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Australian international education is a world-leading brand. Australia’s National Strategy for International Education aims to build on the current success of the system and capitalise on new opportunities so that Australian international education helps individuals, communities and industry around the world to reach their potential.

For more information visit www.internationaleducation.gov.au

This roadmap has been co-created by Australia’s international education sector together with Austrade and other arms of government to complement the National Strategy by identifying what we collectively need to do to excel globally on a scale like never before.
Aspiration

Delivering education and skills to meet the needs of the world’s one billion students in 2025

Analysis from Deloitte Access Economics estimates that the world of 2025 will have over one billion students actively seeking education and skills.

Based on these projections, the onshore sector may be capable of increasing from nearly 500,000 students today to 720,000 by 2025 – a compounding annual growth of 3.8%. In a high market-share scenario, these numbers could almost double to nearly 990,000 by 2025. Beyond this, in the relatively untapped borderless skills market of in-market, online and blended delivery – there are projected to be in excess of one billion students around the world.

Reaching just 10% of the potential market would translate to over 110 million students in 2025. This scale of ambition reflects the role of international education as one of the next major opportunities to help drive our growth and prosperity.

Onshore students in Australia will always remain core. This experience creates the deep social, cultural and economic linkages for which international education is so valued. However, technology and international trade and investment linkages increasingly mean providers need to sharpen their focus on understanding the drivers of demand, and to conceptualise and deliver learning that best meets these needs.

The traditional concept of the student will not reflect the world of 2025. Learning increasingly takes place in a variety of environments, with emphasis on different relationships and interactions to develop skills and knowledge. A much wider range of players that includes technology, teachers, peers, employers, and course and curriculum development experts enable this experience. The 2025 student will increasingly include our traditional view of a student but also individuals seeking learning through on-the-job skills development, executive education and development, and recreational learners who are seeking to build their own skills while on holiday or as part of their leisure time.

Learning will be increasingly borderless. The traditional demarcation of the sector into onshore and offshore or transnational reflects a division that will be challenged as 2025 students access the skills and knowledge they require at the time they chose, through the channel that optimises their learning experience, be it in Australia, online, or in-market as part of course delivery or on-the-job learning.

To reach over 100 million students – we will need new ways of doing things. Embracing a much wider view of students – the 2025 student is a key concept in our aspiration. We will need to work differently and try new approaches. We will require significant capital investment into the sector and into related supporting industries to enable sustainable growth. We will need to model more of the behaviours of collaboration, innovation, and student-focus, and push ourselves to continually improve.

In this roadmap, our international education sector includes:

- Our established higher education, vocational education and training (VET), English language providers and schools that are delivering accredited programs onshore and offshore.
- Providers and businesses that are delivering non-accredited learning both in Australia, in-market and online.
- Education technology (edutech) providers that are delivering Australian education content in their own right or that are partnering with education and training providers to enable the delivery of Australian learning globally.
- Education services such as course and curriculum development, education publication, as well as learning offerings from corporate providers accredited by themselves.
- The Tourism and Services sector also have an important stake in realising our aspiration, particularly the providers of auxiliary services such as student accommodation, banking and finance and health insurance.
- Governments at all levels enable the sector by responding to constraints or amplifying opportunities for ongoing sustainable growth.

In excess of one billion students in 2025
Australia’s onshore international education sector is the strongest it has ever been and its borderless offerings continue to grow.

International Education is identified as one of five sectors that can drive the next wave of Australia’s economic growth and prosperity.¹

International education is currently one of Australia’s top service exports, valued at $19.65 billion in 2015 (including fees and associated expenditure) and supports over 130,000 jobs in cities and regions throughout Australia.

Despite these successes, we only skim the surface of the potential of the global opportunity.

Major demographic shifts coupled with significant restructuring in the global economy mean that the scale of the international education market is likely to increase dramatically. At the same time technology and market liberalisation open up opportunities to pursue the broader conceptual opportunity of the borderless 2025 student.

Deloitte forecasts an enormous prospective opportunity with a billion students in 2025. Our sector’s high quality and expertise in critical industries together with Australia’s geopolitical position and multicultural society, mean that we are well-positioned to capitalise on these opportunities.

We must also be realistic. There are constraints to how far and fast the sector can sustainably grow. Australia’s current competitive strengths will not automatically translate into the realisation of opportunities in the borderless sphere.² Existing and new competitors are as equally focused on realising the opportunity. We need to be vigilant to ensure that the learning experiences of those that choose Australia – continues to justify the confidence and trust they place in us.

This roadmap challenges the sector to realise its full potential. To make this happen, we need significant investment and commitment.

MARKET GROWTH

Population growth and increasing global wealth are driving demand for education services. The world’s population will increase from 7.2 billion in 2015 to 8.1 billion in 2025, with most growth in developing countries and more than half in Africa.³ Within this, the main consumers of formal international education – the global 15-29 year old population – are projected to increase from 1.77 billion in 2015 to 1.85 billion.⁴

The middle class is anticipated to “comprise two-thirds of world population by 2025, with emerging economies to increase their share of the global medium-high middle class and affluent segments from 24% in 2000 to 67% by 2025 (or 2 billion people)”.⁵ China and India alone are expected to grow at rates of 6% and 7% respectively in the next ten years and the five-year outlook by the International Monetary Fund (2015) has year-on-year economic growth projected to be almost 7% for the “developing Asia” region.

In contrast to population growth in emerging and developing countries, Australia and its major trading partners are seeing a transition to an ageing society. Higher life expectancy and falling birth rates have contributed to the ageing of the world’s population at an unprecedented rate.⁶ These changes drive new challenges in fuelling productivity and overall competitiveness – requiring new skills and learning needs. These changes also impact our existing markets.

Deloitte expects that China will see a decrease in the size of its 15-29 year old population by 40 million by 2025, while Australia’s second largest inbound source market, India, is set to increase by 16 million; and emerging markets such as Nigeria, Pakistan and Philippines will see a collective growth of 29 million by 2025.7

Australia needs to be prepared for the scale of the opportunity and to pursue those areas most closely aligned with our competitive strengths. These changes will also require us to consider the markets we target and anticipate shifting demand to ensure sustainable growth long-term.

DEMAND FOR SKILLS

By 2020, a global shortage of up to 85 million medium-skill and high-skill workers is forecast.8 Up to five million jobs could be displaced due to economic transformation and the associated changing demand for skillsets.9 This phenomenon of rapid economic restructuring and change characterises the global economy. As developing economies and cities grow, “they are expected to see a shift from primary industry and manufacturing-based economy to an increasingly service-oriented one” with consequent skills and knowledge gaps.10 At the same time, CEDA (2015) estimates that “within two decades, more than 40% of Australian jobs that exist today may disappear as technology reshapes entire industries.”11

This rapid change is creating an ever-growing market for learning providers that can anticipate the needs of employers and 2025 students and offer products that not only enable skills gaps to be addressed through a range of offerings, but that also equip individuals with the skills to adapt, foster and harness this pace of change.

TECHNOLOGY

Technology’s evolving competitive landscape is one of the most penetrating megatrends that is changing the way education services are “delivered, supported, accessed, assessed, perceived and afforded.”12

One of the most influential developments in education over recent years was the deployment of Massive Open Online Courses (MOOCs). Learning management systems, adaptive learning technology, education applications, online continuous professional development are all examples that have followed, charting new paths for learning globally. 2025 students will be far more mobile, diverse and flexible in their careers than ever before as digital disruption continues to redesign industries.13 Australian institutions are already responding to these skills gaps by partnering with business to build specific learning pathways through online competency-based education, in what will only increase in demand.14 Critical to Australia’s ongoing success will be our ability to anticipate and respond to the next wave of disruptive technology by finding the opportunity within and applying it to our learning offerings.

COMPETITORS

With growth comes competition. Our existing competitors will not be complacent. We also face emerging competitors. A growing global middle class presents some opportunity to attract students to Australia but it is also associated with a growing demand for quality in-country education. Education provision has been growing in quality and capacity in China and Hong Kong,15 and Malaysia has established regional education hubs to attract international students outside their traditional student base.16 This means Australian education and training providers will face new and stronger competition, as traditional source countries such as China become major competitors.17 This change makes it increasingly important for the sector to consider their longer-term growth strategies and consider a broader view on in-market, online and onshore delivery as a cohesive borderless offering.

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14. For example, the SEEK and Swinburne University of Technology partnership to deliver online degrees; Western Sydney University and Telesis MoU exploring utilisation of latest technologies for teaching, learning and research; and Rio Tinto’s international education portal SMART (Study, Mining and Rio Tinto).
17. Den Hollander, J ‘A brave new world of education’ in Committee for Economic Development of Australia 2015, Australia’s future workforce?, CEDA, Melbourne, p.226. “China is now the third most popular international study destination (behind the US and UK), with Australia slipping to 6th place behind France and Germany.”
Culture of success

The education sector of 2025 will be enabled and characterised by its spirit of collaboration, innovation, anticipation and reciprocation.

Throughout 2015 more than 800 representatives of the sector expressed their views at a combination of Ministerial roundtables, town hall meetings, and workshops.

Areas of consensus emerged on how Australia’s international education sector can become a truly transformational force.

Ultimately, the greatest challenge in the activation of the 2025 roadmap will be fostering a culture that thrives on the opportunity presented by change and disruption, in which, these behaviours are key.

"Fundamental to achieving or even sustaining the type of growth we’ve achieved over the last 10 years, will be changing the way we do things, changing our operating models, engaging with each other differently, thinking about it completely differently and not taking anything for granted."

Patrick Brothers, Chief Development Officer, Navitas

COLLABORATION

The culture of ‘compete at all cost’ has to be re-imagined in the context of a collective ambition to collaborate to grow the sector and achieve much more, not just as individual providers.

Our success to date has reflected good collaboration. During our consultations the sector identified that ‘good’ is not good enough and a whole new level of collaboration must be achieved if we are to realise our aspiration.

Collaboration must extend across the entire sector and not just within the segments of the sector that already know and work with each other. A greater degree of connectivity and scale are needed that will see Australian providers working together to meld their individual strengths into unique offerings that will enable us to compete to excel.

Collaboration in the form of creating consortia and public-private partnerships must become a core competency of the sector.
INNOVATION

The sector must disrupt or be disrupted. Disruption is inevitable. The sector needs to embrace this disruption and seek the opportunity that it invariably presents. Change needs to be viewed as an opportunity and our openness to innovation in the provision and delivery of learning, will underpin our international reputation and comparative advantage.

Complacency has no place in achieving our aspiration. There are instances of excellence among the sector in continually innovating - where providers consistently seek opportunities to improve their offering and use new approaches and technology to deliver better outcomes for students. These instances need to extend to become a sector-wide culture that we are recognised for as much as our existing quality and strengths.

"The sector should have appropriate measures in place to mitigate risk, but those measures must support and not stifle innovation if we are going to be successful in accessing the global opportunity."

Brett Blacker, Chief Executive Officer, English Australia

ANTICIPATION

Demand must drive our focus rather than the constraints of existing supply or the ‘way we’ve always done things’. To maintain our edge and forge new advantages we must place the 2025 student at the heart of how we design and deliver learning so that their experience reinforces our brand as a provider of choice for international education. We cannot view them in isolation from others who can be key influencers in the decision-making process, such as employers and family-members.

This is as much about learning and anticipating the skills that students and employers will be seeking, as it is about the style and delivery channel of the learning experience. One of our greatest comparative advantages should come from our ability to deliver what is demanded by the market, while maintaining our reputation for quality.

This anticipation must be connected with innovation and trying new approaches. The sector needs to diversify in terms of business models, target markets, and service offerings so that it is able to withstand changing circumstances or shocks in the international environment.

"Can we innovate course delivery to contain costs? We’ve talked about paradigm change but what about a mindset change? Can we deliver courses that are shorter, more flexible and more cost effective to both students and to providers?"

Aleksandr Voninski, Executive Director, UNSW International, University of New South Wales

RECIPROCATION

To develop sustained, long-term growth in existing and emerging markets, in a way that builds rather than detracts from the existing strengths of our brand, our starting point cannot be what we ‘get’ but what we can ‘give’.

Our interactions must be reciprocal and have a longer-term dimension and value.

This reciprocal approach will enable a deeper understanding of the 2025 student’s needs and build an understanding of how Australia’s strengths in education can best enable individuals, communities and industry.

"Can we innovate course delivery to contain costs? We’ve talked about paradigm change but what about a mindset change? Can we deliver courses that are shorter, more flexible and more cost effective to both students and to providers?"

Aleksandr Voninski, Executive Director, UNSW International, University of New South Wales
Ideas that will shift the current way of doing things, leading to a different outcome

Game-changers are the ideas that could give Australia the edge in realising our aspirations.

These are the ideas where, together, we will try new initiatives and approaches to grow our markets. Where these succeed, we will build on them to continue their success. Where they do not, we will share and use our learnings to identify and trial new ideas that will stimulate and support the growth of the sector. The game-changers most likely to fundamentally impact Australia’s position as a global force enabling individuals, communities and industry to realise their potential, are set out on the following pages.
**COMPETE AT SCALE**

How do we form the scale required to compete to excel?

The scale of the global market and the nature of the opportunities that exist are enormous, as is the challenge posed by current and emerging competitors. Providers will need to have a much greater capacity for delivery to meet the scale of opportunity, or an understanding of their unique value and how they can work with others to form a compelling offering that will achieve the scale required to meet target markets or new opportunities.

Under this game-changer, we will trial initiatives targeted at building new networks and linkages across the sector, building capability to form successful consortia and partnerships, and improving the sectors approach to understanding and articulating capability strengths.

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**EMBRACE BORDERLESS LEARNING 24/7**

How do we use new channels and approaches so that ‘2025 students’ can access the best of Australia’s education offerings – when and where it will optimise their learning outcome?

Students are increasingly familiar with a world where technology enables them to define their own preferences for what information they see and how other people in the world interact with them. Technology also allows providers to deliver learning and education without being physically proximate to the student. The 2025 student view of their experience will be a relatively borderless one – centred on their needs and how these can be best met. Providers need to offer education and skills experience that reflect the demands and preferences of the market – rather than being shaped by the constraints of supply – offering blends of online, in-market and onshore.

Providers that are reluctant to come to terms with the opportunity to target 2025 students through a variety of channels to best enable their learning and deliver optimal outcomes will face significantly increased competition. The success of the sector to embrace the opportunity presented will be a genuine game-changer that will position us well to engage 100 million 2025 students and transform the approach to learning, as well as the individual, their communities and industry.

Under this game-changer the sector will need to lead by defining their individual aspirations in the borderless space and integrating that into their business model and offering. The government will consider how to gain more meaningful data on the borderless space and options for how we can lend quality assurance approaches to this delivery model so that we maintain Australia’s reputation for high-quality learning.

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**UNLEASH TECHNOLOGY**

How can the sector harness technology and data to improve their offerings?

Using the power of technology needs to be at the core of how the sector works, enabling not just delivery through online channels in the borderless space but in improving provider operations and understanding of student experience. At its most basic level, this is about technical proficiency and efficiency in enabling operations, but at the other end of the spectrum it is harnessing the data generated from online delivery – tracking keystroke patterns by students to understand how they learn, identifying individuals at risk of non-completion, and ultimately using the data available to improve offerings.

Providers need to understand best-practice use of technology in learning delivery, and consider this against their own aspirations and capacity to develop their competency and systems – to place technology at the heart of how they improve their service offering – and embrace rather than resist technological change. Government must also improve its understanding among the sector of best-practice initiatives in technology application to learning, and to our own promotional and marketing activities of the sector – to showcase and build a reputation of technological innovation.
**SHARPEN MARKET FOCUS**

Where is our greatest comparative advantage and how do we maximise its impact in our approach to market?

We understand that there is a remarkable opportunity that exists. We know too that a lot of our success is built on traditional markets and drivers that have not required the sector to refine their own understanding of their unique global strengths, and how to position themselves in the market to greatest advantage.

We want to realise our ambition in the smartest way possible, which means identifying where we should compete and focussing our resources in the right places for the biggest returns, ensuring that the way we market and promote Australia’s offering is right for the market. It should also reflect a strategic view of sustained long-term growth – which requires the sector to pursue opportunities to diversify their markets and to consider how to maximise their gains in emerging markets.

The government will highlight to the sector the areas of greatest prospective opportunity and trial initiatives in new and emergent markets to test how well we can develop these opportunities. The sector must take a longer-term view themselves of where they are best placed to compete, and how the brand of Australian International education can best support the achievement of our aspiration.

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**ATTRACT GLOBAL CAPITAL**

How do we ensure that growth aspirations are supported by sufficient investment to sustain growth and improvement?

Significant sustainable growth requires investment. Not just traditional attraction to build infrastructure capacity but a smarter approach to attracting the capital necessary to develop and translate new ideas into profitable ventures and to expand existing supply in the borderless space to meet demand. In developing an understanding of their unique value, target market, and offering, the sector must consider their own longer-term investment strategies and skills, to present a value proposition that can attract investment.

The government will target some selected conferences popular with key education investors to showcase Australian capability and undertake, in response to interest, facilitation services to connect prospective investors with providers in Australia.

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**MAINTAIN AN AUSTRALIAN EDGE**

What unique element of the Australian education approach can we capitalise on to build our reputation and attractiveness as a provider of learning?

Australia has led the way in key innovations in international education policy, market development and solutions – such as the use of high quality agents and our approach to legislating to protect the rights of international students. The National Strategy will continue strengthening our fundamentals as we seek out the next key drivers of improvement and growth – some of which will likely flow from the game-changer themes set out in the roadmap. We will leverage these strengths and drivers in our marketing and the overseas promotion of our offering.

Under this game-changer, the sector and governments will work collaboratively to consider new approaches and changes that could enable a new series of growth in the sector, or that can significantly add to our competitive edge as a provider of choice. This includes idea generation, sectoral leads developing proposals with government facilitation, and working together to make these ideas a practical reality that are then applied to our international marketing efforts.
Roadmap activation

- This roadmap seeks to catalyse readiness for change and increase agility within the sector.
- We are aiming to drive fresh thinking and action in the identification and pursuit of opportunities for sustainable growth both onshore and in borderless education that match the sector’s strengths with trends in global demand.
- The roadmap is not an exhaustive set of actions. It sets out an ambition and approach to testing new actions over the next ten years to realise the full potential of the sector. The periodic activation plans that will support this will evolve and change in response to both what we learn, and inevitable changes in the global economy.
- Success will rely on a spirit of shared ownership, and leadership by the sector. This will involve considering new ideas, prototyping and investing in them, and learning from experience. It will involve providers leading and participating in the game-changers and embodying the culture and behaviours identified as key to success – particularly putting aside a ‘compete at all costs’ approach and making serious efforts to work collaboratively.
- Governments will enable this activation. Facilitating the process of idea generation and responding where the sector show that they are leading the way and a government response can remove an impediment, or amplify growth. Australian, state and territory, and local governments, all have a role to play in fostering the right environment to enable the sectors’ success and cross-government collaboration needs to be strong so that our approaches are complementary and collectively enable the sector.
- Within this – Austrade will continue to work with the sector as the co-creator of this roadmap. Austrade will act as a custodian of the ideas that come forward and help broadcast learning back to the sector. Within this too, Austrade has its own specific activities that it will undertake within its role to enable the sector. These activities form the core of our first intermediate plan to underpin the roadmap. Together with the sector, Austrade will help assess the effectiveness of our approach and to reconsider our direction as we continue through to 2025.
