

3rd AUSTRALIA STRATEGIC OUTLOOK SESSION

NAFSA 2013 Conference

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AGENDA

Housekeeping

International Student Flows Into Australia

Australia's Competitive Position: Tuition Fees

The Role of Pathways

PRISM: Measuring Student Success

Chair: Reflections on the Chaney Report and Australia

Discussion

HOUSEKEEPING

- **The session will be Chaired by Chris Madden (Griffith University).**
- **The ICG presentation section is geared for about 20 minutes.**
- **The Chair will share his perspectives for about 30 minutes.**
- **About 20 minutes are allocated for discussion.**

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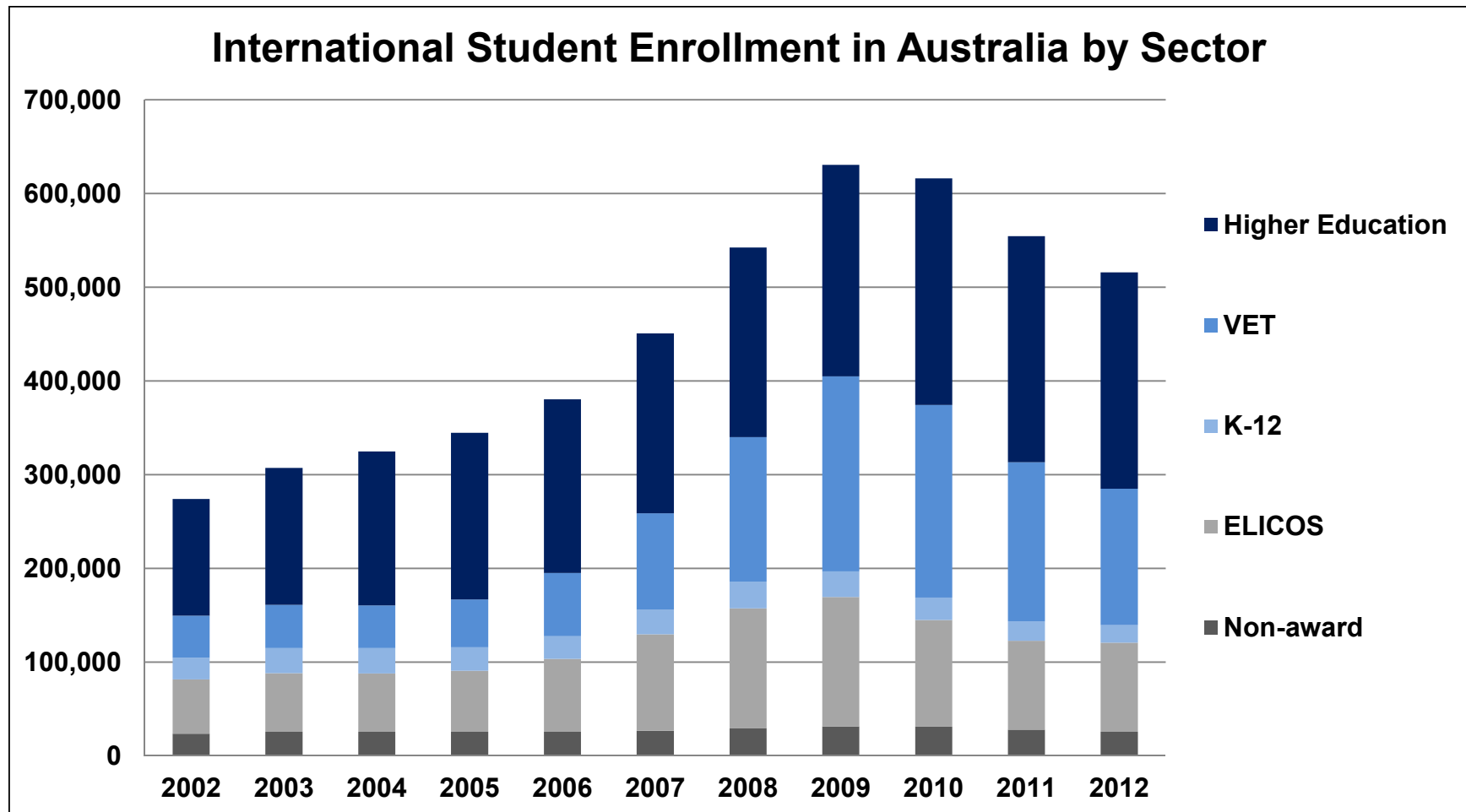
PRISM: Measuring Student Success

Chair: Reflections on the Chaney Report and Australia

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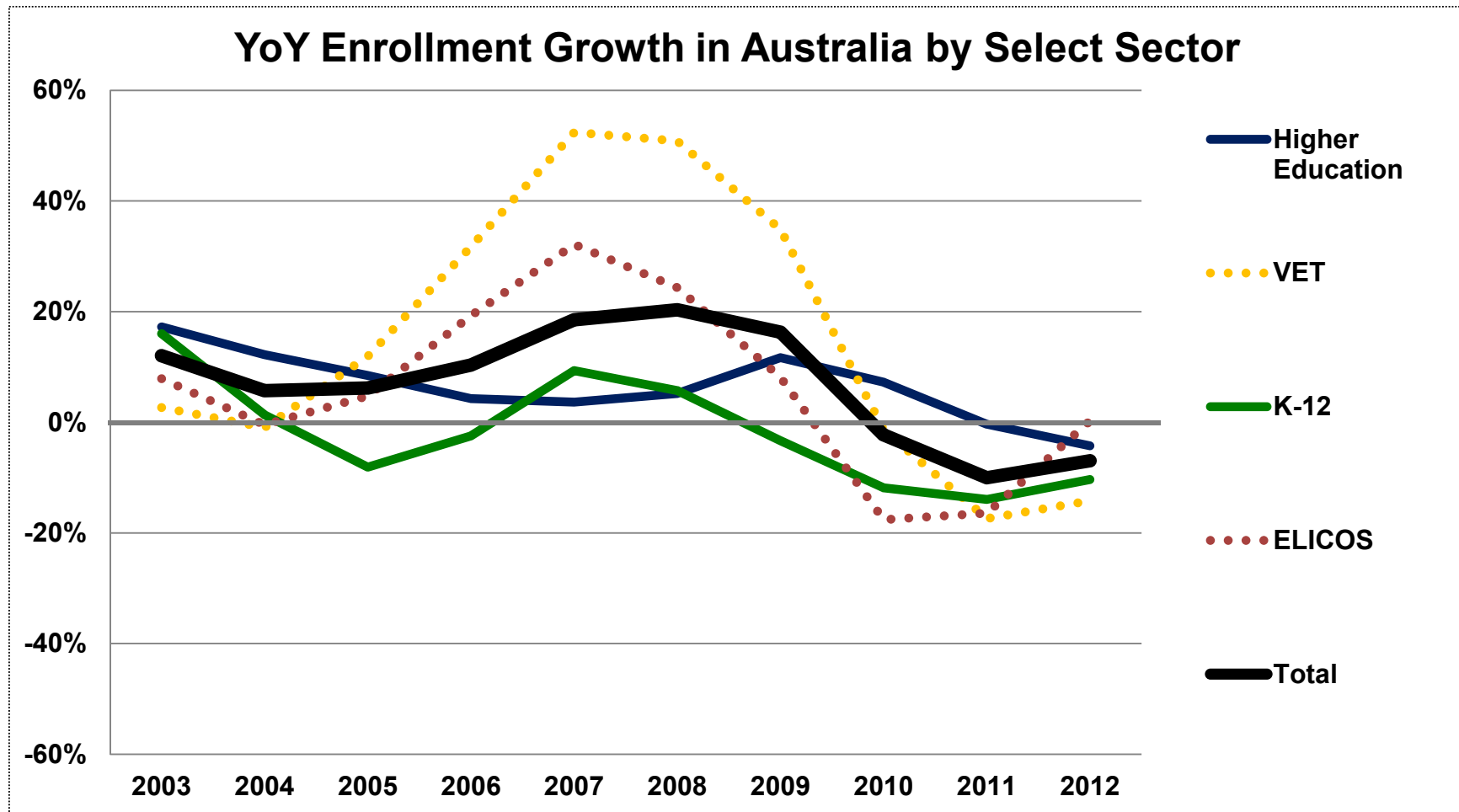
INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

International Student Enrollment by Sector



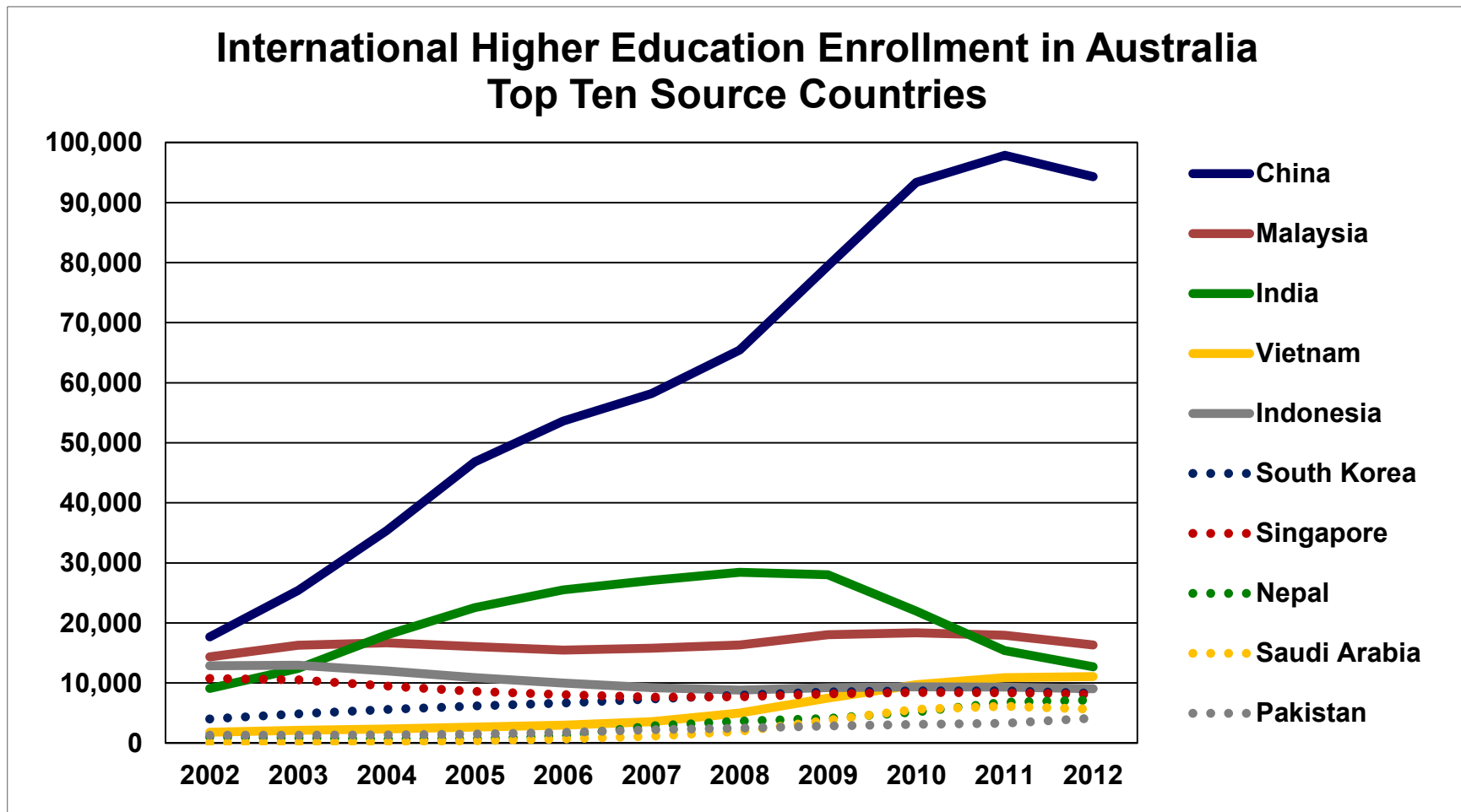
INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

Year-Over-Year Enrollment Growth by Sector



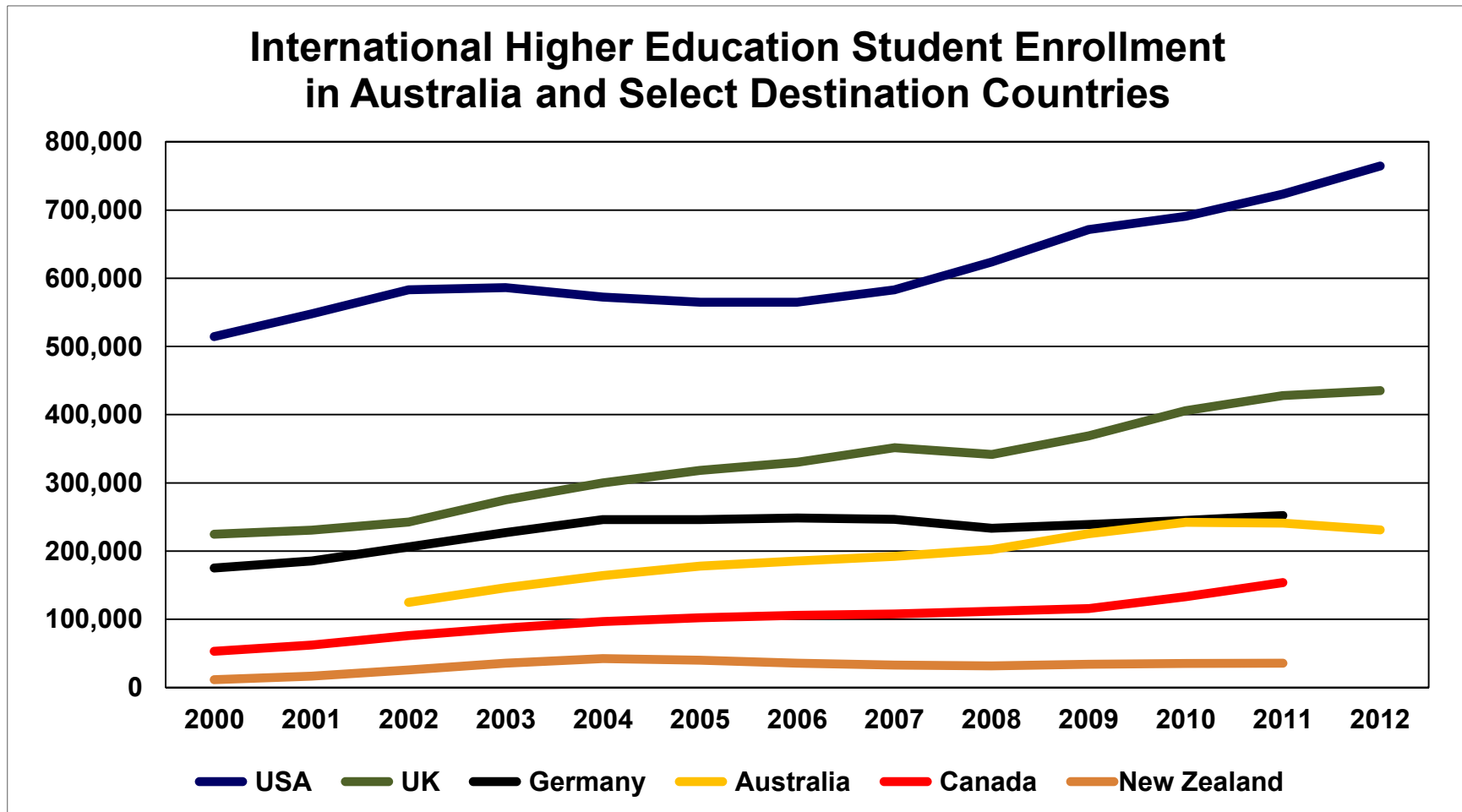
INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

International Higher Education Enrollment by Top Ten Source Countries



INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

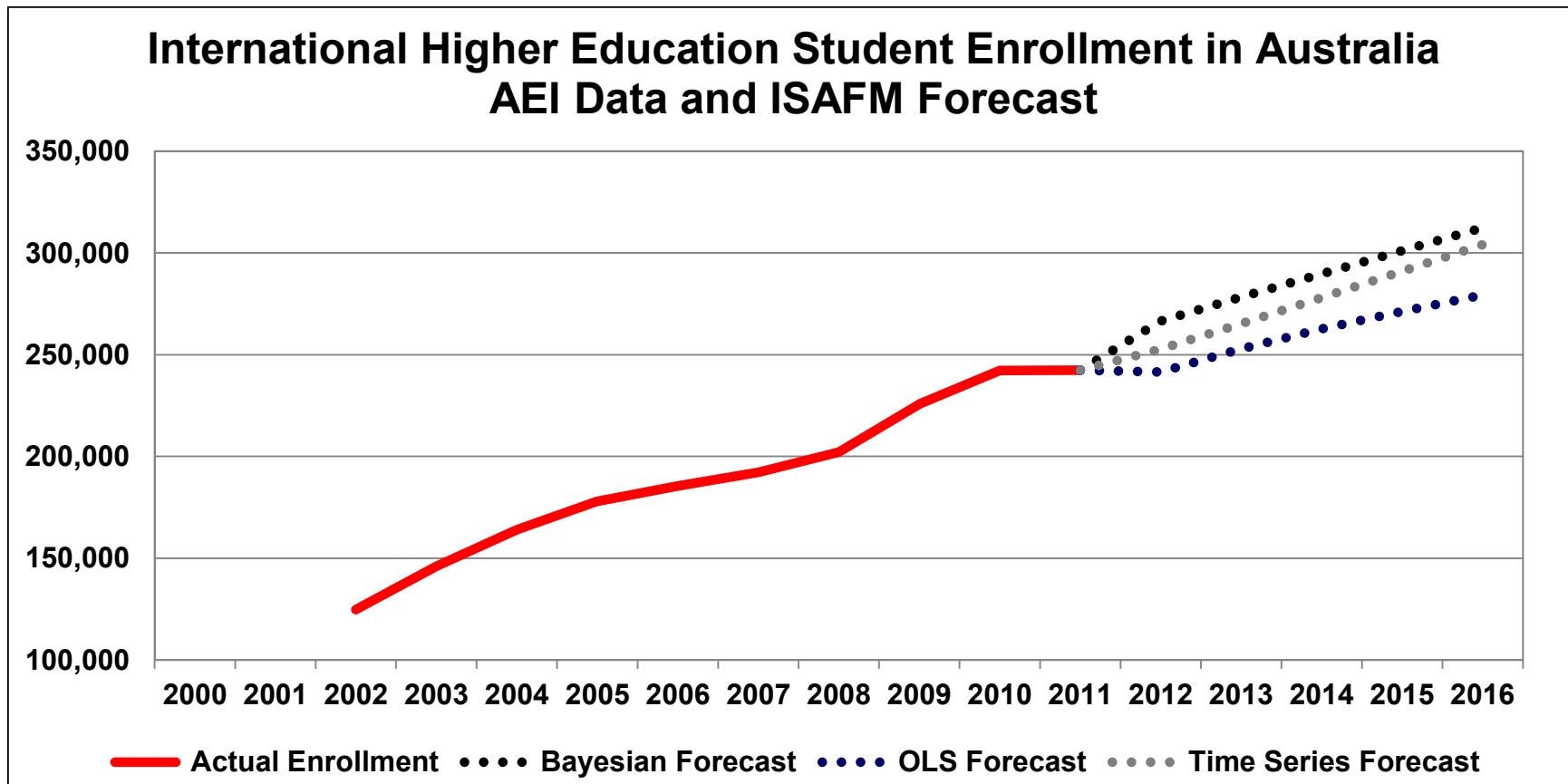
International Enrollment in Key Destination Countries



Source: IIE, HESA, AEI, CIC, ENZ.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

Total International Higher Education Student Enrollment: ISAFM Forecast

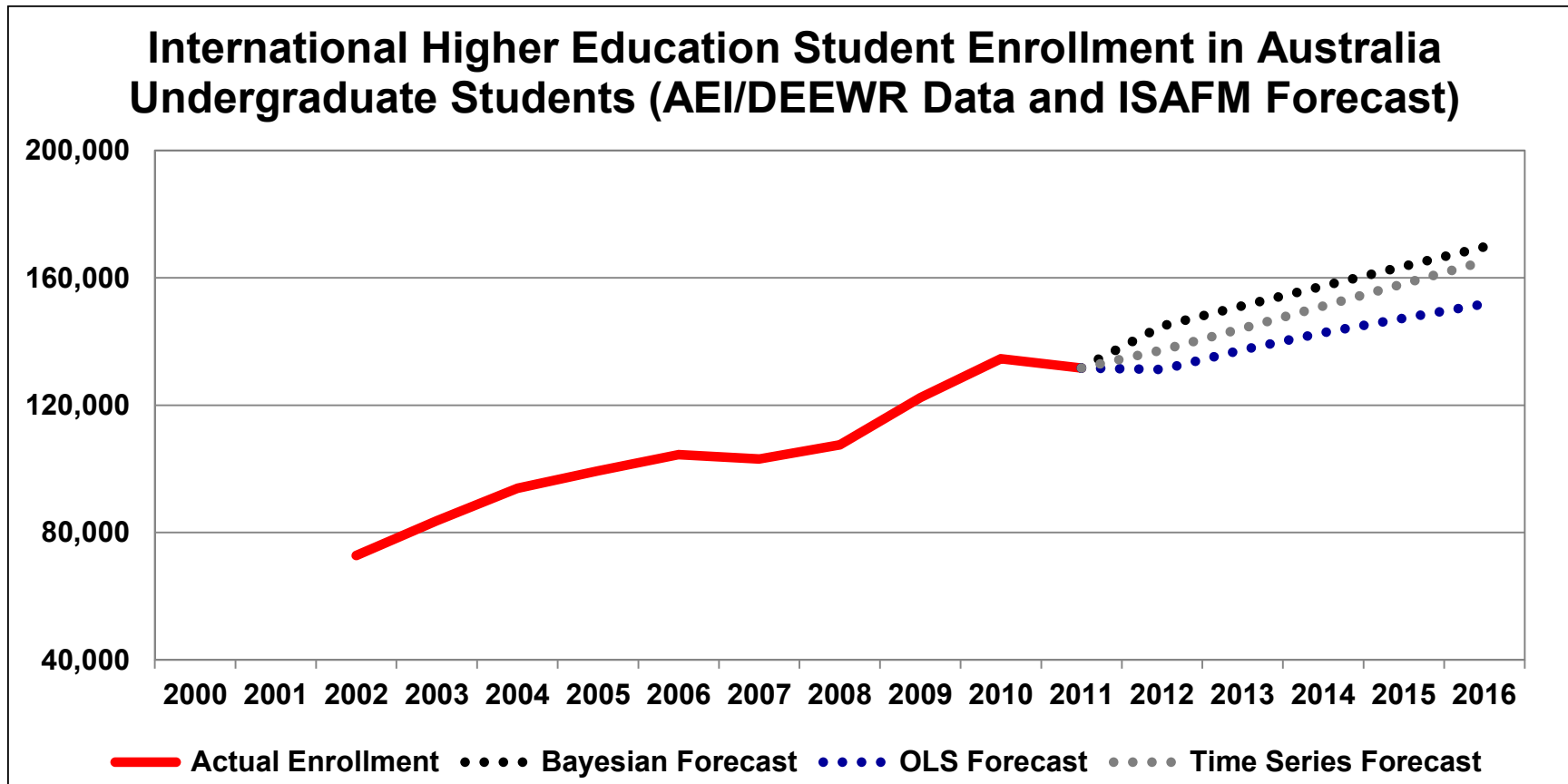


2012 is flat at best, return to growth in 2013

Notes: Actual enrollment data are based on both AEI total enrollments and DEEWR enrollment shares.
Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

International Undergraduate Higher Education Student Enrollment: ISAFM Forecast

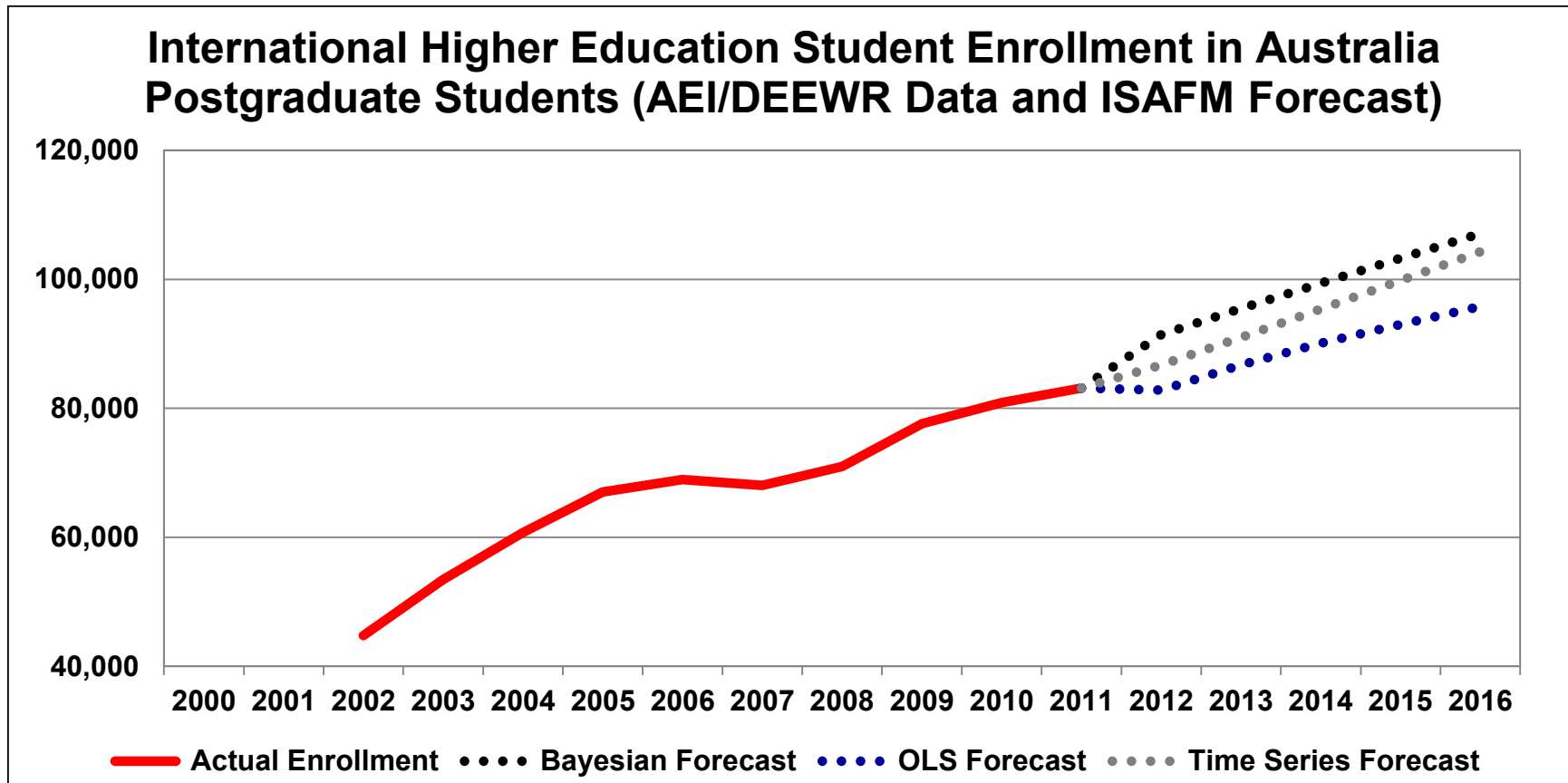


Dip in 2012, slow recovery

Notes: Actual enrollment data are based on both AEI total enrollments and DEEWR enrollment shares.
Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

International Postgraduate Higher Education Student Enrollment: ISAFM Forecast

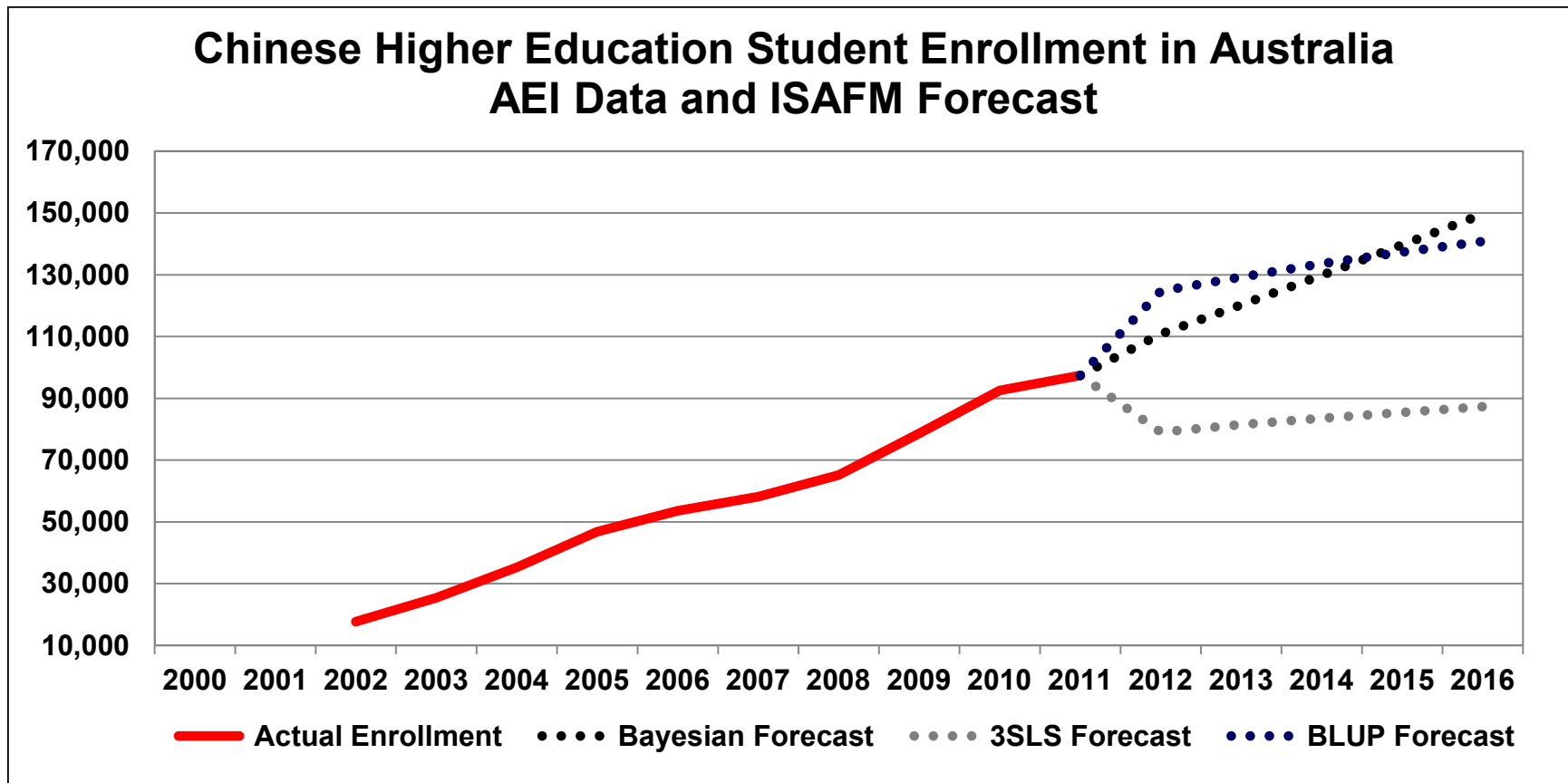


Better growth prospects than undergraduate sector

Notes: Actual enrollment data are based on both AEI total enrollments and DEEWR enrollment shares.
Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

Chinese Higher Education Enrollment: ISAFM Forecast

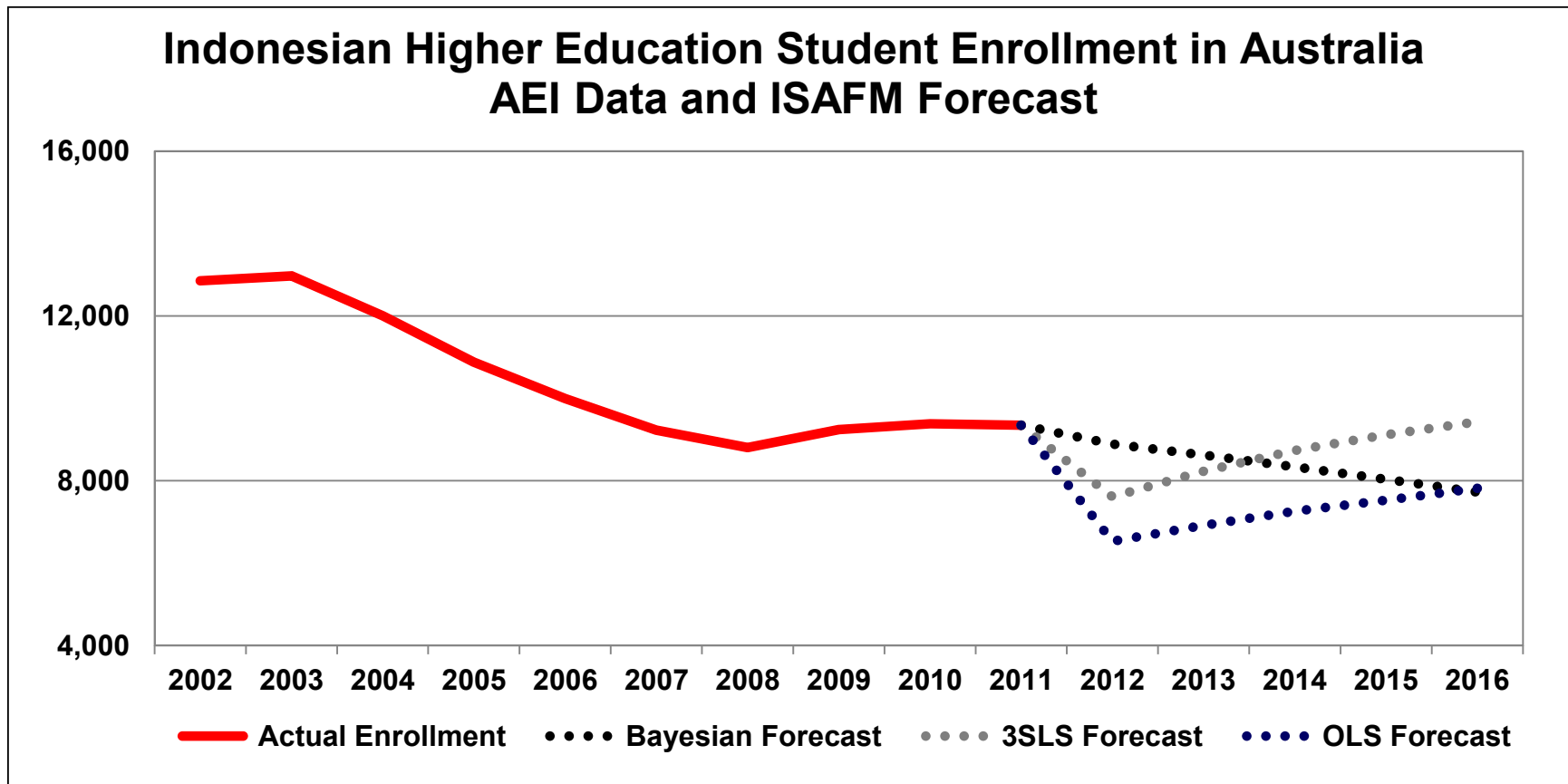


Enrollment uncertainty relative to visa regulation and competition

Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

Indonesia Higher Education Enrollment: ISAFM Forecast

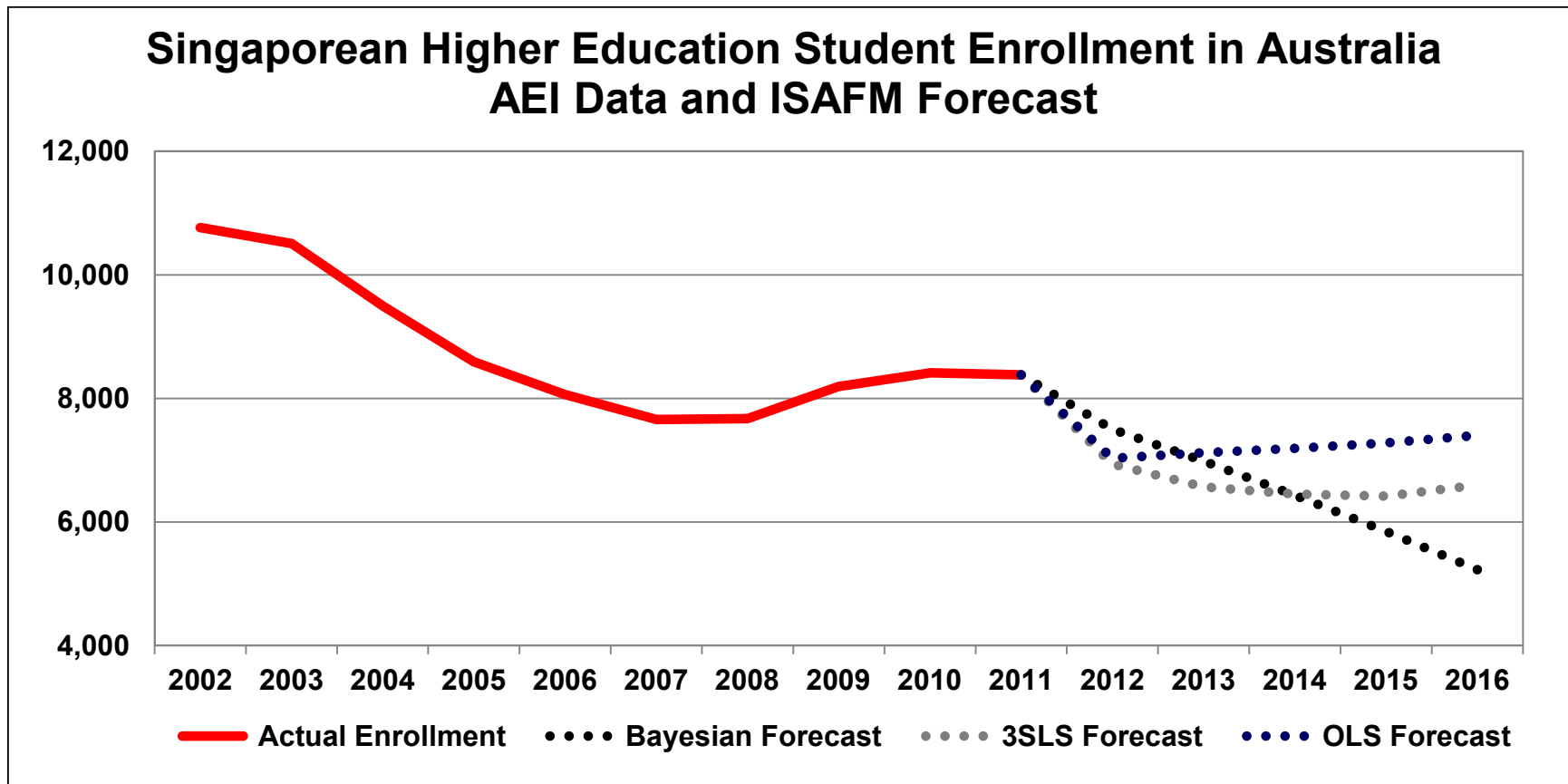


Continued downward slope

Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

Singaporean Higher Education Enrollment: ISAFM Forecast

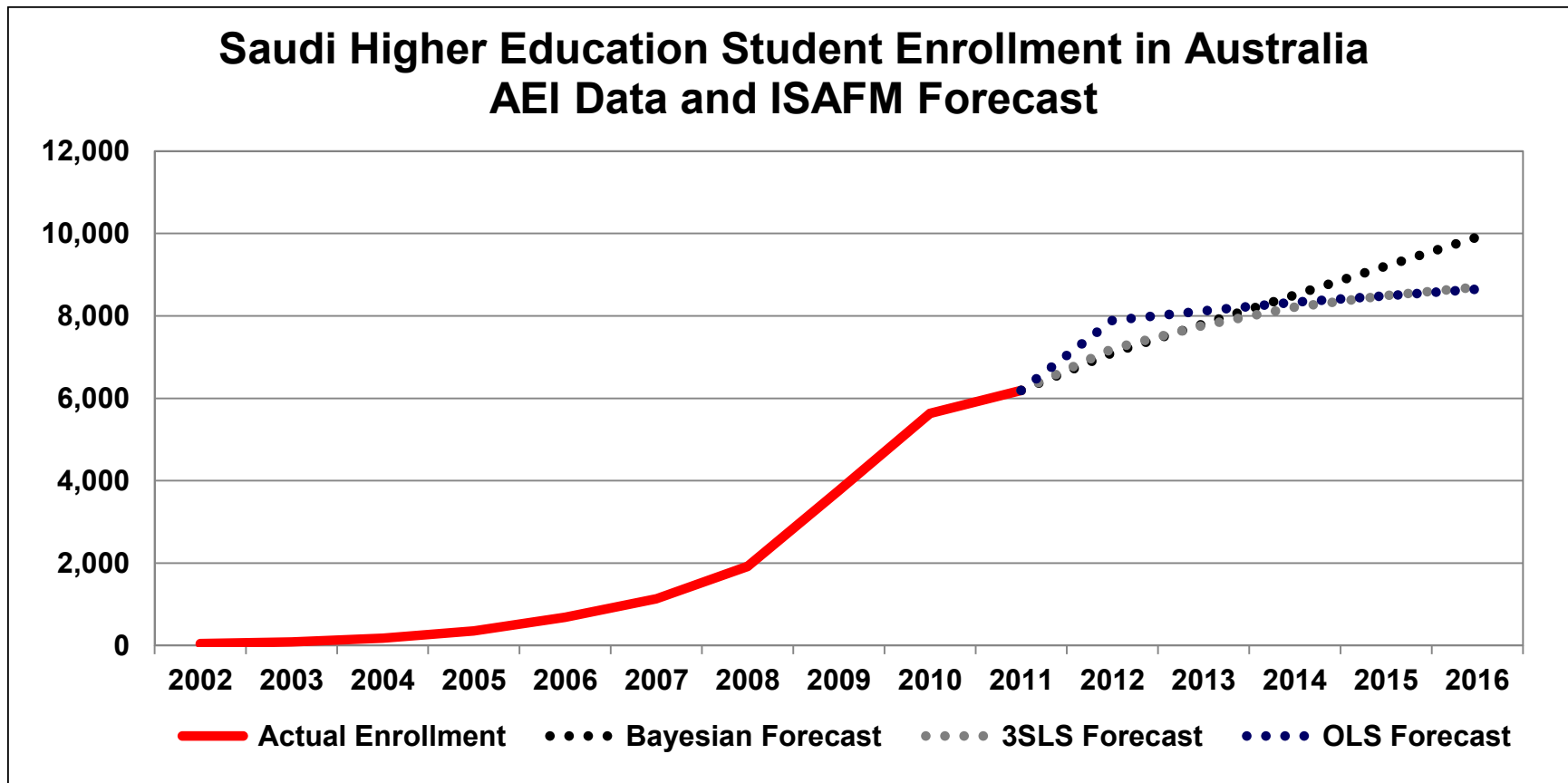


Leveling out at lower level

Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

Saudi Higher Education Enrollment: ISAFM Forecast

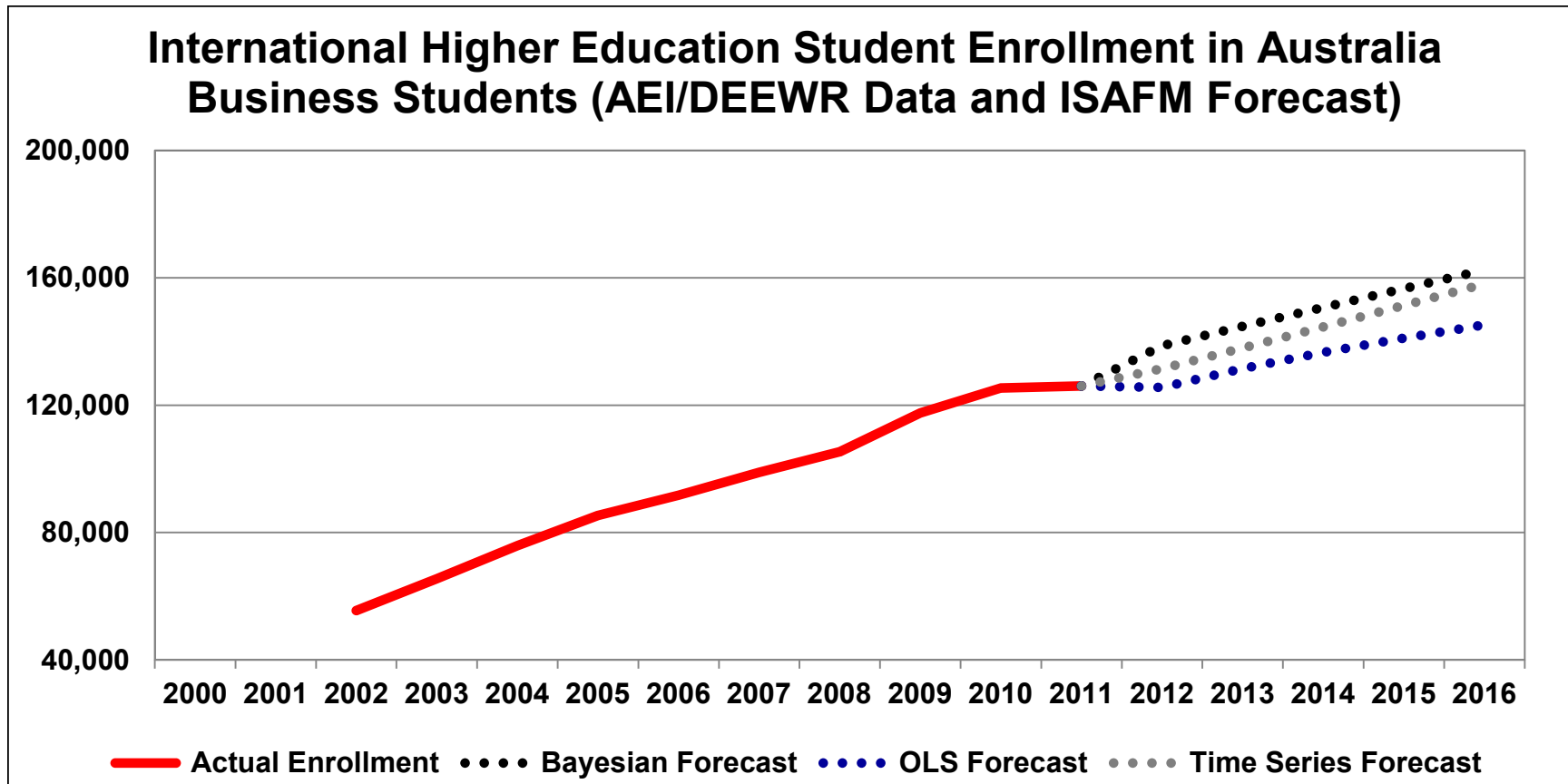


“Governed” growth

Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

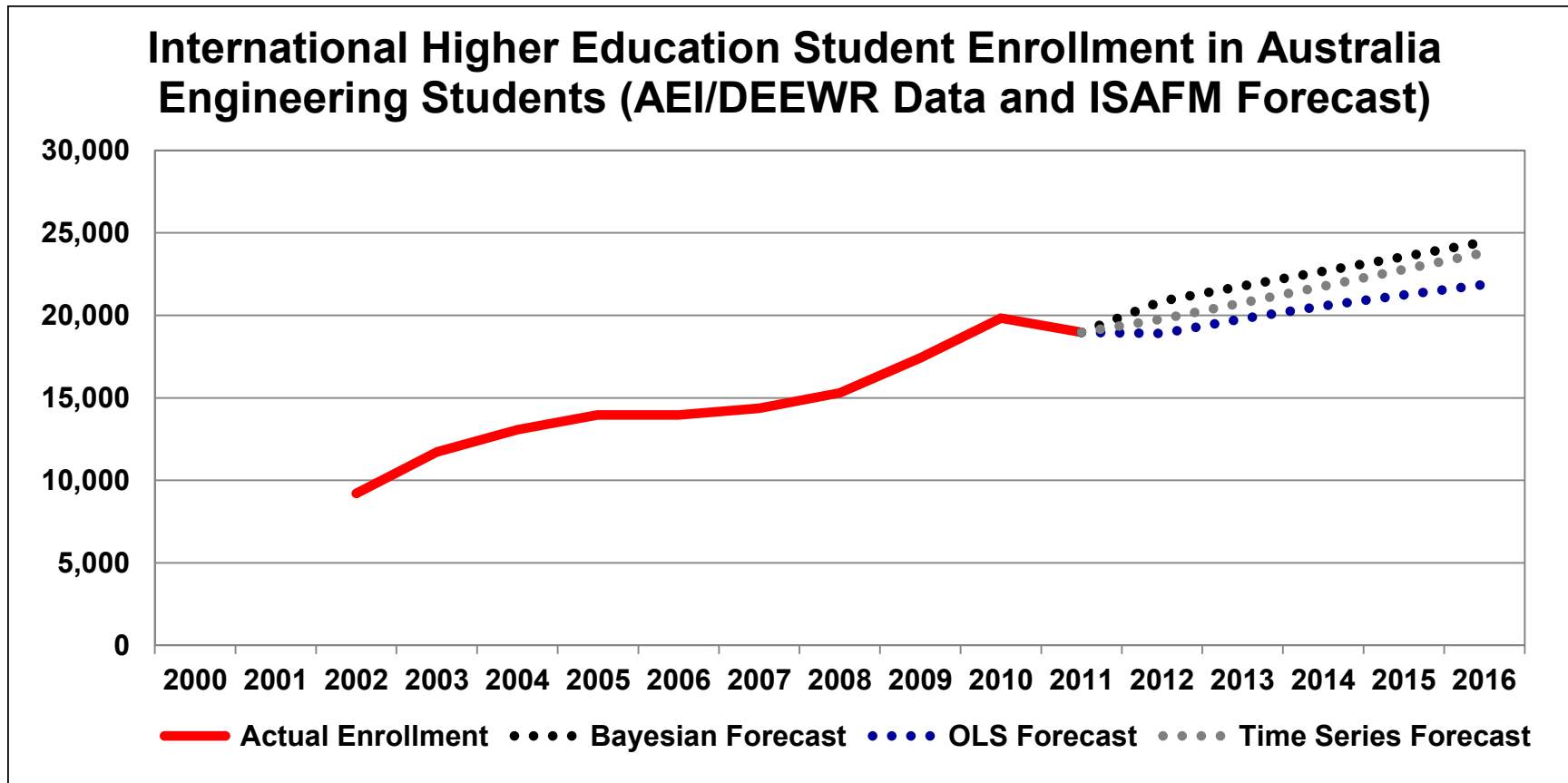
International Higher Education Student Enrollment – Business: ISAFM Forecast



Notes: Actual enrollment data are based on both AEI total enrollments and DEEWR enrollment shares.
Sources: AEI, DEEWR and ISAFM.

INTERNATIONAL STUDENT FLOWS INTO AUSTRALIA

International Higher Education Student Enrollment – Engineering: ISAFM Forecast



Notes: Actual enrollment data are based on both AEI total enrollments and DEEWR enrollment shares.
Sources: AEI, DEEWR and ISAFM.

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Australia's Competitive Position: Tuition Fees

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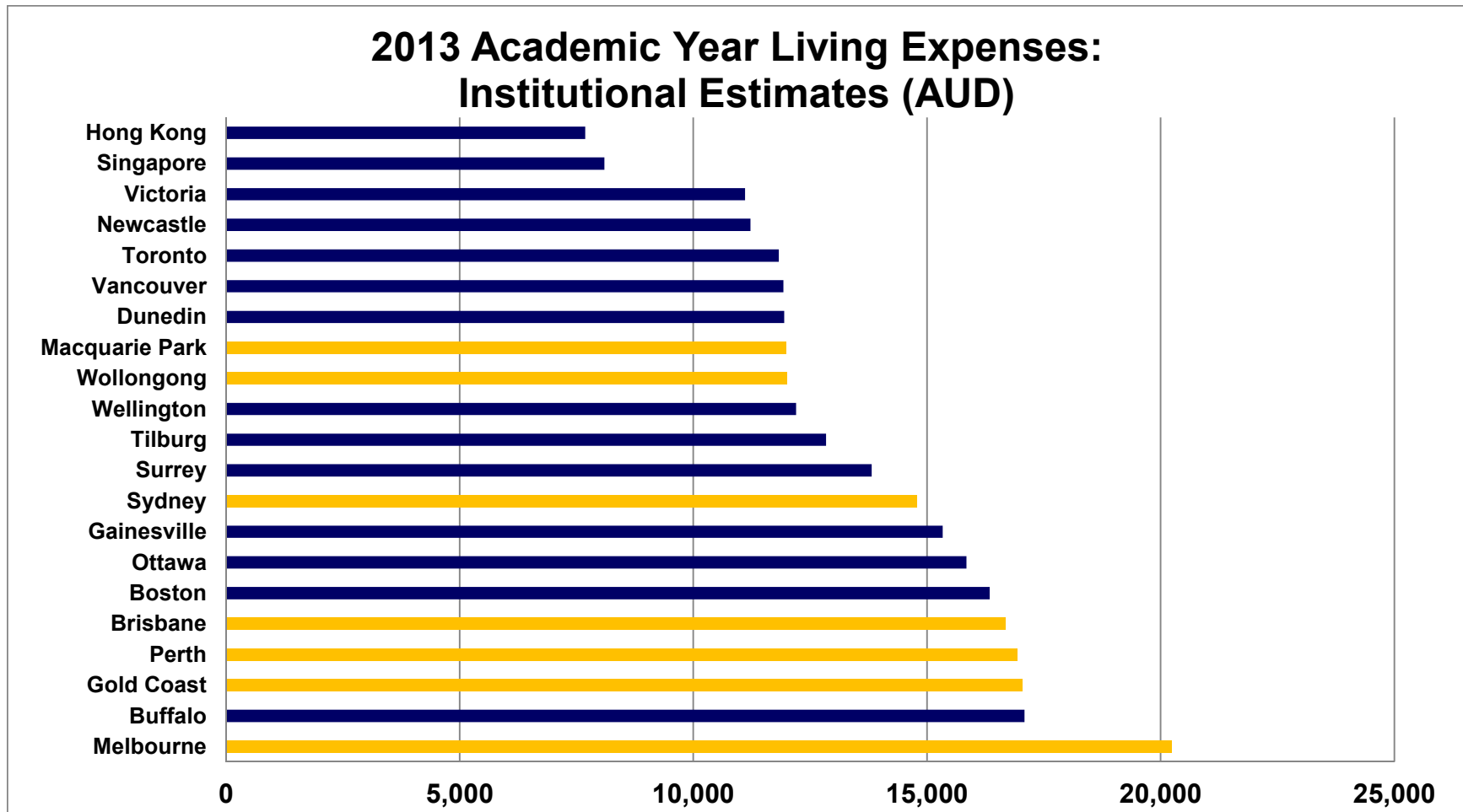
AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

Overview: International Tuition-based Competition Database

- **ICG's International Tuition-based Competition Database (ITBCD) contains over 7,000 individually benchmarked programs.**
- **Data has been compiled for tuition fees, additional fees, and cost of living for all 7,000 programs.**
- **A core set of institutions on four continents (Asia, Australia, Europe, and North America) are included in the ITBCD.**
- **Currently the ITBCD covers two kinds of higher education institutions:**
 - **Research Universities**
 - **Art and Design Institutions**

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Living Expenses: Institutional Estimates

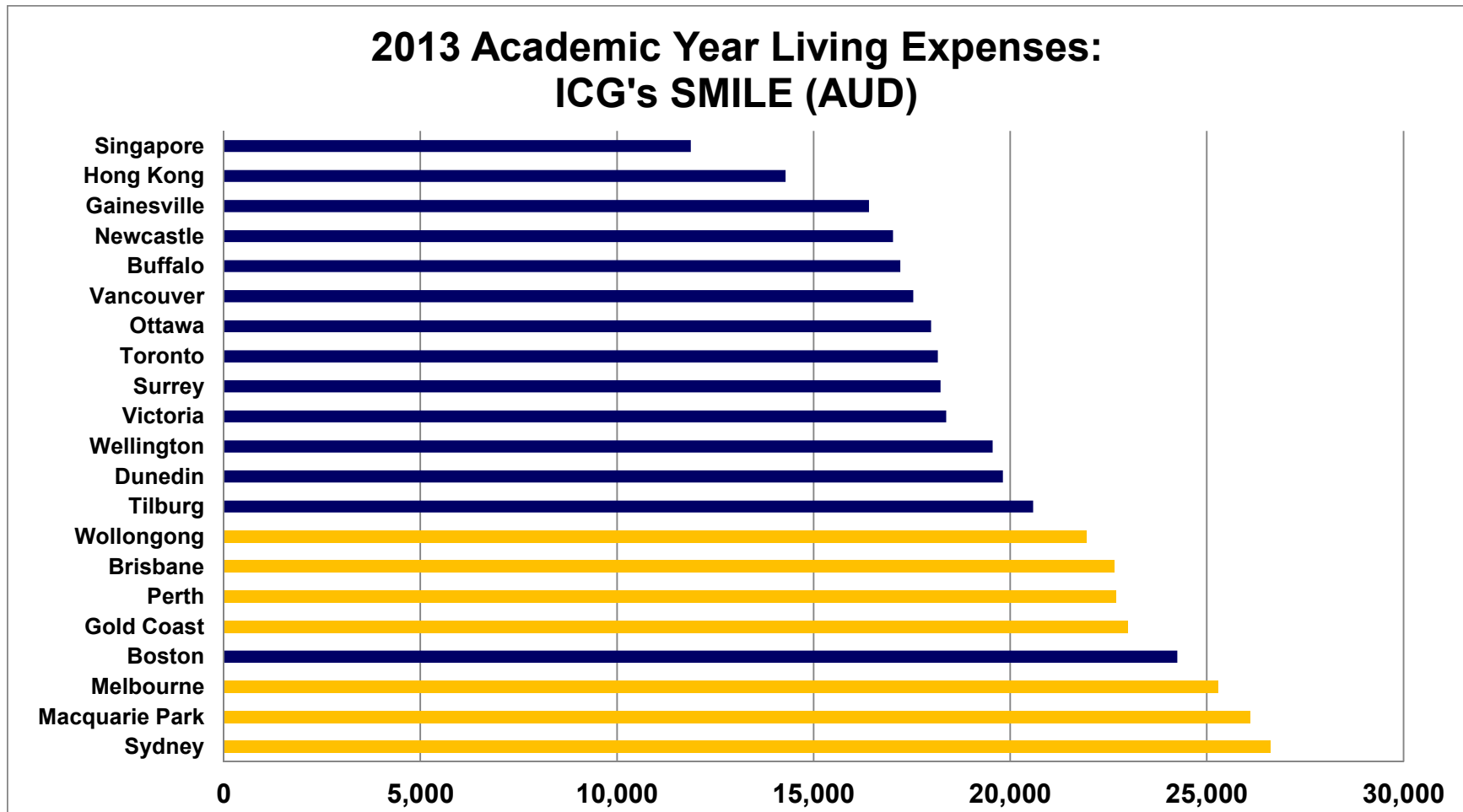


Australian institutions demonstrate high cost of living

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Living Expenses: ICG's SMILE



ICG SMILE research evidences even greater cost of living metrics in Australia

Source: ICG ITBCD.

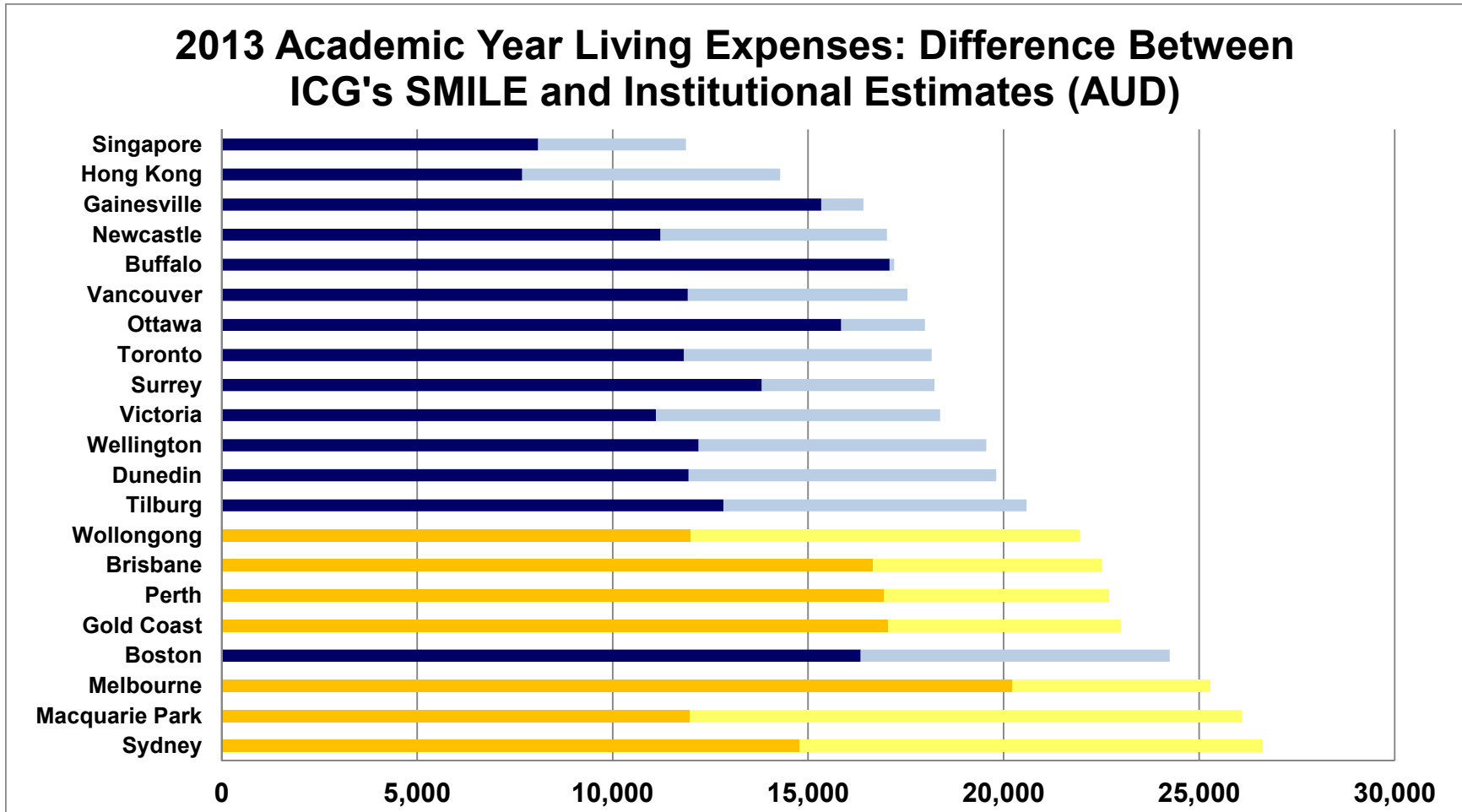
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AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Living Expenses: SMILE vs. Institutional Estimates

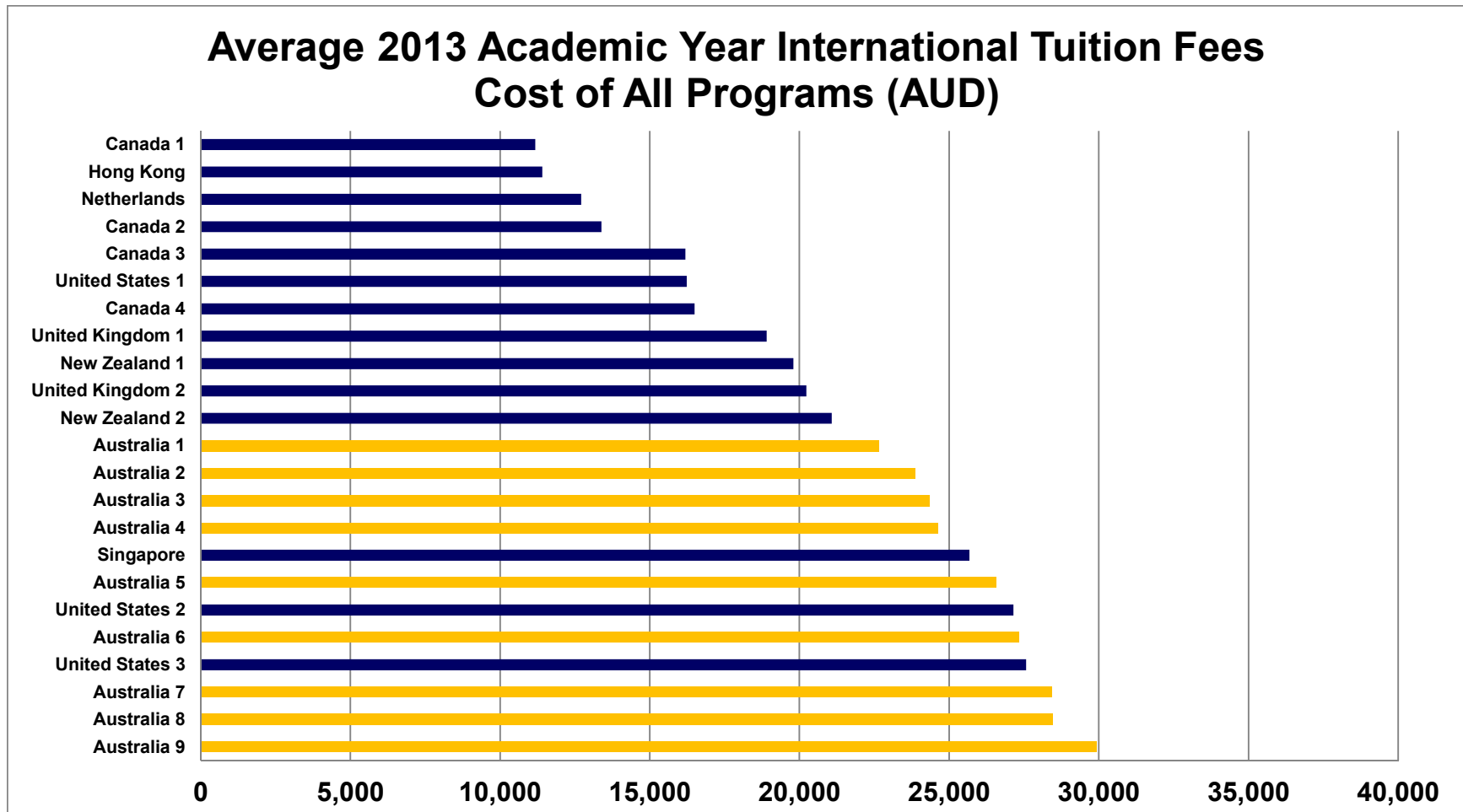


20 percent to 40 percent underestimation of cost of living

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Cost: All Programs at Research Universities

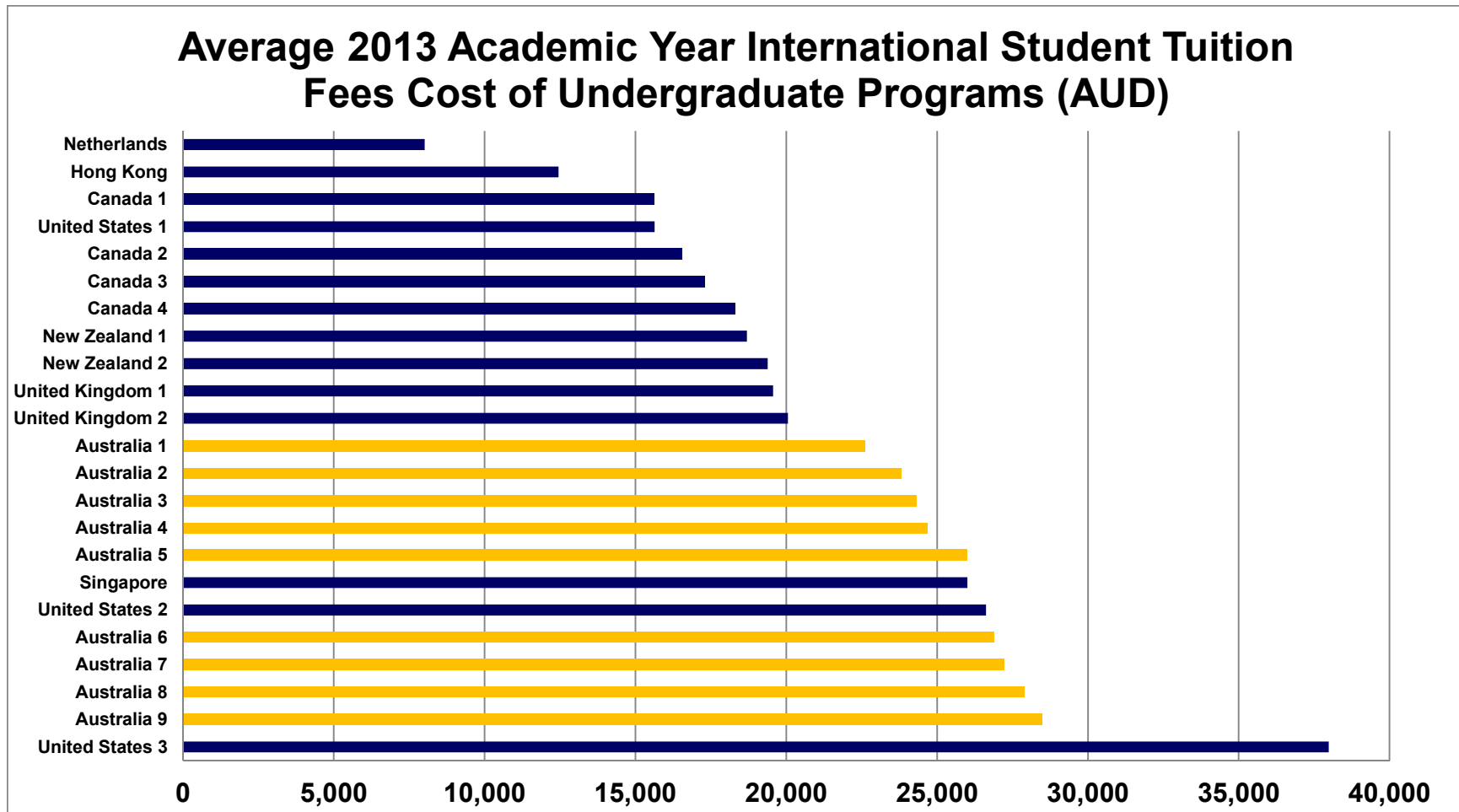


Australian universities have become an expensive proposition

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Cost: UG Programs at Research Universities

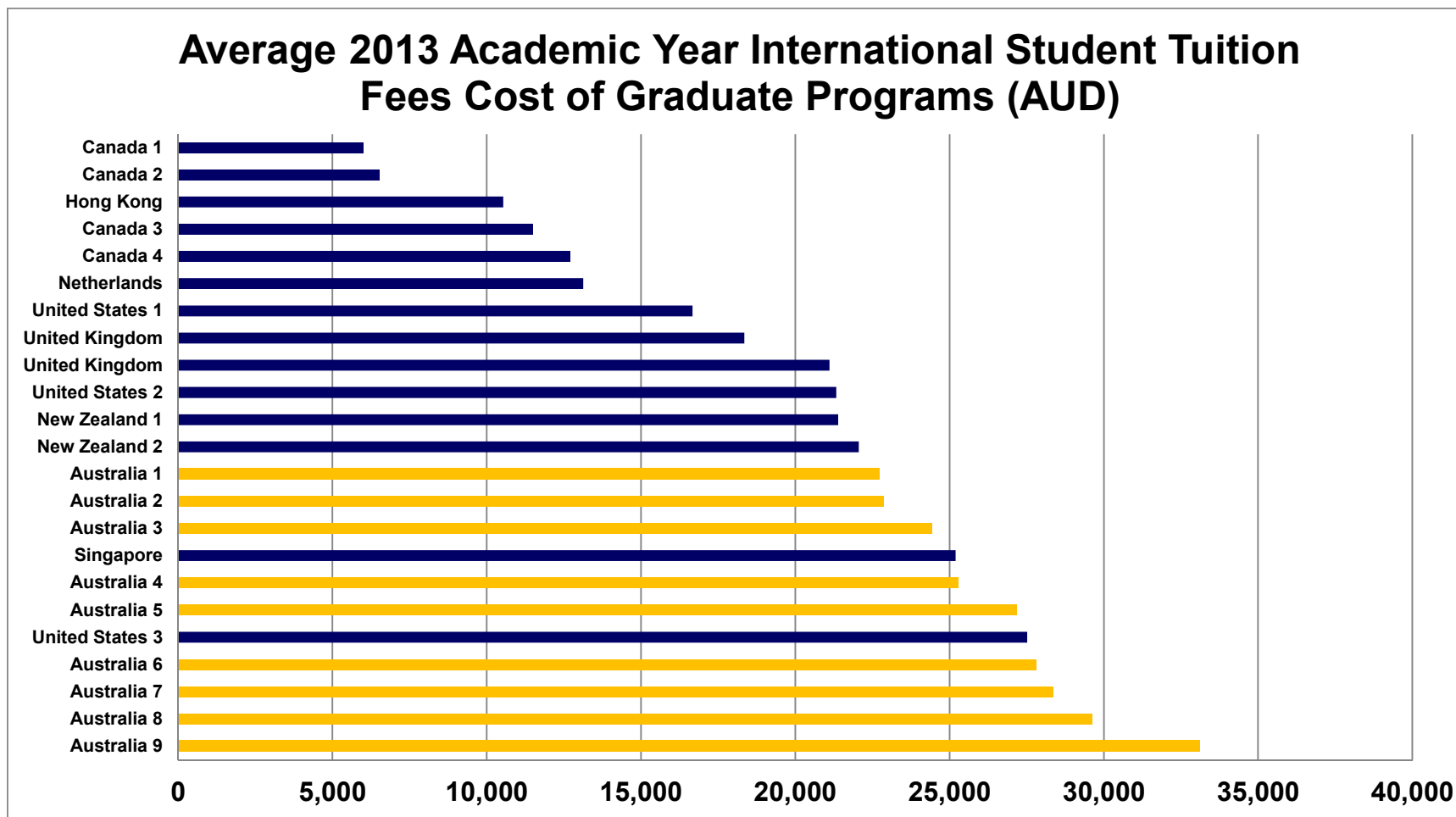


Similar high cost patterns for Australian institutions at the undergraduate level

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Cost: Graduate Programs at Research Universities

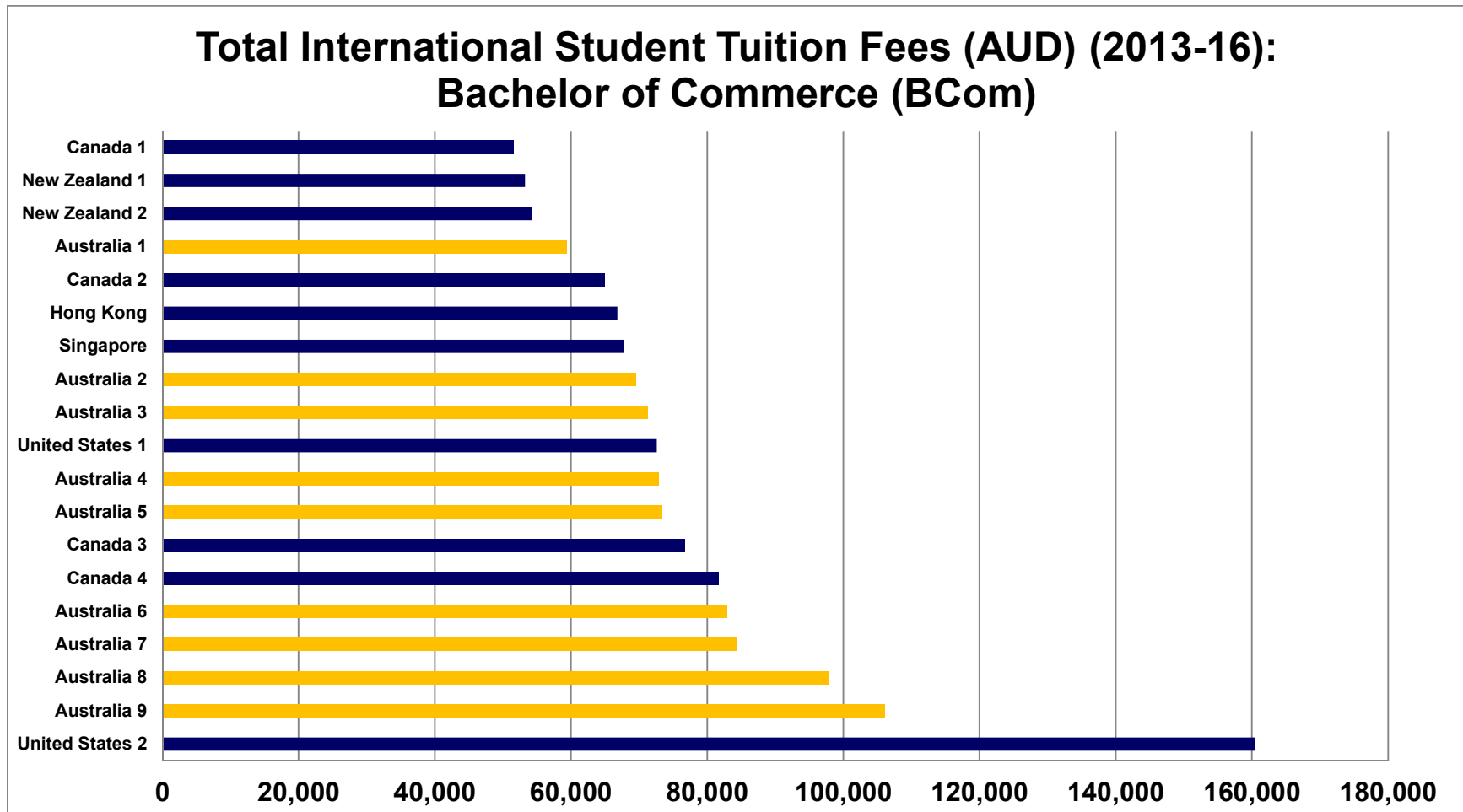


Revenue generation model at the master's level in Australia

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013-16 Total Tuition Fees Cost: Bachelor of Commerce Programs

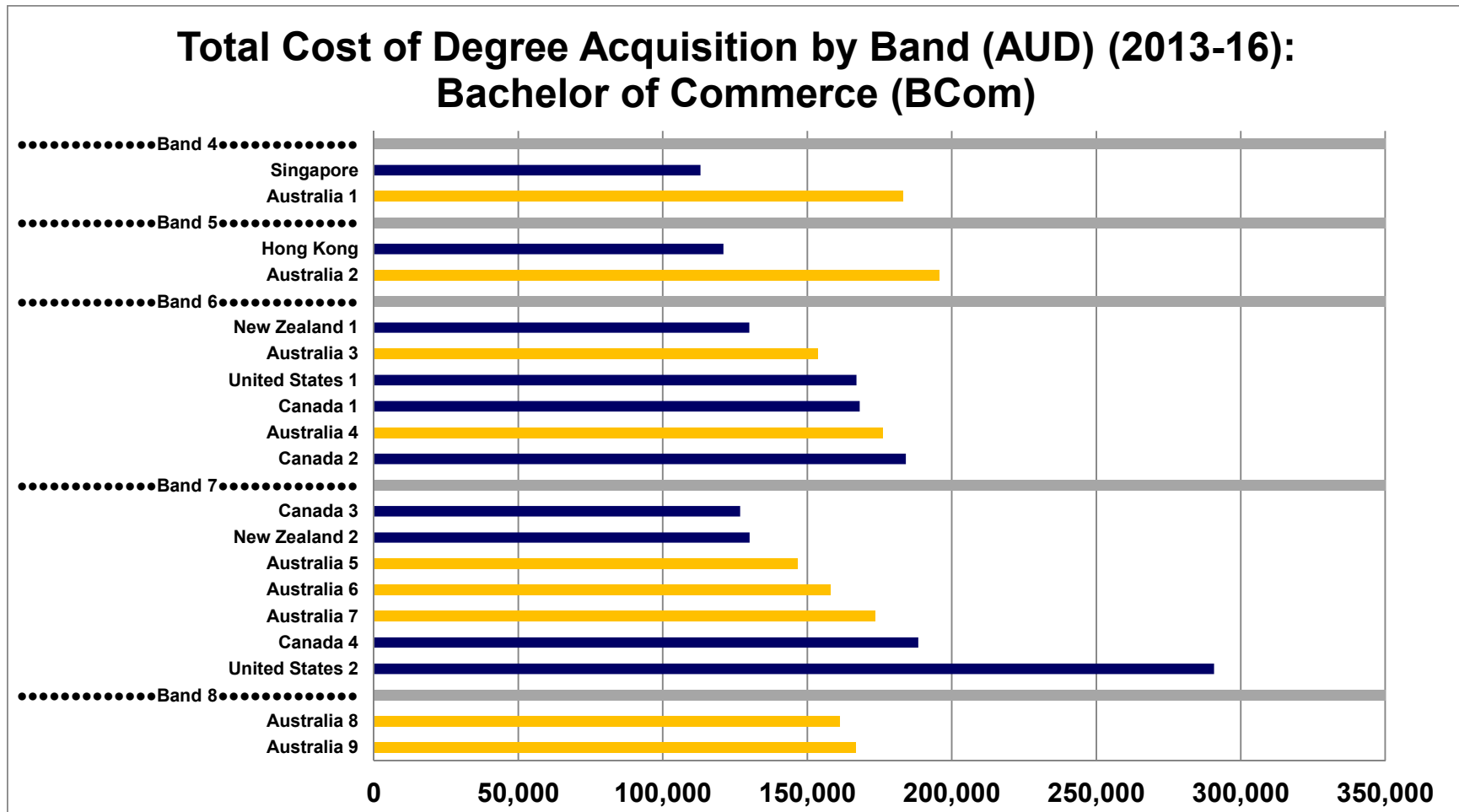


At a program level significant variations at Australian institutions

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013-16 TCODA by Band: Bachelor of Commerce Programs

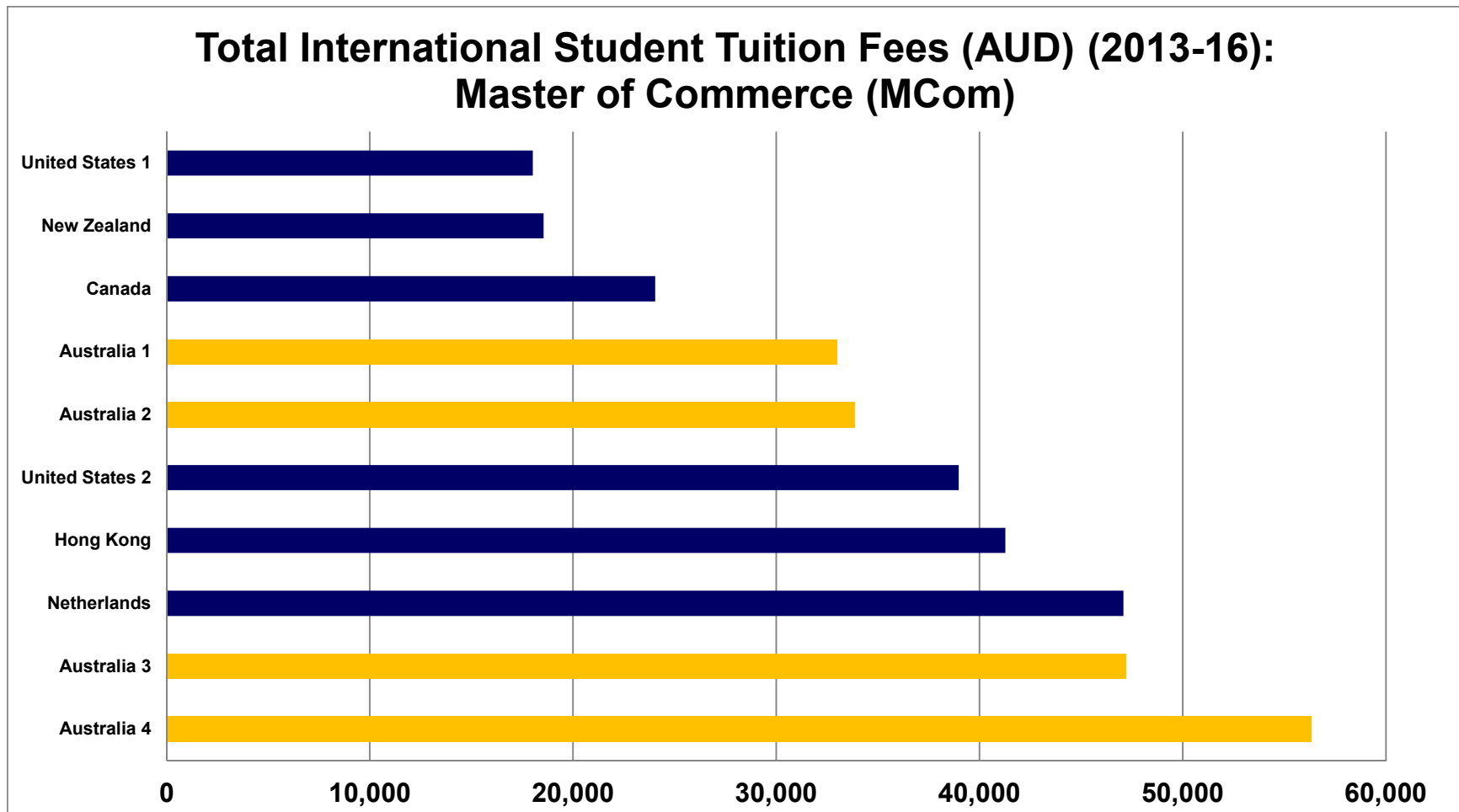


Price elasticity is a potent factor for BCom programs

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013-16 Total Tuition Fees Cost: Master of Commerce Programs



Once again Australia at the higher end of the fee scale

Source: ICG ITBCD.

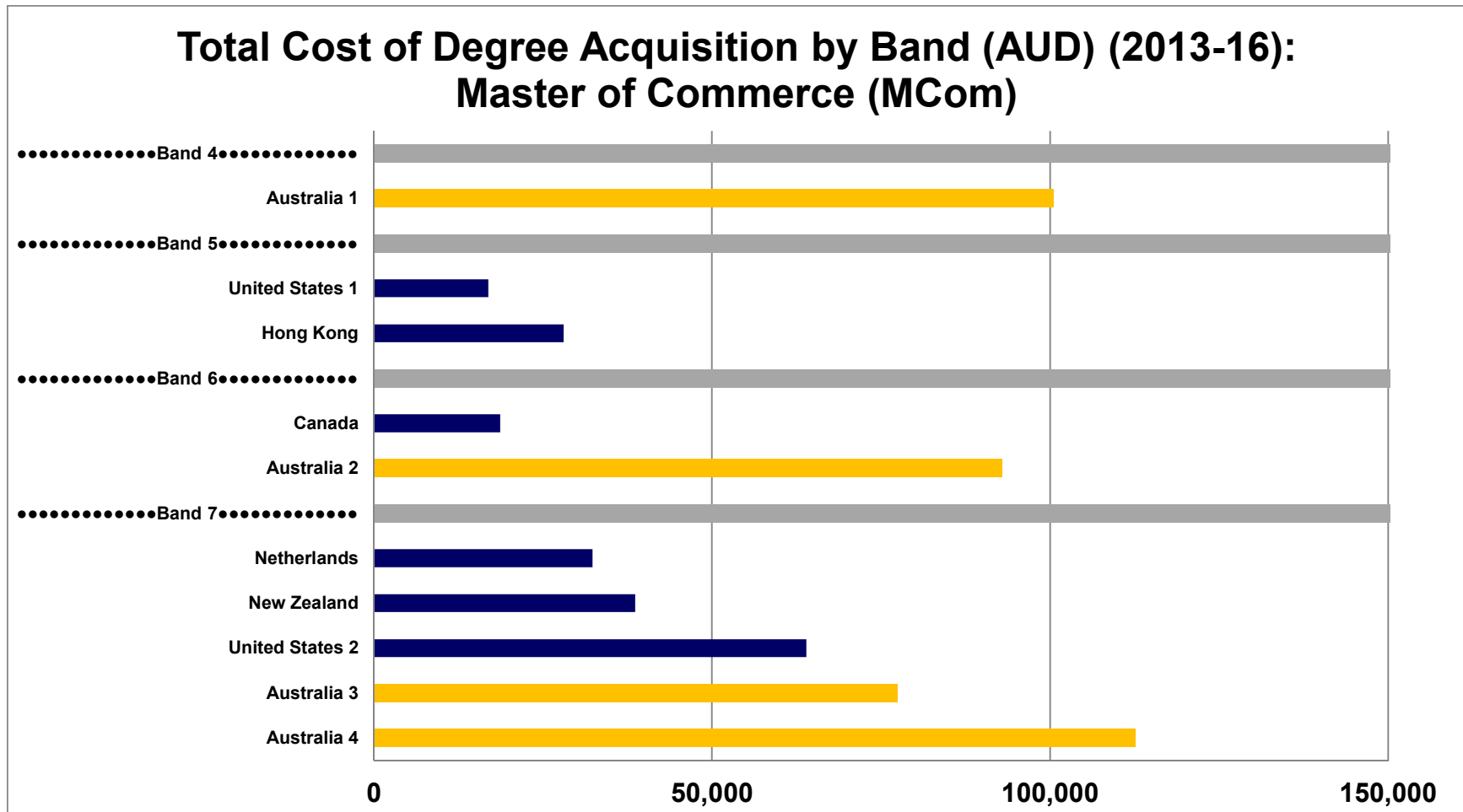
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AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013-16 TCODA by Band: Master of Commerce Programs



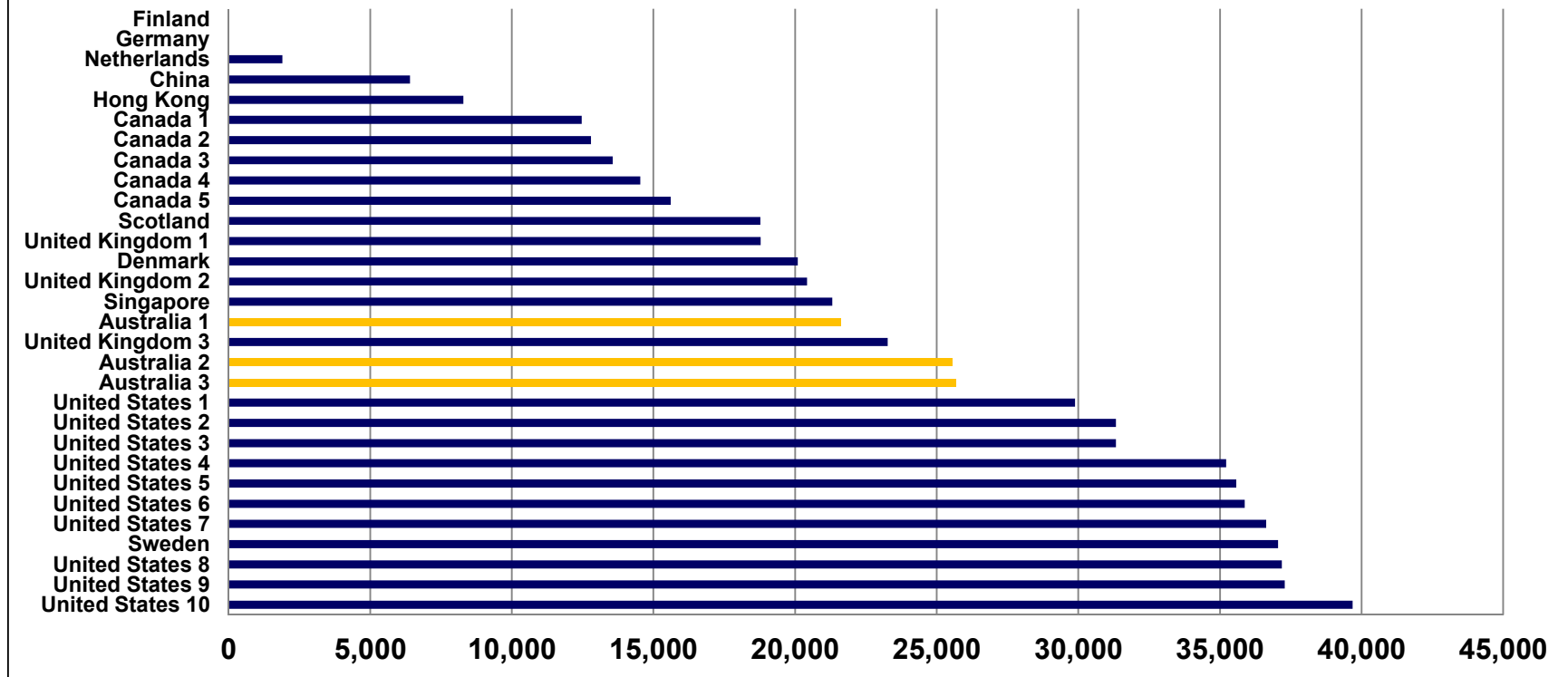
Strong contrast in price points within market bands

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Cost: All Programs at Art and Design Institutions

**Average 2013 Academic Year
International Student Tuition Fees Cost
of All Programs (AUD)**



Australian art and design programs are moderately priced

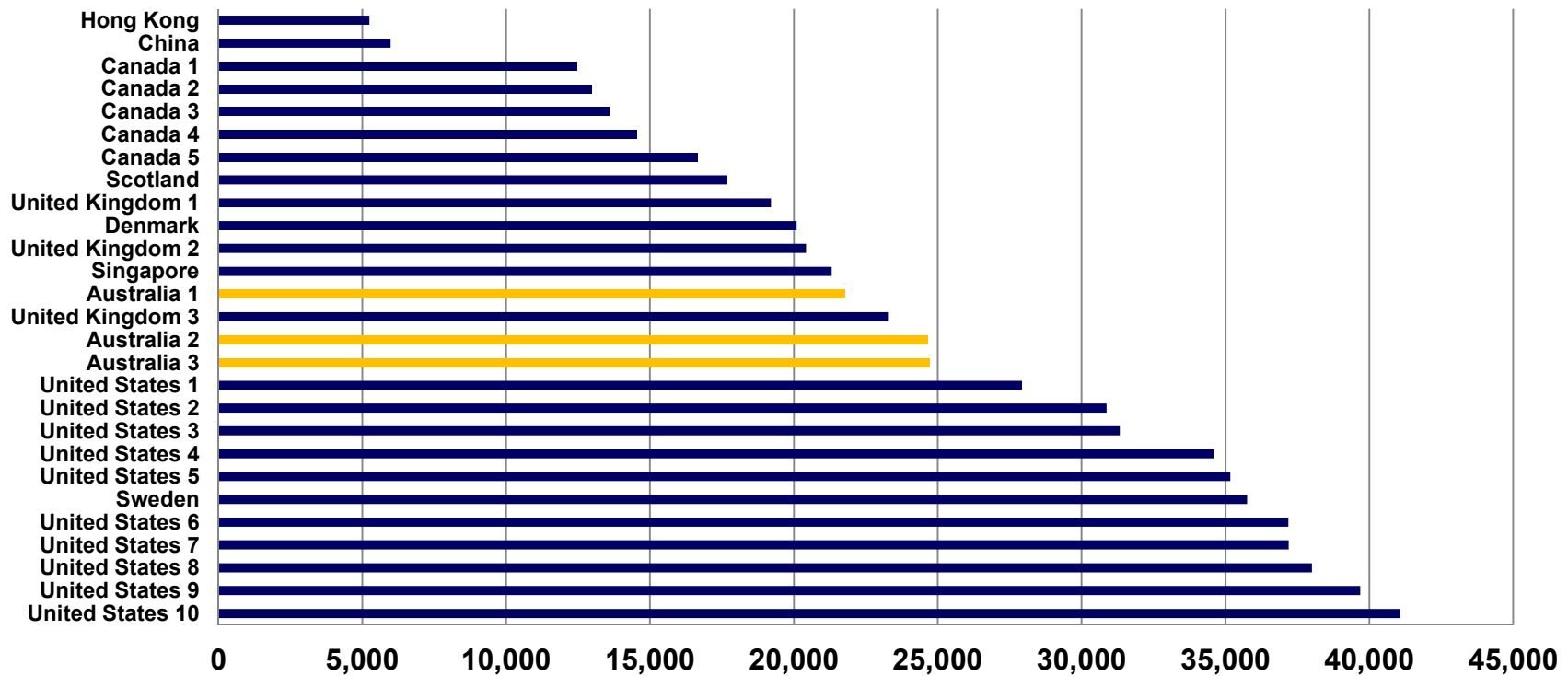
Note: Finland and Germany institutions do not charge tuition fees for these programs.

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Cost: UG Programs at Art and Design Institutions

**Average 2013 Academic Year
International Student Tuition Fees Cost of Undergraduate
Programs (AUD)**



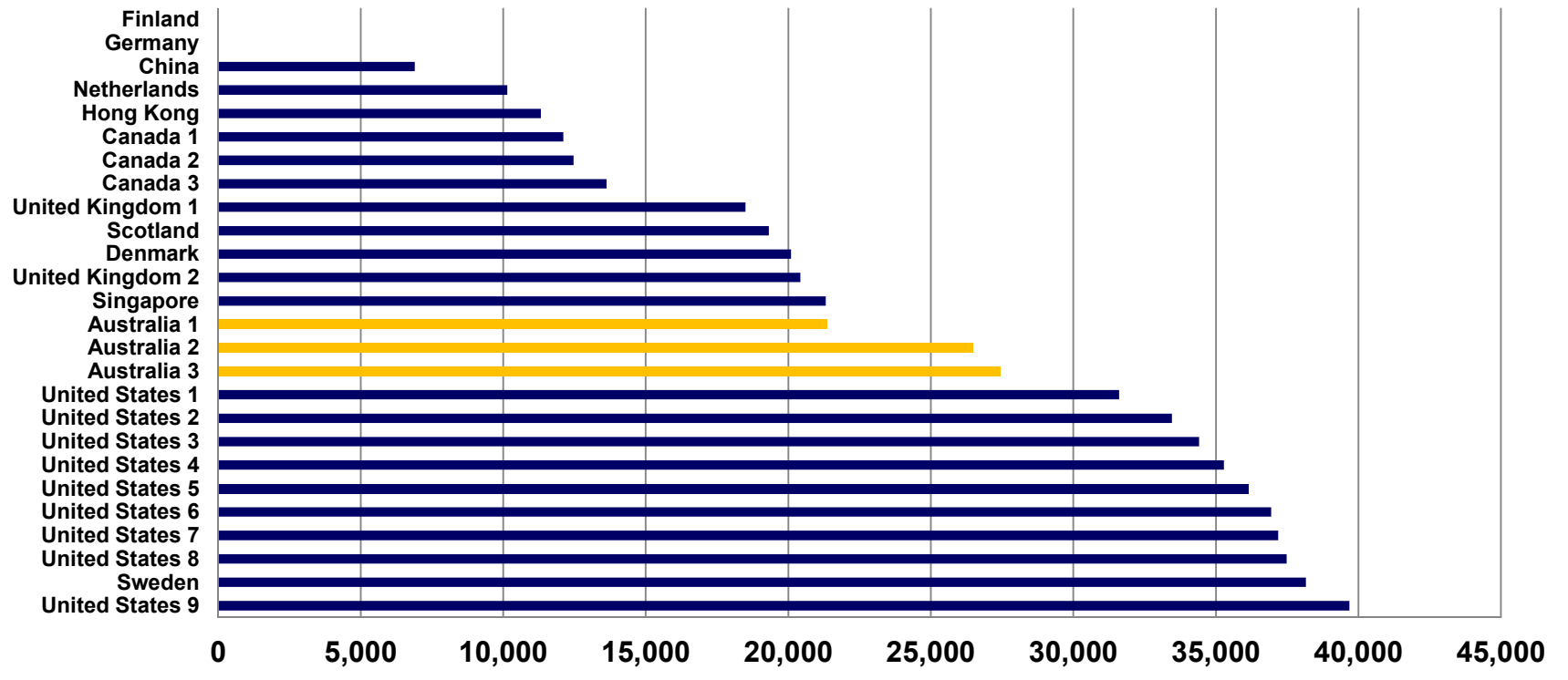
Australian institutions offer value at the undergraduate level

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Cost: Graduate Programs at Art and Design Institutions

**Average 2013 Academic Year
International Student Tuition Fees Cost
of Graduate Programs (AUD)**



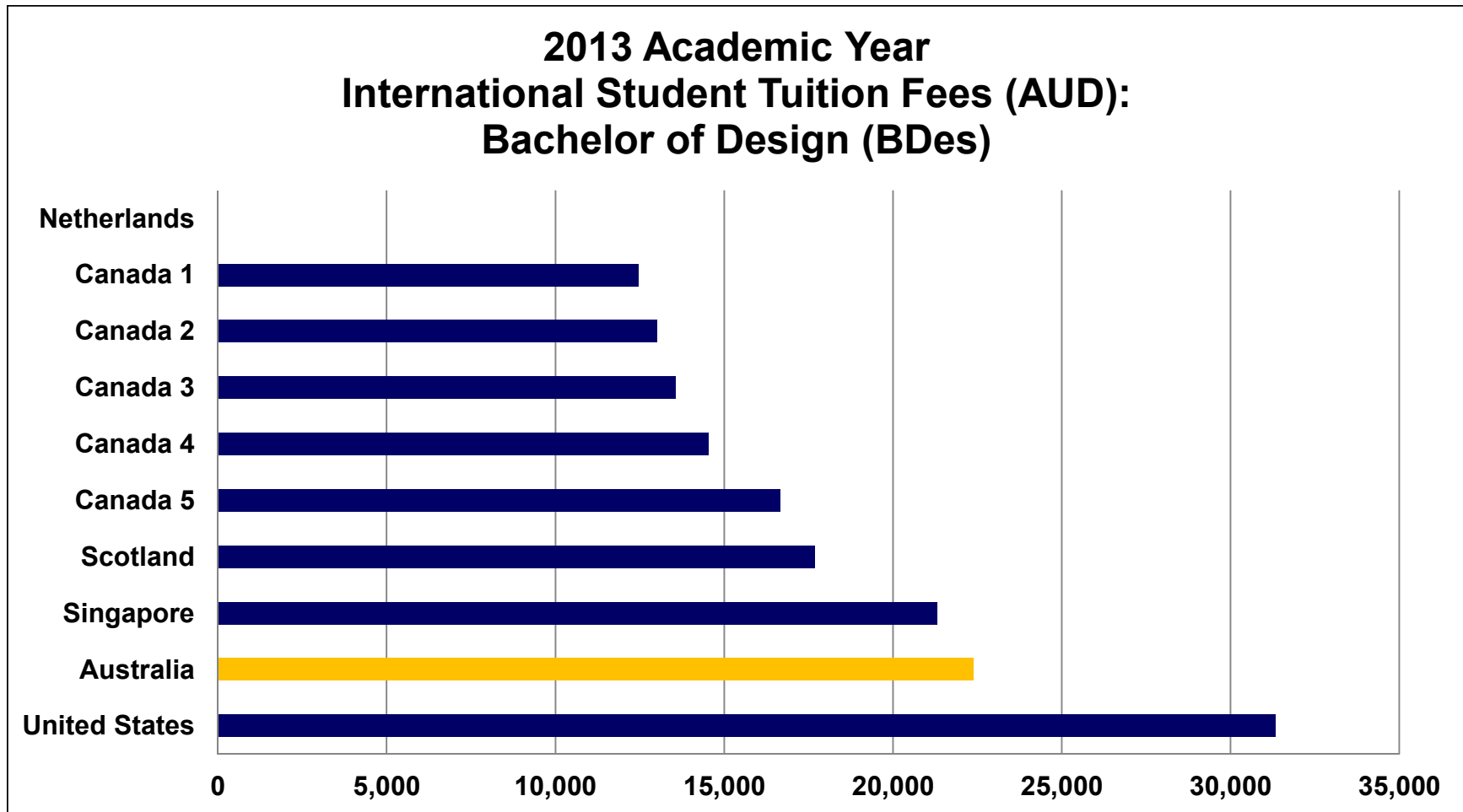
High tuition fees are common at the master's level for art and design

Note: Finnish and German institutions do not charge tuition fees for these programs.

Source: ICG ITBCD.

AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013 Academic Year Tuition Fees Cost: Bachelor of Design Programs



Room to increase tuition fees for BDes programs

Note: Netherlands institution does not charge tuition fees for this program.

Source: ICG ITBCD.

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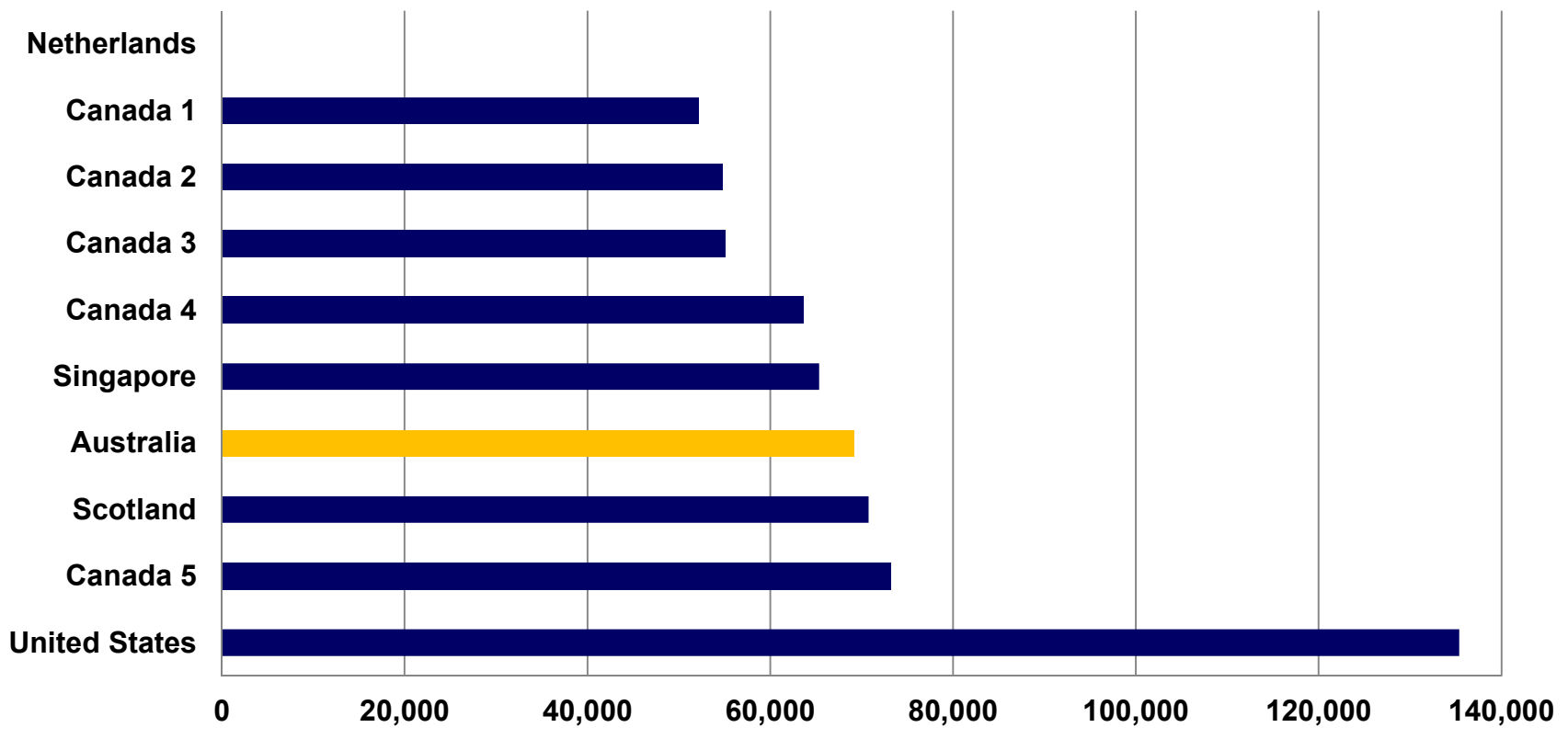
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AUSTRALIA'S COMPETITIVE POSITION: TUITION FEES

2013-16 Total Tuition Fees Cost: Bachelor of Design Programs

**Total International Student Tuition Fees (AUD) (2013-2016):
Bachelor of Design (BDes)**



Leading US institution double the cost of Australian institution

Note: Netherlands institution does not charge tuition fees for this program.

Source: ICG ITBCD.

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THE ROLE OF PATHWAYS

Research on Pathways: Scope of the Research

- **Competitive benchmarking of Canadian, US, Australian and British information (and visa) systems.**
- **Gathering of available data from national, provincial, association and other sources, leading to an inventory of pathways-relevant data and information present in Canada and Australia, among other countries.**
- **Mapping of the organizational design and functioning of pathways systems in Canada and Australia, among other countries.**
- **Identification of formal and informal pathways models in Canada, Australia and select competitor countries.**
- **Compilation of a catalogue of education pathways business models.**

THE ROLE OF PATHWAYS

Six Key Insights

- **Students' pathway needs differ markedly between source countries.**
- **English as a second language can have a critically important enabling function.**
- **Competitive and compelling pathway design can induce enrollment into three or more educational sectors.**
- **Higher education is not always the ultimate sector attained; a “downward” coupled pathway into VET can be sensible for some students.**
- **The competitive nature of Australia's pathway design was (and is) a key driver for its success in attracting and retaining international students.**
- **Data availability allows enables informed decision-making, market analysis and program design.**

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THE RATIONALE FOR PRISM

- **By 2012, international student enrollments had grown to 4.1 million (ICG estimate) – along the way increasing the variety of students studying abroad for different reasons relative to 20 years ago.**
- **During that time, the overall academic performance of international students has declined – partially owing to growth factors, and partially to an increased lack of linguistic preparation, curricular fit and learning style, or outright fraud and deception.**
- **The combination of these dynamics has resulted in student-institution mismatches, academic underperformance, high attrition rates and difficulties to focus on talent. This is proving costly to institutions on many levels.**

To date, no systematic analysis of this issue has been undertaken. PRISM offers a unique evidence-based, comparative, in-depth approach to analyze and model these issues.

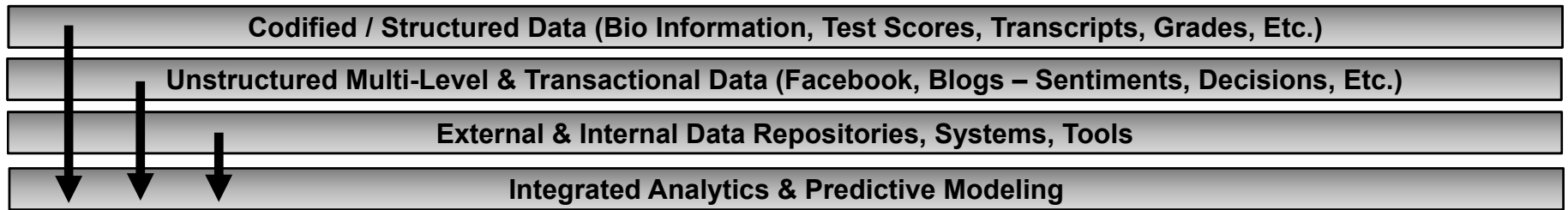
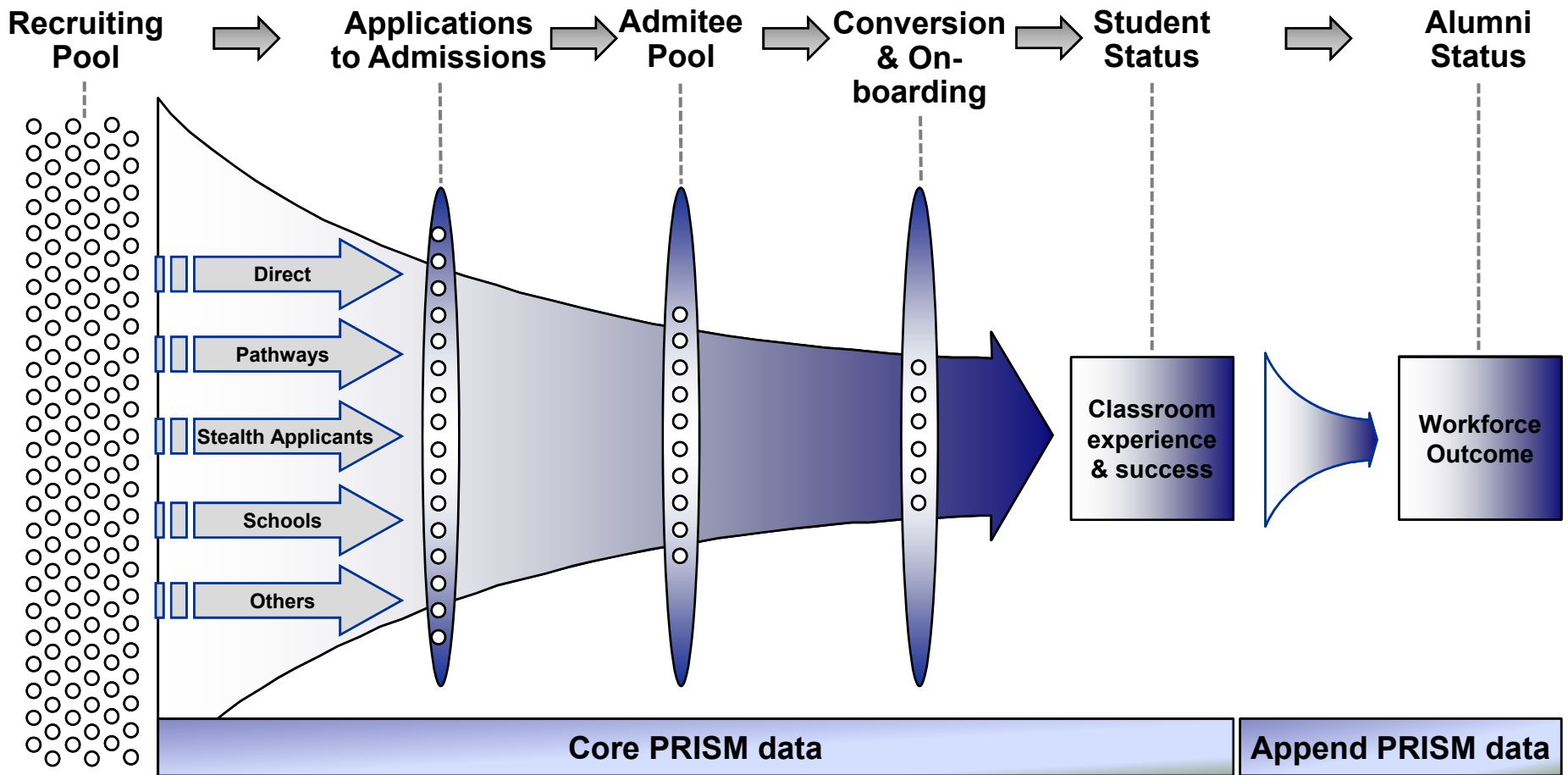
ANALYTICAL FRAMEWORK

Key Drivers to Benchmark International Students' Performance

- **The shift to outcome-based marketing and recruiting**
- **Institutional competition and differentiation (national and international)**
- **In-classroom quality improvement (learning, experience)**
- **Regulatory compliance**
- **The need to improve strategic data management across an institution**
- **Pressure through much more visible feedback loops (social media, etc.)**
- **Others...**

ANALYTICAL FRAMEWORK

Integrated Strategic Data Management Along the Student Lifecycle



ANALYTICAL FRAMEWORK

High Level Overview of PRISM

- **Participants: Higher education institutions (and their partners) worldwide.**
- **Data: International students' admissions and registrar data (e.g., gender, nationality, secondary leaving qualification, language test scores, study field, pathways, agent code, degree type – grades, graduation rates).**
- **Data add-on: Minimal domestic students' cohort grades and graduation data for control group purposes.**
- **Security, privacy, and brand protection: PRISM operates with dedicated privacy, security and brand protection features.**
- **On-boarding: Supported by extensive templates, guides, and discussions with technical staff.**
- **Results documentation: Provided by ICG in two standardized formats – institutional and benchmark analysis.**

ANALYTICAL FRAMEWORK

PRISM Student Data Attributes (Version 2)

International Students: Recruiting Profile and Pathways Data

Required Data

- Country of Citizenship (UN classification)
- Enrollment Type (full-time / part-time)
- Registration Status (degree, non-degree)
- Degree Type (Bachelor 3 years, Bachelor 3 years w/ Honors, Bachelor 4 years, Bachelor 4 years with Honors, Master's 1 year, Master's 2 years)
- Subject / Study Field (ICG roll-up table)
- "Technical" data
 - Commencement Year
 - Degree Program Expected Duration
 - Graduation Year (or: end of record)

Add-on Data

- Gender (male / female)
- English Language Proficiency at Admission
- Secondary Education Qualification (Country of Attainment)
- Secondary Education Qualification (Kind)
- Additional Education Post a Secondary Leaving Qualification
- Recruitment Channel
- Agent Identifier
- Scholarship status
- Degree track model (joint, dual, etc.)

International Students: Performance and Success Data

- Academic Performance (Grades)
- Transfer destination (if available)
- Student Success (Graduation)

Domestic Students: Performance and Success Data (for baseline purposes)

- Academic Performance (Grades)
- Student Success (Graduation)

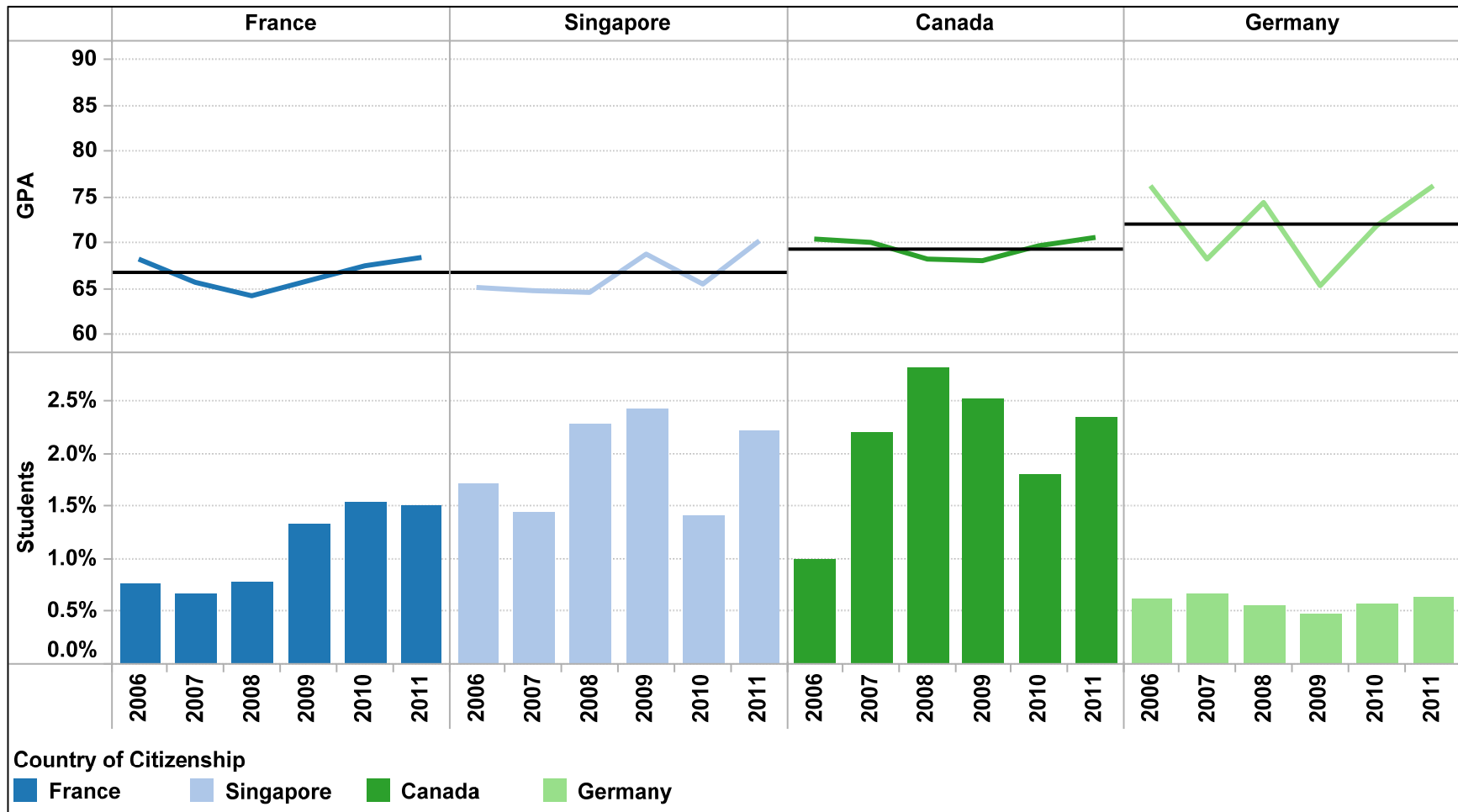
ANALYTICAL FRAMEWORK

Safeguarding Privacy and Protecting Data

- **PRISM operates with dedicated privacy, security and brand protection features.**
- **Student privacy – No data segments containing less than 5 records are displayed. Any names and identifiers have been deleted/sanitized/coded with numerical ID numbers.**
- **Institutional data transformation – Data can be delivered to ICG in a fully recoded manner, ensuring the ability of cross-jurisdictional data transfer.**
- **Institutional brand protection – Institutional information is sanitized and protected against involuntary discovery.**
- **Data security – Master data set is safely stored in ICG's office.**

INSTITUTIONAL ANALYSIS

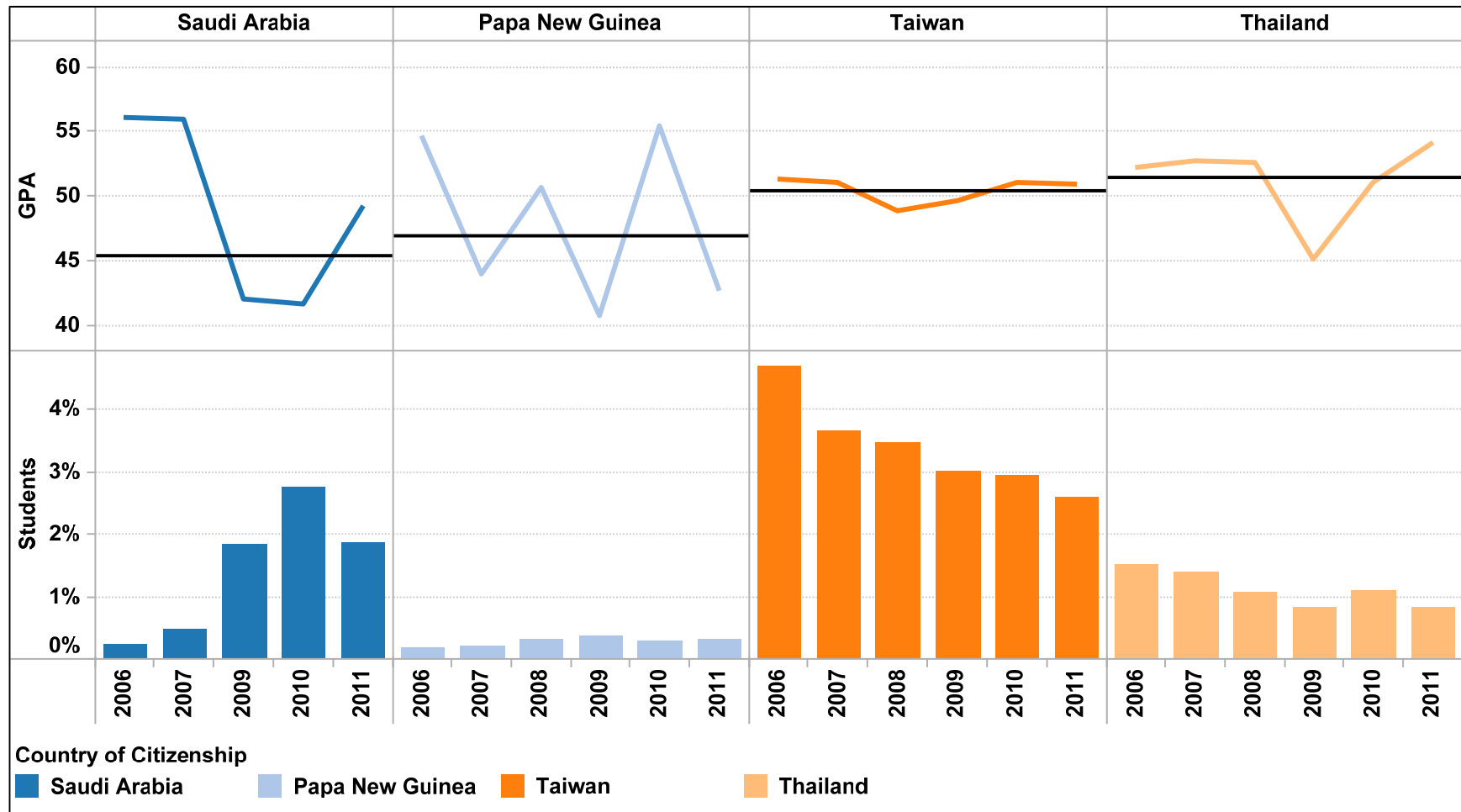
Measuring Student Performance by Nationality Over Time (I)



Four variable institutional analysis of well-performing international students

INSTITUTIONAL ANALYSIS

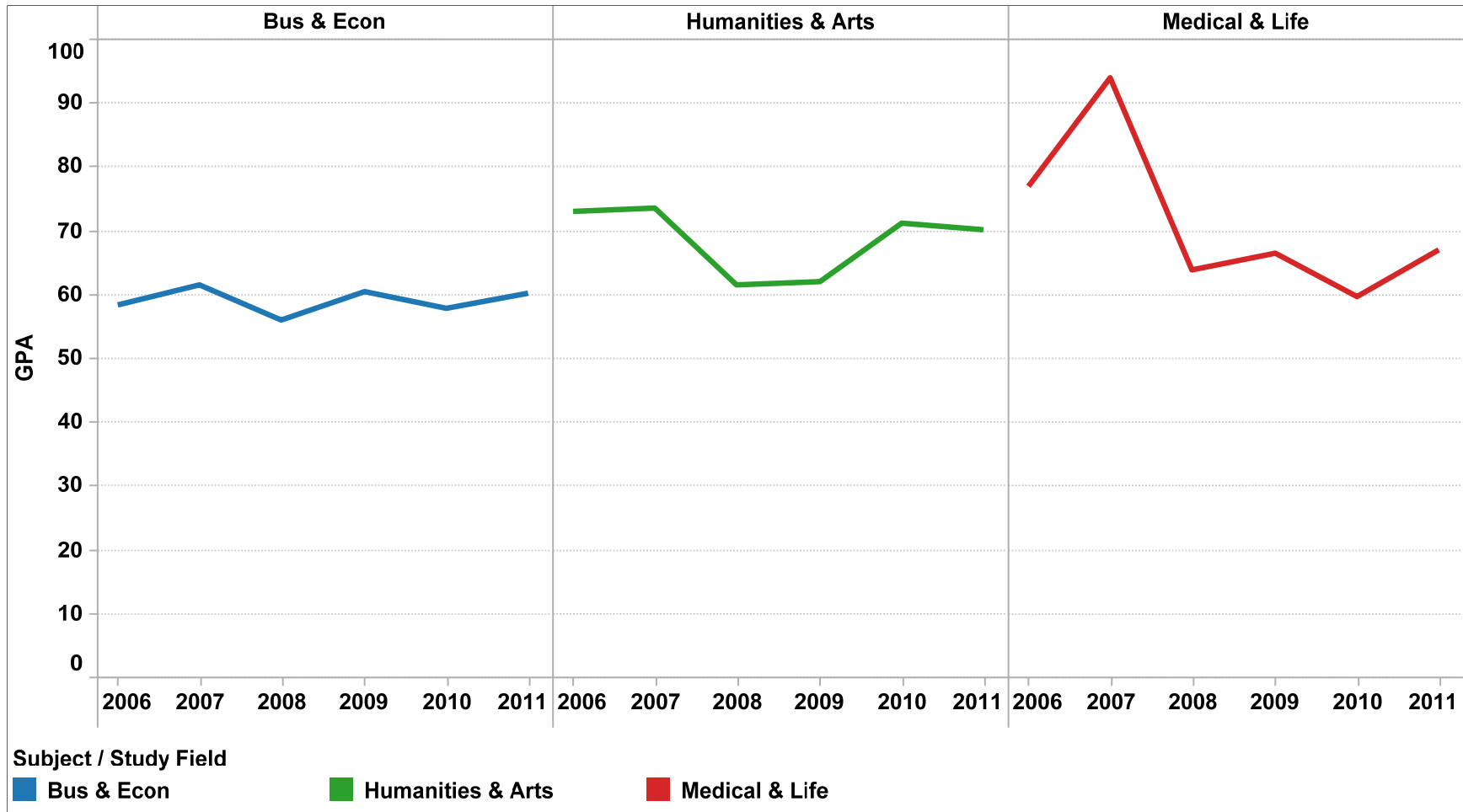
Measuring Student Performance by Nationality Over Time (II)



Four variable institutional analysis of low-performing international students

INSTITUTIONAL ANALYSIS

Measuring Student Performance by Study Field Over Time



Four variable institutional analysis of Malaysian students across study fields

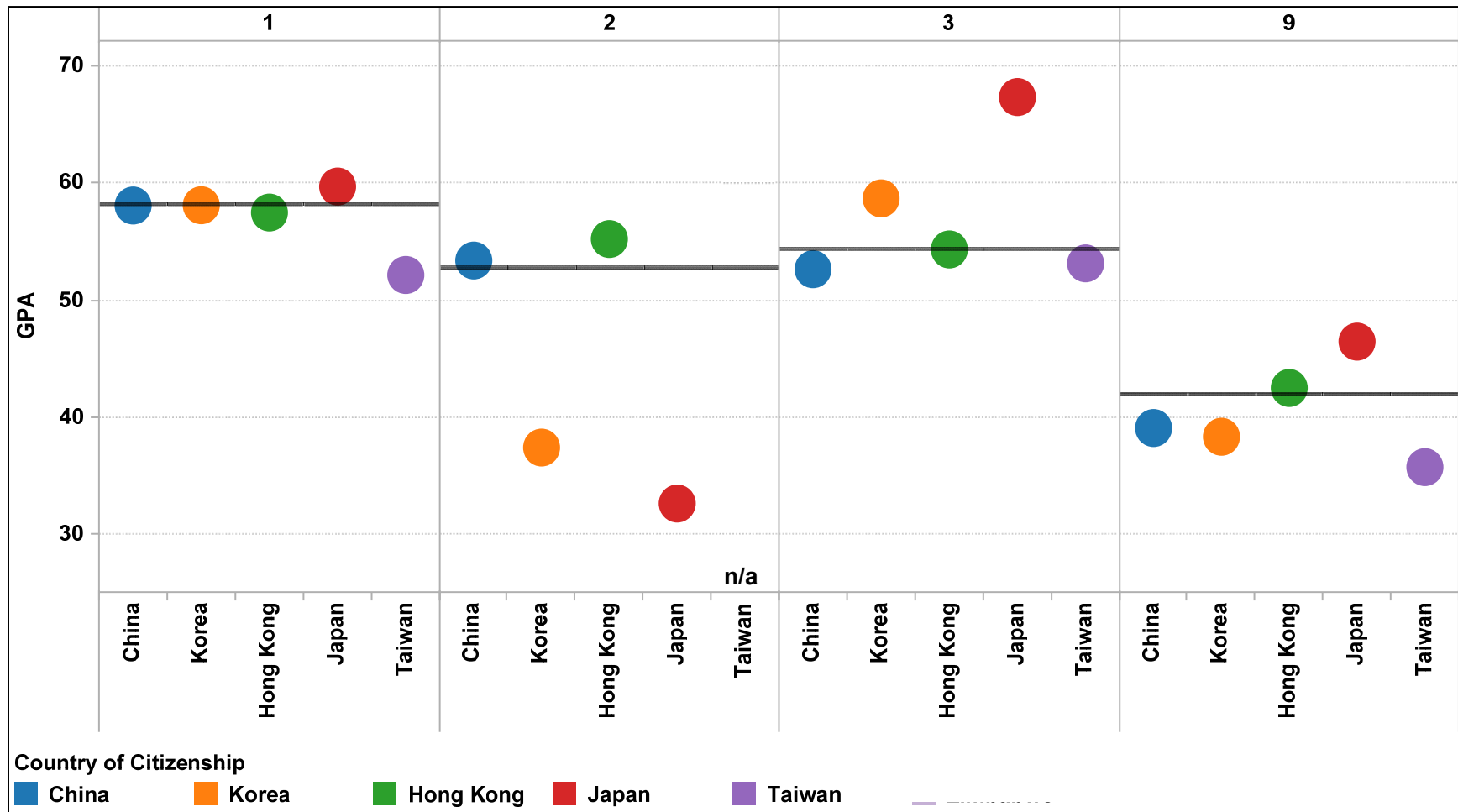
INSTITUTIONAL ANALYSIS

Summary of PRISM's Institutional Analysis Capabilities

- **PRISM offers two services at the institutional level:**
 - **Core data analysis: Based on PRISM's 15 core student attributes.**
 - **Custom data analysis: Any institutional data which is properly codified, consistent, and connected to student records.**
- **Student attributes can be analyzed on their own, or in combination with other attributes. Theoretically, all 15 attributes could be employed; practically five to seven offer the best possible depth.**
- **The institutional analysis provides powerful evidence on:**
 - **The actual student performance results of recruiting and admissions policies and practices.**
 - **Student performance changes over time (historical data can be loaded).**
 - **Risk and compliance issues with a view on magnitude and trajectory.**
 - **Forward looking dynamics (including *a priori* testing and predictive modeling).**

BENCHMARK ANALYSIS

Measuring Student Performance by Nationality Across Institutions



Benchmark analysis allows for feedback loops into recruiting channels

BENCHMARK ANALYSIS

Summary of PRISM's Benchmark Analysis Capabilities

- **PRISM offers three services at the cross-institutional benchmark analysis level:**
 - **Core benchmark analysis:** Based on the selection of key student attributes which provide the most meaningful insights.
 - **Custom benchmark analysis:** Available as an add-on service to institutions which wish to benchmark against specific peer groups, or run an analysis on non-core benchmark attributes (e.g. agents).
 - **Data harmonization:** This underlying service harmonizes institutional data for the full benchmark analysis (e.g., study fields, grades).
- **The benchmark analysis focuses on key student attributes such as country of citizenship, degree type, study field, English language proficiency, secondary leaving qualification, and pathways programs.**
- **The benchmark analysis provides powerful evidence on:**
 - **Multiple levels of relative performance aspects (global/peer/aspirational/etc.).**
 - **Global trend analysis.**
 - **Untapped and emerging challenges and opportunities.**

THEMATIC PERSPECTIVE: PATHWAYS ANALYSIS

Summary of PRISM's Pathways Analysis Capabilities

- **PRISM operates with a finely grained data structure to capture granular pathways aspects:**
 - **Category: ESL, EAP, Foundation**
 - **Function (I): Conditional admission**
 - **Function (II): Academic credit**
 - **Function (III): Duration (3, 6, 9, 12 months)**
 - **Instances: Count of any pathway program attended (1, 2, 3, ...)**
- **By differentiating the above categories and functions, specific analysis can be conducted, including:**
 - **Assessing the quality of specific pathways programs on their own and within a benchmark framework.**
 - **What thresholds (e.g., entry standards, duration) produce desired results.**
- **A key value is the ability to manage a given institutional pathway landscape based on outcome – addressing issues from recruiting funnels to admissions to classroom dynamics to regulatory compliance.**

THEMATIC PERSPECTIVE: PATHWAYS ANALYSIS

Performance of EAP Pathways Students v. Reference Student Cohort

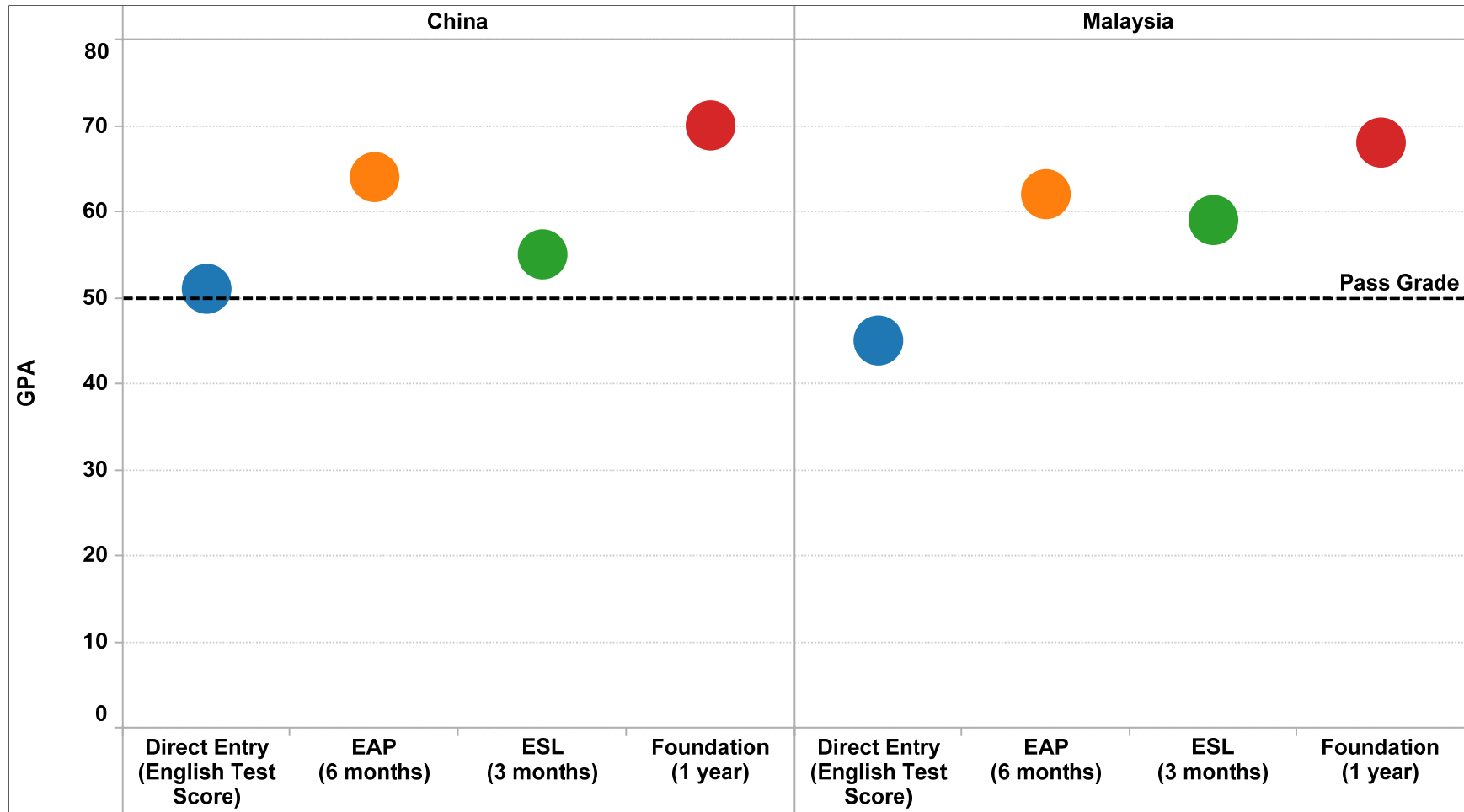


This specific EAP pathways program delivers well performing students

Notes: Data selected from a PRISM Version 1 institutional dataset.

THEMATIC PERSPECTIVE: PATHWAYS ANALYSIS

Comparison of Pathways Programs by Pathway Type and Citizenship



Three variable analysis of pathways programs

Notes: Modulated data.

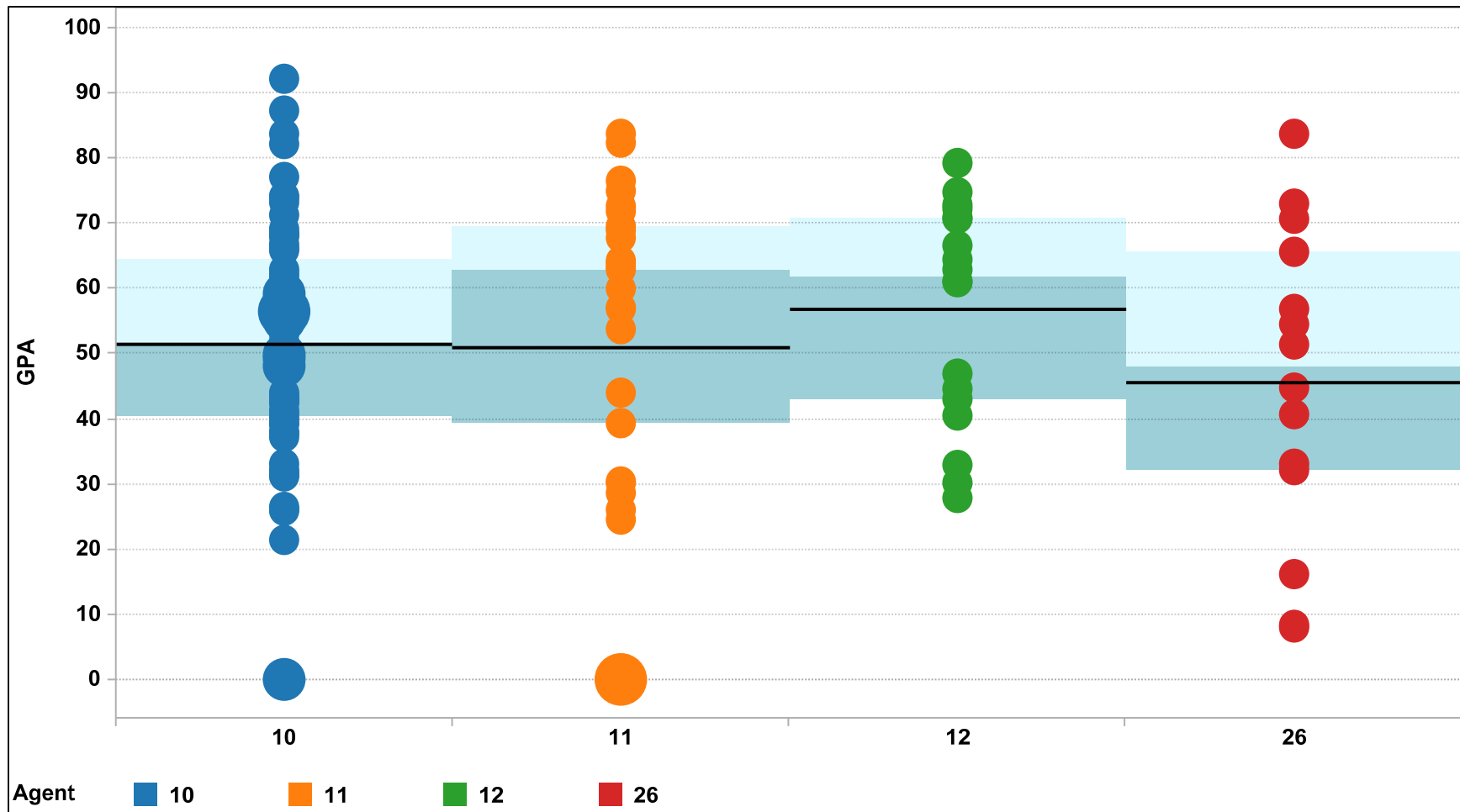
THEMATIC PERSPECTIVE: PATHWAYS ANALYSIS

The Relevance of Measuring Pathways' Performance

- **Pathway programs are growing to become a key component of international student intakes in most top destination countries.**
- **Pathway programs have become a necessity. The global pool of students who can be directly admitted into quality universities is not sufficiently large enough.**
- **Managing pathway programs for academic outcome is thus a critical task. This requires an in-depth analytical perspective on the specific aspects of a given pathway program relative to measured student outcomes over time.**
- **The Benchmark Model's analytical structure allows institutions to load highly detailed information. Depending on the granularity of the information supplied, highly specific feedback can be provided, which in turn can drive pathways program optimization and rationalization.**
- **Key value propositions include:**
 - **Regulatory compliance**
 - **Risk management**
 - **Operational and academic quality improvements**

THEMATIC PERSPECTIVE: AGENT MANAGEMENT

Student Performance by Recruiting Agent



The model enables fine-tuned performance-driven agent management

THEMATIC PERSPECTIVE: AGENT MANAGEMENT

Introducing Performance-based Agent Management

- **Typical agent contracts do not hold agents accountable for the downstream academic performance and success of students they recruited.**
- **Institutions can load agent codes into the benchmark model to develop an evidence-based understanding of the relative and overall performance of students by agent (i.e. outcome-based).**
- **In a second step, agent compensation can be pegged to outcome – to the point of not compensating agents for failing students, and raising compensation for agents recruiting students who perform well.**
- **Employing such a feedback-loop driven approach will incentivize agents to focus on student quality.**
- **Outcome-based agent performance management is a logical response to regulatory requirements and business improvement dynamics.**

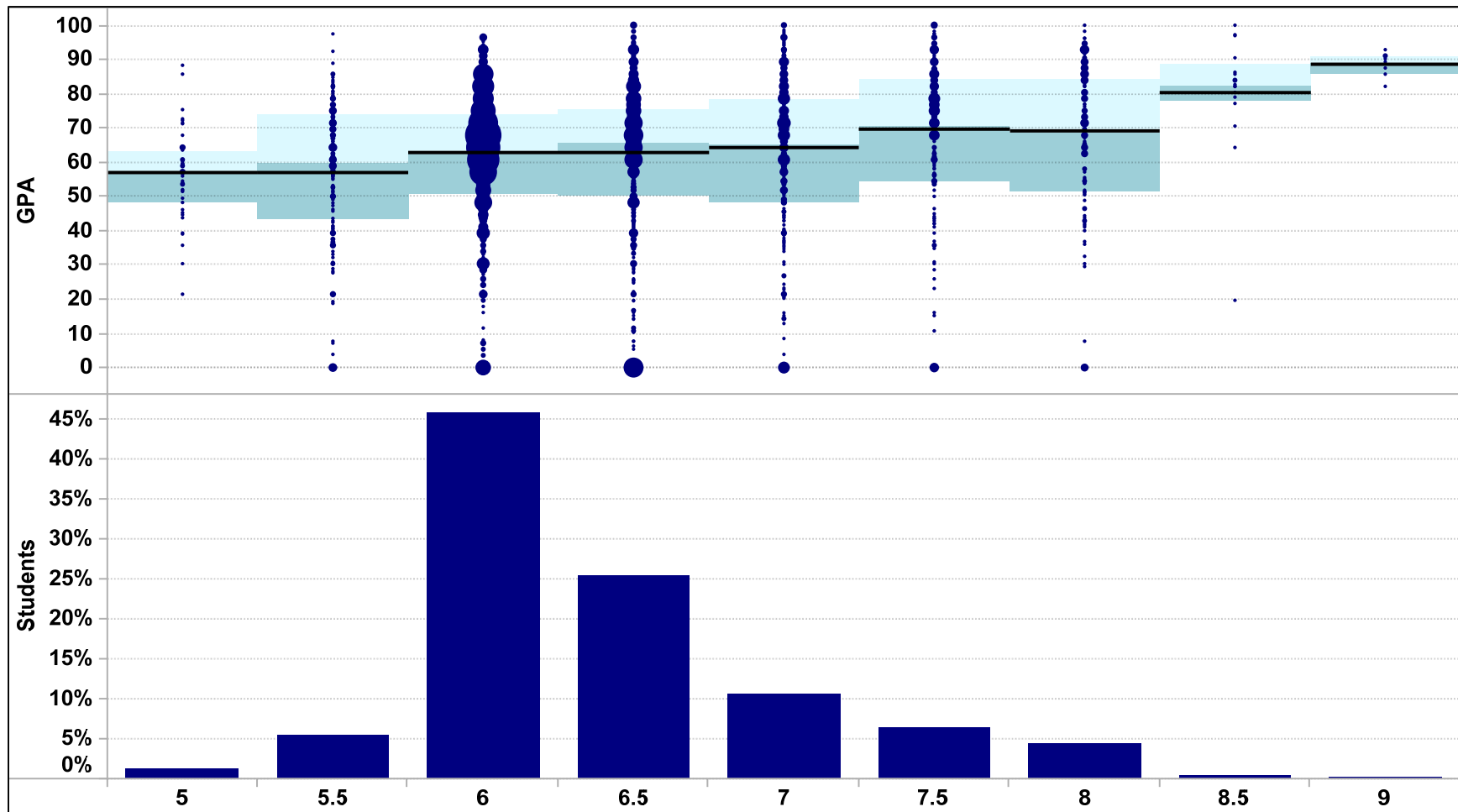
THEMATIC PERSPECTIVE: THE ROLE OF LANGUAGE

The Rationale for Measuring Student Performance Against Language Ability

- **Language proficiency is crucial to shape many (most) international students' academic performance trajectory.**
- **The impact of language proficiency has been long understood to be notable – but little systematic data has been gathered in the past.**
- **PRISM captures language proficiency data directly by loading any of 12 standardized English language tests, as well as indirectly by loading contextual data such as country of nationality, country of secondary leaving qualification, etc.**
- **Language capability serves as a multi-faceted tool in the admissions process, ranging from a cut-off to a ranking or predictor tool.**

THEMATIC PERSPECTIVE: THE ROLE OF LANGUAGE

PRISM Benchmark Results



This analysis informs institutional policies on language ability thresholds

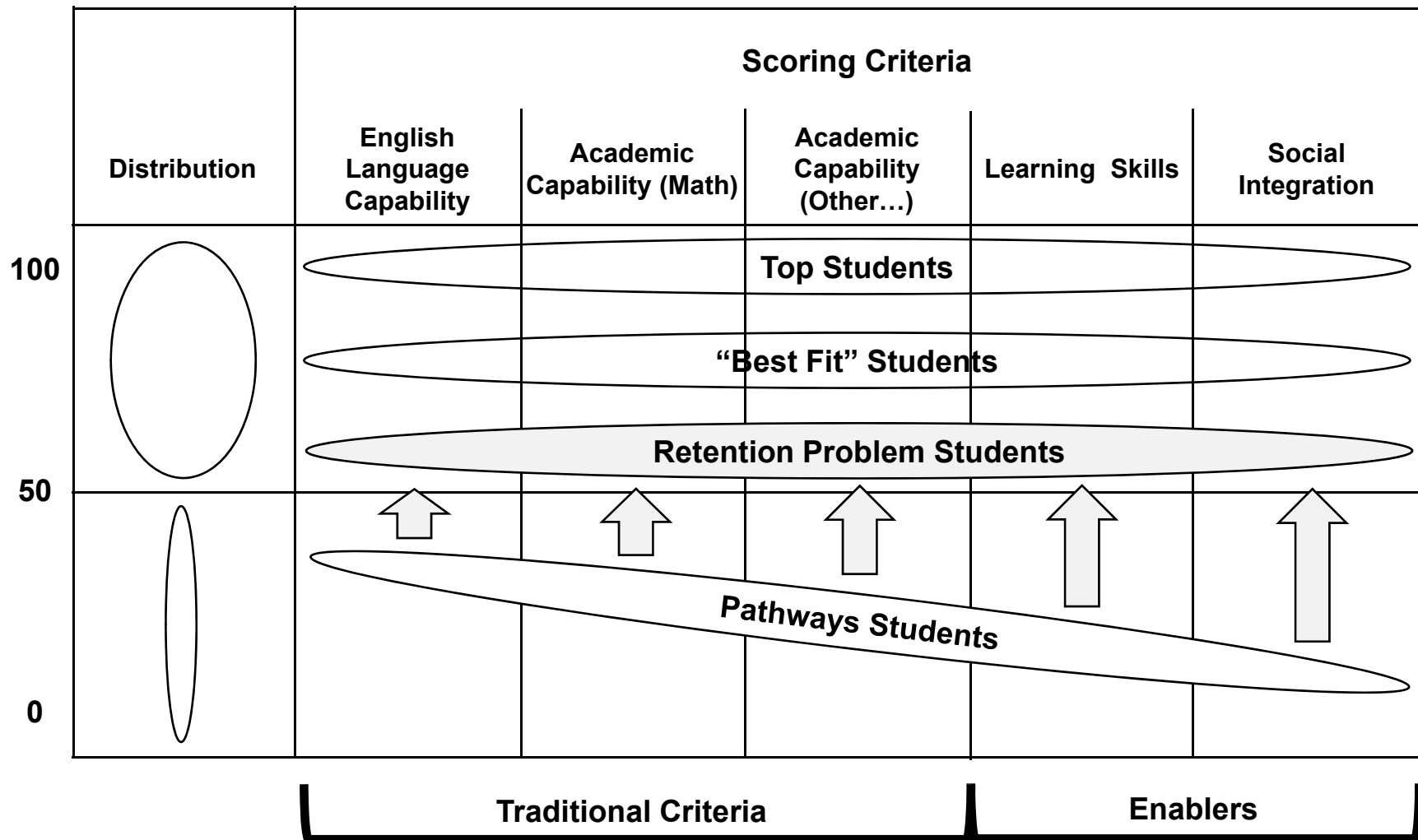
ADMITTING STUDENTS FOR RETENTION

From Threshold to Retention-Centric Admissions

- **Over the last five years, graduation rates have started to drop notably in many Canadian higher education institutions.**
- **Retention thus is rapidly becoming a key issue in managing the academic progress of international students.**
- **Many of the (by now evident) retention issues are based on a lack of comprehensiveness in the admissions process.**
- **PRISM is introducing a real-time model to scope, assess, and score applications for both traditional admissions models (since some are required by law) as well as for a student's probability to graduate.**
- **By adding this capability, PRISM drills into the root cause of retention issues rather than conducting post-fact analysis.**

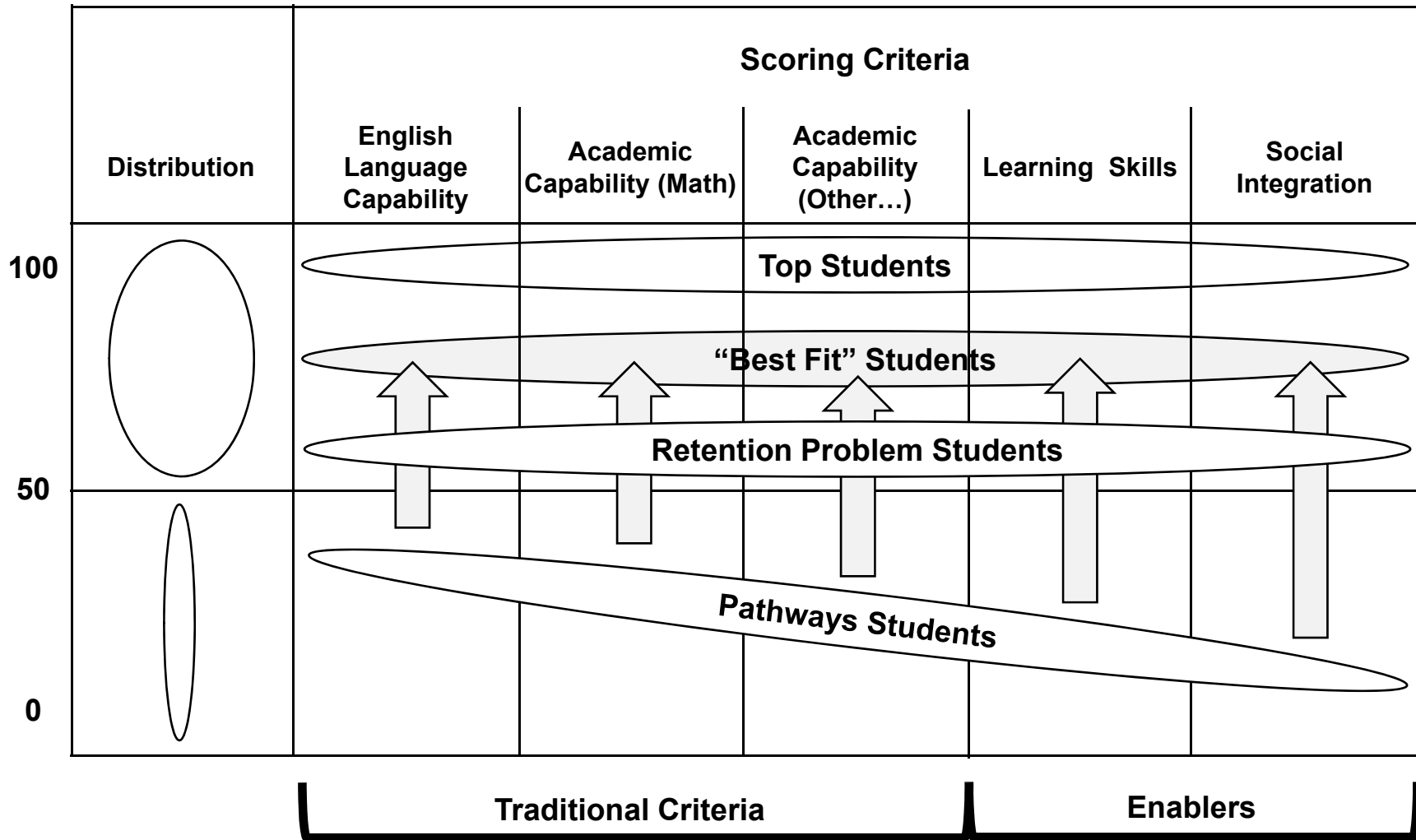
ADMITTING STUDENTS FOR RETENTION

The “Classic” Pathways Model: Threshold-based



ADMITTING STUDENTS FOR RETENTION

Introducing the “Best Fit” Model: Select for Retention



ADMITTING STUDENTS FOR RETENTION

How to Implement Admitting-for-Retention

- **Marketing: Re-shape messaging based on quantified, program-based “Student Profiles” (profile of the mid-point student).**
- **Recruiting: Drive student self-selection against a program/institution to reduce applications from non-fit applicants.**
- **Re-design application materials to capture critical context: Educational history (9th to 12th grade), all standardized test scores.**
- **Introduce comprehensive models through randomized questions responses (50 words), multiple smart essays (150 words), etc. to assess for learning culture and social integration.**
- **Use historical student performance data for forward-looking modeling, coupled with behavioral research on learning cultures, to design score modifiers.**

KEY PRISM VALUE PROPOSITIONS

- 1** The ability to benchmark against domestic/international as well as peer/comparator institutions.
- 2** An unprecedented systematic, integrated, in-depth, and multi-attribute analysis capability.
- 3** An evidence-based analysis allowing for tactical and strategic adjustments to marketing, recruiting, and admissions practices.
- 4** The *a priori* testing as well as predictive modeling of marketing, recruiting, and admissions policy changes.
- 5** The creation of performance feedback loops at the institution to increase overall competitiveness.

ON-BOARDING

- **Institutions joining will be provided with:**
 - **An on-boarding guide (mapping out processes)**
 - **Detailed requirement guidelines (including a 30-page technical guide)**
 - **Data dictionaries and data input templates (in MS Excel)**
- **Institutions can chose services à la carte:**
 - **The cross-institutional benchmark service**
 - **Multiple levels of institutional data analysis**
 - **The custom analysis of institution-specific data**
- **Institutions will receive:**
 - **A report covering the benchmark analysis (report)**
 - **A report covering the institutional analysis (annually or bi-annually)**
 - **Access to self-service data analysis (being built for 2013)**
- **PRISM operates as an annual subscription model.**

AGENDA

Housekeeping

International Student Flows Into Australia

Australia's Competitive Position: Tuition Fees

The Role of Pathways

PRISM: Measuring Student Success

Chair: Reflections on the Chaney Report and Australia

Discussion

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