

## ***Business Case***

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# **Promoting Education Opportunities in the Redland Shire**

**14 November 2002**

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# About this Document

## Purpose

The Manager of the Economic Development Group at the Redland Shire Council has commissioned this document. It outlines a business case for the Redland Shire to capitalise on the opportunities available within the Education market which is intended to provide the foundation research needed in order for the parties involved to take action.

## Intended Audience

This document is intended to be viewed by members of the Redland Shire Council and parties involved in discussions surrounding Redlands Educational Opportunities with the Redland Shire.

## Information Sources

Information sources used in the preparation of this document include: International Education International, paper on Export Education in NZ (Minister of Education), REDAC (Redlands Economic Development Advisory Council), "Freedom attracts foreign students" (Courier Mail, 16 September 2002, Matthew Fynes-Clinton), IDP Education Australia, Australian International Education Federation, 1997, Survey of International Students Studying in Australia. NEAS (National ELICOS Accreditation System), The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA),

Open Doors 1993/94: Report on International Educational Exchange, 1994. Todd M. Davis, ed. New York: Institute of International Education. Articles consulted "Education as an Export by MICHAEL HAIGH", "Calculating the Economic Impact of Foreign Students: An Institutional Perspective by DAVID J. LYMAN AND KENNETH A. ROGERS",

IDP Education Australia, "International Students in Australian Universities, Semester One, 2002, National Overview".

Auditor-General, Victoria, April 2002, "International Students in Australian Universities".

Professor Colleen Ward "The impact of international students on domestic students and host institutions". prepared for the Export Education Policy Project of the New Zealand Ministry of Education by Colleen Ward Victoria University of Wellington 2001, Last update: 22-Jan-2002.

Dr Prem Ramburuth, "The Internationalisation of Education: Implications for Students Learning and Socio-Cultural Adjustment". IDP Education Australia, 15<sup>th</sup> Australian International Education Conference: Developing Global Capacity through International Education. 25-28 September 2001, University of NSW, Sydney, Australia.

Consultations were held with the following persons, officers and/or work units: Professor David Ingham from (Centre for Applied Linguistics and Languages, Griffith University), NEAS, Michelle Allan from Department of Premier and Cabinet, Sue Grebenschikoff from Study Cairns, Gina and David Dumsday from International Student Exchange.

## Executive Summary

This report represents the renewed drive by the Redland Shire Council to progress discussions highlighted by members of the previous Education Taskforce and the Redland's Education sector to arrive at a sustainable outcome to advance education opportunities within the Redland Shire. For the Redland Shire, advancement of opportunities towards the engagement of International Education within this region has the potential not only to create employment, growth and business development right now, but also has the potential to provide a solid foundation for economic development within the region for years to come. The purpose of this business case is to present the potential for economic development opportunities within the Redland Shire through promoting Education opportunities.

Australia's share of the International student market is estimated at about 7%. In Queensland, the international student market, extending from primary school to English language colleges and university, is worth around \$604 million a year. During 2000-2001, Queensland's foreign student numbers for English language courses increased by 27.8 per cent. The next biggest growth was in vocational education and training programs (14.1 per cent) followed by higher education (11.6 per cent). It is projected that China, Indonesia, Malaysia and India will be strong source countries of students with Asia expected to represent 70% of the market by 2020. There is however a need for source country diversification when marketing the Redlands internationally to counter country and regional economic business cycles. To date, the Redland Shire does not have a Sister City or Memorandum of Understanding agreement in place.

Currently, there are institutions within the Redland Shire that promote their services internationally. There is large cost associated with this exercise and in addition, there have been incidents where students have been placed outside the Shire due to over-capacity and/or lack of cooperation between institutions. Through the establishment of an International Education Consortium and/or an English language centre within the Redland Shire, many benefits can be realised.

There are benefits that can be attributed to both an institution and the community. For the institution these can range from receiving funds to reinvest into the school to enhancing the school's reputation and establishing international networks. For the community benefits can include the attraction of new money into the community increasing business activity and multiplying through the economy to community knowledge of other cultures, cross-cultural communication skills and international linkages. There are also challenges to undertaking such a strategy. For the institution there are risks associated with start-up, understanding regulations and student welfare issues to consider. For the community, there needs to be considerations made for cross-cultural communication, public acceptance and infrastructure.

### **Option A – Redlands Education Consortium**

This is the establishment of an education consortium to cooperatively market educational opportunities in the Redlands within the state, interstate and internationally. The encouraging support for this program has led to this proposal being advanced by interested parties at a meeting to be held in February 2003, of which an outcome is yet to be determined. It is essential however that the consortium is lead and operated by industry to ensure its long-term viability. The consortium's function and operation can manifest a number of options. These issues would need to be considered in the context of what would be most appropriate for the Redland's regions through discussion led by the current stakeholders involved. Examples of other consortiums established in Cairns, Adelaide and New Zealand are mentioned as references to functional and operational considerations. Possible challenges to this option include issues surrounding regulations for international students and cooperation between public and private schools. Project resources for the establishment of the consortium could be procured through state government funding, member contributions and in-kind support.

### **Option B – ELICOS Centre**

ELICOS is an acronym for English Language Intensive Courses for Overseas Students. These courses are provided by educational institutions from secondary upwards and are publicly and privately funded. There are no standard lengths of courses, however each student must receive at least twenty-five hours of contact time a week. The establishment of an ELICOS centre is strictly regulated with centres needing to apply for accreditation. To date, the Economic Development Group of the Redland Shire Council has received an expression of interest by two parties to establish a centre in the Redlands. The establishment of an English Language Centre can take on a number of forms. Firstly, schools themselves can hold English language courses. Secondly, a separate English Language centre can be established. The ELICOS association of Australia provides listings of centres within Australia. Currently there are eight ELICOS centres within the Brisbane region. Challenges presented to this option are surrounded around the strict regulation of the ELICOS centres. The NEAS Accreditation Handbook application details, facility and resource materials required for an institution to be accredited. It is estimated that at least 1,300m<sup>2</sup> would be required to house around 200 students.

### **Economic Impacts**

The establishment of an education consortium within the Shire could lead to the attraction of outside investment opportunities to invest in more educational facilities. Further external economies would be realised. As Redland institutions become internationally recognised and competitive, students who currently leave the Shire will return as parents will want to see their children take advantage of the socialisation and networking opportunities by placing them in co-cultural schools.

Estimates of the direct economic contribution of International students to a local economy, institutions and country vary depending on calculation methods and variables considered. The economic benefits to the Redland Shire are far greater for long-term International students. As an annual average, estimates indicate an international student's average weekly income at \$603 and their expenditure at \$600. Queensland Education International estimates that each international student contributes a minimum of \$20,000 per year to its institution. As International students are bringing new money into the Redland Region they are increasing economic activity and employment directly and indirectly through multiplier effects. Australia's international student multiplier is estimated at around 1.5.

## Conclusion

The benefits accrued are more than just financial with further benefits being realised through the growth and maturity of this industry once established within the Redlands. This is a rapidly growing industry of which state and federal governments are inputting resources to harness the gains to be made. The Redland Shire has the current opportunity to be involved in the growth phase of the International Education Market and in doing so now will ensure early mover advantages.

## Recommendations

As a result of the analysis of this business case, the following recommendations are proposed:

- The Redland Shire Council assist in initiating and facilitating the establishment of an Education Consortium within the Shire;
- The Redland Shire Council support the establishment and funding of a part time education co-ordination and facilitation role, to support the consortium and the development of education opportunities in the Shire;
- The Redland Shire Council provide support to the establishment of an ELICOS centre in the Shire;
- The Redland Shire Council prepares an international policy, which would outline the opportunities, benefits and costs of pursuing various forms of relationships with areas in other parts of the world, as part of its economic and community development initiatives;
- The Redland Shire Council acknowledges that branding the Redlands as an education destination will benefit tourism within the Shire, and therefore be incorporated within the new Redlands Tourism Development Strategy.

The continued growth of the International Education industry within Australia is inevitable. The incorporation of accepting and implementing the recommendations of this report into the Redland Shire Council's new Economic Growth strategy provides for an ideal opportunity to drive economic growth, employment and business expansion within the region. By not taking action, either or both options may be privately established, or they may not. Only, an active pursuit by the Redland Shire Council will ensure the realisation of a sustainable outcome.

# 1 Business Case

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## 1.1 Background

During 1999 an Education Industry Sector Taskforce was established by Redlands Economic Development to undertake research at a national and local level, identify operational needs, issues, constraints, strengths, weaknesses, opportunities and threats and evaluate the Education industry in relation to what Redlands could offer and whether it was sustainable. [Attachment A](#) displays the recommendations and suggested action plan submitted to the Redland Shire Council.

This "Promoting Education Opportunities in the Redland Shire" report represents the renewed drive by the Redland Shire Council to progress discussions highlighted by members of the previous Education Taskforce and the Redlands Education sector to arrive at a sustainable outcome to advance education opportunities within the Redland Shire.

## 1.2 Introduction

Australia's share of the International student market is estimated at about 7%. As a destination for International Students, Australia offers an attractive package. Australia is the largest English speaking country closet to Asia as well as offering similar time zones. Regulation of the industry within Australia involves both state and federal legislation. In retaining the International student market's allegiance it is imperative that Redland's education facilities show competency and capacity to meet the demand. The Australian Bureau of Statistics defines overseas students "as foreign students who enter Australia on student visas and attend courses on a fee paying basis irrespective of who actually provides the funds".

In the fiscal year 2001/2002, the value of Australia's education exports was \$4.154 billion. This value incorporates the value of education provided to international students plus the expenditure of those students while they are in Australia. It is Australia's 14<sup>th</sup> largest export and 3<sup>rd</sup> largest services export.<sup>1</sup> International education services are also a large export earner for the Queensland economy. In Queensland, the international student market, extending from primary school to English language colleges and university, is worth around \$604 million a year with institutions charging fees from \$6000 to \$35,000 a year<sup>2</sup>. In addition to the financial benefits, there are further potential benefits to the local economy that are not so quantifiable nevertheless, have a great potential to boost economic development.

For the Redland Shire, advancement of opportunities towards the engagement of International Education within this region has the potential not only to create employment, growth and business development right now, but also has the potential to provide a solid foundation for economic development within the region for years to come. Through opening our doors to this market, the repercussions could include, among other things, local companies entering new markets through the development of connections with this group of well-connected young people from all over the world.

The purpose of this business case is to present the potential for economic development opportunities within the Redland Shire through promoting Education opportunities.

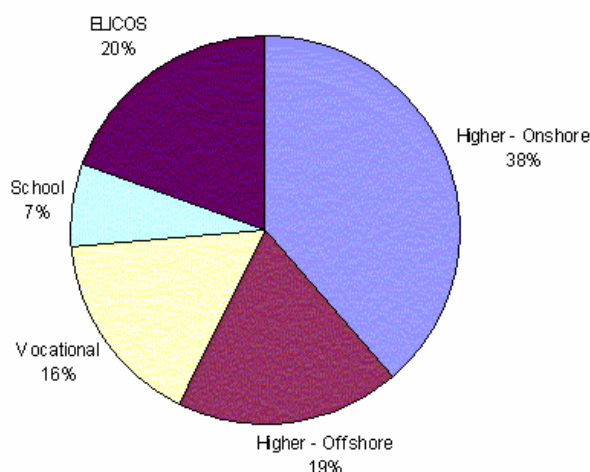
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<sup>1</sup> IDP Australia "Australia's Exports of Education Services".

<sup>2</sup> Courier Mail article, 16 September 2002, "Freedom attracts foreign students", Matthew Fynes-Clinton

### 1.3 The International Education Market

The number of overseas students in Australia in 2000 was 188,277, in QLD 25,103, in NSW 42,391 and in VIC 57,674. Of these 107,622 were enrolled at universities. Of these 97,751 are studying on-campus in Australia), 36,767 in the ELICOS sector, 30,759 in the vocational education sector, and 13,129 in the school sector. The following graph displays the breakdown in percentages. *Source:* Overseas Student Statistics 2000, AEI (DEST).



The following table displays Queensland's position within this market. It can be seen that Queensland represents 6.4% of the total Australian International Education market significantly lagging behind Victoria and New South Wales. During 2000-2001, Queensland's foreign student numbers for English language courses increased by 27.8 per cent. The next biggest growth was in vocational education and training programs (14.1 per cent) followed by higher education (11.6 per cent).<sup>3</sup>

#### Breakdown by state

State	Courses Undertaken						Total	Residing in Australia
	Higher Education Onshore	Higher Education Offshore	Total	Vocational Education	School Education	ELICOS		
New South Wales	22,172	10,322	32,494	15,655	2,640	17,207	67,996	57,674
Victoria	22,038	10,896	32,934	8,249	4,782	7,322	53,287	42,391
Queensland	13,679	4,159	17,838	2,512	2,481	6,431	29,262	25,103
Western Australia	8,502	5,224	13,726	2,949	1,713	3,686	22,074	16,850
South Australia	3,349	3,407	6,756	920	621	1,299	9,596	6,189
Australian Capital Territory	1,817	320	2,137	318	436	372	3,263	2,943
Tasmania	791	489	1,280	120	282	401	2,083	1,594
Northern Territory	176	5	181	36	174	49	440	435
Multi-state	193	83	276	0	0	0	276	193
<b>TOTAL</b>	<b>72,717</b>	<b>34,905</b>	<b>107,622</b>	<b>30,759</b>	<b>13,129</b>	<b>36,767</b>	<b>188,277</b>	<b>153,372</b>

(\*) The number of students in each sector is based on the type of course that the student is undertaking rather than the type of provider that they are enrolled with.

*Source:* Overseas Student Statistics 2000, AEI (DEST)

<sup>3</sup> Courier Mail article, 16 September 2002, "Freedom attracts foreign students", Matthew Fynes-Clinton

Singapore, Hong Kong, Malaysia, Indonesia, and China are the major source countries for Australia's international student population. The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) reported in April 2002 that the greatest number of visas issued in the period July 2001 to April 2002 were in China, Hong Kong, United States, Malaysia, Japan, Thailand, Singapore, Indonesia and South Korea. These countries, in addition to the Middle East and Arabic countries can therefore be expected to be the key sources of international students in the near future. Data also indicates that emerging markets for international education in Australia such as Mexico, Canada, UK, South Africa and Brazil are becoming more important. The number of student visa applications in the UK has also increased 25% against previous period. It is projected that China, Indonesia, Malaysia and India<sup>4</sup> (China and India will be the key performers) will be strong source countries of students with Asia expected to represent 70% of the market by 2020.

As far as international cooperation goes, the Australian government currently holds a Memorandum of Understanding (MOU) with nine countries<sup>5</sup>. A Memorandum provides a framework within which the two Governments can jointly consider programs of cooperation in education and training based on reciprocity and mutual benefit. The Department of Education, Science and Training currently have MOUs with the following countries: China, Indonesia, Singapore, Malaysia, Thailand, Vietnam, USA, Argentina, and Colombia.

To date, the Redland Shire does not have a Sister City or MOU agreement in place. Due to the importance of relationship building with collective societies such as Asia and South American, the signing of such agreements would promote trust and understanding, as well as displaying commitment to an International Education strategy. Through such a relationship building exercise, networks of contacts would be expanded leading to long-term sustainability of this industry within the Redland Shire. In addition, by participating in commercially indirect activities relationships are developed which then lead to commercial dealings. Further benefits are related to an increased awareness of the Redlands to the Sister City (further branding) as well as the potential for the Redlands to create external economies increasing business activity in other industry sectors<sup>6</sup>. The logistics of establishing such an agreement would require the arrangement of boundaries and scope in order to ensure that tangible benefits are realised. Standard policies for the Redland Shire Council signing such agreements would eventuate to automate the process.

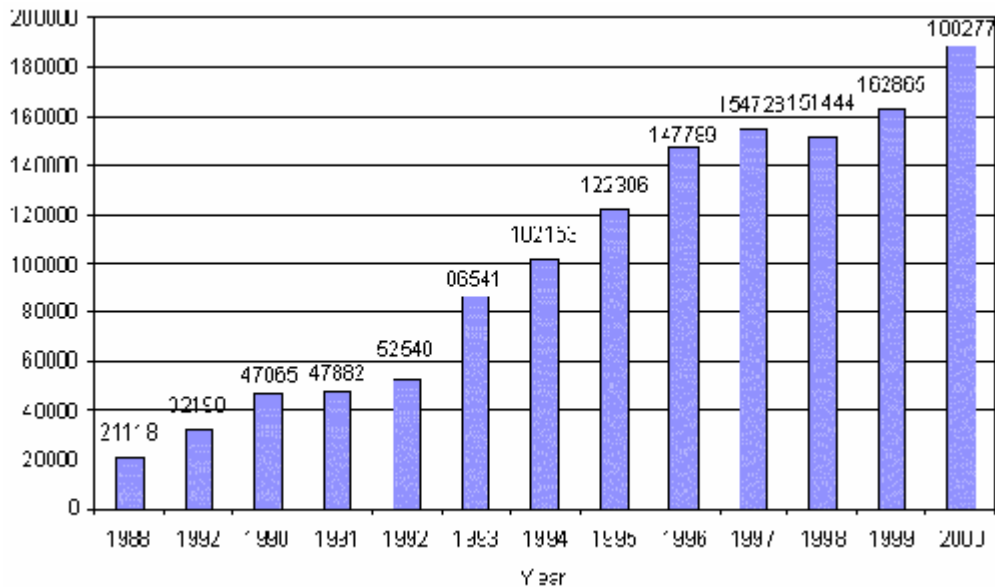
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<sup>4</sup> "Education's new goldrush", David Cohen, Hobart, The National Business Review – New Zealand, p17.

<sup>5</sup> AEI [http://aei.dest.gov.au/general/GtoG/govt\\_activs.htm](http://aei.dest.gov.au/general/GtoG/govt_activs.htm)

<sup>6</sup> Dubbo Sister City arrangements and benefits - [http://www.dubbo.nsw.gov.au/Your%20Council/sister\\_cities.html](http://www.dubbo.nsw.gov.au/Your%20Council/sister_cities.html), Sister Cities International - <http://www.sister-cities.org/welcome>. Benefits to industry - <http://www.cic.sfu.ca/Japanese/Twinning%20Lectures/lornie.html>

## International Student Numbers enrolled in Australia 1988-2000



**Source:** Overseas Student Statistics 2000, AEI (DEST)

This time series graph shows the number of overseas students enrolled within Australian institutions consistently increases. With only a slight dip in numbers around the time of the Asian financial crisis and a return to positive growth in 1999. This indicates the potential impact of the source country's economic business cycles and regional economic downturns on the growth potential of this market. It also hints to the need for source county diversification when marketing the Redland Shire internationally. The objective would be to provide a continual, even flow of students throughout the year visiting the region.

Australian Education International (AEI) undertook a study of over 3,000 potential international students<sup>7</sup> revealing Australia's 'image' to this market. The participants noted the United States and the United Kingdom as Australia's key competitors. Australia, however, has the advantage of being less expensive and better proximity<sup>8</sup>. In relation to Australia's education system, it was revealed around 55% believed Australia's system was of "high quality" ranking behind the US at 67% and the UK at 74%. A common theme of statements came from the report, being: "discover who they really are without the constraints of family or tradition", "and they want to have fun", "challenge" and "prestigious education style". In promoting Redland Educational Opportunities overseas marketing appeals portraying these types of benefits would have the potential to engage this market.

<sup>7</sup> Courier Mail article, 16 September 2002, "Freedom attracts foreign students", Matthew Fynes-Clinton

<sup>8</sup> Cameron, N. 2001, 'Australian education on top', Business Asia, vol. 9, no. 7, pp. 20-21.

## 1.4 Current Situation

The Redland Shire currently hosts 11 high schools with approximately 7,458 student and 585 teachers within these facilities<sup>9</sup>. There are further students undertaking study at the Moreton Institute of TAFE. International Student Exchange in Capalaba has been operating an inbound coordination service for International Students for around ten years and is the only enterprise within this region providing these services. At present they have provided around 200 students dispersed in schools within this Shire including 3 students staying at least one year. On average they receive around 1,500 short-term students per year. International student numbers within the Redland region can be estimated through undertaking a survey of schools within the region to inquire how many International Students they have enrolled. Alternatively, the number of student visas issued to schools within the Redlands can be obtained from the DIMIA however, there is no indication if these students are residing within the Redlands.

## 1.5 Opportunities

Currently there are institutions within the Redlands that do promote their services internationally. One issue here is the massive outlay required to do so for an individual institution verses the reach they will attain. Another issue of concern, is that there have been incidents within the region where International students wishing to undertake study have been forced to seek services elsewhere due to over capacity within one institution. This has meant that instead of the students being referred to another institution within this region, they have left the Redlands to seek services outside the Shire.

This negative outcome can damage this institution's reputation, as well as Redland's, future marketing efforts through unfavourable feedback to these markets. Particularly because of the importance of word of mouth between family and friends to the Asian market<sup>10</sup>. When this occurs, the potential economic benefits to the Shire are forgone. This direct impact means loss of spending in the region through schooling, retail, accommodation, tourism etc. Further, the cultural and societal benefits and indirect multiplier benefits are also lost. With the effects of globalisation reaching all corners of the world the Redlands must embrace and cultivate these opportunities in order to realise sustainable economic growth within the region.

Recently, a group of 300 short-term students had been planned, through International Student Exchange in Capalaba, to travel to Australia annually and study in the Redlands have now decided to move to the Pine Rivers Shire for study (see [Attachment B](#) for the potential economic impact of the Tsu group). They decided on Pine Rivers Shire as the Council met with Mr. Yamaoka, Vice Chairman Tsu City Council and accepted a cooperation agreement between the two councils. In future the loss of these opportunities may be avoided by establishing a single point of contact within Redland Shire Council for these types of discussions.

Redland Shire Council should also consider preparing an international policy, which would outline the opportunities, benefits and costs of pursuing various forms of relationships with areas in other parts of the world, as part of its economic and community development initiatives. A policy would outline how relationships might be formed and the nature of those relationships, ranging from a short term Memorandum of Understanding through to a full Sister City relationship, to realise tangible economic benefits for the Shire.

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<sup>9</sup> Invest Australia, Redland Shire

<sup>10</sup> Maintenance of quality service is vital to this market as a survey indicated that in 1992 the main source of information came from relatives and friends. While this was still the case for High School students in 1997, all other sectors used an independent agent. Australian International Education Foundation, "1997 Survey of International Students Studying in Australia"

## 1.6 Possible Solutions

Through the establishment of an International Education Consortium and/or an English language centre within the Redland Shire, many of these benefits can be realised. Essentially, there is a need for a coordination function to assist in the development of this sector and to brand Redland Shire Internationally as an Export Education destination. International students can arrive on both a short term bases of one to two weeks to a long-term basis of one year and over.

A successful and sustainable international education industry can enrich society and build positive linkages for the future. The intention of this report is to encourage the Redland Shire Council, public and private education institutions and other stakeholders to work together to ensure high quality provision and more balanced growth, in what is an important and promising industry. This report represents a key step in this process.

### 1.6.1 Benefits of International Education to The Redlands

#### To the institution –:

- Cultural and intellectual enrichment contribution to the school. Including assisting Australian students with foreign language skills as well as good work habits by international students being positive for domestic students;
- Could provide opportunities for local student overseas scholarships and exchanges;
- Personal and professional growth for all staff, including administration;
- Could provide opportunities for exchange programs for teaching staff for professional development;
- Many international students are academic achievers, particularly at higher educational levels<sup>11</sup>;
- Calculations of economic impacts of International students on an institution have been found to be cost effective<sup>12</sup>;
- International students, particularly at post-graduate level, can make a valuable contribution to research and development activities;
- Establishment of international networks and enhancing the reputation and international profile of the institution;
- From income generated from International student fees, the school is able to invest in upgrading facilities for all students as well as hire more staff. For private schools this means generating income and for public schools it will mean supplementing their budget;-
- Overtime, the teachers and curriculum will reflect a more internationally competitive experience.

#### To the Redland Shire and Community -:

- Provide potential fee-paying customers to local schools that would like to develop that area;

<sup>11</sup> Auditor-General, Victoria, April 2002, "International Students in Australia Universities".

<sup>12</sup> As quoted in the article how to calculate the overall impact of foreign students on an institution in a state or locally. **Step 1:** Estimate the amount a single foreign student pays for tuition and fees per academic year. **Step 2:** Estimate the amount a single foreign student pays for room and board for 12 months. Nonresidential institutions can calculate room and board by using the recommended MMRs (Monthly Maintenance Rates) as calculated by IIE for use by the Fulbright scholarship program. **Step 3:** Estimate the amount a single foreign student pays for incidental expenses for 12 months. **Step 4:** Add amounts from Steps 1+2+3 to arrive at total estimated expenses. **Step 5:** Estimate total amount of institutional funding provided to all currently enrolled foreign students per academic year. This figure includes scholarships, fee remissions, assistantships and other employment plus benefits. **Step 6:** Subtract amount in Step 5 from total in Step 4 to arrive at the total net revenue per foreign student realized by an institution. **Step 7:** Multiply the total net revenue per student (Step 6) by the number of foreign students enrolled to arrive at the estimated economic impact of foreign students. "Calculating the Economic Impact of Foreign Students: An Institutional Perspective". Open Doors 1993/94: Report on International Educational Exchange, 1994. Todd M. Davis, ed. New York: Institute of International Education.

- Assist in the development of business links with families and regions in home countries. International students often come from families representing the political and economic leadership in their countries. In addition, their awareness of their host country's customs, business practices and market opportunities makes them a potentially significant key to future exports and imports;
- Promotes Redlands in their home countries;
- International student expenditure ranges from student fees, retail (food, clothes to cars), accommodation, sport and recreation, health services and tourism;
- Multipliers effects would be experienced in industries such as:
  - Tourism
  - Retail
  - Accommodation
  - Transport
  - Cultural industry activities
  - Hospitality
  - Other educational establishments
  - Personal services
  - Health
- Every dollar they spend is new money from outside the community and the country.
- External funds deposited into domestic banks increases the domestic money supply, in addition to this, the indirect impact to the community through the multiplier effect will mean the creation of more jobs, an increase in income to members of the community as well as more tax revenue for council<sup>13</sup>;

The benefits of International Education are more than just financial. In our increasingly global world, knowledge of other cultures, cross-cultural communication skills and international linkages are essential. Foreign students contribute to this increase in international understanding, and at least marginally help break down cultural stereotypes and the rigidity of international boundaries.

## 1.6.2 Possible challenges of International Education to the Redlands

### To the Institution -:

- Risk of initiate start-up, investment in infrastructure;
- Lack of whole-of-institution approach and fear of failure;
- Need to develop new programs and provide ancillary services;
- Increased responsibility for staff. Paperwork to maintain program for schools interested in accessing fee-paying students;
- Regulations in regard to overseas students eg. ESOS Act, National Code, NEAS Accreditation etc<sup>14</sup>.
- Student welfare and accommodation (homestay verses boarding);
- Parental concern that resources being expended on 'visitors' rather than their own children;

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<sup>13</sup> "According to one such study conducted at the University of Utah in 1982, the indirect impact of 4,362 international students created an estimated 2,386 new jobs, \$38,417,000 new household income and \$5,180,000 state tax revenue". Education as an Export", Open Doors 1993/94: Report on International Educational Exchange, 1994. Todd M. Davis, ed. New York: Institute of International Education.

<sup>14</sup> <http://www.detya.gov.au/esos/>

**To the Redland Shire and Community -:**

- Larger number of people of different cultures (and language) in the community<sup>15</sup>. Cultural barriers for communication and integration;
- Public infrastructure, public transport, depending upon location of facility in relation to accommodation (also dependent upon age of students);
- Issues of quality of service and value for money for international students. This is related to the issue of investment, business planning and program management skills, particularly if growth outstrips policy and planning;
- The challenge of domestic and international student interaction. Strategic interventions, e.g., peer-pairing and cooperative learning, must be undertaken to maximise the benefits of internationalisation<sup>16</sup>. Studies have indicated that international students are disappointed with the lack and quality of friendships made with nationals of the host country. It has been noted that Australian students are quite apathetic on this issue. There are programs designed to overcome these challenges<sup>17</sup>;
- There is a need to diversify marketing activities to various countries within different regions so as to counter the effects of regional downturns in enrolments caused by adverse economic performance in the source country;
- Arranging for complete educational programs (“Educational Mobility”) from English language to university study<sup>18</sup>;
- Issues resulting from different levels of participation between institutions along the lines of region, socio-economic status or ethnic mix;
- The ease of obtaining quality family home-stays for students may also affect recruitment. This picture is made more complex by variations in the needs and tastes of different age, ethnic and religious groups. Studies indicate that this can cause distress to the student<sup>19</sup>.

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<sup>15</sup> Study undertaken on university students of Adelaide, Sydney and Melbourne found around 10% of students saw prejudice and discrimination as a problem both on and off campus. Professor Colleen Ward “The impact of international students on domestic students and host institutions”. Prepared for the Export Education Policy Project of the New Zealand Ministry of Education by Colleen Ward Victoria University of Wellington 2001, Last update: 22-Jan-2002.

<sup>16</sup> Professor Colleen Ward et al.

<sup>17</sup> Professor Colleen Ward et al.

<sup>18</sup> Educational mobility requires effective systems for transferring credit, harmonising degree structures and recognising qualifications. Europe has focused on these issues for some years and the European Credit Transfer System has gained a high degree of credibility. A similar credit transfer system has now been established in the Asia Pacific region by UMAP, the organisation for University Mobility in Asia Pacific. .“ Auditor-General, Victoria, April 2002, “International Students in Australian Universities”.

<sup>19</sup> Professor Colleen Ward et al.

## 2 Options

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### 2.1 Option 1 - Redlands Education Consortium

#### 2.1.1 Description

In a meeting held by the Redland Economic Development Advisory Committee (REDAC) with representatives of the education sector in Redland on 26 March 2002, one recommendation was the establishment of an education consortium to cooperatively market educational opportunities in the Redlands within the state, interstate and internationally. After feedback from council of a submission to council on how Redland's business environment and planning mechanisms can be improved to generate increased employment and growth of the education sector a survey was sent out to schools within the Redland Shire to determine their input.

Their encouraging support for this program has led to this proposal being advanced by interested parties at a meeting to be held in February 2003. Of which an outcome is yet to be determined. [Attachment C](#) displays the results of the Redlands Education Consortium survey undertaken with schools within the Redlands in August 2003. The results indicate an overwhelming support for their willingness to collaborate and their involvement in the establishment of a consortium.

The establishment of an Education consortium would require assistance from the Redland Shire Council to be established, particularly in support for the establishment and funding of an education co-ordination and facilitation position.

It is essential however that the consortium is lead and operated by industry to ensure its long-term viability. The consortium's function and operation can manifest a number of options. These issues would need to be considered in the context of what would be most appropriate for the Redland's regions through discussion led by the current stakeholders involved.

The consortium's function could include:

- A website marketing the region and what the Redlands can offer students (within the region, state, interstate and internationally);
- Coordination function to disperse students to institutions within the region including ELICOS, primary, secondary and further education. Or a referral service;
- Cooperatively market educational opportunities within the state, inter-state and internationally. The could include cooperating in international trade shows, establishing networks and contacts such as agents;
- Sister City and Memorandum of Understanding arrangements;
- Opportunities for education path planning from English language to higher education;
- Recreational and tourism within the region;
- Support mechanism to address negative student experiences;
- Accommodation options from homestay to share accommodation to purchasing;
- Networking and 'peer-pairing' opportunities or a social network of students;
- Work experience/training opportunities for International students in businesses within the Redland<sup>20</sup>;
- Community Interaction and acceptance programs.

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<sup>20</sup> International students are allowed to work up to 20 hours per week during study and 40 hours per week in summer breaks. Education and Training in Queensland, [http://www.intstudy.com/study\\_abroad/livfiles/twequen.htm](http://www.intstudy.com/study_abroad/livfiles/twequen.htm)

In marketing itself successfully internationally, the Shire would need to present all educational opportunities available within the region. Therefore, the cooperation of all education providers will provide a clear pathway to international students from English language centres through to Secondary preparation programs into the Secondary schools and on into higher education or other training programs. This benefit needs to be presented as available and clearly demonstrated.

Other Education consortiums have been established within Australia and Internationally acting as models from which value could be derived from their experience and applied to the Redland context. The following provides a brief discussion on such examples and their impacts<sup>21</sup>.

## 2.1.2 Examples of Consortiums

### Cairns – International Education Cluster<sup>22</sup>

The purpose of this consortium is to 'cooperatively market education opportunities', with a strategy of branding the region as a 'premium location for quality education'. Within this group's first three years (established in 1997) it's legal/operational structure is a not-for-profit organisation, solidifying the member network and establishing a 'pathway' for students to progress their education within Cairns.

The impact on this region has been promising with an initial count of around 100 students in the first year to 6,900 in 2000 and an expectation that this will grow to over 17,000 in ten years time. The current community of students is estimated to be worth around \$40 million to the local economy with that estimate to jump to around \$140 million by 2010 seeing International education as Cairn's 3<sup>rd</sup> largest export.

The cluster currently employs a part-time marketing manager (10hrs/w) who will represent the group at their first international trade show in Japan in November 2002.

### Adelaide – Study Adelaide<sup>23</sup>

This is a partnership between the major education institutions in Adelaide and the Adelaide government and operates as a government agency. It operates to increase the intake of International Students within Adelaide. There are offices in Tokyo and Hong Kong. This group operates as an introduction point for international students that then refers them to appropriate institutions. It also provides students with a social network.

### New Zealand - Education Taranaki Export Network<sup>24</sup>

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<sup>21</sup> Another network not specifically mentioned in the document is the Gold Coast Education and Training Network. <http://www.studygoldcoast.org.au>

<sup>22</sup> David A. Dodd, CecD, President/CEO, DADCO Consulting, Inc. "An Introduction to Cluster-Based Economic Development". Ppt. Presentation at BBC. And <http://www.studycairns.com.au>

<sup>23</sup> <http://www.educationadelaide.sa.gov.au/default.asp>

<sup>24</sup> <http://www.taranaki.info/projects.htm#education> details on consortium. <http://www.edtaranaki.ac.nz/>

The South Taranaki district is NZ's 40<sup>th</sup> in size out of 74 districts and host approximately 29,136 people<sup>25</sup>. Formed in June 2001 the Education Taranaki Export Network is located on the southeast coast of New Zealand. The website provides translations for their brochure in six languages. There is a 'steering group' of five members. The membership consists of a number of educational institutions, recreational centers, accommodation services, Venture Taranaki and Trade New Zealand. Services provided include; education referrals, advisers and pastoral care, accommodation and recreational services. Its vision is to position itself as a region of high quality educational (secondary and tertiary) providers. The Network believes that this project will be a great contributor to economic growth within the Taranaki region, allowing external parties to view the region as a 'centre of excellence'. Branding and collaboration seem to be their focus. Funding for the network has come from a fund from Trade NZ, member contributions and in-kind support.

Their operational strategy includes solidifying their collaboration efforts. This will allow the group to pool marketing contacts and information, finances as well as create links with local tourism authorities, and agents.

An analysis of the economic impact of the efforts of this consortium is projected at an income in 2002 of \$2,285,000 with the number of students estimated at 267 and a multiplier (x3) projection of \$6,855,000. For 2003 an income of \$9,500,000 from 830 students with a multiplier of \$20,500,000. And in 2004 an income of \$19,275,000 from 1,750 students and a multiplier effect of \$57,825,000.

### 2.1.3 Challenges

Collaboration is the key to the success of this option. The concern here is between private institution who fund their own operations and public institutions who are funded by Education Queensland. Those private institutions that have to date built their network of contacts such as reliable agents, channels of distributions and marketing know-how will be reluctant to share these valuable resources. As these institutions may be willing to take advantage of what the consortium will offer if successful, it is the concern of what they will lose if the consortium proves in-operable that may provide the largest obstacle. It is therefore imperative a concrete and transparent process is maintained from establishment to operation.

There are also concerns of the sourcing of funding. This issue may be rectified through a pooling of resources from the Redland Shire Council and members of the consortium.

In addition, institutions wishing to enrol fee-paying students are required to be registered and provide adequate staffing, equipment and facilities.

### 2.1.4 Project Resources Required to Implement this Option

The Redland Shire Council has not allocated funding in its 2002/2003 budget to support the establishment and operation of an International Education Consortium. However the council will assess providing support services through its economic growth strategy. Resources for this project may be procured from members of the consortium and could represent monetary or in-kind. Funding may be available from the Greater Brisbane ACC (Area Consultative Committee) and the Department of Premier and Cabinet<sup>26</sup>. Resources would be required as follows:

- Leadership group of members to formulate a Business Plan, legal structure, membership criteria etc;

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<sup>25</sup> <http://www.stats.govt.nz/>

<sup>26</sup> Michelle Allan, Queensland Education and Training International, the consortium will need to submit an application and Business Plan to apply for the funding. It is a dollar for dollar arrangement, if the group contributes \$10,000, they will contribute \$10,000. The funding will not cover any domestic activities, only international activities. QETI has a vested interest in increasing QLD's earnings from export education and will be a valuable source of further support and other resources. In addition, they are currently in the process of carrying out an economic impact study of International Education on QLD. I have requested that we be notified of the scope and outcome of this report.

- Base of administration operations, develop and publish marketing material;
- Website construction;
- Part time coordinator for the management of marketing, channels of distribution, accommodation allocation etc.

## 2.2 Option 2 - ELICOS Centre

### 2.2.1 Description

The establishment of an English Language Centre can provide a number of benefits to the Redland community and Education institutions. Firstly, the centre would establish Redland as a region serious about encouraging, supporting and accepting International Students, putting the region on the map internationally as a destination for English language training. For the current education institutions in the region, this will mean that students coming to the region will have a pathway through to secondary and higher education. To enter mainstream educational facilities, international students must obtain an English Language proficiency of band 6 on their IELTS (International English Language Testing Scheme) test<sup>27</sup>. The other test used is the ISLPR (International Second Language Proficiency Ratings) and commonly used for students already in Australia as can only be used face-to-face.

As to date, the Economic Development Group of the Redland Shire Council has received an expression of interest by two parties to establish a centre in the Redlands. The establishment of an English Language Centre can take on a number of forms. Firstly, schools themselves can hold English language courses. Secondly, a separate English Language centre can be established. Regardless of business structure, to teach International students, an institution must register with the ECOE (Electronic Confirmation of Enrolment System<sup>28</sup>). If they intend to teach for longer than three months, then the institution must be registered with CRICOS (Commonwealth Register of Institutions and Courses for Overseas Students). This business case will concentrate on the issues surround the establishment of an ELICOS centre, whether it be stand alone or in conjunction with another education institution.

ELICOS is an acronym for English Language Intensive Courses for Overseas Students. These courses are provided by educational institutions from secondary upwards and are publicly and privately funded. There are no standard lengths of courses, however each student must receive at least twenty-five hours of contact time a week. The establishment of an ELICOS centre is strictly regulated with centres needing to apply for accreditation. Centres must first apply for provisional accreditation by NEAS (National ELICOS Accreditation System) before students are enrolled, then Centres must be placed on a CRICOS (Commonwealth Register of Institutions and Courses for Overseas Students) registration for twelve months and can apply for full accreditation after twelve months. After the twelve months as a candidate, centres are assessed for accreditation. If they are able to demonstrate full compliance with NEAS standards they will become NEAS accredited institutions. A NEAS Panel of experts in English language teaching annually monitors ELICOS Centres once they have been accredited to ensure that they continue to uphold NEAS standards and abide by their accreditation conditions.

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<sup>27</sup> Auditor-General, Victoria, April 2002, "International Students in Australia Universities".p41

<sup>28</sup> Developed by DEST (Department of Education, Science and Training) and DIMIA (Department of Immigration and Multicultural Affairs) to allow providers of education and training to overseas students to notify the enrolment of an overseas student, to provide better tracking of overseas students while they are in Australia and to improve the ability to monitor the performance of providers and their agents. This system replaced PRISMS. <http://www.immi.gov.au/departments/pid/mtd1.htm#57>

## 2.2.2 Examples of International Student Institutions

The ELICOS association of Australia provides listings of centres within Australia. Currently there are eight ELICOS centres within the Brisbane region<sup>29</sup>.

### School and ELICOS<sup>30</sup>

St Paul's College established their International School in October 1997, which has enrolled over 350 students, and 40 Study Tours with 50 students in St Paul's International School. And over 80 in St Paul's School in 2002. There is an ELICOS center within this school. Nudgee International College also hosts a similar arrangement.

### New South Wales – Survey from Wollongong University<sup>31</sup>

This economic impact study was undertaken in 1992 from a sample population representing 1,239 international students attending Wollongong University. In 1999 Wollongong had a population of 253,081 compared with the Redland of 115,011. The estimated direct expenditure of this group of students within the region was \$28,251,200. The average expenditure per student was estimated at around \$25,526 per annum or about \$490 per week. This figure was calculated on total expenses portioned throughout the year. Based on the multiplier effect the impact was calculated per sector and estimated a total impact on output of \$58,282,000, income of \$15,776,000 and employment of 705.30 jobs with each student creating 0.57 jobs. The university, retail/wholesale, and finance/property received most of the direct spending. This data provides a model of reference for the economic impacts of a group of students residing and undertaking higher education within the Redland Region.

## 2.2.3 Challenges

As mentioned above, the establishment of an ELICOS centre is highly regulated and requires a lengthy process for start-up as well as operation. This is a concern for the institution to ensure that processes and standards are met as well as maintained. Any deviation from quality control also has the potential to impact upon all institutions within the region as the relay of a student's negative experience can filter through to potential students looking to study in the Redland.

The location of the facility is a concern, as it will need to be close to public transport and meet all NEAS standards. This is an issue the Redland Shire Council is providing assistance.

## 2.2.4 Project Resources Required to Implement this Option

One investor is discussing the option of establishing an ELICOS centre in the region either stand alone or in a joint venture with an existing school within Redland. The second investor is discussing the establishment of an ELICOS centre, accommodation facilities and possibly a secondary school with combined cross-accreditation of Australian and Chinese high school certificates. The process for accreditation for an ELICOS centre will take around twelve months. [Attachment D](#) contains the NEAS Accreditation Handbook and application details<sup>32</sup>. These private investors will need to consider the following to establish their centre:

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<sup>29</sup> <http://www.elicos.edu.au/nav-frame.html>

<sup>30</sup> <http://www.stpauls.qld.edu.au/about/internat.htm> and <http://www.nudgeeinternational.com/www/welcome.cfm>

<sup>31</sup> McKay, D, "The Economic Impact of the Overseas student industry: Special reference to the Wollongong Economy". Australian Journal of Regional Studies, Vol. 4. No. 2, 1998.

<sup>32</sup> The current fee structure is available at <http://www.neas-accred.com> handbook on order

- The current NEAS fee schedule entails \$2,530 on submission of candidacy plus \$2,970 on notification of acceptance. This period will take around 8-10 weeks. After the 12-month candidacy period the Accreditation application will cost \$2,695. An annual fee of \$2,860 will also apply. Any further alteration to the facilities will need to be approved by NEAS and subject to their fee schedule;
- NEAS provides guidelines for and assesses institutions for compliance with accreditation standards in the following areas (there are further cost associated with all of the following)<sup>33</sup>:
  - Management, Finance and Administration
  - Specialist Staff
  - Premises
  - Student Services
  - Curriculum
  - Student Assessment
  - Materials and Equipment
  - Recruitment and Promotion
- Land use or building available in the region will need to be considered as to the number of students being enrolled. NEAS states a centre must contain at least two classrooms with each classroom being 2.0m<sup>2</sup> per student in size, and to receive full accreditation, the centre must have at least 20 students enrolled. The premise must also have other facilities stipulated in the Accreditation handbook. The following provides a brief estimate for a centre housing 200 students:
  - Classrooms – each classroom, based on 15 - 18 students, will need to be a minimum of 36m<sup>2</sup> in floor space. Therefore, 14 – 15 classrooms will be required for a floor area of at least 525 m<sup>2</sup>;
  - Other compulsory students' facilities include - Computer lab, Language lab and Self-access lab. With an estimated 20 students per room the required floor space would be a minimum of 120 m<sup>2</sup>;
  - Administration for finance, records, etc (40 m<sup>2</sup>), resource and storage rooms (4x10 m<sup>2</sup>), amenities (20 m<sup>2</sup>), staff rooms (10x20 m<sup>2</sup>), Director's office (25m<sup>2</sup>) = 325 m<sup>2</sup>;
  - Library (35 m<sup>2</sup>);
  - Student common area to accommodate about 50 students at a time 100 m<sup>2</sup>;
  - Consideration for foyer space and hallways (275 m<sup>2</sup>);
  - Addition consideration will be required if accommodation were needed;
  - In addition, a refectory if no shops are close by.
- For an institution housing around 200 students, a building floor plan of around 1,360m<sup>2</sup> would be required. It has been suggested that as little as two acres or a heritage building would be suitable for a single teaching facility. In relation to a combination of ELICOS, school and accommodation, a large facility and block of land would be needed.

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<sup>33</sup> <http://www.neas-accred.com/>

## 2.3 Economic Impacts

The establishment of a consortium could provide the benefits mentioned above ([section 1.7.1](#)). Possible negative impacts are also mentioned above ([section 1.7.2](#)). In addition there may also be benefits received by the Redland Shire through the existence of the consortium. These could include the attraction of outside investment opportunities to invest in more educational facilities. Further external economies would be realised by the establishment of support services for this group such as restaurants, specific retailers and cultural services.

Currently, there are a substantial number of Redland student residents who leave this Shire to attend educational institutions outside the Shire. As Redland institutions become internationally recognised and competitive this trend will reverse as parents of the Shire will want to see their children take advantage of the socialisation and networking opportunities by placing them in co-cultural schools. In addition, there are further opportunities to attract children from the bush who are currently sent to schools with boarding facilities in Brisbane's central districts.

Estimates of the direct economic contribution of International students to a local economy, institutions and country vary depending on calculation methods and variables considered. A national survey undertaken in 1997 by Australian International Education Foundation indicated an International Student's average weekly income at \$603 and their expenditure at \$600<sup>34</sup>. These figures include all revenues and expenditures averaged over the year and therefore include the purchase of capital goods such as motor vehicles. In estimating averages, there are differences in incomes and expenditures between students of different countries and the type of institution they attend. There are also differences in these figures between long-term and short-term students. [Attachment B](#) provides an estimated economic impact analysis of one group of short-term students in the Redland Shire. The economic benefits to the Redland Shire are far greater for long-term International students.

From the 1997 survey it was estimated that international students spend on average \$280 per week or \$14,560 on non-education expenses. In estimating the net economic impact of international students on the Redland economy it would be required to add this figure to the amount paid for student fees and then times this by the number of students within the Redland region. As there is no collection of the number of international students within this region, figures can be estimated through a survey of education institutions that enrol international students.

Queensland Education International estimates that each international student contributes a minimum of \$20,000 per year to its institution. Of this contribution around 50% - 70% of revenue from student fees going to the institution who will then reinvested into the institution to support the student. This expenditure will include pastoral care services and staff development for a whole-of-institution approach.

As International students are bringing new money into the Redland Region they are increasing economic activity and employment directly and indirectly through multiplier effects. A 1997 study found that the multiplier for international students in Australia was estimated at 0.5<sup>35</sup>. This means that for every \$1 spent by the student in Queensland, there is a Gross State Product increase of \$0.50.

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<sup>34</sup> Estimated in 1997, an International Student's estimated average income per week is \$603. In 1992 the average was \$627. It was stated the range was between \$570-\$636 with 95% confidence. 'Income' in this case represents moneys earned in Australia and received from abroad, including fee subsidies, monetary gifts and savings. The largest sources of income came from overseas family and friends and income transfers. Income of students by institution distribution in descending order was ELICOS, Vocational, Higher then Secondary. These figures can be compared to the average weekly expenditure of this group being \$600 in 1997 and \$502 in 1992. The largest expenditure items are course fees, housing and then food/groceries. Singapore students received the most income and spent the most of all countries surveyed. Expenditure of students by institution distribution in descending order was Vocational, Higher, ELICOS and then schools. Australian International Education Foundation, "1997 Survey of International Students Studying in Australia"

<sup>35</sup> Peter.M. 1997, "The Short-Run Economic Effects of Foreign Student Expenditure in Tasmania", Economic Papers, vol.16, no.3.

## 2.4 Conclusion

As can be seen from the Economic Impact section, the facilitation of International Education within the Redland Shire has the potential to create great economic value. The benefits accrued are more than just financial with further benefits being realised through the growth and maturity of this industry once established within the Redlands. This is a rapidly growing industry of which state and federal governments are inputting resources to harness the gains to be made. The Redland Shire has the current opportunity to be involved in the growth phase of the International Education Market and in doing so now will ensure early mover advantages.

## 2.5 Recommendations

As a result of the analysis of this business case, the following recommendations are proposed:

- The Redland Shire Council assist in initiating and facilitating the establishment of an Education Consortium within the Shire;
- The Redland Shire Council support the establishment and funding of a part time education co-ordination and facilitation role, to support the consortium and the development of education opportunities in the Shire;
- The Redland Shire Council provide support to the establishment of a commercial ELICOS centre in the Shire;
- The Redland Shire Council prepares an international policy, which would outline the opportunities, benefits and costs of pursuing various forms of relationships with areas in other parts of the world, as part of its economic and community development initiatives;
- The Redland Shire Council acknowledges that branding the Redlands as an education destination will benefit tourism within the Shire, and therefore be incorporated within the new Redlands Tourism Development Strategy.

## 2.6 Consequences of Not Accepting Recommendations

The continued growth of the International Education industry within Australia is inevitable. The incorporation of accepting and implementing the recommendations of this report into the Redland Shire Council's Economic Development strategy provides for an ideal opportunity to drive economic growth, employment and business expansion within the region. By not taking action, either or both options may be privately established, or they may not. Only, an active pursuit by the Redland Shire Council will ensure the realisation of a sustainable outcome.

# Attachments

## Attachment A – Redlands Education Industry Task Force Recommendations and Brief Action Plan

### Recommendation from the Redlands Education Industry Task Force in 1999:

- The industry should be recognised by Redland Shire Council as one that is to be supported and nurtured within the shire and identified as important of the region in the Strategic Plan;
- The approvals process is examined with a view to streamlining is as much as possible to assist applicants in this industry sector;
- An industry policy is developed for 'Education' not specifically for private educational facilities;
- Education is identified in the Economic Strategy as an industry to be nurtured and developed in the shire;
- An Education and Training regional group comprising kindergarden, pre-school, primary, secondary, tertiary and private training providers be established to support the expansion of the industry;
- The international student market be expanded considerably through promotion with Tourism, CRC, targeting specific countries;
- A business/education industry forum be run to further develop and strengthen the links between education an industry;
- Education is incorporated in the planning process as a key social and community resource and service within the shire, and;
- The Board facilities the educational organisations working together.

### Brief Action Plan from the Education Industry Task Force in 1999:

1. Form a Working Group to develop in detail objectives, strategies and action plans. This group should have broad representation in it, including industry operatives, council officers (from time to time), the Board, Redland Chamber of Commerce and the Department of State Development;
2. Identify goals and strategies for the region both for the domestic market and an overseas market;
3. Identify 'champions' to follow through with action plans for both sectors;
4. Organise an Education/industry and Business Forum to look at the Vocational Education training in schools, the curriculum, work experience, industry placements, traineeships and apprenticeships to generate a cohesive approach also that the region is able to identify and build on its competitive edge;
5. Redland Economic Development to facilitate a meeting of school principals to generate a cohesive approach so that the region is able to identify and build upon its competitive edge. This group will consider:
  - Sharing resources
  - Consolidation of resources
  - Holistic industry approach for marketing and promotion

- Development of new programs and materials for both domestic and overseas markets
  - Increased use of educational facilities for commercial gain
  - The feasibility of university modes being set up in IT centres in schools
  - International Student Exchange program
  - Summer Schools
  - Centres of Excellence
  - Other opportunities
  - Creation of a resource register
6. Facilitate the establishment of an English Language College in the region;
  7. Set up a Web Page for Education within the region and linking to surrounding regions.

## Attachment B – Potential Economic Impact of the Tsu Group

The following represents an analysis of the potential economic impact this group would have on the Redlands region:

The group arrives around July/August on an annual basis. The stay is for 7 days and also includes 3-5 teachers who normally stay in the 'Cleveland Visitor Villa Motel' while the students are in homestay. As quoted on the International Student Exchange website the Short-term study tour package is AUD\$2,130 for 2 weeks (This is the direct contribution to the Redlands Shire and does not include Airfare, insurance or personal spending). Seventy percent is the school contribution and the rest for homestay and administration costs. International Student Exchange estimated that each student would spend a minimum of \$100 each during their one-week stay when taken out on day trips. This money goes to retailers, markets, post office, banks etc. In addition the homestay families normally take the students on day trips within the region, such as Stradbroke Island. As this figure cannot be estimated it is not included in the impact analysis and therefore the direct impact will be underestimated. Based on these figures the economic impact would be:

	For each student	As a group
Cost of Study Tour per student and for 300 students (based on the information provided of \$2,130 per two week divided by two for the seven days for this group)	\$1,065	\$319,500
Estimated personal spending per student for the seven days	\$100	\$30,000
Cost for stay at Cleveland Visitor Villa Motel for visiting teachers (based on a cost of \$154 per night for a large villa with four occupants staying six nights)		\$924
<b>ESTIMATED DIRECT POTENTIAL IMPACT TO REDLAND SHIRE</b>	<b>\$1,165</b>	<b><u>\$350,424</u></b>

***Note: This figure does not take into account living or personal expenditures of the teachers and therefore is underestimated.***

This is new money into the region that will multiply through to businesses within the community thus indirectly creating more income and employment in the region as well as more demand for products and services.

## Attachment C - Redlands Education Consortium Survey Results

**Sample Size:** 13 Interviewed and respondents

### ***1. Do you presently attract students from outside the shire?***

Yes	8
No	3
Other (not applicable, no comment)	2
Total	13

### ***2. If you attract students from outside the shire, where do they come from?***

Yes	Logan x 2, Beenleigh, Sunnybank, Brisbane, Wynnum x 2, Manly, Bayside  To East, QLD x 2, Overseas x 3, Interstate x 3
No	
Other (not applicable, no comment)	3
Total	13

### ***3. Do you think the education sector in the Shire has potential for further development?***

Yes	11
No	
Other (not applicable, no comment)	2
Total	13

### ***4. Would you be interested in working with other schools and education institutions, in a Redlands Education Consortium, to develop the education sector in the Shire?***

Yes	10
No	1
Other (not applicable, no comment)	2
Total	13

### ***5. Would you be interested in being involved in co-operative marketing initiatives to promote your education services outside the Shire?***

Yes	8
No	3
Other (not applicable, no comment)	2
Total	13

**6. If you were interested in a co-operative marketing initiative to promote education services outside the Shire, where should the focus of the marketing be?**

Yes	SEQ x 7, Interstate x 2, International x 3
No	
Other (not applicable, no comment)	5
Total	13

**7. Would you be interested in attending a meeting to discuss the establishment of the proposed Redlands Education Consortium?**

Yes	11
No	
Other (not applicable, no comment)	2
Total	13

**8. What could be the main focus of the consortium's work?**

Yes (suggestion)	<ul style="list-style-type: none"> <li>• Co-operative marketing possibly overseas</li> <li>• Promote uniqueness of Redlands</li> <li>• Promotional activities to highlight educational innovation in Redlands</li> <li>• Promoting educational institutions</li> <li>• Conduct capability research of region</li> <li>• Education expo in Redlands</li> <li>• Provision for English language training for overseas students</li> </ul>
No	
Other (not applicable, no comment)	5
Total	12

## **Attachment D - NEAS Accreditation and Handbook**