning undertaken by Australian undergraduate students.

According to the most recent available data from the MoE, 5,070 Australian students were studying in China in 2017. The latest Australian Universities Student Mobility survey (undertaken by the Australian Universities International Directors' Forum) shows that in 2016 China was the most popular Asian destination and the second most popular study abroad destination globally, after the United States.[34]

33 See, for example, Alex Joske (2018), *Picking flowers, making honey: The Chinese military's collaboration with foreign universities*, available at https://www.aspi.org.au/report/picking-flowers-making-honey.

34 See https://internationaleducation.gov.au/International-network/china/publications/Documents/China%20Country%20Brief%20-%20September%202018.pdf.

Table 4 – Australia to China student mobility supported by Australian Government scholarships

Student mobility programs – Australia to China		
Endeavour Scholarships and Fellowships	2007–2018	171
New Colombo Plan Scholarships	2014–2018	49
Endeavour Mobility Grants	2008–2018	3,760
New Colombo Plan Mobility Grants	2014–2018	4,674

Sources: Department of Foreign Affairs and Trade, and Department of Education.

Note: Scholarships and Fellowships are awarded to individuals, and Mobility Grants are awarded to institutions/universities.

1.6 Federal and State and Territory Government engagement

While China is the biggest market for Australian education services, there is comparatively limited awareness of the extensive Australian governmental activities in China. In an effort to improve coordination between government and the education services sector, the Department of Education, as Secretariat for the Working Group, conducted a stocktake on relevant federal, state and territory governments' engagement with China. The results are reflected in the sections below.

Formal agreements

There is a broad range of agreements between Australian Government agencies and federal and provincial governments across China. Federally, the Department of Education has a number of formal MoUs with the Chinese MoE, including MoUs in vocational education and training, student mobility, and qualifications recognition. Each MoU has strong joint working group (JWG) processes in place with China, which will be elevated as part of a new MoU in Strategic Collaboration currently under negotiation between the Department of Education and the Chinese MoE.

Underpinning the formal agreements and associated JWGs in education is the Department of Education's strong, regular and close engagement with the Chinese Embassy in Canberra and the MoE, through the Australian Embassy in Beijing. The Department of Education also enjoys a strong and mutually beneficial relationship with other Chinese agencies, including the Ministry of Human Resources and Social Security (MOHRSS), the Ministry of Science and Technology, and the China Education Association for International Exchange (CEAIE), as well as through bilateral and multilateral fora. At the state and territory level, there are several broader bilateral agreements signed with both national and state government counterparts in China that incorporate education, training and research elements. These agreements involve close liaison with counterpart Chinese agencies and Consul-Generals, as well as education industry stakeholders, in the relevant states and territories.

Current strategic frameworks

At the federal level, strategies that provide overarching guidance for education, training and research engagement with China include the Department of Education's *National Strategy for International Education 2025*; Austrade's *Australian International Education 2025 Roadmap* (AIE2025); DFAT's *Australian Global Alumni Engagement Strategy*; and the Department of Industry, Innovation and Science's *Global Innovation Strategy*. The *2016 Defence White Paper* examines Australia's engagement with China and seeks to deepen and broaden the defence relationship, while recognising that strategic interests may differ in relation to some regional and global security issues.

States and territories also have their own overarching strategies for international education, or are in the process of developing these strategies, which inform their approach to education, training and research engagement with China. Queensland's *International Education and Training Strategy to Advance Queensland 2016–2026* acknowledges China represents a high proportion of Queensland's international students, and broadly identifies China as a priority location for the state's offshore education network. Likewise, one of the three enabling initiatives of Queensland's strategy, the *2018–19 Global Partnership Plan*, identifies China as a high priority market. The *Partnership Plan* also prioritises a focus on strategic cities and regions including Shanghai, Chengdu, Chongqing and Guangdong.

In 2016, Victoria launched its *China Strategy*, in tandem with its *International Education Sector Strategy*. The *China Strategy* has a strong international education focus and includes supporting Victorian providers to build new research collaborations and to deliver courses in China, including the Victorian Certificate of Education (VCE). The latest *China Strategy* progress report, released in 2018, states there has been a 38 per cent increase in enrolments in Victorian classes and courses from Chinese students between 2016 and 2018, with over 77,000 students studying Chinese across Victorian Government Schools, representing a 21 per cent increase.[35] The progress report also states 27 schools in China are delivering the VCE in partnership with seven Victorian schools, across 15 Chinese provinces and municipalities.[36]

The New South Wales Government's *China Strategy*, which is a priority action under the *NSW International Engagement Strategy* (2013), has a specific focus on education.[37] Recognising education services are a mainstay of the economic relationship between China and NSW, the strategy notes NSW has the largest share of the Australian international education market, with strong growth in student enrolments from China, in all sectors. Recognising there is growing competition from tertiary institutions around the world, the strategy confirms that the NSW Government is currently investigating options to continue to support engagement with China, including opening onshore campuses in China and targeting students seeking specialised training at centres of excellence.

35 More information is available at https://www.vic.gov.au/sites/default/files/2019-01/Victorias-China-strategy-progress-report.pdf.

36 Ibid, p.7.

37 NSW Government (2013), *China strategy: NSW international engagement strategy*, available at https://www.industry.nsw.gov.au/__data/assets/pdf_file/0005/106187/NSW-China-Strategy.pdf.

Other states and territories have strategy documents referring to China, though there is less focus on the education market in China. The Australian Capital Territory Government's international education strategy, *Canberra: Australia's Education Capital* (2016), notes the ACT has a number of sister city relationships with key cities in China, including Beijing and Shenzhen, and a close relationship with Hangzhou.[38] The ACT strategy also observes while China is the top source country for onshore international students in Canberra, the scale of this opportunity will change, as the population of Chinese 15 to 19 year olds is expected to decline over the next ten years, and as China is now offering its own English language programs in-country.[39]

The South Australian Tourism Commission launched a China engagement strategy in 2013, *Activating China 2020*, which looks to deepen economic and cultural engagement.[40] While education is not a key focus of the strategy, it notes a large proportion of visitors from China arrive here for education purposes. A China Strategy Team within the Department of Premier and Cabinet, providing a centralised approach to maximise South Australia's engagement with China, reflects China's position as South Australia's largest trading partner and top export market for international education.

1.7 Key competitors

A number of countries are pursuing increased engagement with China, as it is one of the largest source countries for international students. China is identified as a market of focus in the international education strategies of the UK, Canada, Germany and New Zealand. Chart 1 shows the distribution of Chinese international students among the top five destination countries.

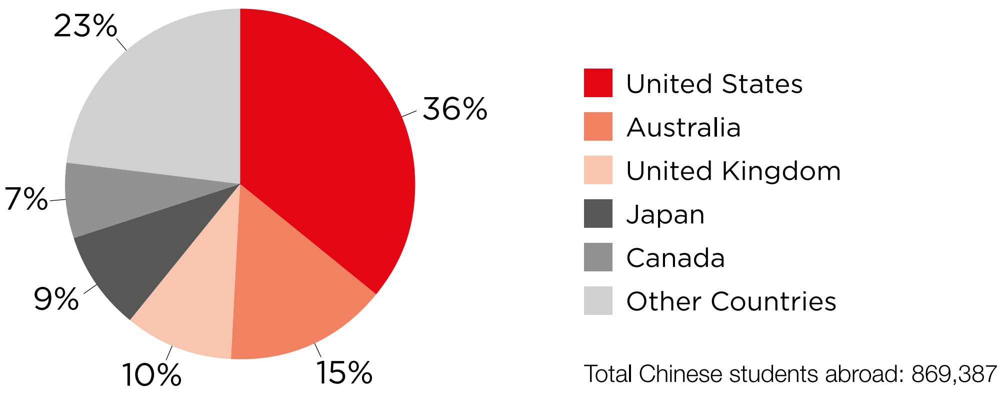
To support and grow engagement with China, many countries also have high-level dialogue mechanisms in place on education, which provide a strong platform for advancing the cooperation and level of engagement. They also have significant government-to-government bilateral agreements and programs vis-à-vis China, and these support institutional partnerships and projects, of which there are many. Governments of other competitor countries engage with China education at very elevated levels of seniority and invest large amounts in promoting their national education brand in China.

38 ACT Government (2016), *Canberra: Australia's education capital*, available at https://www.business.act.gov.au/__data/assets/pdf_file/0006/980529/160830_International_Education_Strategy_WEB.pdf.

39 Ibid, p. 17.

40 More information is available at https://tourism.sa.gov.au/documents/CORP/documentMedia.ashx?A=%7B3DEDBF6D-F230-420A-B805-A97F3E2346D9%7D&B=True.

Chart 1 – Top five destination countries of Chinese students studying abroad, 2017



Source: http://uis.unesco.org/en/uis-student-flow.

United Kingdom

In 2019, the UK released a new international education strategy, which regards China as a very important market for international education and prioritises it as one of the four 'high-value' regions to focus recruitment campaigns.[41] In terms of partnerships with China on education, the UK government has increased its activity and investment significantly over the past decade.[42] The UK has a people-to-people dialogue with China (the China-UK High-Level People-to-People Exchange Mechanism)[43], which has incorporated an irregular ministerial level China-UK Education Summit, aimed at boosting student mobility and research exchange.[44] In addition, UK-China Regional Leaders' Summits are held to boost cooperation, including on education, comprising delegations of government leaders, senior academics and business executives from both countries and between different regions and cities in China and the UK.[45]

41 HM Government (2019), *International education strategy: Global potential, global growth*, available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/799349/International_Education_Strategy_Accessible.pdf.

42 See Cecily Liu (2018), 'Chinese and British university heads urge further collaboration', *China Daily*, 4 June, available at http://europe.chinadaily.com.cn/a/201806/04/WS5b150243a31001b82571e0de.html; Mark Boylan, Bronwen Maxwell, Claire Wolstenholme, Tim Jay, and Sean Demack (2018), 'The Mathematics Teacher Exchange and 'mastery' in England: The evidence for the efficacy of component practices', *Education Sciences* 8 (4), 202, available at https://www.mdpi.com/2227-7102/8/4/202/htm; British Council (2016), 'UK and China agree long-term ambitions for education plans', 7 December, available at https://www.britishcouncil.org/contact/press/uk-and-china-agree-long-term-ambitions-education-plans.

43 This dialogue mechanism is one of the UK's three major ministerial dialogues with China, along with the Economic and Financial Dialogue, and Strategic Dialogue. It covers 10 policy strands including education, science, health, tourism, sport, culture and creative industries, youth, regional cooperation, social equity and women's equality. See UK Government Press Release 'Joint UK-China strategy for science, technology and innovation cooperation sets new horizons for closer international collaborations', available at https://www.gov.uk/government/news/joint-uk-china-strategy-for-science-technology-and-innovation-cooperation-sets-new-horizons-for-closer-international-collaborations.

44 Beckie Smith (2015), 'UK-China agreements signal 'new phase of education collaboration'', *The Pie News*, available at https://thepienews.com/news/uk-china-agreements-signal-new-phase-of-education-collaboration/.

45 Government UK (2016), 'Bilateral cooperation boosted at UK-China Regional Leaders Summit', 16 October, available at https://www.gov.uk/government/news/bilateral-cooperation-boosted-at-uk-china-regional-leaders-summit.

In higher education, there has been a rapid expansion of Chinese-UK joint programs and institutes over the last two decades. In 2017, it was reported that cooperation with UK partners makes up more than one fifth of all Chinese-foreign joint programs and institutes at bachelor's degree level and above.[46] In VET, Sino-UK cooperation is on the rise. For example, a 'China-UK Forum on Vocational Skills Development' was held in 2017, bringing together representatives from government, industry bodies, businesses and vocational colleges in China and UK.

At the schools level, both the UK curriculum and British schools have a significant presence in China. According to a 2018 report, of the 1028 international schools in China, 54 per cent are private schools that are using British courses.[47] The British Council is working hard to create a strong positive perception of British education, with high brand awareness.

The UK also has initiatives focussed on increasing the number of UK citizens with China literacy and Mandarin language skills.[48] For instance, the UK-Mandarin Excellence Program, which was launched in 2016, aims to increase the number of secondary school pupils in the UK with fluency in Mandarin.

United States

The US has the China-US Social and People-to-People Dialogue, the first of which was held in September 2017, co-chaired by a Chinese Vice Premier and the US Secretary of State. This first meeting resulted in a joint statement and action plan with over 130 outcomes, which included an education focus.[49]

In higher education, the US has around 321 active joint programs and 25 joint institutes with China, among other partnerships. According to the Cross-Border Education Research Team (C-BERT), there were 14 US foreign branch campuses in China in 2017.[50] There is also the US-China Fulbright program, which is the main international education exchange program sponsored by the US government designed to enhance understanding between the US and China.[51]

46 British Council (2017), 'Research on Current UK-China Transnational Education: From the Perspective of Administrators and Students', available at https://education-services.britishcouncil.org/sites/siem/files/field/file/news/2017%20BC-CEAIE%20Joint%20Research%20Report%20of%20UK-China%20TNE.pdf.

47 TopSchools (2018), *China International Schools Map 2018*, available at http://www.topschools.cn/research-details?_l=en&product_id=831.

48 HM Government (2019), *International education strategy: Global potential, global growth*, available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/799349/International_Education_Strategy_Accessible.pdf, p. 24

49 Ministry of Education of the People's Republic of China (2017), 'First China-US Social and People-to-People Dialogue held in Washington', available at http://en.moe.gov.cn/News/Top_News/201803/t20180316_330231.html

50 C-BERT (2017), 'Branch campuses', available at http://cbert.org/resources-data/branch-campus/.

51 US Embassy & Consulates in China, 'Fulbright Program', available at https://china.usembassy-china.org.cn/education-culture/academic-exchanges/fulbright-program/.

In student mobility, the US government launched the '100,000 Strong Initiative' in 2010, to offer scholarships to Americans to study in China, with Chinese government support.[52] There is also the US-China Fulbright program, which is the main international education exchange program sponsored by the US government designed to enhance understanding between the US and China.[53]

In 2012, the third China-US High-Level Consultation on People-to-People Exchange launched the Fulbright Foreign Language Teaching Assistance Program, sponsored by the US Government and enabling students in the US to learn Chinese from Chinese instructors.

In schools, the US is making significant inroads into the Chinese market through private service providers, Advanced Placement (AP), American College Test (ACT) and SAT systems. According to a 2018 report, the AP is the most popular type of international curriculum in China, with 355 schools in China adopting this curriculum, including 156 private international schools and 145 international departments of public schools.[54]

Finally, it is significant that US institutions are increasingly willing to use agents to secure student numbers, which is a practice pioneered by Australia and historically shunned by US institutions. According to the American Council on Education, this went from 17 per cent of US providers in 2011 to 45 per cent in 2016.[55] With more US client providers to service, agents are in a position to present more US institutions to prospective students, which may affect Australian providers who also largely rely on agents.

Canada

In 2019, Canada launched its new international education strategy, which includes China as a focus. While Chinese student enrolments are flattening out in Canada after a period of growth, China remains a dominant source country for overseas students.[56]

In transnational education, Canada has four key joint education programs with China:

- Banting Postdoctoral Fellowships, providing funding for postdoctoral study, both nationally and internationally,
- Canada-China Scholars Exchange Program, which comprises scholarships for Canadians to study in China,
- Mitacs Globalink, providing travel funding between Canada, China and other countries, and
- Vanier Canada Graduate Scholarships program, to attract highly qualified doctoral students.

52 See https://100kstrong.org/.

53 US Embassy & Consulates in China, 'Fulbright Program', available at https://china.usembassy-china.org.cn/education-culture/academic-exchanges/fulbright-program/.

54 See *China International Schools Map 2018*.

55 American Council on Education (2017) 'Mapping internationalization on US campuses', available at https://www.acenet.edu/news-room/Documents/Mapping-Internationalization-2017.pdf.

56 ICEF Monitor (2019), 'Canada's foreign student enrolment took another big jump in 2018', available at http://monitor.icef.com/2019/02/canadas-foreign-student-enrolment-took-another-big-jump-2018/.

Canada has two major education and exchange agreements, which are Canada-China Science and Technology Agreement for cooperation in scientific and technological research, and Canada-China Scholars' Exchange Program. There is also the Canadian International Innovation Program supporting collaborative industrial research and development projects with commercialisation potential between Canada and partner countries, of which China is one.[57]

In higher education, Canadian and Chinese universities have forged many partnerships, with eight active joint institutes and 122 active joint programs. In the Schools sector, Canada has over 160 international schools (including private international schools and public schools with international departments) offering a Canadian curriculum in 28 provinces and municipal cities across China.[58] Canadian offshore schools are considered as a source for jobs for certified Canadian teachers and prospective students for Canadian universities and colleges.[59]

Germany

Germany, with its *China Strategy 2015–20: Strategic Framework for Cooperation with China in Research, Science and Education*, is another strong competitor in international education cooperation with China, particularly in VET, and science and research.[60] For example, Germany established a High-Level People-to-People Exchange Dialogue Mechanism, at Chinese Vice Premier level in 2017, covering five portfolios including education, culture, media, sport and youth.

Since 2004, there has been a Strategy Dialogue on Education Policy and, since 2011, a German-Chinese Alliance for VET.[61] Germany's 'dual-system', that combines classroom-based learning in state-run vocational schools with practical experience acquired through an apprenticeship system in which companies agree to train inexperienced workers on the job, has an excellent reputation in China. Leveraging off this, the German Federal Ministry of Education and Research, which supports Chinese government and industry partners in the reform of the Chinese VET system, is elevating its cooperation with China and is actively providing significant opportunities for German institutes to contribute to China's ambitious VET reform agenda.

Germany and China regularly hold bilateral intergovernmental consultations, during which a number of joint declarations have been signed between partner ministries. For instance, in 2011, the two countries agreed to establish the Sino-German Innovation Platform to facilitate dialogue on current developments in innovation systems and discuss innovation policy.[62]

57 See https://www.tradecommissioner.gc.ca/funding-financement/ciip-pcii/index.aspx?lang=eng.

58 See *China International Schools Map 2018*.

59 Canada China Business Council, 'Education', available at https://ccbc.com/research-reports/sector-research/education/.

60 German Federal Ministry of Education and Research (2015), *China Strategy 2015-20: Strategic framework for cooperation with China in research, science and education,* available at https://www.bmbf.de/upload_filestore/pub/China_Strategy_Longversion.pdf.

61 Ibid, p 17.

62 More information is available at https://www.plattform-innovation.de/en/.

New Zealand

New Zealand, which has experienced unprecedented growth in international students over the last five years, is expecting further growth. However, according to New Zealand's international education strategy, the number of Chinese students is expected to decline after 2025.[63] Given this scenario, New Zealand remains alert to attracting students from a range of other markets, including both new and established markets.

Regarding transnational education, New Zealand has been escalating its efforts with China. New Zealand and China are part of a Strategic Education Partnership Agreement, which is a platform for deeper and broader collaboration between the professional and education and training sectors of both countries. In October 2018, New Zealand hosted the sixth Annual Sino New Zealand Model Programme Symposium to share research and discuss collaboration in vocational education.[64]

Since 2005, New Zealand has had a Tripartite Fund in support of development of strategic research relationships between New Zealand and China in a wide range of subjects including the arts, humanities, social sciences, sciences and applied sciences (including agriculture, food safety, conservation, forestry, advanced materials engineering and environmental science).

1.8 Summary

The Australia-China education relationship can boast a broad and sustained engagement and, in recent years, has showed resilience despite tensions in the broader bilateral relationship. Engagements at all levels of the education sector, as well as the government-to-government level, have been generally positive and fruitful. Australia has become a key partner for China in terms of research collaboration. From a very low base 20 years ago, China is now our second most important research partner. In VET and the Schools sector, Australian providers have been collaborating with Chinese institutions to deliver education training in China. In Australia, student numbers from China have grown dramatically since 2014, especially for onshore higher education and school-aged students. However, as China seeks to lift its domestic education capacity to match increasing demand, and become an international education destination in its own right, Australia will need to focus on a stronger strategic contribution to China's program of building capacity across its education sectors.

63 New Zealand Government (2018), *International education strategy 2018-2030*, available at https://enz.govt.nz/assets/Uploads/International-Education-Strategy-2018-2030.pdf, p. 11.

64 New Zealand Education (2018), 'China and New Zealand discuss vocational collaboration' available at https://enz.govt.nz/news-and-research/ed-news/china-and-new-zealand-discuss-vocational-collaboration/.

There is an imperative to act quickly on this opportunity, as key competitors are actively engaging to play this role. Education is a priority in the bilateral relationships between our competitors and China, and is often backed by high-level government representation and associated dialogue mechanisms. In addition, many are advancing their bilateral engagement by focussing their efforts on China's key education priorities including the development of regional institutions, significant reform of VET and desire for deepened research.

This level of government involvement in cooperative education activities with China is a key difference from that of Australia. To ensure it can compete, Australia should consider increasing government engagement with Chinese counterparts, and ensure greater coherence between federal, state and territory government activity with China occurring concurrently. Australia should also consider establishing a high-level people-to-people (P2P) dialogue to encourage greater cooperation between government and non-government stakeholders. This has clearly delivered benefits to the education relationships of other countries that have pursued P2P dialogues with China, and a similar approach would demonstrate the strength of the Australia-China education relationship.

2. DIVERSIFICATION OF EDUCATION TIES BETWEEN AUSTRALIA AND CHINA

While international education is primarily about changing lives and providing opportunities, as well as enhancing the local learning environment, its scale and scope can also be understood in economic terms. In 2018, the Australian international education sector was worth $35 billion to the Australian economy, an increase of 16 per cent on 2017, making it Australia's third largest export industry. As the largest economy in Asia and the second largest in the world in terms of GDP, China is Australia's largest source country for onshore higher education and school-aged students.

Given the importance of China, a key focus of the Working Group's research and deliberation process was to identify the most significant opportunities for increased and diversified engagement with China. The aim of this is to emphasise where Australia could most effectively and sustainably diversify its education, training and research engagement with China.

As a first step, the Working Group drew on the sectoral engagement survey and an Austrade survey of education agents based in China to highlight the following issues and opportunities in relation to the sustainability of international education engagement with China:

- The high concentration of Chinese students in the higher education sector and in a small number of Australian higher education institutions,
- The high concentration of Chinese students in a small number of fields of study,
- The key role of education agents, and
- Marketing and promotion of Australian international education.

Additionally, to understand Australia's current position on these issues, the Working Group also sought perspectives from critical informants from within the Australian education sector, peak industry bodies, and other key stakeholders including Department of Education staff at the Australian Embassy in Beijing and Austrade staff in Canberra and Shanghai.

2.1 Current market concentration

In 2018, higher education was the largest sector for Chinese enrolments (152,712), comprising 60 per cent of the total. Many Australian universities have scaled-up operations to capitalise on increased demand from China over a relatively short timeframe. However, the growth and coverage across universities is not even. For example, the Group of Eight (Go8) universities accounted for 58 per cent of total Chinese enrolments in the higher education sector, while the Regional Universities Network (RUN) universities[65] accounted for only 1 per cent of the enrolments.

After higher education, ELICOS is the largest sector for Chinese enrolments. ELICOS accounted for almost 20 per cent of total Chinese enrolments in 2018. Almost one in three ELICOS students in Australia is from China. Australia is the second most preferred destination to study English language courses after the USA, and has experienced modest growth since 2013. It is important to note that while some ELICOS students are studying English as a standalone course, a high proportion of these students are on pathways to higher education.

In terms of growth in Chinese student enrolments, onshore VET has been the fastest growing sector, with 21 per cent growth on 2017 (as shown in Table 5). Chinese enrolments, however, accounted for relatively less than 10 per cent of the total international enrolments in VET in 2018, which is a relatively small country share.

China is Australia's biggest provider of international students for Australian schools education as more than half (51 per cent) of all international enrolments in the schools sector came from China in 2018. However, the sector is relatively under-developed in Australia compared to competitors such as New Zealand, and represents the smallest proportion of total Chinese enrolments and growth in 2018.

65 The RUN universities comprise CQUniversity, Southern Cross University, Federation University Australia, University of New England, University of Southern Queensland, University of the Sunshine Coast, and Charles Sturt University.

Table 5 – Chinese enrolments in Australia by Sector in 2018

Sector	Enrolments	Growth Rate	% of total Chinese students	% of international students
Higher Education	152,712	14%	60%	38%
Undergraduate	*76,487*	*12%*	*30%*	*39%*
Postgraduate	*76,225*	*16%*	*30%*	*37%*
VET	22,341	21%	9%	9%
Schools	13,662	1%	5%	51%
ELICOS	47,762	5%	19%	31%
Other*	19,419	-1%	7%	39%
Total	255,896	11%	100%	29%

Source: Department of Education and Training International Student data reports Year-to-date December 2018.

^The international student enrolment data generally does not represent the number of overseas students in Australia rather counts actual course enrolments.

*The 'Other' category covers enrolments including exchanges and short-term study programs that do not lead to an award.

In the higher education sector, Chinese enrolments made up about 63 per cent of all international student enrolments in Australia's prestigious research-intensive Go8 universities in 2018.[66] Chinese enrolments were particularly concentrated in four of these universities (University of Sydney, University of Melbourne, UNSW and Monash University). Collectively, these four accounted for about 43 per cent of all Chinese enrolments in the higher education sector. Other leading Go8 universities, including the ANU and University of Queensland, also have a high concentration of international students, predominantly Chinese students.

In terms of diversifying the narrow country concentration away from China to other source countries, a report by former Deputy Vice-Chancellor of the University of Melbourne, Frank Larkins, argues eight of the top twenty international student source markets in 2017 had a lower proportion of enrolments in 2017 compared with 2002.[67] This follows automatically from the rise in China's proportion of enrolments. Significantly, four of these sources—Indonesia, Hong Kong, Japan and Singapore—actually had fewer students enrolled in Australian educational institutions in 2017 compared with 2002. The narrowing of the source country profile of international students in Australia, according to Larkins, represents a strategic risk.

66 See https://internationaleducation.gov.au/research/International-Student-Data/Pages/InternationalStudentData2018.aspx#Pivot_Table. The Group of Eight (Go8) comprises Australia's leading research-intensive universities—the University of Melbourne, the Australian National University, the University of Sydney, the University of Queensland, the University of Western Australia, the University of Adelaide, Monash University and UNSW Sydney.

67 Frank P. Larkins (2018), *International student enrolments in Australia by sector in comparison to higher education*, available at https://melbourne-cshe.unimelb.edu.au/__data/assets/pdf_file/0008/2843450/2018_F-P-Larkins_International-Student-Enrolments-by-Sector.pdf.

The universities most dependent on revenue from Chinese overseas students are most at risk of a plateauing or flattening of enrolments.[68] A 2019 report by the NSW Audit Office suggests a concentration risk remains for universities that rely on just the one source market, especially when demand shifts, which can occur unexpectedly for any number of reasons, including changes in policy, economic conditions or visa requirements.[69] Moreover, a 2018 report suggests the concentration of Chinese enrolments in the Go8 universities, particularly in Sydney and Melbourne, represents an uneven distribution of the broader economic benefits of Chinese international students.[70]

While weakening demand from China is a concern for some of our sectoral survey respondents, the growth in Chinese international student numbers over recent years may have led some institutions to develop country diversification strategies. Diversification strategies aim to address the strategic risk of a narrow market source, while also investigating mechanisms to reduce the risk of demand shifting unexpectedly. As a flipside to this, these strategies also have the potential to channel university student recruitment marketing activities away from China. According to one survey respondent, the emergence of country diversification strategies 'has risks given that China will remain the strongest market for years to come.' This is significant, especially when Australia's competitor countries are ramping up their focus on China.

2.2 What is driving this market concentration?

A key part of addressing the concentration question lies in understanding the reasons Chinese students favour certain universities, with a particular focus on the Sydney and Melbourne-based research-intensive universities.

Anecdotally, Chinese households tend to select an overseas education provider based on the global ranking of the prospective university. The most widely used international university rating tables include the Times Higher Education World University Rankings and the QS World University Rankings. The Go8 universities feature highly in these rankings. According to the 2019 Times Higher Education World University Rankings, six Go8 universities are listed in the top 100, with all eight in the top 200.[71] There are similar results in the 2019 QS rankings, with seven of the Go8 in the top 100.[72]

The major capitals where the research-intensive universities are located also have the supporting infrastructure required for large numbers of international students, including adequate accommodation, health and transport services, work integrated learning opportunities, and proximity to major international airports. Given the importance that Chinese students place on socialising with networks of other Chinese, the large number of Chinese students is a valuable drawcard in its own right.

68 Tim Dodd (2019), 'End of China boom to roil universities', *The Australian*, 8 May, p. 30.

69 Audit Office of New South Wales (2019), 'Universities 2018 audits', https://www.audit.nsw.gov.au/sites/default/files/pdf-downloads/Final%20report_web%20version_Universities%202018%20audits.pdf, p. 14.

70 'Sustainable growth in international higher education'.

71 See https://www.timeshighereducation.com/world-university-rankings/2019/world-ranking#!/page/0/length/25/locations/AU/sort_by/rank/sort_order/asc/cols/stats.

72 See https://www.topuniversities.com/university-rankings/world-university-rankings/2019.

While Sydney and Melbourne are increasingly popular with Chinese students, in 2018, just 3 per cent of all Chinese students were studying in regional areas.[73] However, there are numerous advantages associated with study in regional Australia, including lower cost of living, cheaper course offerings, and higher levels of acceptance into local communities. The smaller class sizes of regional universities also provide international students with more opportunity to interact and network with domestic students, lecturers and tutors, as well as local communities. Despite these advantages, social isolation is a major barrier for many international students, including Chinese students who choose to study outside of capital cities.

The economic benefits to regions can be significant. A report by Deloitte Access Economics estimated onshore international students studying at the University of New England in Armidale (NSW) contributed $33 million to the local economy in 2014–15, equivalent to 2.5 per cent of gross regional product, supporting 243 FTE jobs in the Armidale region.[74] These figures could be higher when non-student visa holders, such as working holidaymakers studying English, are taken into account. Increased numbers of international students in the regions could also benefit regional economies in other ways, including through the ongoing bonds between alumni and the regions in which they lived and studied, which helps to build sustainable economic and trade relationships.

Our sectoral survey suggests China poses a unique challenge for regional universities. Given Chinese students' sensitivity to university rankings, relatively lower-ranked regional universities may need to market their particular disciplinary or research strengths. A respondent from a regional university described the challenge in the following way: '[Our university's] decision at present is not to participate in the rankings game. With China very interested in rankings of institutions, [our university] does find it difficult to engage further in China except in the areas of, say, Agriculture'. In such a context, regional universities should consider developing better articulated study pathways, coupled with committed marketing and promotion campaigns, as a means of increasing enrolments from Chinese students.

The Australian Government is facilitating a number of actions or incentives to attract more international students to regional Australia, in recognition of the significant value international students bring to regional institutions and communities.[75] These cover structural and funding incentives, destination marketing and branding and community incentives.[76]

73 See https://internationaleducation.gov.au/research/Research-Snapshots/Documents/Location%20of%20International%20Students%20in%202018.pdf.

74 Deloitte Access Economics (2015), *The value of international education to Australia*, available at https://internationaleducation.gov.au/research/research-papers/Documents/ValueInternationalEd.pdf.

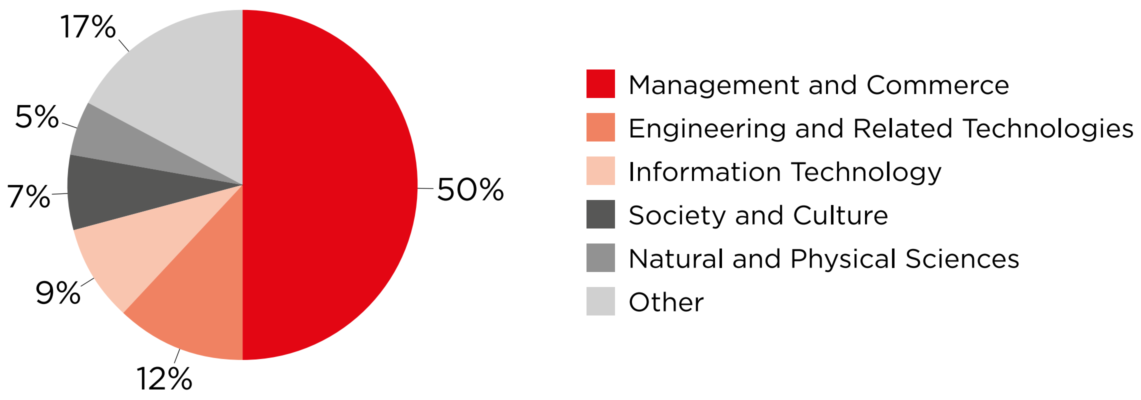
75 Department of Education (2019), *Growing international education in regional Australia*, available at https://internationaleducation.gov.au/News/Latest-News/Pages/Growing-International-Education-in-Regional-Australia.aspx.

76 In 2019, for example, the Australian Government established the Destination Australia scholarship program to attract more students—both domestic and international—to study in regional locations. This program will commence in late 2019. More information is available at https://www.education.gov.au/news/destination-australia-scholarship-program.

2.3 Disciplinary concentration

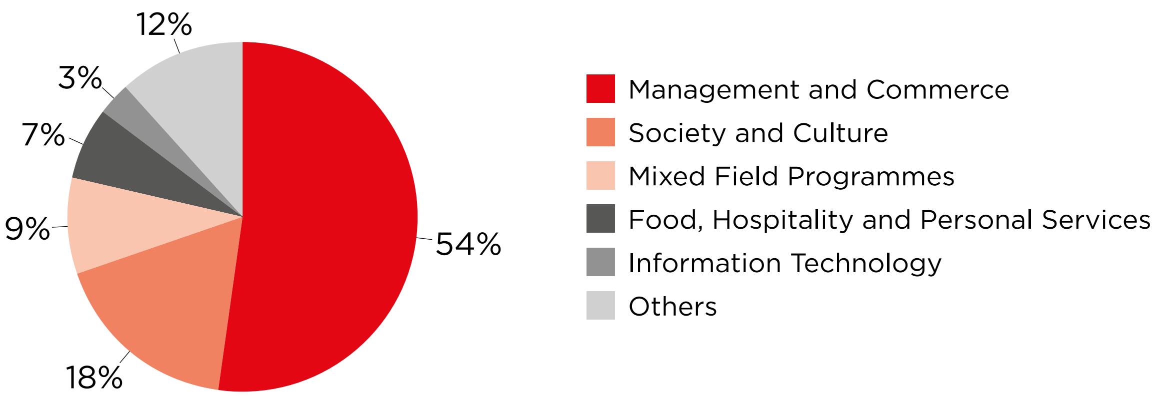
At least half of all Chinese students in the Australian higher education sector enrol in Management and Commerce (as shown in Chart 2), with a similar disciplinary proportion in the VET sector (as shown in Chart 3) in 2018.

Chart 2 – Concentration of Chinese enrolments in broad field of education in higher education, 2018



Source: Department of Education International Student data reports Year-to-date December 2018.

Chart 3 – Concentration of Chinese enrolments in broad field of education in VET, 2018



Source: Department of Education International Student data reports Year-to-date December 2018.

This disciplinary concentration suggests Australia's strengths in education and the humanities and, to a lesser extent, STEM, are underutilised. Teaching and research in education institutions in regional Australia that typically offer specialised courses outside the broad fields of management, commerce and engineering are similarly under-utilised.

2.4 Key role of agents

Education agents are an integral part of Australia's international education system, and they play a key role in promoting education institutions. They represent education providers to students and advise prospective students on courses of study available to them in all education sectors. Overseas students use the services of education agents for a range of reasons including their geographic distance from Australia, difficulties communicating in English and lack of understanding of cultural requirements.

Operating in a global market, agents have a range of business models, ranging from sole operators to large companies with multinational offices. The vast majority of agents achieve good outcomes by recruiting high quality students who complete their courses and abide by their visa conditions. While there is no requirement for providers or students to engage an agent, most do. Department of Education data shows that in 2018, 75 per cent of international students come to Australia through an education agent.[77] In China, the proportion was slightly below average at 74 per cent, down from 77 per cent in 2017.[78]

Austrade engages in agent education training in China, supported by the Department of Home Affairs. This is undertaken both in-person and online. States and territories also engage with education agents, including through providing product training and initiatives such as familiarisation tours.

In 2018, the Australian Government committed to enhancing the transparency of education agent activities by publishing agent data. Increased transparency about education agents' activities will help international students and education providers to work with quality education agents and assist agents to improve their services. The Government has already undertaken a range of reform activities relating to education agents, including giving education providers access to individualised performance reports on their education agents and visa outcomes for overseas students recruited by the agents.

2.5 Marketing and promotion

The majority of Australian education institutions engaged in international education undertake some form of marketing and promotion of their education and training products. At the state and territory government level, there is a significant range of marketing and promotional activities in China, taking place both digitally and through on-the-ground activities and events such as education fairs across metropolitan and regional China. Austrade, meanwhile, is Australia's lead agency for marketing and promoting of Australian international education.

77 Data sourced from voluntary records by education providers in the Provider Registration and International Student Management System (PRISMS).

78 Ibid.

Despite strong activity in marketing and promotion, student visa data shows a decline in growth in Chinese student visa grants across all sectors, except in postgraduate research (see Table 6).

Table 6 – China total visa grants (July-May)

Sector	2017-18	2017-18 growth	2018-19	2018-19 growth
Higher education	62,040	8%	61,800	0%
VET	7,708	59%	6,873	-11%
Schools	4,106	-15%	3,046	-26%
Postgraduate research	1,405	-2%	1,440	2%
ELICOS	586	45%	471	-20%
Non-award	874	7%	814	-7%
Primary Total^	**76,719**	**10%**	**74,444**	**-3%**

Source: Department of Home Affairs.[79]

^This excludes DFAT officials.

As outlined earlier, it is not possible to determine which factors are dominating the slowing growth trend in Chinese student enrolments. It is equally difficult to determine the underlying causes of any change in the perception of the Australian brand in-market. However, the China Working Group members were provided with advice from agents and providers, who suggest there are several key factors affecting the market and brand perception of the Australian international education sector in China, including:

- Cost of Australian education programs and associated tuition,
- Increased competition from Australia's international education competitors, and
- Increased competition from domestic education providers, especially in the Schools sector.

This is by no means a definitive list and it is important to note changes in market and brand perception do not necessarily directly translate into changes in market behaviour. Notwithstanding this, a broad range of Australian providers and governments are deeply engaged in a comprehensive set of initiatives to promote Australia as a study destination in China.

79 See https://data.gov.au/data/dataset/324aa4f7-46bb-4d56-bc2d-772333a2317e.

2.6 Other issues

The issue of visa delays, particularly for the critical market of postgraduate students—often over a year in length—was a common theme in both the sectoral survey and feedback from critical informants. The Working Group noted that in recent times Australia has been experiencing increasing demand from Chinese postgraduate coursework and higher degree research students. While the Department of Home Affairs has confirmed that a very small number of these applicants face visa delays, visa policies for students from China, or any other country, have not changed.

According to the Department of Home Affairs, a student visa applicant must meet all the legislative criteria before a visa is granted. These criteria include the genuine temporary entrant requirement, health checks and character and security checks. The timing for the completion of these checks varies from one case to another, depending on individual circumstances. While all visa applicants are subject to legislative criteria, these apply equally to all applicants, and application volumes, complex cases and incomplete applications impact processing times.

3. EXPANDING ENGAGEMENT

The Working Group has identified a number of ways to encourage diversification for Australian providers to capitalise on emerging opportunities, including encouraging them to take advantage of Australia's comparative strengths; its reputation for high quality education, training and research, geographical location in the heart of the Indo-Pacific; and its extensive experience as a world leader in education services exports.

The growth potential of the education sector may be compromised by regulatory limitations within China as well as the continued evolution of China's own education system. In particular, Australia's offshore provision of education services still faces many obstacles in the form of restrictions to establishing wholly owned or even joint venture Australian campuses abroad. Non-accreditation of qualifications delivered by Australian education providers overseas, and limitations to the international mobility of Australian academics, are also barriers.

3.1 Limitations and barriers to expand engagement

Australia-China bilateral relations

The political relationship between Australia and China has the potential to impact the demand for Australia's education services and the willingness of Australian institutions to deepen their China engagement, as well as the willingness of Chinese institutions to deepen their engagement with Australian institutions. Tensions associated with perceptions of student safety in Australia, and warnings on Australian visa delays on Chinese government websites, for instance, may have had a negative influence on mobility of students.

In this context, improving the management of Australia's relationship with China is a priority. The Australian Government is committed to expanding its Comprehensive Strategic Partnership with China and has recently established a $44 million National Foundation for Australia-China Relations. It is also significant that the Department of Education and the Chinese MoE are increasing their efforts to realise the bilateral education relationship's potential. In particular, both governments are negotiating the development of a new MoU on Strategic Collaboration in Education, as well the design of a joint work plan to implement the MoU. This will send a strong message about Australia's commitment to the education partnership with China and reinforce it in light of other policy developments that may negatively impact our overall bilateral relationship.

3.2 Opportunities to expand engagement

Regional and discipline opportunities in higher education

China's *Education Development 13th Five-Year Plan* calls for greater investment in education in central and western China, which suggests Chinese and Australia institutions might focus their attention on the establishment of new joint ventures in these regions. China's MoE is additionally encouraging continued and strengthened international engagement, particularly in four priority areas located on China's eastern seaboard:

- Hainan Province;
- Yangtze River delta provinces (Jiangsu, Zhejiang and Shanghai);
- Greater Bay Area (Hong Kong, Macau, and Guangdong); and
- The Jing Jin Ji Area (Beijing, Tianjing and Hebei).

In addition to the priority areas, the MoE is keen to facilitate education exchanges in disciplines other than the current focus of Chinese international students (i.e. Commerce and Management). The MoE has recently announced increased funding for both inbound and outbound student mobility.

CASE STUDY 4

Universities Australia's engagement with China

Universities Australia (UA) has a long-standing close relationship with its counterpart organisation, the China Education Association for International Exchange (CEAIE). A major part of the program of activities run by UA and CEAIE is the China-Australia Higher Education Cooperation Program. Since its establishment in 1999, the program has supported more than 200 university leaders, from Vice Presidents to Directors, from both Australia and China to travel to each other's country for two to four weeks of training and mentoring.

The program has built opportunities for collaboration and deepened the relationship between the Chinese and Australian university sectors. The number of partnerships between Australian and Chinese universities has significantly increased because of this program. Following the priorities of the UA-CEAIE work plan, the latest version of the program targets participation by Australian regional universities, with a view to increasing linkages between Australian regional and Chinese universities in second and third-tier cities.

Schools opportunities

In the Schools sector, the Working Group examined the opportunities around eliciting state and territory government endorsement of a single senior school certificate brand to complement individual state and territory certificates for the purpose of marketing offshore delivery. Such an award could be provided to all international students who successfully complete a recognised senior secondary school qualification from an Australian state or territory (i.e. VCE, WACE, SACE, HSC, QCE, TCET, NTCET, and the ACTSSC). The effect of this would be to allow for the marketing and promotion of a single brand for onshore Australian school education.

Such an initiative would also provide Australia with a competitive advantage over key competitor markets that already possess high brand awareness such as the IB, the UK's 'A-levels', and the USA's AP, ACT and SAT test systems. Similarly, it would allow for better promotion and expansion of Australian TNE programs in the China market, with improved market recognition for the purposes of recruitment into programs.

In relation to foundation studies programs, the Working Group examined strategies to encourage an increase in the breadth of subject offerings, extracurricular activities and work experience programs. This could include performing arts programs, music and drama programs, as well as internship or entrepreneurship programs, in order to enhance the student experience and better compete with competitor school offerings.

There is also a significant opportunity through facilitating greater connectivity between Australian high schools, universities and VET providers in the marketing and promotion of Australian international education in-market, which would co-exist with existing relationships with university-owned or affiliated foundation programs. This may include more joint marketing campaigns and joint events with schools and universities operating on a consortia basis, potentially by provider city or region. This could also be achieved through a schools symposium held in a range of Chinese provinces with Australian and Chinese government and school representation to discuss sister school arrangements, international curricula and pathway opportunities to Australian higher education institutions.

CASE STUDY 5

School partnerships

Sister school partnerships are long-term, non-commercial partnerships between two schools, encompassing a range of student and teacher activities including two-way exchanges. These arrangements are generally organised at the school level, which means there is little data available.

The Asia Education Foundation's flagship Building Relationships through Intercultural Dialogue and Growing Engagement (BRIDGE) Program establishes partnerships between Australian and international school communities, using online learning and teacher exchanges to grow relationships and build international perspectives.* Schools participating in the program have expanded intercultural learning opportunities, which leads to heightened student interest and engagement and broader community acceptance of internationalisation. Currently, all Australian states and territories have BRIDGE partnerships.

The Australian Government is supporting the Pacific expansion of the BRIDGE program over the next two years to include 14 partnerships across Fiji, Nauru, Papua New Guinea, Solomon Islands, Tonga and Vanuatu. A primary aim of this expansion is to build capacity and improve teacher training in the Pacific.

BRIDGE Partnerships by country and jurisdiction

	NSW	Vic	Qld	SA	WA	TAS	NT	ACT	Total
China	3	12	5	16	5	-	1	1	43
India	3	3	5	1	2	-	-	1	15
Indonesia	29	51	15	21	22	12	5	11	166
Malaysia	2	9	-	-	4	-	1	1	17
Philippines	2	1	1	-	-	-	-	-	4
Singapore	-	2	2	-	2	1	-	1	8
South Korea	8	6	12	3	2	1	-	-	32
Thailand	3	11	8	7	1	1	1	2	34
Vietnam	1	6	-	-	1	-	1	-	9
Total	51	101	48	48	39	15	9	17	328

* More information is available at http://www.asiaeducation.edu.au/programmes/school-partnerships.

Vocational education and training opportunities

With the release of China's *2019 Implementation Plan of National VET Reform* (the Plan), Australian providers are now in a stronger position to make better choices regarding the discipline-focus of brand campaigns and the development of partnerships, skills training and curriculum licensing in-market. As outlined in the Plan, the Chinese Government is aiming to develop a world-class vocational education system by 2020. In particular, China is seeking to improve industry relevancy and connections, provide additional pathways to higher education, improve occupational standards and qualifications systems, enhance alignment between skills of graduates and employer requirements, and fill an expected talent gap in the manufacturing industry.

Given these aims, there is demand from China for assistance in VET, particularly leadership and teacher training and assessment, curriculum reform and forging industry links. However, this demand is far beyond what Australia can currently service. Provision of consultancy services, institutional support and short courses including Australian Government's International Skills Training (IST) courses, seem an appropriate compromise. Australian providers have also observed there are high expectations from within China, particularly for the provision of top quality teachers and trainers over a longer term. This is because they meet demand in short bursts by upskilling Chinese trainers in training and assessment, or contribute to improvement of system or institutional performance. Acknowledgement by the MoE of these and other innovative VET or professional development is no longer a great challenge. China is seeking vocational education and training support that is tailored and localised.

It is also important to improve our understanding of what VET graduates from China have achieved with their qualifications, both in terms of standalone study in specialised industry sectors and as pathways to higher education. Analysis of what VET graduates from China have done post-qualification could be performed in partnership with DFAT's Australia Global Alumni Engagement Strategy, which seeks to leverage our global alumni, including VET alumni, to promote Australia's diplomatic, trade and investment interests.

ELICOS opportunities

ELICOS forms a significant part of Australia's international education sector. Students come from overseas to study the English language for a variety of reasons. Some need to improve their English for work or career purposes, some have a personal interest in becoming fluent in English, and some intend to travel. The majority, however, use their ELICOS studies as a pathway to higher education in Australia, and need to develop the language skills to undertake this further study. Given this, the Working Group considered a proposal to implement an awareness campaign promoting the quality and benefits of studying ELICOS in Australia, specifically encouraging specialised, packaged short-term English language learning programs via online learning portals, education agents and local media.

As highlighted in a 2019 report by English Australia, potential opportunities may be found in teaching English to speakers of other languages (TESOL) teacher training, culture and tourism related programs, transnational education (TNE) and industry-related or specialist English.[80]

Transnational education opportunities

TNE is a key dimension in the China-Australia education relationship. The Chinese MoE views Chinese-foreign cooperation in running joint schools or institutions as largely about capacity building for China's education system. According to the MoE, this model of cooperation involves a systematic introduction of high quality educational resources from foreign universities and colleges, enabling Chinese students to access international education without leaving home. Australia currently has around 200 active joint education programs and 12 joint institutions established between Australian and Chinese education providers.

The Working Group examined the production of a 'How-To Guide' regarding the development of TNE schools in China. Such a guide would include advice regarding strategies for the promotion of TNE Australian school curricula in-market and, in particular, brand strategies to highlight a diversity of subject offerings to compete with the breadth of subject offerings contained in local competitor bilingual school curriculum offerings (i.e. IB, A-Levels, AP, ACT, SAT etc.). More Chinese schools are delivering the Australian school curriculum than in any other country outside Australia, and there is significant unmet demand from China for teacher exchange and professional development partnerships with Australian schools.

While many Chinese cities—particularly Tier 2 and Tier 3 cities—have an under-developed internationalised schooling sector, there is growing demand and ability to pay for such products. However, the biggest challenge for Australian transnational education is regulatory. Multiple layers of government govern the Chinese school system, making it difficult to identify the key stakeholders in progressing market entry and expansion. The propensity for sudden policy change in China, often exacerbated by broader international tensions between China and other countries, adds another element of uncertainty. Other challenges include concern of Australian providers around the financial sustainability of TNE and lack of communication around such engagement. Given this, increased officials-level policy dialogue between the two countries on TNE, coupled with joint research on particular aspects of TNE engagement, would help to alleviate these challenges.

80 'Raising the profile in China of Australia's excellence in the delivery of English language training'.

Online education

Since its introduction to China in 1994, the internet has grown in influence and penetration with China now home to the world's largest number of internet users. While China's online education market has grown substantially in scale and diversity, and demand has been growing for online offerings, there are restrictions on awarding degrees for online courses. As outlined in a 2018 Austrade report, online education in China 'has become an enormous industry' that 'promises to grow even further', particularly in K-12 and adult learning sectors.[81] Adult learners make up the largest group of Chinese online education consumers, particularly in the corporate sector where there is a growing interest in corporate training and professional education for both employees and management staff.

Despite the Chinese government's encouragement to develop online education, China is yet to develop specific laws or regulations regarding online education, including a regulatory framework for the quality assurance of online education. Nevertheless, since 2000, China's MoE has approved 68 domestic higher education institutions to establish pilot distance or online education colleges, online and continuing education colleges, including Peking University, Tsinghua University, Renmin University of China, Shanghai Jiaotong University and Fudan University.[82] No other Chinese providers are allowed to deliver online award and degree education in China, and the situation is unclear for Sino-foreign joint programs established under the *Regulation of the PRC on Chinese-Foreign Cooperation in Running Schools*.[83] Online education in those programs is not an encouraged model, and the regulation does not specify whether online education by foreign education providers is within regulatory scope.

In the Australian context, according to the Australian Government's *National Code of Practice for Providers of Education and Training 2018*, there is a provision that prevents exclusive online or distance learning for an international student on a student visa.[84] Only one-third of a course may be undertaken online by higher education and VET students on a student visa, which is a slight increase on the previous 25 per cent. Providers must ensure that international students undertake at least one face-to-face unit in each compulsory study period. For schools, ELICOS or foundation programs, any online or distance learning must be in addition to the minimum required face-to-face teaching.

81 Austrade (2018), 'Online education and edtech opportunities in China: A focus on the adult learning sector', available at https://www.austrade.gov.au/australian/education/news/reports/online-adult-learning-report-2018, p. 1.

82 Ibid, p. 3.

83 http://www.crs.jsj.edu.cn/news/index/3.

84 More information is available at https://internationaleducation.gov.au/Regulatory-Information/Pages/National-Code-2018-Factsheets-.aspx.

Austrade has stressed the importance for Australia's competitiveness to cater for learner and employer demands for 'borderless' learning in its *Australian International Education 2025 Market Development Roadmap* (the 'Roadmap').[85] The Roadmap recognises the changing preferences of students towards a more flexible and borderless delivery of education services, including through blends of online, onshore and offshore or transnational education experiences. The Roadmap also challenges providers to harness technology application in learning delivery, as well as in promotional and marketing activities.

Cooperation in recognition of Australian skills and qualifications

Recognition of Australian skills and qualifications improves education and employment participation of graduates and facilitates internationalisation of Australia's education, research and workforce. Australia and China have a strong record of accomplishment in cooperation on recognition in higher education qualifications, and the Department of Education regularly exchanges information with the Chinese Service Center for Scholarly Exchange. In multilateral fora, Australia and China have fostered positive productive working relationship under the UNESCO Asia-Pacific Regional Convention on Recognition of Qualifications in Higher Education. As both Australia and China aim to play a leadership role in the Asia-Pacific region, there are opportunities for increased collaboration and partnership with China on qualification recognition.

There is more work to be done on skills recognition by industry in China to ease existing barriers to interaction and mobility of VET graduates. As training and labour market differ from country to country, recognition of VET qualifications can be challenging. However, improved recognition of skills for specific occupations could be achieved through benchmarking skills and the development of occupational standards, particularly for specific occupations in demand in China. This would facilitate improved skills recognition between Australia and China.

The Department of Education should work with the Chinese Ministry of Human Resources and Social Security (MOHRSS) and State Administration of Foreign Experts Affairs (SAFEA) to scope opportunities for benchmarking skills and improving skills recognition. This could be achieved through the existing *MoU on Cooperation in Vocational Education and Training* between the Department of Education and the Chinese MOE, which encourages identifying further priority areas for cooperation.

85 Austrade (2016), *Australian international education 2025 market development roadmap*, available at https://www.austrade.gov.au/Australian/Education/Services/australian-international-education-2025/AIE2025-roadmap.

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