Japan and South Korea both provide opportunities to consolidate market share across sectors

Market research for development of the Partnership Plan 2017-18
TIQ has the bold ambition to grow Queensland’s national market share in International Education and Training to 20 percent by 2026

In order to achieve this ambition, TIQ is developing an IET Partnership Plan. The Partnership Plan is about identifying both the opportunities that will enable growth in IET in Queensland, and the activities that will support these opportunities.

About the Partnership Plan
The IET Partnership Plan identifies opportunities for Queensland's IET industry, and supporting activities and initiatives. The Partnership Plan presents a forward plan for Trade and Investment Queensland's key activities over the coming twelve months to enable support and partnership from industry. The Partnership Plan provides a collaborative approach to developing market opportunities for Queensland’s International Education and Training sector. It provides direction and leadership on the markets Queensland should focus on and prioritise in IET.

About the opportunity briefs
In developing the Partnership Plan, TIQ engaged an independent management consulting firm, Nous Group, to undertake market research to identify growth opportunities for Queensland's IET industry. A series of opportunity briefs were developed for to inform consultations with the industry. The opportunity briefs highlighted key features of the opportunity, outlined performance in key sectors and provided a sense of scale for the opportunities. This information was intended to enable prioritisation and inform strategic focus areas for targeting the opportunities in consulted with industry and developing the Partnership Plan. The information was gathered through review of available data, review of key literature and through consultations with TIQ’s Business Development Manager (BDM) network and other key stakeholders.

Ongoing use of the opportunity briefs
While the opportunity briefs were developed for the purpose outlined above, industry stakeholders may choose to use the briefs for information on key markets and opportunities. This supports the new initiative of IET Market Intelligence outlined in the Partnership Plan,

This is a briefing pack on Japan and South Korea.
South Korea and Japan represent market-staking opportunities for Queensland

Together South Korea and Japan make up over six percent of all international enrolments in Australia. Queensland’s share of this is high – over 20 per cent in both Japan and South Korea.

International Education Student data source: Austrade, Market Information Package (MIP)
Two key opportunities are presented – one for each Japan and South Korea

Both offer market staking opportunities in light of strong market share and increased competition from other states in these two markets.

1. Japan is a significant market for Queensland, and opportunities exist to consolidate market share in VET and ELICOS while growing Higher Education

2. Queensland should consolidate its share of growth in South Korean Management and Commerce students in VET and diversify where possible
Japan is a significant market for Queensland, opportunities exist to consolidate market share especially in VET and ELICOS

Based on Queensland’s current market share Japan represents a market staking opportunity for the state. In particular, growth in VET and ELICOS should be consolidated.

**Japanese students:**

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<th>Queensland Enrolments</th>
<th>Australian Enrolments</th>
<th>Queensland market share</th>
<th>QLD Enrolment CAGR 2011-2016</th>
<th>AUS Enrolment CAGR 2011-2016</th>
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<td>4,675</td>
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<td>31.8%</td>
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<td>14,698</td>
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**Japanese students:**

- 4,675 Queensland Enrolments
- 14,698 Australian Enrolments
- 31.8% Queensland market share
- 6.6% QLD Enrolment CAGR 2011-2016
- 6% AUS Enrolment CAGR 2011-2016

VET and ELICOS could be encouraged to retain market share. 2017 data indicates an upward trend in HE enrolments –

- Until 2016, they have consistently trended downward

**Australia is the second largest ELICOS destination for Japan**

- Many Japanese students study on tourist visas or working holiday visas so are not captured in the above data.
- Japanese is the most-studied language in Queensland schools after English.

**Several leading private universities across Japan have announced plans to make a year of study abroad compulsory**

- Planned compulsory for all students in four-year degree courses by 2020-2032. This provides a prime opportunity for Queensland universities to team up with Japanese counterparts to design interdisciplinary courses to capture a large-scale annual stream of group enrolment.

**The Japanese government and universities are promoting VET abroad as one way to solve the skills shortage challenge –**

- Japan has the greatest skill shortage of all countries (Manpower Group 2017)
- VET qualifications followed by degree-bearing courses are eligible for JASSO student loan scheme under JAEPAP
- Japan-Australia Economic Partnership Agreement – Japanese students undertaking certain VET courses can apply for Japanese Government scholarships and low-interest loans
- Japanese universities have committed to sending a high volume of students on overseas study tours; agents expect an increasing number will turn to non-university partners for hosting to manage growth.

**Japanese students:**

- 4,675 Queensland Enrolments
- 14,698 Australian Enrolments
- 31.8% Queensland market share
- 6.6% QLD Enrolment CAGR 2011-2016
- 6% AUS Enrolment CAGR 2011-2016

**Market share for Japan is strong across all sectors for Queensland. ELICOS is the largest sector, followed by VET.**

- ELICOS: 33%
- VET: 32%
- HE: 26%

**Since 2011, ELICOS and VET have grown strongly, however the number of Qld’s Japanese HE students has declined.**

**International Education Student data source: Austrade, Market Information Package (MIP)**
Qld should consolidate its share of growth in South Korean Mgmt. & Commerce students in VET and diversify where possible

Queensland currently performs well, with very strong growth over the past five year period and an increase in market share. However, opportunities to diversify should be considered. This is an opportunity to consolidate market share.

South Korean VET makes up a significant share of the market...

More than 2%
South Korean VET as a share of the total Aus market

Korea is the third highest Australian market, with more than half of South Koreans doing VET.

One-in-two
South Korean VET students study Mgmt. & Commerce

This was 8,300 students in 2016. The next largest field was Food Hospitality and Personal Services.

One-in-five
of these students are currently studying in Qld

18% of South Korean Mgmt. & Commerce students study in Qld. This is up from 14% in 2011.

Queensland needs to aggressively compete with VET provider performance in NSW –
- NSW traditionally performs well in the South Korea market
- SA has also been attracting many Japanese students with competitive tuition fees and accommodating the term-abroad demand as well as large-scale projects by Prefectural Governments.
- Australia generally is perceived as having lower quality study compared to US, UK and Canada.

Growing collaboration between Australia and South Korea provides additional opportunities –
- MOU for cooperation in VET - collaboration on standards and qualifications to benefit Australian training partners in Korean market (Dept. of Industry, Innovation and Science, 2014) – for example the K-Move School program
- Providers will need to be aware of Korean Government’s strict anti-bribery policy.

There is a perception that VET is inferior to HE – as communicated by the BDM network –
- The Korean market is very price sensitive; while this has been supported by a low Australian dollar, there is a perception that Queensland VET sector is inflexible and expensive.
- Opportunity for QLD to demonstrate lower cost of living relative to Australia.
- Grow HE by targeting internationally-focused schools.

International Education Student data source: Austrade, Market Information Package (MIP)