Australia’s higher education delivery offshore and online – trends, barriers and opportunities

Melbourne Centre for the Study of Higher Education

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1. Introduction

Australia has long been a leader in international higher education and is widely recognised for the quality of its universities and educational institutions. Australian university campuses have hosted international students since their establishment, with growing numbers from the 1950s to become a leading destination for cross -boarder students from the mid-1990s. While Australian universities have had linkages overseas from their foundation, they have become increasingly internationalised in recent decades— in their outlook, through their research partnerships and in the number of international students they teach each year.[1] They have been leaders in many types of international education, including where they deliver Australian qualifications at overseas campuses. In the last two decades they have developed sophisticated and successful approaches to the provision of higher education internationally to many students located outside of Australia. This form of higher education provision has been termed *transnational education* (TNE) in Australia and is the subject of this report.

Thousands of students each year enjoy Australian TNE courses across more than thirty countries. The term TNE refers to programmes 'in which learners are located in a country other than the one in which the awarding institution is based'.[2] There is a diversity of means through which students undertake TNE courses, and a number of different ways they are described.[3] A 'new lexicon' for international academic mobility has developed over the past two decades where the terms 'transnational education', 'cross-border education', 'offshore education' and 'borderless education' are often used interchangeably.[4] In Australia, TNE is used to refer to those students studying 'offshore', as a means to distinguish from 'international education' which refers to foreign students studying in Australia.[5]

There are two overarching modes of delivering TNE. We define the first type as 'offshore TNE', which describes offshore, campus-based education, for which there are number of different models and arrangements. The second type is 'online TNE', which refers to purely online courses that are explicitly designed for students in a specific country or market. This recognises that just because a degree is delivered wholly online, does not mean it is suitable for students in all countries and contexts. Many wholly online courses are suitable only for domestic students, despite being accessible by students outside Australia.[6]

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[1] Gwilym Croucher and James Waghorne, *Australian Universities: A history of common cause*, UNSW Press, 2020.

[2] Council of Europe, 'Code of Good Practice in the Provision of Transnational Education', 6 June 2001.

[3] Jane Knight and John McNamara, 'Transnational Education: A Classification Framework and Data Collection Guidelines for International Programme and Provider Mobility', *British Council and DAAD*, 2017, p. 6.

[4] Antony Stella and David Woodhouse, 'Evolving Dimensions of Transnational Education', Quality Assurance of Transnational Higher Education: The Experiences of Australia and India, 2011, p. 3.

[5]Jane Knight, 'Borderless, offshore, transnational and cross-border education: Definition and data dilemmas. The Observatory for Borderless Higher Education, November 2005, p. 5-6.

[6] Knight and McNamara, 'Transnational Education', p. 2.

1.1 What is transnational education?

There are several approaches to offshore TNE, with two major categories relating to course delivery. Broadly, these two are partner-supported delivery and branch campuses. Partner-supported delivery,

> 'involves a local partner who provides a range of services to students, usually including face-to-face teaching, a library, computers and administrative support. These partners vary enormously, and include *inter alia* public or private universities or colleges, the commercial arms of public institutions, for-profit or not-for-profit companies, professional associations and government departments or agencies'.[7]

In the case of Australia, it is this form of partnership that has been considered most desirable in terms of establishing a formal arrangement between a higher education institution and an organisation in another country. The principal rationale for such arrangements is that 'the partner can assist the university by providing knowledge of local conditions, and how to work through bureaucratic and regulatory requirements in the host country'.[8] A further potential way to lessen such challenges is the use of what has been termed 'twinning'. Twinning refers to the arrangement 'whereby students complete the first component of the qualification in the host country and – if successful – complete their studies at the home campus of the awarding institution'.[9] For example, in 2020, the University of Wollongong has twinning arrangements with three Chinese universities which are formally recognised by the Chinese Ministry of Education. As part of these arrangements, there is close coordination between Wollongong and specific twinning partners in the design, development and delivery of the courses. Students complete part of their programme at their home institution in China and then transfer to Wollongong to complete the remainder of their degree.[10]

International branch campuses (IBCs) represent the second major component of offshore TNE. For most universities based in Australia an IBC,

> 'involves a bricks-and-mortar presence in the host country, fully or jointly owned by the awarding institution. Courses are taught in a similar manner to other campuses of the institution, and usually involve higher proportions of face-to-face teaching'.[11]

[7] Grant McBurnie and Christopher Ziguras, *Transnational Education: Issues and Trends in Offshore Higher Education*, Routledge, 2006, p. 27.
[8] David Woodhouse, 'Overview of the Australian Scene', Quality Assurance of Transnational Higher Education: The Experiences of Australia and India, 2011.
[9] McBurnie and Ziguras, *Transnational Education* p. 27.
[10] The University of Wollongong, 'Offshore partners', 2020.
[11] McBurnie and Ziguras, *Transnational Education*, p. 26.

IBCs were initially at the forefront of TNE provision during the 1990s as they appeared 'to give the home university more control over academic quality than a licensing arrangement'.[12] In the subsequent decades, however, it appears that as a TNE model, IBCs have become progressively less desirable. IBCs are increasingly negatively perceived as the 'financial investment may be significant', and there is potential for tension between 'the academic goals of the university and the more overtly commercial objectives of its joint venture partner'.[13] Many institutions, including those in Australia, have since 'discovered that running an overseas branch is a complex and usually unprofitable undertaking with…around 10 per cent of all branch campuses that were established later failed and ceased operations'.[14] As a consequence, it is likely that successful IBCs will incorporate elements of partner supported delivery. Analysts have argued that increasingly in the future, specialised or boutique approaches are more likely than large single-university campuses.[15] These arrangements would more closely resemble offices, offering just one or two specialist programmes, either as a strategic decision to fill a gap in the local market, perhaps alongside a local partner. An example is the UK's University of South Wales in Dubai, which was established in 2018 in partnership with the local aviation authority and offers courses related to aeronautics.[16]

As a distinct form of TNE, online delivery derives from what is commonly termed 'distance' education. Distance education in a TNE context refers to 'online or print-based distance education without face-to-face teaching'.[17] While online education can be combined with face-to-face modes in 'blended' forms of provision, for analytical purposes, this report distinguishes wholly online TNE from TNE that has a face-to-face component, even though the latter is increasingly using online forms of communication.[18]

In its early stages of development, online TNE was thought to offer significant new opportunities for higher education providers. This was notwithstanding fears that it might detract from existing offshore TNE partnerships, principally due to the assumption that it was likely to be more cost effective. In particular, by the late 1990s, 'it was widely prophesied that online courses would create a global distance education market, in which geographical limitations to access would disappear, allowing prospective students to choose between courses offered by providers in many different nations'.[19] This optimism surrounding the opportunities associated with the wholly online delivery of TNE has progressively diminished.

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[12] Nigel Martin Healey, 'The end of transnational education? The view from the UK', *Perspectives: Policy and Practice in Higher Education*, 2019.
[13] Healey, 'The end of transnational education?
[14] Stephen Wilkins and Katariina Juusola, 'The Benefits and Drawbacks of Transnational Higher Education', *The Australian Universities' Review*, Vol. 60, No. 2, 2018, p. 72.
[15] Ellie Bothwell, 'Are branch campuses withering'? *Times Higher Education*, 20 June 2019.
[16] Bothwell, 'Are branch campuses withering'?
[17] McBurnie and Ziguras, *Transnational Education*, p. 23.
[18] Knight and McNamara, 'Transnational Education', p. 15.
[19] Christopher Ziguras and Grant McBurnie, 'Transnational Higher Education in the Asia-Pacific Region: From Distance Education to the Branch Campus', in *Higher Education in the Asia-Pacific: Strategic Responses to Globalization*, Marginson, Simon, Kaur, Sarjit, Kaur, Sawir, Erlenawati (eds.), Springer: Dordrecht, 2011, p. 108.

In simple terms, 'fully online global delivery failed to capture the imagination of students and teachers in the same way it excited senior administrators'.[20] As a result, there has been a tendency to develop smaller-scale and more targeted courses that more clearly reflect the demands of specific countries or markets. In the case of Australia, this has been evident in Malaysia with a partnership between an Australian university and a locally based institution. It has been argued that the relative success of this partnership is predicated on 'joint responsibility for the development of curriculum, teaching and learning contributes'. This has added to a 'more equitable partnership' and 'creates possibilities for intercultural engagement between academics and students in different geographical and cultural contexts'.[21] Such examples indicate that online TNE has the potential to complement rather than replace existing offshore TNE partnerships.

1.2 Australian transnational education

In recent years, the scale and scope of TNE, the range of partnerships and types of delivery models have continued to evolve. To examine the challenges and opportunities for offshore and online TNE, this report uses evidence from a survey of 39 Australian TNE providers, as well as a series of consultations with major national specialists and stakeholders, to inform analysis of key enablers and barriers to expanding provision. Australia has historically established IBCs alongside other TNE partnership models as they allow greater control over quality and standards. As established, however, IBCs have also given rise to challenges, in terms of the cost of establishing campuses and partnerships, and their sustainability. There has been a preference in recent years for more direct engagement with local partners, minimising the direct exposure of Australian providers and more effectively positioning them within specific markets. Similar to offshore TNE, for many years, Australian universities have been innovators in the development of online education. More powerful processing capacity, robust communications networks, social media and improved computing based on learning analytics, have been utilised to support these courses.

TNE represents considerable opportunities for a country such as Australia. It has key benefits in terms of promoting Australia's higher education sector and also allowing students in overseas partner countries to access high quality education without leaving their own country. Ensuring that TNE partnerships are mutually beneficial for both provider and host country is then of paramount concern. Even when faced with potential difficulties in some emerging markets, there is an opportunity for Australian providers to position themselves within the context of a home education sector operating at near capacity among domestic students.

[20] Ziguras and McBurnie, 'Transnational Higher Education in the Asia-Pacific Region', p. 108.
[21] Lynne Maree Keevers, Oriana Price, Betty Leask, Fauziah, KP Dawood Sultan and Jane See Yin Lim, 'Practices to improve collaboration by reconfiguring boundaries in transnational education', Journal of University Teaching & Learning Practice, Vol. 16, No. 2, 2019, p. 1.

This report examines challenges and opportunities for the growth of Australia's higher education provision. It provides an analysis of the scale and scope of offshore and online TNE delivered by Australian providers and competitor countries. It compares Australia and key TNE competitors' performances and examines the growth potential with a focus on key barriers to entering or expanding provision into those markets. This informs a series of recommendations about future provision of TNE for Australian higher education providers seeking to develop and expand their offshore and online delivery.

2. Examining transnational education

2.1 Specifying transnational education in the Australian context

For the purposes of this report:

- 'offshore TNE' is used to describe offshore campus-based international student enrolments regardless of whether the offshore students are studying through twinning, franchise, or branch campus arrangements.
- 'online TNE' refers to purely online courses that are explicitly designed for students in a particular country or market.

This report examines provision where students attend in person (face-to-face) through different administrative and educational models, as well as those delivered wholly online. This includes where students attend a branch campus operated by an Australian provider or as part of a 'twinning' programme. Degrees can be credentialled either wholly by an Australian provider, jointly with local partners or as twin separate degrees from the Australian and local institutions.[22] In some cases, Australian providers can provide content for local provision. This broad range of educational offerings poses a challenge in establishing universally applicable categories, which becomes apparent when distinguishing between delivery options at a strategic and operational level.

For the purposes of this report, 'offshore TNE' denotes enrolments regardless of whether the students were studying through twinning, franchise or branch campus arrangements. This captures critical elements distinguishing what is commonly termed Australian TNE, that it involves an Australian provider involved in face-to-face education in a country other than Australia. Almost all higher education offered by Australian providers, whether in Australia or offshore, now involves online resources and often 'online teaching'. The pervasiveness of technologically supported face-to-face education means that what was commonly termed 'blended' learning is no longer a meaningful distinction.[23] However, it is important to

[22] Sarah Richardson, 'Asia-Pacific Cross-Border Higher Education Provider Mobility: Report on a Survey of Policy and Practice', *Australian Council for Educational Research*, 2017.

[23] Sandeep Chowdhry, Karolina Sieler and Lourdes Alwis, 'A Study of the Impact of Technology-Enhanced Learning on Student Academic Performance', *Journal of Perspectives in Applied Academic Practice*, Vol. 2, No. 3, 2014.

distinguish arrangements whereby Australian providers deliver programmes to students in other countries through purely online means. In this report, this is referred to as 'online TNE'. At a superficial level, any online-only delivery can be classified as TNE. However, this does not acknowledge that many online courses offered by Australian providers have curricula which are largely tailored to Australian students. 'Online TNE' in this report refers to online courses which are explicitly designed with students studying outside Australia in mind.

In setting out the definitions of TNE used in this report, it is useful to recognise the extent to which key terminology is often the subject of ongoing debate both in Australia and internationally. It is these circumstances that can make the collection and analysis of data regarding TNE provision for a country such as Australia difficult. It has been noted that 'the inconsistency in the use of terms also makes comparisons of TNE provision, data, policies and research within and across countries challenging and often inconclusive'. [24] It also places some limitations on the generalisation of research findings and internationally comparable TNE data. Examples of this include the Australian definition of TNE which does not include aspects of online learning and the German definition that does not consider joint degrees to be TNE.[25] Analysis conducted in the context of APEC also notes the 'lack of consistency' of terminology used in defining TNE among its members and the insufficient nature of data available.[26] So far, a notable attempt at establishing a clearer definition has been the UK's Quality Assurance Agency which recognises the following distinct forms of TNE: 1. distance learning; 2. international branch campuses; and 3. partnerships that include franchises and validated centres.[27] Even with such an attempt to establish a more definitive framework, there have been suggestions that it still does not accurately capture TNE activity.[28]

The definitions used in this report are therefore an attempt to both define and understand TNE provision as accurately as possible, taking into account previously noted limitations. For this reason, the report uses a narrower definition of TNE than is captured through the TNE

[24] Knight and McNamara, 'Transnational Education', p. 1.
[25] Knight and McNamara, 'Transnational Education', p. 44.
[26] Sarah Richardson, 'Asia-Pacific Cross-Border Higher Education Provider Mobility: Report on a Survey of Policy and Practice'.
[27] Quality Assurance Agency, *Transnational Education Review Handbook*, April 2019.
[28] The difficulty in defining or categorising TNE has led to suggestions that new terminology is needed. Of relevance is the increasing extent to which offshore and online delivery of TNE overlap. This has arisen in part from the demands of students and academic staff to have a face-to-face component in online courses. Traditionally, 'four forms of distance education' were described; distance learning or correspondence courses, international branch campuses, franchising and validation or dual recognition of degrees. This framework assists in understanding how control of the delivery of programmes is transferred from the home university to a foreign partner. Nevertheless, suggestions of a more risk-based categorisation of TNE have been proposed. This categorisation focuses on six dimensions: the composition or nature of the TNE partner, the structure of a TNE partnership, the function or goals of the partnership, the scope of the partnership, the process by which the partnership occurs, and the outcome such as a partnership for the benefit of both parties or the provision of an education service. While such analysis utilises specific UK case studies it is likely to be applicable in the Australian context due to the comparable nature of TNE partnerships currently in existence. Nigel Martin Healey, 'Towards a risk-based typology for transnational education', *Higher Education: The International Journal of Higher Education Research*, Vol. 69, No. 1, 2015, pp. 9-13.

statistics published by Australian Education International, which includes a number of study abroad programmes as part of the TNE statistics.

2.2 Research approach and outline

To examine challenges and opportunities for the growth of Australia's TNE, the report uses five primary sources of evidence — a review of relevant research, an online survey of providers of TNE, consultations with experts and stakeholders, market analysis and a scan of international practice — to identify a comprehensive set of issues and considerations. These issues and considerations are summarised through a typology that classifies and groups them, in Tables 1 to 3 towards the end of this report. [29]

To understand the current concerns of Australian TNE providers as well as their assessment of future possibilities, 56 Australian higher education providers (including universities) were invited to complete the survey, of which 39 took the opportunity. This represents a 70 per cent response rate overall, with thirty two or 82 per cent of universities and 7 or 41 per cent of all non-university providers completing the survey.

The survey questionnaire was divided into three sections to assess the enablers and barriers to offshore TNE, the range of offshore TNE markets and the extent of online TNE. Section 1 asked respondents to identify and rate the importance of enablers and barriers to the provision of TNE, including that delivered at a branch campus or through a partnership arrangement with local institutions, as well as courses delivered primarily online. Using a Likert scale of 1 (low importance) to 5 (high importance), respondents were asked to rank enablers and barriers that were relevant to their provision of TNE. Section 2 of the survey encouraged respondents to assess markets and regions where they have programmes delivered in-country, either partially or completely face-to-face. Using a Likert scale of 1 (low) to 5 (high), respondents were asked to rate both the current success and potential of their institution's activity (including programme delivery and recruiting new students) in specific markets and regions. This included branch campuses, joint programmes and other arrangements, such as twinning. Section 3 of the survey asked respondents to provide an assessment of their current and future online TNE programmes. Respondents were asked whether their institution had developed, or had plans to develop, any fee-based or free online courses that are tailored specifically to students who are resident outside Australia. If they answered yes, they were asked to select the markets and regions for which these courses had been developed.

To obtain more nuanced insights from stakeholders, 15 consultations were undertaken as part of this project. The following types of groups participated in consultations: professional and representative bodies, peak provider bodies and TNE experts including regulatory bodies.

[29] Universities UK International, *The scale of UK higher education transnational education 2017-18,* November 2019.

In addition to the consultations, an international scan was undertaken to develop a detailed picture of current offshore and online provision. This identified specific dimensions, including the risk and sustainability of different models and opportunities for online and offshore TNE provision.

To benchmark Australian provision against other providers of TNE, a modelling exercise examined fee data from non-Australian providers. This also involved collating information on current Australian TNE practices, as well as data on market size for specific international markets. This was compared with data from identified competitor countries, namely the UK, Canada and the US.

This report is divided into four main sections. The first section, Australian offshore transnational education, is structured around the development of key patterns in offshore TNE activity, key enablers and challenges. The second section, Australian online transnational education, focuses on key patterns in online TNE activity, key enablers, key challenges and prospects. The third section is composed of analysis of prospects for Australia's TNE, examining several markets for provision in detail alongside key competitor fee data from the UK, US and Canada. It is structured around detailed market analysis for TNE provision alongside the price point of degrees offered by competitors and the key markets they target. The final two sections provide a summary of the principal issues and opportunities associated with TNE and some considerations that have arisen from the research conducted for the report.

3. Offshore transnational education

3.1 The current state of offshore TNE

In analysing Australian TNE activity in 2018, it is estimated that there were 84227 students studying a TNE course with Australian providers where it was registered as delivered at a campus outside Australia. There were an additional 19000 students undertaking some form of study at an international campus that was not part of a structured ongoing TNE programme. These international students were most commonly undertaking an exchange for a brief period, such as a semester, outside Australia but in a different country to that which they are resident.[30] Put another way, they were international students undertaking an exchange programme alongside Australian domestic students.

As part of examining these figures it has been suggested that the TNE provider countries such as the UK, Australia and Germany may 'have robust quality assurance and academic oversight

[30] Source: HEIMS data. This accounts for the difference from other published figures here: https://internationaleducation.gov.au/research/offshoreeducationdata/pages/transnational-education-data.aspx, due to the use of a different definition of a student studying offshore as noted in section 2.1

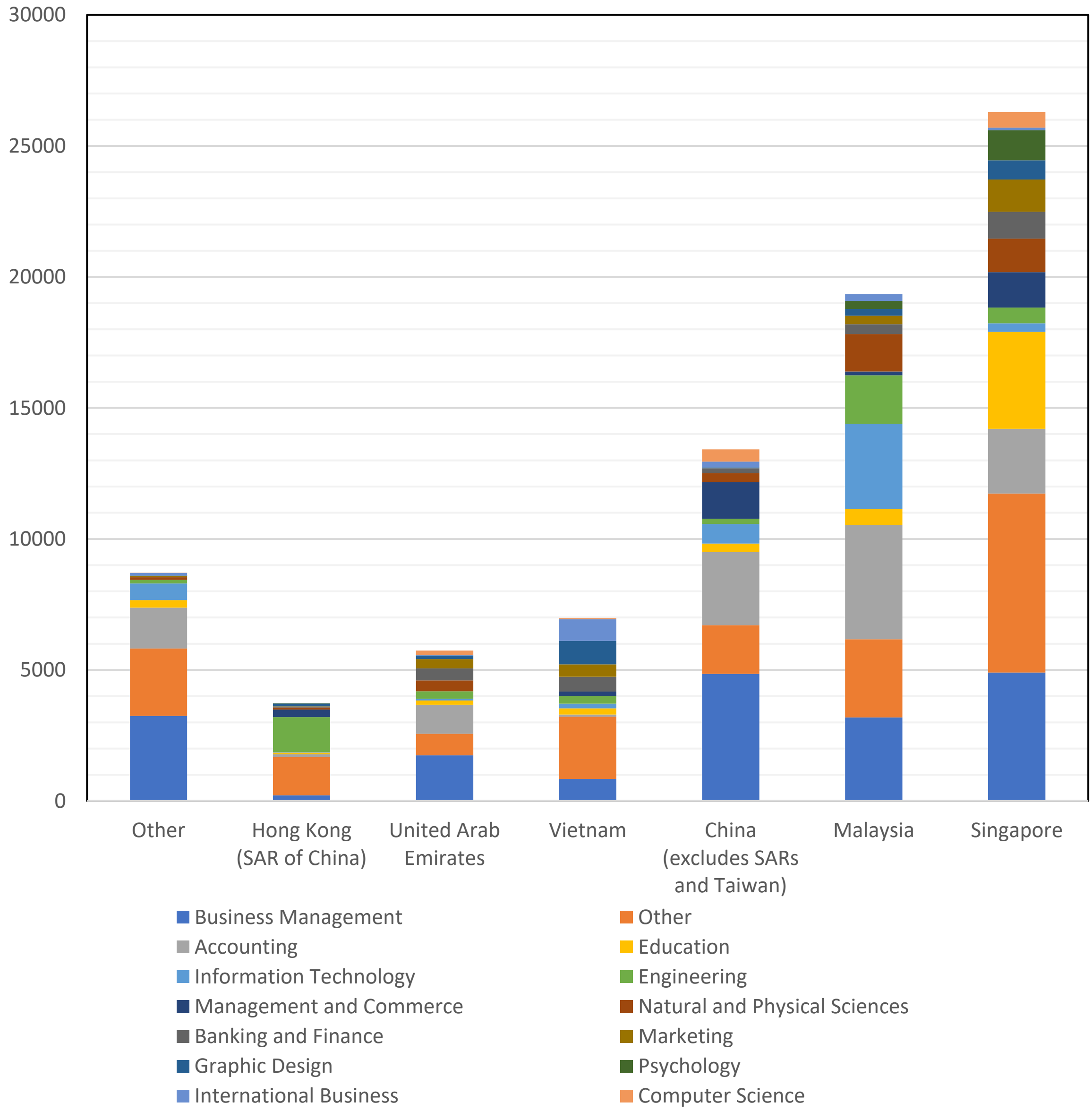
systems in place, but have placed greater priority on collecting aggregate TNE enrolment data than programme level data'.[31] As shown in Figure 1, however, the three markets with the largest number of enrolled students were Singapore, Malaysia and China. Singapore in total had 26298 students who were studying with Australian providers. By discipline, the largest proportions of students were enrolled in courses such as Business Management with 4902 students, Education with 3695 and Accounting with 2472. That Business Management education has historically been popular in many of the markets that Australia delivers TNE, follows its popularity in Australian based international education and likely reflects the cost-effectiveness of delivering these courses.

In the case of Malaysia, there were 19350 students studying with Australian providers. Across all disciplines, the most significant number of students were enrolled in Accounting with 4351 students, Information Technology with 3252 and Business Management with 3188. China has 13419 students who were studying with Australian providers. The most popular disciplines were Business Management with 4852 students, Accounting with 2789 and Management and Commerce with 1397.

After Singapore, Malaysia and China, the countries with the next highest numbers of students studying an Australian provider's TNE course in 2018 were Vietnam, the United Arab Emirates and Hong Kong. Vietnam had 6972 students studying with Australian providers. Across all disciplines, 895 students were enrolled in Graphic Design, 838 in Business Management and 824 in International Business. The United Arab Emirates had 5738 students studying with Australian providers. By discipline, the largest enrolments were in Business Management with 1743 students, Accounting with 1105 and Banking and Finance with 456. Hong Kong had 3737 students studying with Australian providers. Across all disciplines, the largest enrolments were in Engineering with 1343 students, Management and Commerce with 287 and Business Management with 215.

[31] Knight and McNamara, 'Transnational Education', p. 39.

Figure 1: TNE students at an offshore campus in major markets



TNE is rapidly evolving and has 'dramatically changed in scope and scale during the last decade [as] new actors, new partnerships, new modes of delivery, and new regulations are emerging'.[32] For Australia, a key example of these developments has been the changing nature of TNE partnerships. Of particular note are the differing levels of partnerships in China and India as demonstrated by recent reports by DFAT and Austrade. In China, '150 Chinese-Australian programmes at the Bachelor level and above have been approved since 1994', with Australia being the third largest partner country behind the UK and the US.[33] With such extensive networks in place, it is not surprising that Australian institutions see 'opportunities

[32] Jane Knight, 'Transnational Education Remodelled: Toward a Common TNE Framework and Definitions', *Journal of Studies in International Education*, Vol. 20, No. 1, 2016, p. 34.

[33] Australian Embassy Beijing and China Education Association for International Exchange, *Chinese-Australian Transnational Higher Education in China*, July 2018, pp. 1-2.

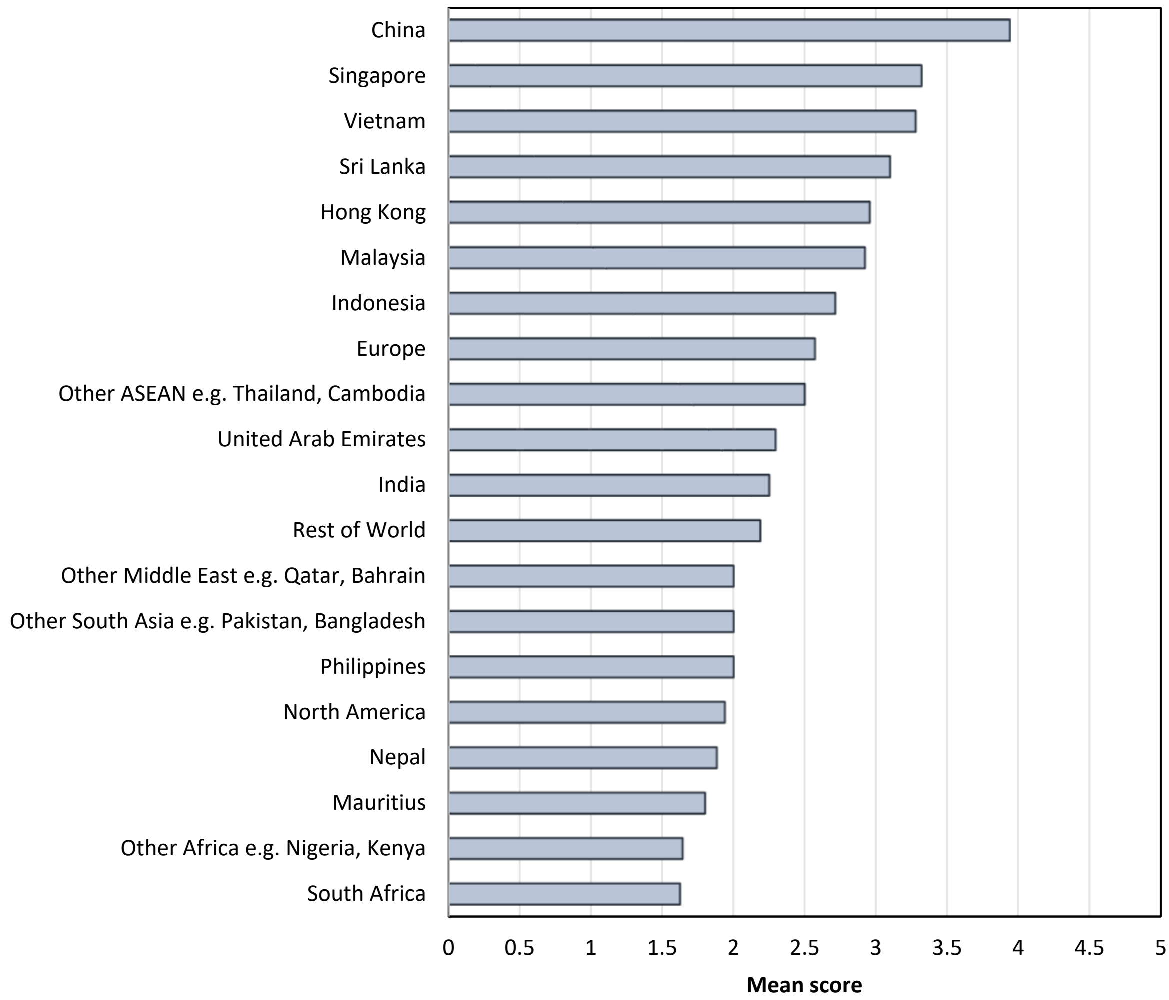
for deepening existing partnerships with Chinese institutions'.[34] India, by contrast, has been identified as a potential market for greater growth in TNE despite the 'well-known limitations on foreign education institutions operating freely' often tempering the 'appetite to engage, particularly given the regulatory environment is complex and often changing'.[35] In response to the undeveloped nature of TNE partnerships in India, experts argue that 'foreign universities have successfully explored and implemented various alternate sources and structures for entry into the Indian market'.[36] Importantly, this represents an opportunity to diversify TNE beyond the focus on a limited number of markets, namely China, Singapore and Malaysia. Examples of Australian TNE in China and India underline that it involves many varieties of partnerships, models and structures. There is often no clear distinction between the Australian providers' interests and those of non-Australian providers, with the benefits of partnerships to providers in the better experience for students, rather than a financial windfall for any provider.

The consultations and surveys undertaken for this study, as well as previous research, reveal some general features of Australian offshore TNE. The diversity and complexity of Australian TNE mean it is managed by individual providers that employ their own specific approaches. At present there is no one-size-fits-all approach in the sector's TNE activities, and the fragmentation means that it is unlikely that such an approach is even possible. Australian providers report that partnerships and delivery models are in a state of constant evolution, and because of this it is difficult to track and measure across time. While higher education providers often share best practice, TNE is not an activity which is a focus for Australian higher education peak bodies, with the exception of International Education Association of Australia (IEAA). Australian TNE is not alone in its evolving complexity as, increasingly, competition from other countries means all providers face new and diverse risks.

Given these complexities, to understand the current state of Australia TNE, the survey asked respondents to reflect on how successful different TNE markets had been in the last two years. Figure 2 shows the mean rating that respondents gave in their assessment of their success in various markets over the previous two years.

[34] Australian Embassy Beijing, *Chinese-Australian Transnational Higher Education in China*, p. 20.
[35] Austrade, *India Transnational Education: Opportunities for Australia*, February 2019, p. 8.
[36] Austrade, *India Transnational Education*, p. 53.

Figure 2: Rating of institutional success (last two years)

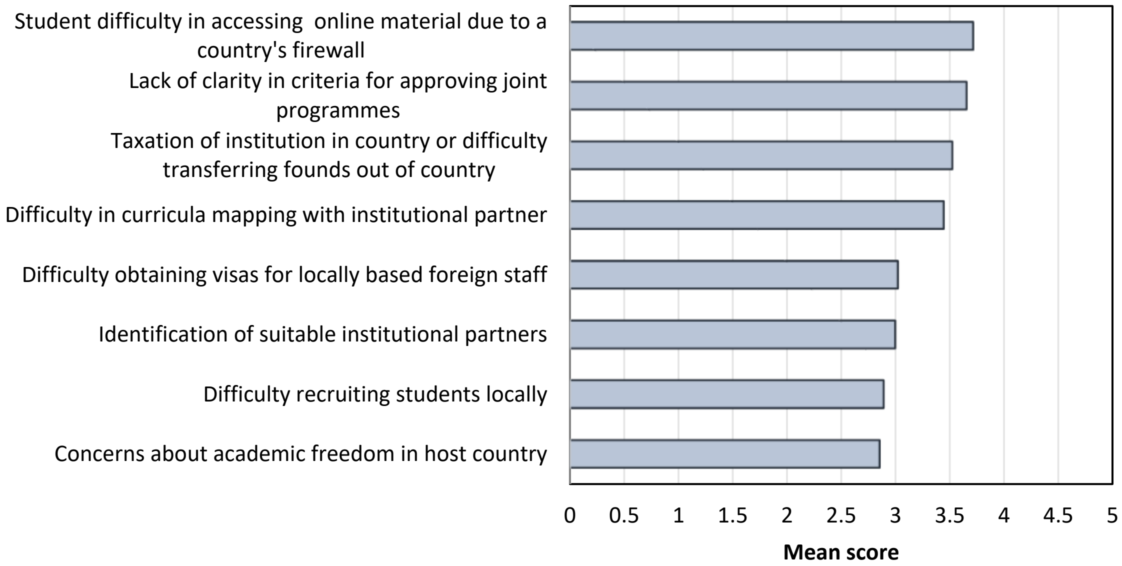


China is clearly the most positively perceived of markets at a ranking of 3.9 out of 5. Amongst other major markets positively perceived were Singapore at a ranking of 3.3, Vietnam at 3.3, Sri Lanka at 3.1 and Hong Kong at 3.0. In comparison, South Africa was the market least positively perceived by providers at 1.6. Several other markets not perceived positively were Other Africa at 1.6, Mauritius at 1.8, Nepal at 1.9 and the Philippines at 2.

3.2 What do providers see as key challenges for TNE?

To capture the complexity of current TNE efforts and gain insight into their future, the survey and consultations identified several challenges to offshore delivery. The survey responses (Figure 3) demonstrate that the more highly ranked challenges related to the role of governments in host countries, including national internet firewalls, programme approval and taxation rules, although difficulty in obtaining visas was ranked on average as less of a barrier than the former. Consultees noted that, once established, it can be difficult in several markets to monitor and access funds connected to TNE partnerships, suggesting issues of sovereign risk. Consultees expressed additional concern that these difficulties could be exacerbated if there is increased auditing of partnerships by the regulator or under the recently implemented foreign interference legislation.

Figure 3: Challenges for offshore TNE



To expand TNE, Australian providers are entering diverse markets and face difficulty in setting effective price points. In this context, consultees noted that some smaller universities and non-university providers face difficulty in effectively competing with the larger universities. In particular, difficulty in achieving compliance with legal and regulatory requirements at both a regional and national level was seen by smaller and non-university providers as dampening their interest in expanding into new markets, such as India. Even when partnerships can be established that help to address such issues, there can often be a significant delay in their formalisation due to unclear or insufficiently developed regulatory frameworks in partner countries. Survey respondents indicated this difficulty with a lack of clarity in the approval process for TNE partnerships rated at 3.7. This assessment is consistent with recent analysis by Austrade, which notes the 'higher financial and reputational risks associated with operating offshore' in addition to dealing with the capacity of local students to afford courses and the 'potential increased cost of delivery offshore'.[37]

With TNE delivery has come the increasing need to tailor courses to meet the education and employment needs of individual markets. This could mean, in the example of Singapore, offering programmes that are relevant to Singapore's emerging industries such as cybersecurity, data analytics, the 'internet of things', education (with focus areas including early childhood and sports) and broadly innovative approaches to industry specific training.[38] Despite the desire of providers to develop courses that can be delivered across a variety of markets, consultees for this project noted the importance of taking into account the specifics

[37] Austrade, *Transnational Education: Knowing Our Competitors*, June 2019, p. 6.
[38] Austrade, *Australian Transnational Education in Singapore*, April 2018.

of each country. Differing English language capacity, expectations associated with course content and academic integrity were key concerns expressed on this issue. A broader complexity reported was the desire of many offshore TNE partners to deploy 'traditional' means of course delivery that involve a substantial face-to-face element. This contrasts with many providers in Australia who increasingly utilise a more diverse and innovative range of pedagogical methods usually as technology enhanced learning.

Consultees also echoed the findings of previous studies that many key challenges associated with TNE partnerships derive in part from 'sporadic and unsystematic data collection [which makes in-depth and sophisticated quantitative analyses difficult] notwithstanding the fact that Australia is the only country that routinely collects data on offshore student enrolments'.[39] Inaccurate data can exacerbate other known difficulties in the effective maintenance of partnerships. Universities operating a degree in another country face different legislative, cultural and political environments which can make equivalence in teaching and standards difficult to achieve, particularly in collaborative programmes.[40] There is also a degree of confusion regarding what constitutes offshore and online delivery respectively.

Consultees also noted that increasingly over the past decade Australian providers have sought partnerships with locally based institutions, including local universities, governments and, in some cases, a property development company that provides and maintains physical infrastructure. While Australian universities often pursued the IBC model, they have historically been less proactive than other countries in developing 'franchises' or 'twinning' ventures and joint degrees, where a foreign partner delivers the Australian university's degree on its behalf, allowing variation to accommodate local circumstances (for example, a localised curriculum). This has changed in recent years. Australian universities have also been less active in developing 'validation' agreements, where they accredit existing local delivery. That Australia has so far preferred IBCs over other models of offshore TNE is in part because it allows greater control over quality and standards. However, this has brought other challenges, such as the high cost of establishing campuses and partnerships and sustaining them. Australian universities have closed six major IBCs in recent years in markets such as Fiji, New Zealand, Singapore, South Africa and the United Arab Emirates.[41]

Overall, the report finds that establishing new TNE programmes can pose a number of distinct challenges, many of which are context-dependent and differ depending on markets and models. In this regard, it appears that a 'one size fits all' approach cannot meet identified

[39] Ziguras and McBurnie, 'Transnational Higher Education in the Asia-Pacific Region', p. 106.
[40] Duncan Bentley, Fiona Henderson and Choon Boey Lim, 'The legislative requirements for measuring quality in transnational education: Understanding divergence while maintaining standards', *Higher Education Quarterly*, Vol. 71, No. 4, 2017, p. 342.
[41] C-BERT, 'Branch Campus Listing', *Cross-Border Education Research Team*, 20 January 2017.

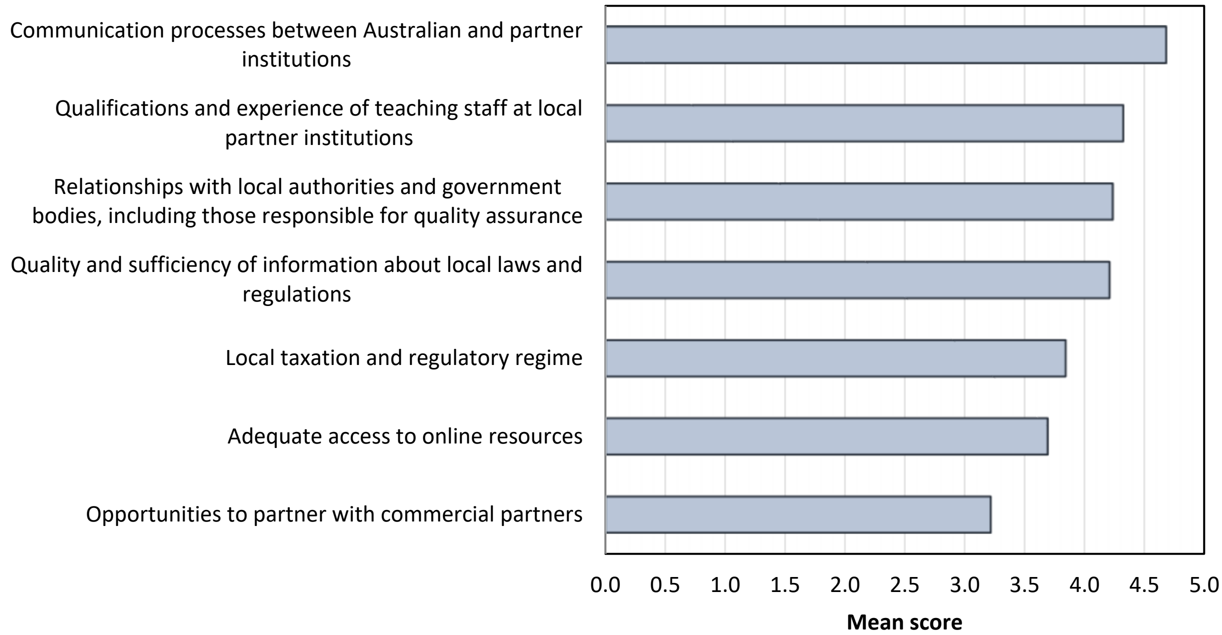
challenges. Nonetheless, the research identified some key enablers which are applicable in many contexts.

3.3 What do providers see as key enablers of TNE?

Alongside identifying key challenges, the survey and consultations sought evidence for key enablers of TNE activity. The survey of providers and the consultations identified several key enablers to building successful TNE partnerships. The survey (Figure 4) highlighted the importance of communication between the Australian and partner institutions as the key enabler by survey respondents at a mean ranking of 4.6. A key component in this context is ensuring effective engagement with students throughout their participation in TNE programmes. Improved access to technology such as 4G and 5G networks, particularly in East and Southeast Asia, was perceived to have assisted in the viability of TNE partnerships. However, access to online resources was ranked on average as a less important enabler than the others asked about in the survey, except for opportunities to partner with commercial partners.

Respondents rated highly the importance of adequate qualifications and experience of teaching staff at local partner institutions, reflecting the importance of these staff highlighted in the consultations, where bringing staff from Australia is often not feasible. In addition, having a good working relationship with local authorities in the host country, including those responsible for quality assurance, was rated highly, reflecting the impact that not being able to negotiate local laws can have on TNE (see section 3.2). The high rating for quality and sufficiency of information about local laws and regulations follows this, while a less important enabler was the actual local regulatory regime. Also rated as less important as an enabler were opportunities for commercial partnerships in-country.

Figure 4: Enablers of offshore TNE



The consultations identified several other enablers, including the length of the partnership and whether it was intended as a short or medium to long term initiative. Several consultees emphasised a targeted approach to establishing partnerships that clearly identifies a specific market and also avoids competition with existing TNE providers. Once recognised, direct personal or institutional links need to be established based on mutual trust with a clear understanding by both parties about what the TNE relationship will entail.

Several consultees emphasised the importance of access to accurate data to assess the ongoing viability of TNE partnerships in different markets. Several noted the importance of the regulator (TEQSA) in monitoring TNE activity. They also suggested that common definitions and terminology would assist with this process. Many referred to the British Council which was perceived to have been the most successful national agency in both defining and monitoring TNE activity. The role of the British Council also illustrates the importance of coordination both between key government departments and between agencies and TNE providers.

In summary, Australian TNE delivery models and partnerships are constantly evolving, diversifying and becoming more complex. TNE markets are becoming increasingly competitive. This combined with ongoing challenges around dealing with regulatory frameworks and legal systems outside Australia, means that Australian providers are facing growing risks to expanding TNE. These issues and considerations are further summarised and synthesised in section 6 of this report, together with considerations about online TNE.

4. Online transnational education

4.1 Online education as TNE

For many years, Australian universities have been at the forefront of online education provision and many have developed sophisticated modes of delivering wholly online programmes. For instance, universities now partner with MOOC (Massive Open Online Courses) platforms (e.g. Coursera, EdX, FutureLearn) or dedicated online programme managers (e.g. 2U, Wiley, Pearson, Keypath Education) to support wholly online programme delivery. Education providers in Australia have quickly embraced more powerful processing capacity, robust networks, synchronous rich media collaboration tools, social media, and adaptive computing based on learning analytics to support online learning. This has enabled individual universities to develop mature offerings in wholly online programmes that target both domestic and international students (e.g. Swinburne Online, Graduate Online Melbourne, universities partnering with Open Universities Australia). More recently, universities have partnered with external, private organisations in the provision of online delivery, such as Keypath Education.

Closely associated with distance education, a central advantage of fully online courses is that they have no requirement for students to physically attend a central campus or other location. This means they present a particularly important opportunity as TNE, promising that no physical infrastructure is required in the country in which students reside. However, while potentially students who reside in most countries can access Australian online education, not all these courses are tailored to the different needs of students in each country, and so their application as TNE may be limited.

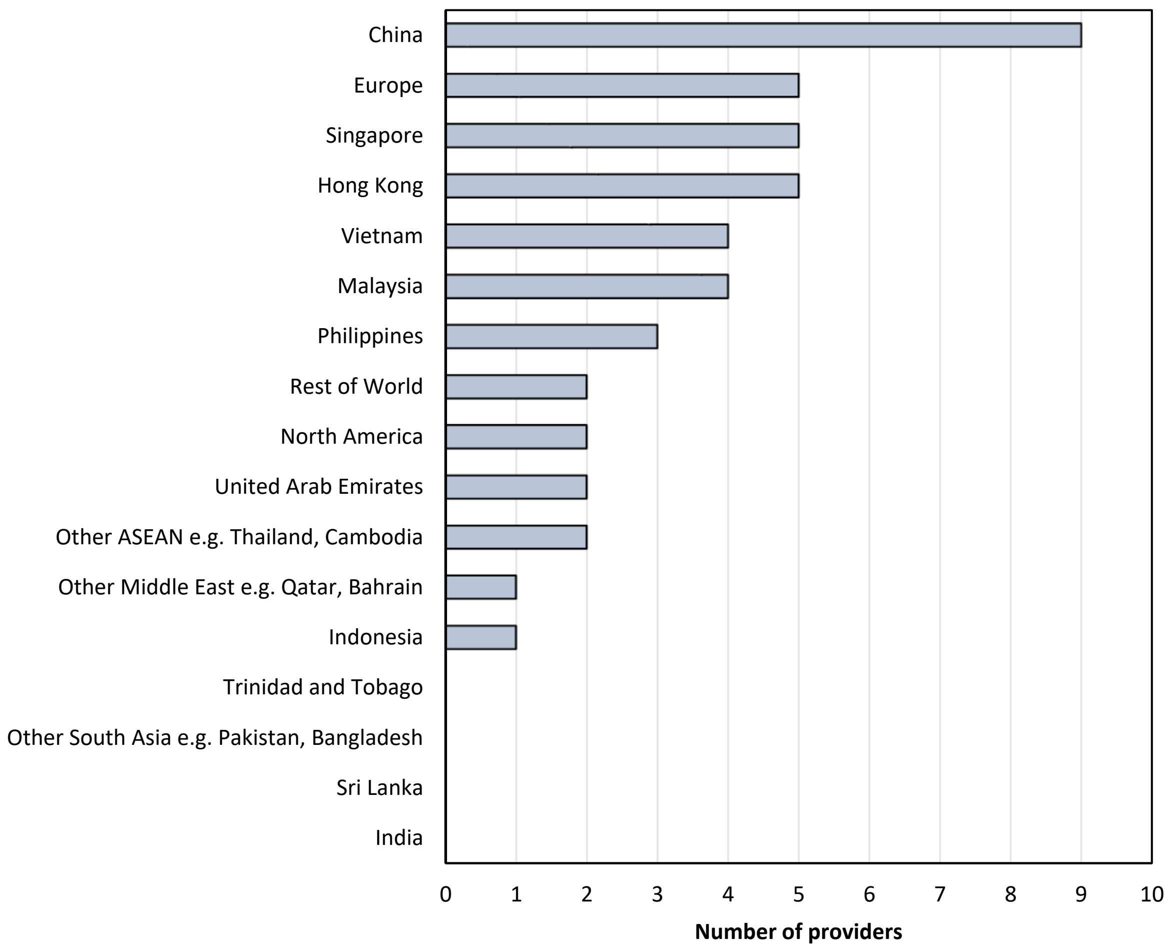
In relation to online TNE, few of the providers surveyed had developed free online courses specifically tailored to students who are resident outside Australia. Of those that had, Chinese students were a major target audience, across a range of disciplines. MOOCs were included in free online courses; however, this categorisation comes with a number of caveats. While MOOCs are marketed to a global audience, they are not intentionally designed with a specific international market in mind. Moreover, completion of a MOOC does not automatically earn students a certificate. Certificates and other components, such as graded assignments, are often kept behind a paywall. Although still referred to as a MOOC, this type of online course is not free and accessible to all (i.e. not open). Certificates may also require ID verification from the student before they can be awarded.

MOOCs are often seen by higher education providers as a pathway to future study within Australia, giving international students a 'taste' of what to expect from Australian education provision. Increasingly, MOOCs are available that prepare international students for study in a destination country, for example, the Coursera MOOC offered by the University of Michigan

– *Preparing for Graduate Study in the U.S.: A Course for International Students*, and the FutureLearn MOOC offered by the University of East Anglia, *Study Skills for International Students*. To a lesser extent, similar examples have been developed by Australian higher education providers, for example, the Coursera MOOC offered by The University of Sydney, *Communication skills for university success*, which aims to prepare students for undergraduate study in an English-speaking university.

On the other hand, a larger number of the providers surveyed had developed, or intend to develop, fee-based online courses targeted at specific markets (Figure 5). China was the major market for this type of activity, followed by Europe, Singapore, Hong Kong, Vietnam and Malaysia. With the exception of Europe, these markets mirror those with the greatest numbers of students studying with an Australian provider at an overseas campus. In the case of Europe, it is likely that online delivery is perceived to be a more viable option than the IBC model because of its distance from Australia.

Figure 5: Countries/markets for which providers have developed or intend to develop fee-based online courses targeted to that specific market



4.2 Developing online only TNE

The Australian higher education sector is well placed to capitalise on opportunities for online delivery of TNE. Australia's proximity to key markets (Asia-Pacific especially) and a shared time zone with Asia are advantages in terms of enabling synchronous communication, service and support. A key question, given the developing market in online higher education, and in an increasingly competitive landscape, is which areas of demand universities should focus on and what are realistic expectations about demand and growth. For example, strong demand for English language courses continues, particularly from emerging Asian countries, such as Vietnam.

Some Australian companies have capitalised on this potential by providing offshore face-to-face or online English language learning, and further opportunities are likely to emerge. In particular, consultees suggested that targeted or niche courses that are designed to meet local student demand would have the best opportunity for success. Five years ago, the British Council estimated that 1.5 billion learners make up the global market for English language learning, with only about a tenth of these studying outside their home countries. At that time the market was estimated to be worth over US$50 billion. This demonstrates the potential that still exists for online (or offshore) delivery of English language learning by Australian higher education providers.

Consultees suggested that establishing and maintaining TNE partnerships is required for high quality programmes delivered onshore. However, it is debatable whether a partnership approach is always compatible with online TNE delivery given the inherent complexity of its development and delivery. Austrade specifically notes the manner in which 'technology is changing both the way learners make decisions and providers expand competitive markets beyond their typical geographic and service boundaries'.[42] The sustainability of courses that utilise an online component must involve the provider and host partner becoming 'conversant with the use and application of new technologies and media. The sender university will be required to provide oversight of the provision for students and may need to provide training and development'.[43] Consultees reported that improved internet access throughout many major online TNE markets was of major significance. This was supported by survey responses identifying adequate access to online resources as one of the key enablers of online TNE. Such developments assist in building active and ongoing cooperation between all parties involved in online TNE partnerships.

[42] Deloitte Access Economic, Growth and opportunity in Australian International Education, December 2015, p. 35.
[43] Ziguras and McBurnie, 'Transnational Higher Education in the Asia-Pacific Region', p. 120.

4.3 The challenge of online TNE

The challenges faced by Australian providers in the delivery of online courses are common across the sector. Initially, there was an expectation that 'online courses would create a global distance education market, in which geographical limitations to access would disappear, allowing prospective students to choose between courses offered by providers in many different nations'.[44] This has proven not to be the case due to the perception of online course delivery as inferior to face-to-face delivery. Also important is that 'in many countries, foreign distance/online education programmes are not recognised at all because they do not have a physical local presence'.[45] Consultees reported that even when online courses were recognised, they were still perceived in-country by students and potential employers as being of lesser quality compared to courses delivered face-to-face. Consultees also drew attention to the challenge of implementing innovative pedagogies for wholly online courses, particularly when some TNE markets prefer a more traditional, classroom approach.

Drawing on a specific case study of a TNE partnership between an Australian institution and a Malaysian institution, Keevers *et al* have argued that a more multifaceted approach is needed to enhance TNE: one where there are 'collaborative relationships marked by ongoing dialogue, codeveloped context-sensitive teaching and learning-quality measures, curriculum adaption and intercultural learning'.[46] Such studies demonstrate how TNE partnerships need to be clearly tailored to the specific market for which they are intended, whether for onshore face-to-face delivery or for online delivery. This will prove to be particularly important in seeking to broaden the range of countries with which Australian providers have partnerships.

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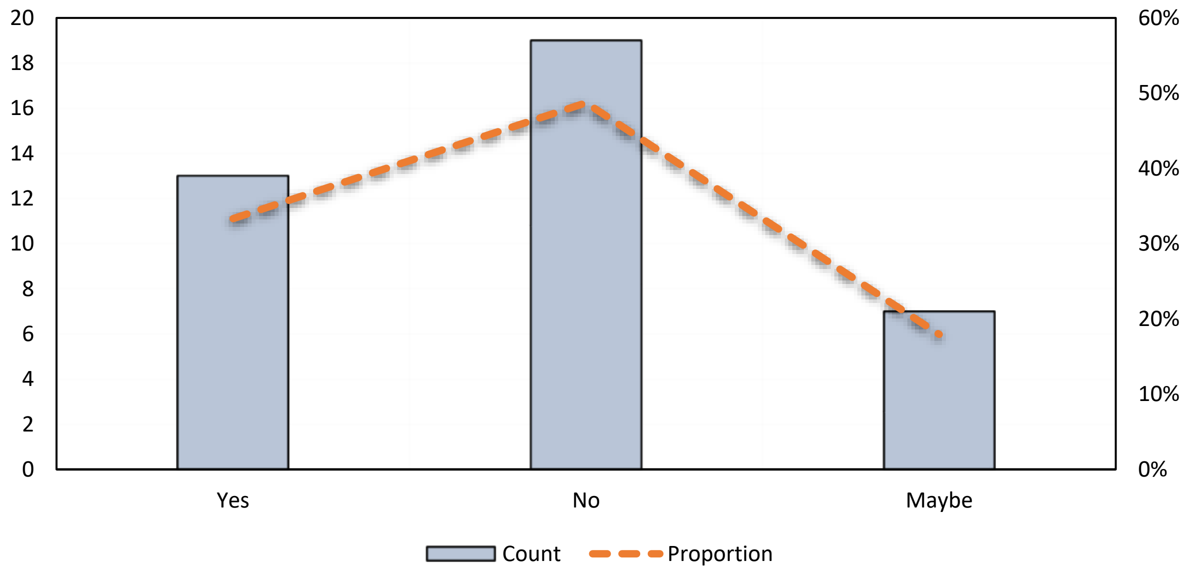
[44] Ziguras and McBurnie, 'Transnational Higher Education in the Asia-Pacific Region', p. 108.
[45] Wilkins and Juusola, 'The Benefits and Drawbacks of Transnational Higher Education', p. 71.
[46] Keevers, Price, Leask, Fauziah, Sultan and Lim, 'Practices to improve collaboration by reconfiguring boundaries in transnational education', p. 2.

Figure 6: Providers planning to establish targeted online fee-based TNE programmes (next 2 years)



A key concern of online TNE providers is the ability to establish an effective price point while still ensuring the quality of course delivery. Figure 6 is an indication of this concern given that it shows providers are cautious about establishing fee-based programmes. Numerous consultees noted the existing international competition in the sector and that, despite common perceptions, online TNE delivery did not result in reduced costs. Principally, these costs derive from the need to adequately resource online TNE courses. This was clarified in the consultations as the need to train and support academic staff, the provision of support (including technical support) for students and ensuring accurate data collection. Difficulties in resourcing online TNE are exacerbated by the issue of copyright compliance and the potential loss of intellectual property. Primarily, however, there is often a degree of scepticism surrounding online courses arising from a recognition that successful TNE provision requires resources that are comparable to onshore delivery. This is particularly important when considering the varying capabilities of students across different markets and the need to achieve consistency in course delivery.

4.4 Online TNE into the future

Online courses and programmes remain a key means by which Australian providers can successfully engage with TNE markets. The last decade has seen exponential increases in the global provision of online courses and the number of students enrolling in them. This trend is expected to continue and remains an untapped opportunity for Australian higher education providers. For instance, the global online market was estimated at approximately US$160 billion in 2017 but has been projected to increase by approximately 10 per cent per annum between 2018 and 2023 and reach a total market size of about US$287 billion.[47] An additional factor to consider is that online TNE may offer new opportunities for course delivery in the context of global disruptions such as that surrounding the coronavirus disease (COVID-19). It is notable in the case of China that the restrictions placed on the recognition of courses delivered via online means have been relaxed, albeit potentially temporarily, in the context of the coronavirus outbreak.[48]

Of importance is the likely continued growth of MOOCs and fee-paying online courses, especially if these are codeveloped to meet the cultural and pedagogical needs of specific target audiences. While there remain issues surrounding effective price points and adequate resourcing, online delivery of TNE still presents many opportunities. If effective pricing can be implemented at scale, it would allow students with more limited financial resources to access the Australian market. However, a balance needs to be struck between effective pricing and adequate student support if success is to be achieved. In this context, it has been suggested that microcredentials – certification for the attainment of smaller or more targeted elements of learning – represent an opportunity for Australian online TNE providers. Consultees noted the opportunities that microcredentials provide for further study to be pursued either via a TNE provider or onshore in Australia. They also reported the growing importance of microcredentials in building better links between students, providers and industry. This is especially relevant to post-professional education, which is increasingly shaped by the influence of private continuing education providers (e.g. LinkedIn Learning, Udacity) that are competing directly with universities.

Harnessing future opportunities for online TNE will require addressing preconceptions about quality and applicability, along with strategies to ensure that curricular and content meet cultural and educational expectations for students in different countries. Future opportunities could be compromised by a perceived decline in the quality of education, failure to innovate in globally competitive ways, or misalignment between education and the needs of regional industries. Australian providers are seeking to expand online TNE to pursue to address the many challenges outlined here, such as building shared online platforms with providers in target countries that drive future hybrid forms of learning. In addition, they need to consider ways to broaden enrolment beyond business-related disciplines and enhance dialogue between leaders that would likely create more interconnected forms of higher education.

[47] *Research and Markets*, 'Global Online Education Market - Forecasts from 2018 to 2023', January 2018.
[48] Austrade, 'Delivering Online Education to China Webinar', 10 March 2020.

5. The future of Australian transnational education

5.1 Australian provider assessment of prospects for TNE

In assessing the trends for future TNE activity, this report's findings are based on survey results, consultations, academic analysis and market modelling. While it is hard to make definitive statements regarding overall future trends for TNE, the findings from this research indicate that there is reason for cautious optimism in the sector. This is predicated on growth in already well-developed markets such as China but also the emergence of new markets such as Sri Lanka and Indonesia. There are, however, potential areas of concern regarding certain TNE markets. In particular, these include the increased competition for TNE provision particularly in major markets such as China and Singapore. Despite the apparent opportunity presented in India, there appears to be significant barriers to this developing into a major market. There is an increasing desire of many countries or markets, particularly in East and Southeast Asia, to provide their own tertiary education in-country, which will inevitably affect opportunities for expanding Australian TNE.

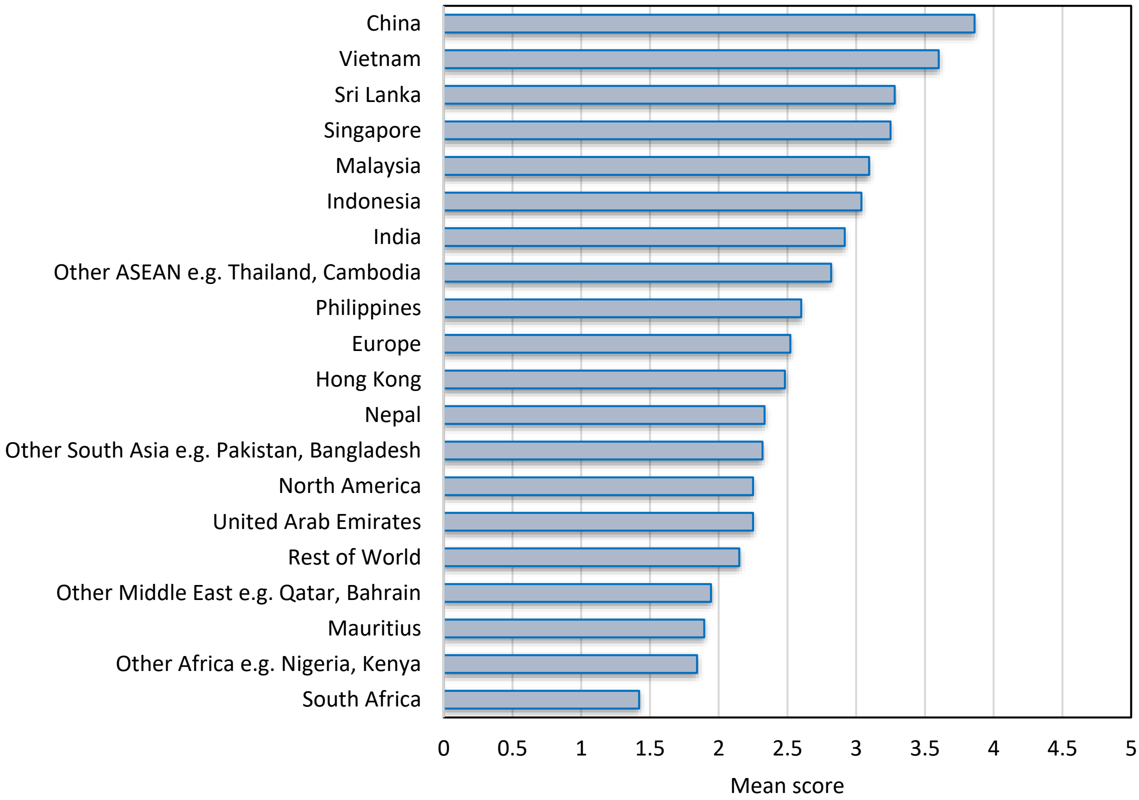
Based on the survey results, of the major TNE markets, China is still perceived most positively. Figure 7 indicates that China, rated at 3.9 on average, remains the market in which Australian providers most positively identify TNE opportunities over the next two years. This continued interest in the Chinese market comes despite several concerns noted in the media. Principally, these concerns relate to uncertainty regarding the political climate and bilateral relations between Australia and China. Contributing to this uncertainty is the lack of clear guidance regarding the regulation of TNE activity and the extent to which changes in law are not communicated clearly to providers. It has also been suggested that it is difficult for smaller and independent providers to access the Chinese market due to the JSJ (Jiaoyu Shewai Jiangguan) list of foreign providers preferred by the Chinese Government. In contrast, public or larger providers are perceived as having an advantage due to their size and resources in making sure they are listed on the JSJ.

Several other markets were identified in both the survey and consultations as having particular potential for growth as compared to the past 2 years. As identified in Figure 8, these markets are Hong Kong, South Africa, and to a lesser extent, China and Singapore. Also identified in consultations was Sri Lanka. Principally this derives from strong domestic demand for tertiary education but also from Sri Lanka's increasing emergence as a regional hub for TNE. A similar observation was made regarding Nepal which, while being a relatively small market, has seen an increasing number of UK TNE providers establish partnerships there.

Despite often attracting attention, several markets were viewed cautiously by both survey respondents and consultees. Perhaps most notable of these was India, as seen in Figure 9.

India, in conjunction with other prominent markets, such as Indonesia, has been identified as having a growing demand for tertiary education.[49] Australian providers, including consultees, however, expressed significant reluctance to enter these markets due to local regulatory constraints, a preference for local provision and some perceived issues with nationalism.[50] Despite levels of caution, an important factor noted by several consultees was that smaller-scale TNE partnerships could serve as an initial means to build greater tertiary education links within specific countries. This was observed in the case of India as well as several African markets where offshore TNE, and potentially online TNE, could form the initial basis of building a more comprehensive relationship with both partners and students in-country. Furthermore, in the case of Indonesia, the recently signed free trade agreement could provide a basis to further develop specific TNE initiatives.

Figure 7: Rating of market prospects (next two years)



[49] Austrade, *India Transnational Education*.
[50] Austrade, *Market Action Plan Indonesia*, March 2019, p. 15

Figure 8: Markets where respondents rated prospects in the next 2 years <u>higher</u> than in the previous 2 years

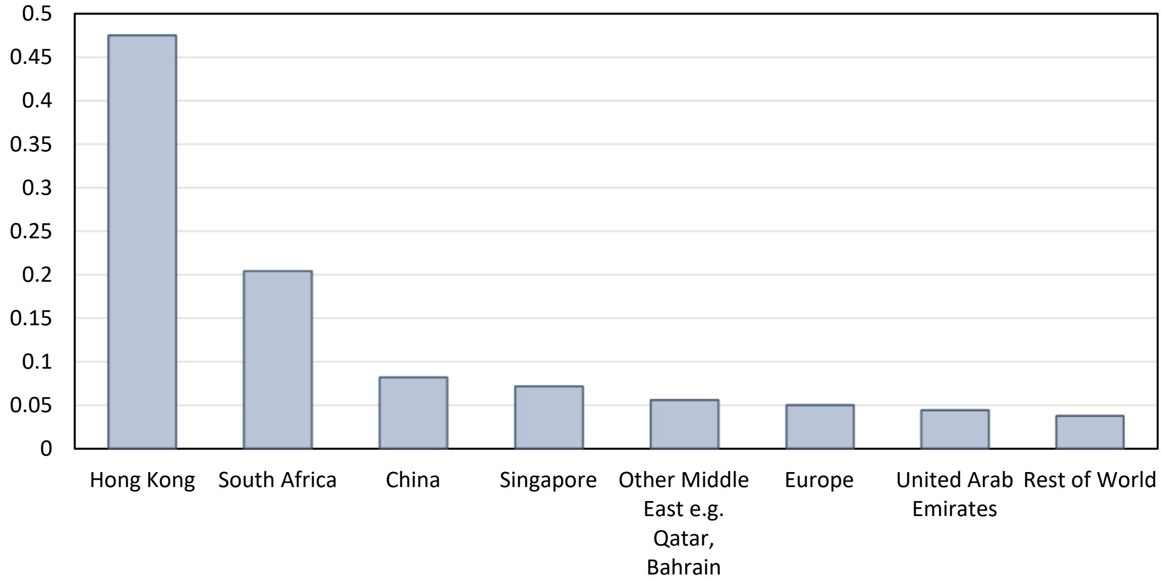
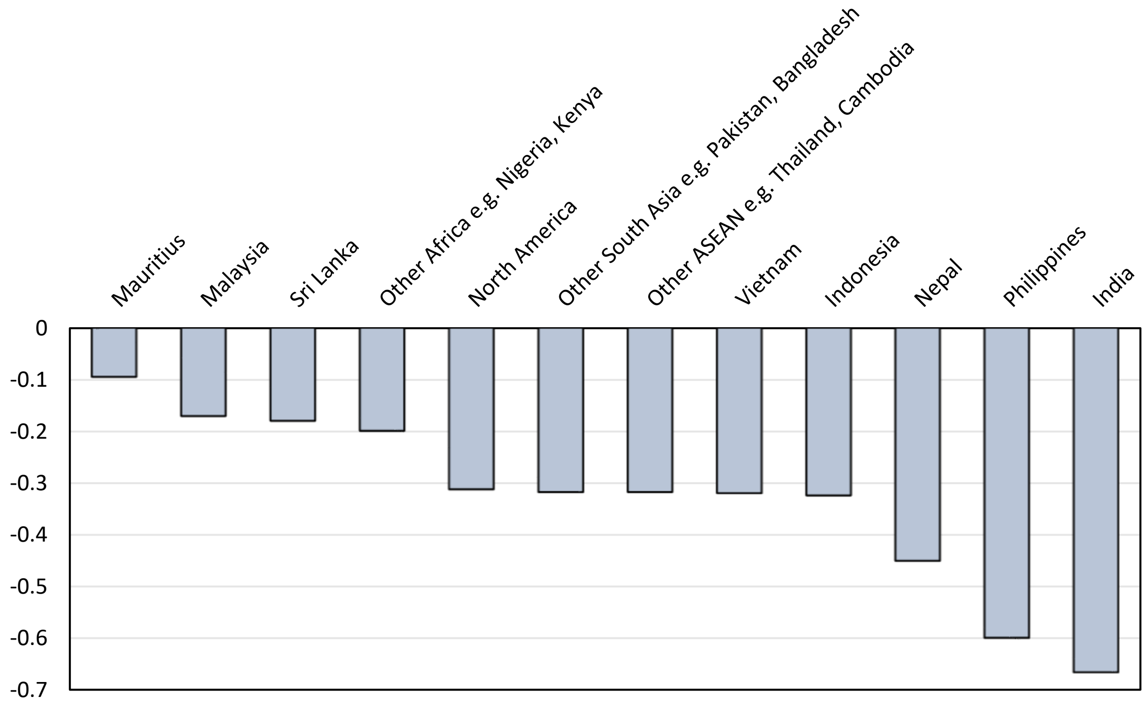


Figure 9: Markets where respondents rated prospects in the next 2 years <u>lower</u> on average than in the previous 2 years



A central message through consultations was that maximising the extent to which a TNE partnership can be mutually beneficial presents the best opportunity for success. It also alleviates concerns around risk, whether these derive from the course provider or the offshore operator in the host country. The research here found a key example of this in the TNE partnerships that exist between Australia and China. It has been noted that while 'current issues relating to regulations and operating models could challenge the sustainability of Chinese-Australian TNE projects, to date the partnership has been productive for both Australian and Chinese institutions'.[51] Even with countries with less developed TNE partnerships, such as India, there remain opportunities. This is due to, in the case of India particularly, elements of its domestic higher education sector operating at capacity.[52] However, to reiterate, those surveyed still perceive significant barriers to entering the Indian market.

Recent government reports are consistent with most academic assessment in noting trends surrounding the many TNE markets in that they are now more mature and sustainable, particularly since the rapid development of online courses at the turn of the century. A key sign of this is the transformation of Australian attitudes towards TNE. In 2000, a survey of Australian universities found that the main motivations for TNE 'were revenue opportunities and the desire to develop or expand institutional profiles in overseas, particularly Asian, markets'.[53] Subsequently, there has been a significant change in the rationale for establishing partnerships. TNE has come to be 'valued as a strategy for enabling Australian universities to grow beyond the pace constraints imposed by the domestic campus and, in the context of globalisation, as a means of introducing local reform, with transnational education influencing individual institutions and their academic staff to 'internationalize' their practices'.[54] This assessment gives a clear indication of the strategic, as well as economic, rationale of the benefits of continuing to sustain and develop TNE partnerships.

5.2 Scan of selected markets

In order to provide a comprehensive overview of current Australian TNE activity and prospects, five markets have been selected for specific analysis in clarifying general operating conditions for providers. These markets have been chosen as they effectively encapsulate the breadth of Australian TNE provision internationally. These markets serve to demonstrate many of the key opportunities and challenges faced by Australian TNE. It is important to note that data was not available on student perceptions in all markets.

The analysis of these markets is organised, as far as is possible, from most to least developed in terms of their current capacity for TNE provision. In sum, Singapore and China are accorded the status of most developed or well-established markets for Australian TNE provision. These are followed by Indonesia and Sri Lanka which are ascribed the status of emerging or developing markets for TNE. Finally, India is perceived as being the least developed TNE market in terms of the current potential for Australian TNE activity.

[51] Australian Embassy Beijing, *Chinese-Australian Transnational Higher Education in China*, p. 24.
[52] Austrade, *India Transnational Education*.
[53] Anne Chapman and David Pyvis, *Enhancing Quality in Transnational Higher Education: Experiences of Teaching and Learning in Australian Offshore Programmes*, Lexington Books, Maryland, 2013, p. 10.
[54] Chapman and Pyvis *Enhancing Quality in Transnational Higher Education*, pp. 10-11.

Singapore

Feature	Opportunities	Challenges
Higher education system	• Long-standing well-established system [1] • Generally high quality – clear link established between developed nation status and quality of higher education provision [2]	• Traditional importers of educational services, such as Singapore and Malaysia, are moving rapidly to build their capacity to compete as education exporters [3] • There has been a steady decline in student enrolments since 2014 [4]
Transnational Education (Australian education delivered through partnerships within Singapore)	• TNE an important part of the Australia-Singapore relationship which is evident by the presence of over 20 Australian institutions in the market [5] • Ability to evolve nature of TNE partnerships as Singapore's higher education environment changes rapidly [3]	• Some past difficulties with closure of overseas branch campuses can damage reputations and make providers cautious about trying to enter market [6] • Singapore government 'judiciously selects' foreign institutions and programmes on a case-by-case basis meaning difficulties may be encountered when attempting to enter market [7]
Relationship with government and local authorities	• Highly developed given Singapore's status as Australia's largest TNE market [5] • Extent of clarity regarding requirements of TNE provision in Singapore on a government to government basis [6]	• Increasing emphasis on student outcomes relating to employment outcomes creates additional complexities in establishing government support for TNE partnerships [8] • Close collaboration with local partners with deep industry links needed to ensure sustainability of the delivery in-market [4]
Legal framework	• A clear legal framework exists for any foreign involvement in higher education [5] • Singapore government encourages international participation with relatively clear guidelines and regulations. These are important for external investors considering entry to the Singapore educational market, because they must understand the roles, behaviours and contributions that local government expect them to provide [5]	• Tendency towards increasing requirements regarding legal compliance. There is an expectation that this new regulation will hasten a shrinking of the private education market [9]
Regulatory processes	• The Committee for Private Education was established to oversee the new regulatory regime comprising an Enhanced Registration Framework—mandatory for all private education institutions—and a quality certification scheme called EduTrust. Private education institutions recruiting international students are required to carry EduTrust accreditation. The overall aim is to ensure that private	• Ongoing potential for changes in regulatory regime has meant that Australian universities must be up to date and conversant with them if they are to continue to operate successfully [11]

Feature	Opportunities	Challenges
	education— delivered in conjunction with foreign partners—is credible, and that providers deliver quality education [10]	
Quality assurance processes	• Quality assurance arrangements for TNE have evolved and become more mature and progressive, and policies are transparent and facilitative • Registration or licensing requirements include periodic reporting requirements for the provider, a method of assessing the provider's conduct and taking action on shortcomings, and a means of receiving public complaints and responding to them [6]	• Increasing pressures by the Singaporean government for offshore programmes delivered in-market to be aligned to Singapore's skills needs [5] • International accreditation is adopted by the Singapore government, meaning that either the home or the host quality assurance agency does not review IBCs in Singapore. Currently, Singapore does not have a central authority that ensures quality of higher education institutions [12]
Communication processes	• Effective communication between the two institutions is one of the most important factors for success [13] • Long duration of many TNE partnerships despite changes in regulatory environment indicate close collaboration in TNE provision [14]	• Extent to which changing legal and regulatory environment is being clearly communicated to providers [9]
Research collaborations	• TNE partnerships have the potential to lead to further collaborations between partner institutions, including research opportunities [13] • Singapore's Research, Innovation and Enterprise 2020 Plan with an investment of S$19bn, has a focus on four domains, all of which align with Australian capability: Advanced Manufacturing and Engineering; Health and Biomedical Sciences; Services and Digital Economy; Urban Solutions and Sustainability [5] • The number of research partnerships with Singaporean institutions has grown by more than thirty-five percent over the last 7 years [5]	• Singapore remains a highly competitive market in both competing with other countries and entities within Singapore itself [4]
Infrastructure	• High quality local infrastructure has assisted in Singapore's development as a regional hub [13]	• Inadequate access to online learning resources and technologies used to complement face-to-face programmes [4] • Higher costs compared to other markets in Southeast Asia [15]
Online Transnational Education (Online Australian education delivered within Singapore)	• Students need only internet access through a phone or computer to access online learning materials [1] • May assist in reducing costs of operating in a higher cost environment such as Singapore [1]	• A blended model is still preferred over programmes that are delivered fully online, online seen as less prestigious [5][1] • Significant resources are required to provide the necessary level of student support including technical support. Level of support influences student satisfaction [16]
Student satisfaction with TNE (Australian	• Overall satisfaction of students in Singapore is very high at 87 per cent [17]	• Employability of graduates is a key measure of success for any TNE programme in Singapore. Since 2017, the Singapore Government

Feature	Opportunities	Challenges
education delivered through partnerships within Singapore – does not include online TNE)	• Students were particularly satisfied with the support they received at 88 per cent [17]	has a process to survey the employability of private education graduates [4] • Student satisfaction on whether or not they recommend their institution to others at 67 per cent of respondents is moderately high but ranked equal lowest in survey [17]
Cultural	• In relation to student mobility, it can be a way of 'meeting students partway'. For example, students from China who prefer to study in Singapore than in Australia	• Significant proportion of TNE not provided to Singaporean students, but to students who have travelled from China or Vietnam to Singapore to study for their degree [2]
Socio-political factors	• Relationship underpinned by bilateral FTA and ASEAN FTA • Strong ministerial links already established	

Sources:

[1] Betsy J. Bannier, 'Global Trends in Transnational Education', *International Journal of Information and Education Technology*, Vol. 6, No. 1, January 2016.

[2] Antony Stella and David Woodhouse, 'Evolving Dimensions of Transnational Education', *Quality Assurance of Transnational Higher Education: The Experiences of Australia and India*, 2011.

[3] Paddy Forde, 'Curtin University's Development of a Campus in Singapore', *Quality Assurance of Transnational Higher Education: The Experiences of Australia and India*, 2011.

[4] Austrade, *Transnational education: Knowing our competitors*, 2019.

[5] Austrade, *Australian Transnational Education in Singapore*, April 2018.

[6] Grant McBurnie and Christopher Ziguras, 'Global Trends in Quality Assurance for Transnational Education', *Quality Assurance of Transnational Higher Education: The Experiences of Australia and India*, 2011.

[7] Sudhanshu Bhushan, 'Overview of the Indian Scenario', Quality Assurance of Transnational Higher Education: The Experiences of Australia and India, 2011.

[8] Austrade, 'Graduate employability survey increases pressure for Australian transnational education in Singapore', 16 April 2018.

[9] Joseph Taylor and Leo Bøe, 'Singaporean Private Education Sector: Regulatory Reform', *Universities UK International*, March 2017.

[10] Committee for Private Education, EduTrust Certification Scheme Guidance Document, February 2017.

[11] Dennis Murray, 'The Maturation of Australian Transnational Education and its Future Directions', *Quality Assurance of Transnational Higher Education: The Experiences of Australia and India*, 2011.

China

Feature	Opportunities	Challenges
Higher education system	• Well-established system [1] • Generally good quality – it is well known that quality control measures are strongly correlated with a nation's development stage [2]	• Size and rapid expansion has led to some quality concerns, particularly in relation to efficient administration and capacity building [1], including training of local staff [3] • Consolidation of China's HE system and the rise of nationalism [3]
Transnational Education (Australian education delivered through partnerships within China)	• Longevity of TNE programmes and partnerships in China – first Chinese-Australian programme approved in 1994 [4] • Highest number of foreign branch campuses (32 in 2017) [7] – majority are Australian [1] • High number of established TNE programmes with Australia – six Chinese-Australian joint institutes and 108 joint programmes in 2017 [4] • Already home to the largest number of TNE students [1] and growth continues in the number of students enrolled in Australian offshore programmes [6] • Most positively perceived prospective market by higher education providers [7] • Science, technology, engineering and mathematics are popular courses [3]	• Increasing competition for market entry [3] • Although potential exists for niche offerings e.g. specific agricultural programmes in regional provinces [3]
Relationship with government and local authorities	• Shared expectations – two-way student mobility between Australia and China is valued by both Governments and supported by a formal agreement [4] • Free trade agreement in place with Australia [5] • Joint institutes are more likely to arise when there are existing strong relationships between institutions [4]	• Recent difficulties in bilateral relations may have impact on TNE partnerships [8]
Legal framework	• A clear legal framework exists for any foreign involvement in higher education [5] • Oversight provided by the International Division of Ministry of Education [5]	• Lack of understanding about taxation can be an issue, although it is clearly stated that tax charged when transferring funds to other countries is borne by the foreign partner [4]
Regulatory processes	• Licensing and accreditation are governed by the International Division of Ministry of Education [5]	• Lack of clarity around the criteria for approving joint ventures has been reported [5] • Difficulty around engaging and managing foreign teachers has been reported by both Chinese and Australian institutions [4]

Feature	Opportunities	Challenges
	• China has specific provisions for employing foreign experts and teaching staff, regulated by the State Administration of Foreign Experts Affairs [5] • Clear agreements on the recognition of TNE qualifications and credits with 46 other economies and regions [5]	
Quality assurance processes	• Defined in key legislature (e.g. Ministry of Education's Notice of Further Standardize Orders of Chinese-Foreign Cooperation in running schools; Ministry of Education's recommendations on Current Issues of Chinese-Foreign Cooperation in running schools) [5] • Collaboration is in place for quality assurance processes through the Higher Education Evaluation Center, China [5]	
Communication processes	• Effective communication between the two institutions is one of the most important factors for success [4]	• Differences between Australia and China in the way that institutions are organised and run can affect communication between administrators from partnering universities [4]
Research collaborations	• TNE partnerships have the potential to lead to further collaborations between partner institutions, including research opportunities [4]	
Infrastructure		• Inadequate access to online learning resources and technologies used to complement face-to-face programmes [4] • Recognition – student's choice to study an Australian course is influenced by the foreign institution's website [9]. Therefore, need to be accessible
Online Transnational Education (Online Australian education delivered within China)	• Students need only internet access through a phone or computer to access online learning materials [1] • Strongest market that Australian providers intend to develop fee-based online courses for [7]	• Difficulty accessing online material due to firewall [3] [7] • Poor perception of online programmes administered by foreign institutions – often viewed by Chinese students as third choice behind acceptance into a Chinese university and then acceptance into a bricks-and-mortar university overseas [1] • Significant resources are required to provide the necessary level of student support including technical support. Level of support influences student satisfaction (see below) [9]
Student satisfaction with TNE (Australian education delivered through	• Overall satisfaction of students in China is very high (85 per cent of respondents agree they are very satisfied) [9] • Students in China were particularly satisfied with the support they received (91 per cent of respondents agreed) [9]	• Students from smaller programmes tend to be more satisfied than those from large ones [9]. Proving adequate support to students enrolled in large programmes is critical, including welcoming new

Feature	Opportunities	Challenges
partnerships within China – does not include online TNE)	• Student satisfaction impacts on whether or not they recommend their institution to others (75 per cent of respondents agreed they would recommend to others) [9] – suggests the ability to attract local students is moderately high	students and assisting them to understand how the programme works
Cultural	• Carefully designed programmes co-created by the host and foreign partner adds value to TNE programmes – preparing offshore students for future collaborative work in a global society [10]	• Implications of collectivist culture for constructivist pedagogies [1] and innovative pedagogies [3] • May create difficulties for course development and curricula mapping [7]
Socio-political factors	• Colleges and universities in China under government mandate to adopt English as the language of instruction [1]	• Concerns about academic freedom [3] [7]
Other		• Implications of coronavirus outbreak on student mobility into and within China

Sources:

[1] Betsy J. Bannier, 'Global Trends in Transnational Education', International Journal of Information and Education Technology, Vol. 6, No. 1, January 2016.

[2] Antony Stella and David Woodhouse, 'Evolving Dimensions of Transnational Education', Quality Assurance of Transnational Higher Education: The Experiences of Australia and India, 2011.

[3] Higher Education Provider Consultations, October-November 2019.

[4] Australian Embassy in Beijing and the China Education Association for International Exchange, *Chinese-Australian Transnational Higher Education in China*, July 2018.

[5] Sarah Richardson, 'Asia-Pacific Cross-Border Higher Education Provider Mobility: Report on a Survey of Policy and Practice', *Australian Council for Educational Research*, 2017.

[6] Australian Government, Department of Education: Research snapshot, 2019.

[7] Higher Education Provider Survey, October-November 2019.

[8] Fiona Lim and Mahsood Shan, 'Safeguarding offshore students must be priority', *The Australian*, 9 October 2019.

[9] Australian Government, Department of Education, 2018 Offshore Higher Education Student Survey, 2018.

[10] DAAD, Transnational Education in Germany: DAAD Position Paper, May 2014.

[12] Angela Yung-Chi Hou, Christopher Hill, Karen Hui Jung Chen and Sandy Tsai, 'A comparative study of international branch campuses in Malaysia, Singapore, China, and South Korea: regulation, governance, and quality assurance', *Asia Pacific Education Review*, Vol. 19, August 2018.
[13] Higher Education Provider Consultations, October-November 2019.
[14] Higher Education Provider Survey, October-November 2019.
[15] Higher Education Provider Course Fee Comparison by major international markets, October-November 2019.
[16] Iwona Miliszewska and Ewa M Sztendur, 'Australian transnational education programmes in South East Asia Student satisfaction with the learning environment', *Australian Universities Review*, Vol. 4, No. 2, 2012.
[17] Australian Government, Department of Education, 2018 Offshore Higher Education Student Survey, 2018.

Indonesia

Feature	Opportunities	Challenges
Higher education system	• Higher Education system is developing – TNE is viewed as a way of improving the quality and capacity of local higher education institutions [1]	• Limits to local capacity in the HE system
Transnational Education (Australian education delivered through partnerships within Indonesia)	• In 2020, the Indonesian government approved the first foreign university branch campus – Monash Indonesia is the first Australian university in Indonesia, offering postgraduate programmes [2] • Currently the number of Indonesian students enrolled in Australian offshore programmes is relatively low at less than 2,000 students [3] • Therefore, there is significant unmet demand for higher education. It has been estimated that in Indonesia a further 3,000 higher education institutions would be required to meet students demand by 2030 [4] • Australian higher education providers report that Indonesia has been a moderately successful TNE market over the last two years, but rate it highly as a prospective market [5] • Technical and vocational education and training is a particular focus [6]	• Limited history of partnerships

Feature	Opportunities	Challenges
Relationship with government and local authorities	• The Indonesia-Australia Comprehensive Economic Partnership Agreement, finalised in March 2019, paved the way for increased education collaboration [6] • Establishment of the first foreign university branch campus reflects a strengthening of bilateral relationships between Indonesia and Australia • The Indonesian Minister for Education and Culture notes that the Monash partnership *"…will be the first out of many other partnerships to come"* [2]	• While consistent, the relationship between Indonesia and Australia has at times been strained [2]
Legal framework	• In Indonesia the emphasis of TNE legislation is on enhancing the quality of Indonesian HE institutions through co-operation with foreign HE institutions [1]	
Regulatory processes	• Accreditation takes the form of assessment against criteria defined in the National Higher Education Standards [1] • Oversight is provided by the Ministry of Research Technology and Higher Education [2]	• Further clarification may be required around an accreditation framework and visa arrangements for Australian staff [6]
Quality assurance processes	• Quality assurance is defined in key legislature that underpins higher education activities in Indonesia [1] • Oversight is provided by the Indonesian National Accreditation Agency for Higher Education [4]	• Quality control measures may be variable based on evidence that quality control measures are strongly correlated with a nation's development stage [7]
Communication processes	• Potential to be enhanced with signing of FTA	
Research collaborations	• TNE partnerships have the potential to lead to future collaborations between partner institutions, including research and industry opportunities [2]	
Partnerships with for-profit third parties, including educational technology providers	• TNE partnerships have the potential to lead to future collaborations particularly in the area of technological development, including data science, digital technology, infrastructure, urban planning, public health and entrepreneurism [2]	
Infrastructure		• The internet penetration rate for Indonesia is low (28.1 per cent) and internet speed is slow (4.84 Mbps) and unreliable, which may restrict learners' access to the internet, particularly beyond urban locations [4]

Feature	Opportunities	Challenges
Online Transnational Education (Online Australian education delivered within Indonesia)	• Legislation related to delivery of online programmes comes under the Law of the Republic of Indonesia Number 12 Year 2012 on Higher Education, Section 31 [1] • Oversight is provided by the Ministry of Research Technology and Higher Education [4] • Few Australian higher education providers have developed or intend to develop fee-based online programmes targeting Indonesia [5]	• When internet penetration is low, online learning can be facilitated by mobile technologies; however, the growth of mobile subscriptions in Indonesia since 2014 has been moderate at 9 per cent, with only 34 per cent of mobile connections being broadband [4]
Cultural	• Carefully designed programmes co-created by host and foreign partner. Adding value to TNE programmes – preparing offshore students for future collaborative work in a global society [8]	• Implications of collectivist culture for constructivist pedagogies [9] and innovative pedagogies [10] • May create difficulties for course development and curricula mapping [5][10]
Socio-political factors		• Concerns about academic freedom [5][10][11]

Sources:

[1] Sarah Richardson, 'Asia-Pacific Cross-Border Higher Education Provider Mobility: Report on a Survey of Policy and Practice', *Australian Council for Educational Research*, 2017.

[2] Wade Zaglas, 'Monash becomes first foreign university in Indonesia', *Campus Review*, 10 February 2020.

[3] Australian Government, Department of Education: Research snapshot, 2019.

[4[Australian Government, Department of Education, Educating Online in South East Asia: Opportunities and challenges, 2015.

[5] Higher Education Provider Survey, October-November 2019.

[6] Anton Crace, Indonesia-Aus FTA opens door for offshore campuses, *The Pie News*, 15 March 2019.

[7] Antony Stella and David Woodhouse, 'Evolving Dimensions of Transnational Education', Quality Assurance of Transnational Higher Education: The Experiences of Australia and India, 2011.

[8] DAAD, Transnational Education in Germany: DAAD Position Paper, May 2014.

[9] Betsy J. Bannier, 'Global Trends in Transnational Education', International Journal of Information and Education Technology, Vol. 6, No. 1, January 2016.

[10] Higher Education Provider Consultations, October-November 2019.

[11] Inaya Rakhmani and Zulfa Sakhiyya, 'Analysis: Indonesian policymaking is not supported by quality research and academic freedom', *The Conversation*, 7 November 2019.

Sri Lanka

Feature	Opportunities	Challenges
Higher education system	• A potential regional hub in South Asia based on ease of operating [1] • Does not have the capacity to meet demand on its own. Even though around 200,000 students fulfil the requirement of pursuing higher education only about 25,000 students get the opportunity to enter state universities [2]	• Domestic pressure in Sri Lanka to limit foreign higher education providers entering market [3]
Transnational Education (Australian education delivered through partnerships within Sri Lanka)	• Expansion of higher education opportunities in Sri Lanka via international providers has enabled many students, some of whom would otherwise have studied abroad, to graduate locally at a considerably lower cost, and saving foreign exchange [3] • Incentives proposed by government for foreign providers such as land and tax concessions [4]	• Slow moves towards introduction of IBCs with issues surrounding regulation [4] • Emergence of additional domestic security risks following 2019 attacks
Relationship with government and local authorities	• Australian programmes offered in Sri Lanka are well-regarded for quality and reinforced by strong government-to-government relations [5]	• Increased nationalism may curtail opportunities for new partnerships to be developed [1]
Legal framework	• It takes around three days for a new company to be registered and between three to four weeks for a branch to be sanctioned [2] • Any overseas entity or enterprise that wants to function as a branch, project, liaison or representative office in Sri Lanka must enlist themselves under the Companies Act of 2007 [2]	• Extent to which TNE legal framework is still evolving and developing [6]
Regulatory processes	• Less regulation, compared with other South Asian markets, which encourages joint venture partnerships between foreign institutions and local private providers [2]	• Sri Lanka is late to the issue of regulatory control over TNE which is currently an issue of debate and policy development [9] • Ongoing lack of regulatory clarity compared to domestic providers [9]
Quality assurance processes	• Attempts by Sri Lanka government to better ensure the quality of the diplomas and degrees being offered by private sector degree awarding institutions through clearer regulation, Higher Education (Quality Assurance and Accreditation) bill [3]	• Regulation may continue to be hampered by domestic sensitivities regarding impact of foreign providers on state system in Sri Lanka (extent to which quality assurance can be maintained with overseas providers) [6]

Feature	Opportunities	Challenges
Communication processes	• Mostly well-developed in terms of scale of partnerships compared to other markets in South Asia [1]	• Maintenance and growth of partnerships in the context of evolving TNE sector in Sri Lanka [1]
Research collaborations	• Commitment to enhance cooperation in research and vocational training including through partnerships focused on education and development initiatives [7]	• Need for further formalisation of research cooperation and collaboration
Infrastructure	• Sri Lanka seen as a favourable market for 'start-up' TNE provision with no previous academic infrastructure [6] • Example of Northshore College of Business and Technology using University of the West of England (UWE) curricula and teaching resources as part of franchise relationship [6] • Costs of the intellectual capital involved in developing degree programmes is thus avoided [6]	• Difficulties still identified in being able to support and sustain programmes in-country. Ongoing risk of protests against international providers [8]
Online Transnational Education (Online Australian education delivered within Sri Lanka)	• Online education is a longstanding area of emphasis of Sri Lankan Ministry of Higher Education [8] • Potential opportunities for online TNE providers as Open University of Sri Lanka is the only significant domestic actor in the sector [8]	• Problem with lack of recognition of online degrees • Poor perception of online programmes administered by foreign institutions [1] • Significant resources are required to provide the necessary level of student support including technical support [9]
Cultural	• General positive perception of Australian TNE in line with students studying onshore [9]	• History of protests against international education providers [8]
Socio-political factors	• Increasing high-level exchanges between relevant Australian and Sri Lankan ministers [7] • Moves towards undertaking FTA negotiations since 2017 declaration [7]	• Degree of sensitivity regarding international higher education providers operating in Sri Lanka [3] • Political instability a potential factor [1]

Sources:

[1] Higher Education Provider Consultations, October-November 2019.

[2] Austrade, *Transnational education: Knowing our competitors*, 2019.

[3] Saman Kelegama, Non-State Actors in Higher Education in Sri Lanka: Issues and Challenges, Institute of Policy Studies of Sri Lanka, 2017.

[4] British Council, The shape of things to come: The evolution of transnational education: data, definitions, opportunities and impacts analysis, 2013.

[5] Austrade, 'Focus on Sri Lanka', 2018.

[6] Robert Morris Williams, Quality Assurance in Transnational Education, 2018.

[7] DFAT, Joint Declaration of Enhanced Cooperation between Australia and Sri Lanka, 2017.
[8] Justine D'Souza, Education in Sri Lanka, World Education News and Reviews, 2017.
[9] Higher Education Provider Survey, October-November 2019.

India

Feature	Opportunities	Challenges
Higher education system	• Seen as a key growth market, India soon to have the largest tertiary-age population in the world [1] • Does not have the capacity to meet demand on its own. Its institutions cannot currently service the number of prospective students and quality remains an issue [2] • Key opportunity for market diversification [3]	• Known limitation of foreign institutions able to operate freely in India [2] • Difficulties remain in successfully establishing a standalone physical presence in the Indian higher education market, even with regulatory changes, compared to recent expansion into Southeast Asia [5][2]
Transnational Education (Australian education delivered through partnerships within India)	• Ability to build upon India's desire to expand partnerships under the Draft National Education Policy (DNEP) [5] • Expansion opportunities exist in relation to cooperation with top 200 universities globally. • TNE joint doctoral training provide additional opportunities for Australian universities to engage with Indian higher education institutions [2]	• Limited Australian examples of successful TNE partnerships in India thus far [4][6] • Increasing competition for market entry [7]
Relationship with government and local authorities	• Projection of increased TNE opportunities even with ongoing legislative uncertainties and artificial barriers to market entry [6]	• Increased nationalism may curtail opportunities for new partnerships to be developed [4] • Difficulty in achieving compliance with legal and regulatory requirements at both a regional and national level [7]
Legal framework	• DNEP plans to streamline legal process surrounding approval and recognition of TNE programmes [5]	• Issues remain with high level of complexity with a large variety of institutions, differing approaches to finance and management and with overlapping roles of Central and State Government [7]
Regulatory processes	• DNEP recommends overturning regulation that prevents foreign universities from establishing campuses in India. It invites the world's top 200 universities to develop a physical presence in India [5]	• Likely delay in implementing reforms to restrictions on foreign universities [2]

Feature	Opportunities	Challenges
Quality assurance processes	• Attempts to strengthen the role of the National Accreditation Authority. Intent to improve the quality of accreditation in India in line with comparable agencies internationally [8]	• Continuing confusion regarding regulatory bodies involved in India • The process of democratisation of higher education system has led to politicisation in decision making [8]
Communication processes	• Effective communication between the two institutions is one of the most important factors for success [4]	• Limited number of partnerships established suggests difficulty in effective communication channels [9]
Research collaborations	• Build upon existing Australia India Strategic Research Fund (AISRF) • Potential for Australian digital educational providers to partner with India's large multinational conglomerates to pilot new education technology, using Australian content, and scaled up in India as a pathway to global markets [2]	• Sometimes a gap in reaching outcomes of mutual benefit. Australia's focus on commercial outcomes is paired with an Indian desire for research collaboration that leads to societal change [10]
Infrastructure	• Greater potential with DNEP to develop infrastructure in-country that would enable new offshore partnerships [5]	• Difficulties still identified in being able to support and sustain programmes in-country [9]
Online Transnational Education (Online Australian education delivered within India)	• India's plan for increasing the number of students in university to 50 per cent can't occur through physical expansion. India has experience in online delivery, but opportunities exist in the development of better-quality technology platforms [5] • Australia has world-leading distance education platforms that are scalable and can reach isolated students [2] • Can be the basis of building stronger links with students and partner institutions in-country [2]	• Problem with lack of recognition of online degrees • Poor perception of online programmes administered by foreign institutions [5] • Significant resources are required to provide the necessary level of student support including technical support. [11]
Cultural	• General positive perception of Australian TNE in line with students studying onshore [6]	• Difficulty in effective price point, tuition at Indian universities is effectively free [6] • Indian students and parents place Australian universities on a rung below universities in the United States and United Kingdom [2]

Sources:

[1] Amit Dasgupta, 'India soon to have the largest tertiary-age population in the world', *The Conversation*, 2016.

[2] DFAT, *An India Economic Strategy to 2035. Navigating from potential to delivery*, 2018.

[3} Austrade, *India Transnational Education: Opportunities for Australia*, 2019.

[4] Higher Education Provider Consultations, October-November 2019.

[5] Craig Jeffrey, ‘India is reforming education for the first time since 1986 – here’s why Australia should care’, *The Conversation*, 2019.
[6] Brigid Freeman, ‘The Nature and Extent of University Engagement with Indian Higher Education Institutions’, *Australia India Institute*, 2017.
[7] British Council, ‘Transnational Education a Guide for Creating Partnerships in India’, 2015.
[8] Sudhanshu Bhushan and Ankita Verma Quality, Assurance in Higher Education—An Indian Experience, 2017.
[9] Higher Education Provider Survey, October-November 2019.
[10] John Bayliss, ‘Research Collaboration between Australian and Indian Universities: Potential for growth’, *Australia India Institute*, 2016.
[11] Australian Government, Department of Education, 2018 Offshore Higher Education Student Survey.

5.3 Comparison of key competitor fee data in selected markets

Analysing data from a *5Rs Partnership Fee Monitor* survey of published fees of 1,200 face-to-face programmes from 40 universities from competitor countries (the UK, the US and Canada) provides a useful benchmark for Australian TNE in key markets.[55] Figure 10 demonstrates that the programmes surveyed have a greater concentration of fee levels charged by UK providers compared to the US and other international providers. Taking the field of Business education, for example, there is a range in price between US$3385 and US$25659, with an overall mean of US$11815.

The UK has a strong sector-wide emphasis on TNE. A primary example is the fact that 'over 80 percent of all UK degree-awarding bodies are engaged in some form in TNE, either through distance learning, partnerships, or branch campus arrangements. This provision is delivered in over 200 countries worldwide'.[56] Despite this breadth of engagement with TNE, most delivery is concentrated among a relatively small number of providers. This is indicated by the fact that 75.2 per cent of UK TNE students were registered with only 18 universities in 2017-18.[57] UK onshore TNE delivery is divided into several categories. Overseas campuses accounted for 10 per cent of students, 44.3 per cent were registered for collaborative provision and 45 per cent were studying for an award of the reporting provider.[58]

The US, by comparison, has a focus on China, the UAE, Qatar, Canada and France for international branch campuses. More broadly, there is an emphasis on China, India, France, South Korea, Germany and Japan for alternative offshore TNE partnerships. Historically, the US has placed a large degree of emphasis on IBCs as distinct from other forms of offshore TNE. The US is among the 'top two exporting countries', together with the UK, which are 'a source of 77 and 39 IBCs' respectively and account for '47 percent of the world's total IBCs'.[59] Compared with the UK, there is a significant variation in fees charged by US providers. In the field of Business education, for example, there is a range between US$6145 and US$65000 with an overall mean of US$20239.

After the UK and US there are several other competitor countries engaged in TNE. Most importantly, in descending order, are France, Germany, the Netherlands, Russia, China, Canada and India.[60] Together with Australia, these countries represent the top 10 TNE providers internationally. In the case of Canada, it does not have as active a presence in the

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[55] Fees Monitor 2019, Higher Education Providers in Asia, The 5Rs Partnership.
[56] QAA, Transnational Education Review Handbook, April 2019.
[57] Universities UK International, *The scale of UK higher education transnational education 2017-18*, p. 2.
[58] Universities UK International. Registered at overseas partner organisation – studying overseas for an award of the reporting provider.
[59] Chris Mackie, 'Transnational Education and Globalization: A Look into the Complex Environment of International Branch Campuses', *World Education News and Reviews*, 28 May 2019.
[60] Jisc and Internet2, 'Transnational education (TNE) data report', 8 May 2018.

TNE sector as the UK and the US. As an example, there are only 'six active Canadian-owned branch campuses abroad (in China, Japan, Qatar and Saudi Arabia), whereas U.S. institutions maintain 77 such campuses'.[61] France, another major TNE provider, has roughly 40 per cent of its TNE enrolment in Asia, another 30 per cent in Africa, and 20 per cent in the Middle East. It predominantly focuses on five countries: China, Lebanon, Morocco, Vietnam and India with a strong emphasis on regions where France has 'former colonial interest or other strong historical ties'.[62] This is corroborated by the observation that TNE activity arises from 'French institutions responding to opportunities abroad, and often at the initiative of faculty, or even French diplomats, rather than from "true articulated strategies" at an institutional level'. In the case of Germany, 'the more profit-oriented models of TNE, such as distance education, validation and franchising types, remain unexplored in Germany'. Rather, its TNE approach is to 'contribute to capacity building of the education system in the host countries as part of Germany's development cooperation policy'.[63]

Figure 11 provides an additional point of contrast in terms of the major TNE markets in which Australia is competing. In particular, it clearly demonstrates the range of fees that are charged in these markets. It shows that these markets are segmented and at present cater for students who are willing to invest at a significantly different rate across courses in the same discipline area. With regard to Singapore, there tends to be a significant variation in course fees indicating some flexibility when it comes to establishing effective price points. This is most evident when considering Business education where there is a range of fees from US$7276 to US$62571 with a mean of US$17453. A similar observation can be made regarding Science courses with a range in fees from US$3650 to US$54203 with a mean of $US18693.

This demand for courses at different price points is not evident in all markets, such as fees charged for Business courses in China: with a range between US$5850 and $US65,000 and a mean of $US18326, several outliers obscure the extent to which price variation appears possible. In contrast to Singapore and China, Malaysia has significantly less variation in course fees particularly considering Business where there is a range in fees from US$2320 to US$16008 with a mean of US$8558. Similarly, Science has a variation in fees from US$4817 to US$26880 with a mean of $10286. This could suggest that in a market such as Malaysia there is less capacity for higher course fees and price variation. In summary, while there is clearly the capacity to price-differentiate in some instances, the data presented here for major competitors shows that TNE is a highly price-competitive activity with students' price-sensitive for the most part.

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[61] Mingyue Chan, 'Education in Canada', *World Education News +* Reviews, 18 September 2017.
[62] ICEF Monitor, 'French government calls for new strategy for transnational education', International Consultants for Education and Fairs, 3 October 2016.
[63] Sanaa Ashour, 'Branding of Germany's transnational education and its potentials in the Arabian Gulf Region', *International and Comparative Education*, Vol. 5, 2018, p. 5.

Figure 10: TNE course fee comparison by major international competitors

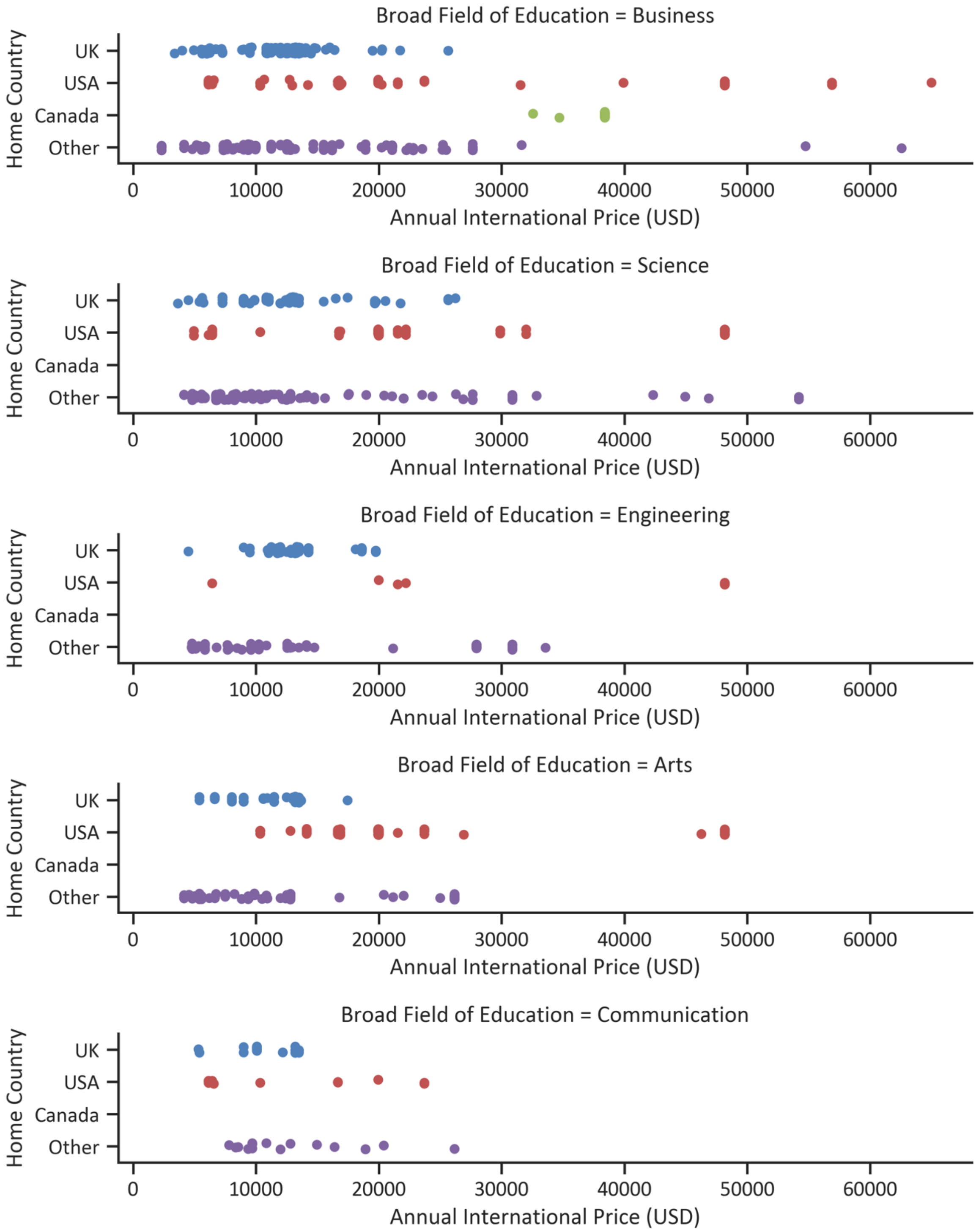
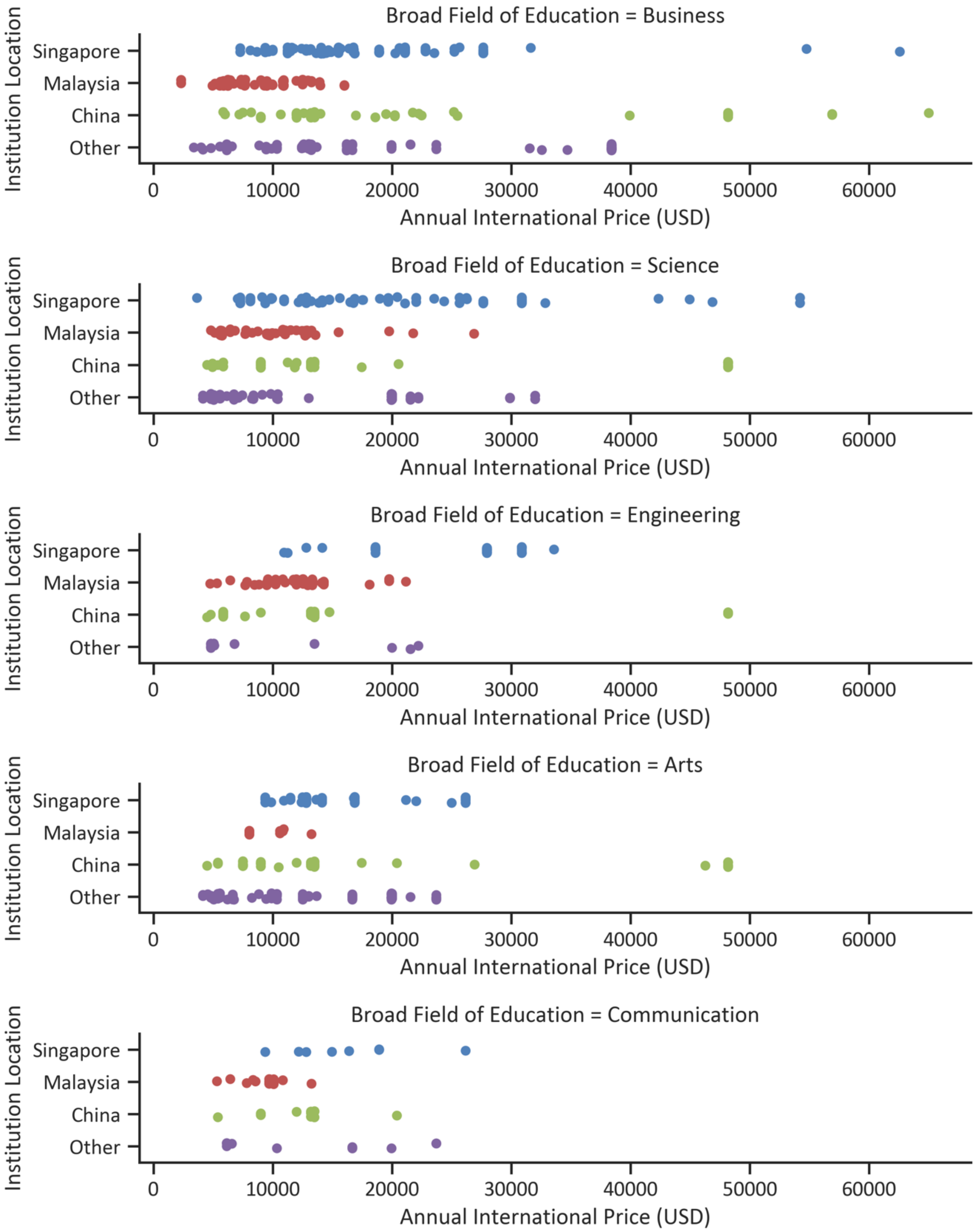


Figure 11: TNE course fee comparison by major international markets



5.4 The challenge of predicting future market prospects

Australian TNE provision is diverse and dynamic. Where there has been ongoing success is contingent on many factors, some of these not within the control of universities. Australia's TNE competitors are diverse and themselves innovating. As many countries develop their domestic higher education systems, opportunities for Australian TNE change. For all these reasons, previous growth in Australian TNE is not necessarily a good guide to the prospects for specific markets and TNE overall. Australian providers are well placed to diagnose the opportunities for individual programmes in different markets. Despite the particularity of markets, this research has shown some common issues and opportunities across markets. These are summarised in the next section.

6. Typology of issues and opportunities

TNE presents significant opportunities for a country such as Australia. It has been observed that 'TNE has the potential to enhance the cultural and economic positioning of a country with a strong higher education sector and research and science base…while at the same time rebalancing the global higher education market, allowing more students to study in their own countries and reducing the costs to developing countries in terms of foreign exchange and 'brain drain''.[64] Recent analysis by Austrade suggests that TNE 'represents a way to take advantage of the growth and diversification of Australian education offerings, and spread risk and make a sustainable investment in the future'.[65] However, to fully realise the potential of future TNE endeavours, Australian providers will need to meet a number of challenges and considerations set out in this report. This section synthesises evidence and analysis in this report into a typology of issues and considerations, which informs the conclusions of the report.

The issues and considerations identified in the survey, consultations and previous research are synthesised in the typology set out in tables 1 to 3. The issues and considerations have been grouped into three domains: sovereign, operational and student. The first domain includes issues which relate to government and regulation in a particular TNE market: these are denoted as 'sovereign'. The second relates to 'operational' issues, including administrative, and the third is a specific issue related to student cohorts. For each domain, several specific issues are set out with an associated risk and indication of the consequence, significance and likelihood of occurrence. For each issue, a specific opportunity is identified to mitigate risk and provide benefits to students and providers.

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[64] UK Higher Education International Unit, *The scale and scope of UK higher education transnational education*, June 2016, p. 9.
[65] Austrade, *Transnational Education*, p. 2.

Table 1: Issues and considerations – sovereign

Issue	Risk and likelihood	Consequence and significance	Opportunity	Details[66]
Relationship with government and authorities in host country	Poor quality relationships, including with those responsible for quality assurance (Market dependent but moderate likelihood in many markets)	Difficult to obtain the necessary approval, accreditation, permits and licences in a timely manner (Moderate significance)	Establish government-to-government formal agreements	Section 3.3, Section 4.3, (1), (3)
Relationship with government and authorities in host country	Negative perception of wholly online programmes by host country government/authorities (Market dependent but high likelihood in many markets)	Difficulty in obtaining necessary permits, accreditations and licences for fully online programmes (Low end significance)	Information and communication campaign	Section 4.4, Section 4.3, (1), (8)
Legal framework	Low quality and incomplete available information about local laws and regulations (High likelihood)	Difficult to obtain the necessary approval, accreditation, permits and licences in a timely manner (Low end significance)	Improved market intelligence	Section 3.3, Section 4.3 (1), (2)
Taxation in-country	Complex taxation rules regarding foreign institutions or difficulty transferring funds out of host country (Low likelihood)	Makes programmes less financially viable (High end significance)	Establish government-to-government formal agreements	Section 3.2, Section 5.1, Section 5.2 (1), (2)
Regulatory	Onerous regulatory regime in host country (Low likelihood)	Makes programmes less viable (High end significance)	Establish government-to-government formal agreements	Section 3.2, Section 5.1, (1), (2)
Regulatory	Difficulty obtaining visas for locally based foreign staff (Low likelihood)	Makes programmes less viable (Moderate significance)	Establish government-to-government formal agreements	Section 5.1 (1), (6)
Regulatory	Lack of clarity in criteria for approving joint programmes (High likelihood)	Makes programmes less viable (Low end significance)	Establish government-to-government formal agreements	Section 3.2, (1), (2)
TNE data and definition	Inconsistent definition of TNE leading to imprecise reporting of TNE activity (High likelihood)	Difficult to set policy or establish best practice (Low end significance)	Agree definition of TNE amongst Australian higher education providers, regulatory bodies and government	Section 2.1, Section 3.3, (1), (2)

Table 2: Issues and considerations – operational

[66] (1) Reported in consultations, (2) Rated important by survey respondents, (3) Reported in provider survey feedback, (4) Rated less important by survey respondents, (5) Rated very important by survey respondents, (6) Rated low by survey respondents, (7) Recent media reports, (8) Reported in research

Issue	Risk and likelihood	Consequence and significance	Opportunity	Detail[66]
Quality assurance	Inadequate qualifications and experience of teaching staff at local partner institutions (Market dependent but high likelihood)	Compromises teaching and learning and curriculum integrity (Moderate significance)	Employ more Australian staff or provide further training for host country staff	Section 5.1, (1), (2)
Communication	Poor communication processes between Australian and partner institutions (Low likelihood)	Makes programmes less viable (Moderate significance)	Best practice guidelines	Section 3.2, (1), (2)
Collaborations and partnerships	Identification of suitable institutional partners in host country (High likelihood)	Makes programmes less viable (Low end significance)	Improved market intelligence	Section 3.2, Section 3.3, Section 5.1, (1), (2)
Collaborations and partnerships	Limited opportunities to partner with commercial partners, including 'for-profit' education and educational technology providers (Moderate likelihood)	Makes programmes less viable (Moderate significance)	Improved market intelligence	Section 3.2, Section 4.3, Section 5.1 (1), (2)
Collaborations and partnerships	Difficulty mapping curricula with institutional partner, including introducing innovative pedagogies (High likelihood)	Compromises teaching and learning and curriculum integrity (Low end significance)	Consider in contracting negotiations and arrangements	Section 3.2, Section 4.3, (1), (2)
Infrastructure	Adequate access to online elements/resources for students undertaking a course in a host country with an online component (Market dependent but low likelihood for many markets)	Makes programmes less viable (Moderate end significance)	Consider in contracting negotiations and arrangements	Section 3.2, Section 5.1, Section 4.3, (1), (4)
Infrastructure	Adequate access to online elements/resources for students undertaking a course in a host country with an online component (Market dependent but low likelihood for many markets)	Makes programmes less viable (Moderate end significance)	Consider in contracting negotiations and arrangements	Section 3.2, Section 5.1, Section 4.3, (1), (4)

Table 3: Issues and considerations – students

Issue	Risk and likelihood	Consequence and significance	Opportunity	Note
Wholly online Australian education delivered within another country	Student difficulty accessing teaching and learning materials in wholly online programmes due to a country's firewall (High likelihood)	Unable to deliver complete curriculum, making programmes less viable (High end significance)	Consider when designing programme	Section 3.2, Section 5.1, Section 4.3, (1), (6)
Student satisfaction	Perception by host country students that wholly online courses are lower quality compared with face-to-face education (High likelihood)	Difficulty attracting local students, making programmes less financially viable (Moderate significance)	Improved market intelligence	Section 3.2, Section 3.3, Section 4.3, (1), (8)
Student satisfaction	Difficulty attracting local students, given student satisfaction influences whether or not they recommend their institution to others (Low likelihood)	Lower enrolments make programmes less financially viable (High end significance)	Improved market intelligence	Section 3.2, Section 3.3, (1), (4)
Socio-political factors	Concerns about academic freedom in host country (Low likelihood)	Compromises teaching and learning and curriculum integrity (Low end significance)	Consider in contracting negotiations and arrangements	Section 3.2, (1), (6)
Socio-political factors	Barriers to recruitment, such as political unrest or epidemic (Low likelihood)	Lower enrolments make programmes less financially viable (High end significance)	Improved market intelligence	Section 3.2, (7), (8)

7. Conclusion and further considerations arising from the research

Australia is one of the pioneers of TNE. In recent years the scale and scope of TNE, the range of partnerships and types of delivery models have continued to evolve. This report has examined the challenges and opportunities for offshore and wholly online TNE, drawing on evidence from a survey of 39 Australian TNE providers and a series of consultations with major national specialists and stakeholders to inform analysis of key enablers and barriers to expanding provision.

To date Australia has historically preferred IBCs over other TNE partnership models, as they allow greater control over quality and standards. As established, however, IBCs have also given rise to challenges, in terms of the cost of establishing campuses and partnerships, and their sustainability. A shift has occurred towards more direct engagement with local partners, minimising the direct exposure of Australian providers and more effectively positioning them within specific markets. In terms of markets for offshore TNE, China was identified in the survey and consultations as the most successful to date. Among other major markets with future potential were Singapore, Vietnam, Sri Lanka and Hong Kong. Key to facilitating partnerships in these and other markets are clear communication processes, personal relationships between individuals, adequate training of staff and shared expectations with local authorities and government. Constraining factors identified for offshore TNE were national internet firewalls, programme approval and taxation rules. Into the future, however, the research found that smaller-scale and targeted TNE partnerships may assist in building cooperation and trust with the potential for significant growth over time.

This research also finds that many TNE providers have developed or intend to develop fee-based wholly online courses targeted at particular overseas markets. China was the major market for this type of activity, followed by Europe, Singapore, Hong Kong, Vietnam and Malaysia. With the exception of Europe, these markets have a high correlation with students studying with an Australian provider at an overseas campus. Key factors facilitating success in establishing such courses include adequate access to internet and online resources, and ability to directly control course delivery. On the other hand, there remain difficulties both with resourcing and recognition. This relates to the ability to find an effective price point for online courses and ensuring that they are recognised internationally. Improved technology and internet access may expand the opportunities available. If effective pricing can be implemented, including through smaller, specialised courses, such as microcredentials, it would allow students with fewer financial resources to access Australian education.

A key factor in influencing the attractiveness of online TNE courses is that they do not require students to physically attend a central campus or location for study. In particular, this research finds that Chinese students are a major target for Australian TNE providers. In contrast, massive open online courses (MOOCs) are not necessarily designed with a specific international market in mind and instead are marketed to a global audience. They are most often seen as a pathway to future study at Australian institutions, giving international students a sense of what to expect in terms of future (blended face-to-face) education provision in Australia.

The report has suggested several issues and risks, and potential actions to mitigate them, that might be contemplated by different parties involved in developing, promoting and supporting TNE provision. Here, we identify some further considerations for all parties, including government and regulatory bodies, TNE providers, researchers and others.

1. There needs to be common agreement on the categorisation, terminology and definitions used in collecting data on TNE in order to ensure they provide an accurate, comparable and comprehensive picture of the activity and the trends over time. The data collected by institutions and published by government or other body should reflect this agreement. From our research, we would suggest that the most useful categories would be:

    1. *International branch campuses*
    2. *Partnerships for franchising and validating offshore provision*
    3. *Distance and online learning*

2. Agreeing a single set of definitions for the categories of TNE provision – by Australia and its competitors, and in various existing and potential markets – and the nature of the data collected on these, will help to improve the accuracy, reliability and consistency of this data. In particular, this should distinguish between offshore and online provision. Providers might make additional data and information available if it is anonymised and/or shared only between those who supply it. Other ways of expanding and improving the accessibility of data should be explored.

3. The development of high quality TNE should be informed by discussions with relevant stakeholders, including those from receiving countries, about the rationales, enablers, obstacles, prospects and stage of development of online provision. These discussions should seek to promote the development of high quality wholly online TNE provision in order to challenge the assumption that it is inferior to domestic classroom-based education provided in-country.

4. The benefits of TNE include successful educational outcomes and positive returns on investment for providers, students and host countries, and these need to be more widely known. All parties need to articulate and promote the shared benefits of TNE for students, host countries, Australian providers and Australian higher education more widely.

5. The expansion of Australian TNE depends on the regulatory and operating environments in the key countries and markets Australian TNE providers seek to target. Individual providers are seldom able to influence these environments on their own, but collective action by government and regulatory bodies (with the support of providers) can help to achieve advantageous conditions for Australian HE. These might include, for example, facilitating the approval of joint programmes and the accreditation of foreign providers, transparent fiscal arrangements and favourable immigration policies.

6. Our respondents reported that it is a time-consuming and costly duplication for each individual TNE provider to monitor changes in the legal, regulatory and fiscal environments in those countries and markets that are of most interest to Australian TNE providers. Government and regulatory bodies have provided this as a collective service, and should continue to do so in a prompt and timely manner and to improve on it, in consultation with TNE providers.

7. Many of our respondents referred to the important role of the British Council in supporting and promoting UK TNE. It was perceived to have been the most successful national agency in both defining and monitoring TNE activity and in assisting coordination both between key government departments and agencies, and between these and TNE providers. It would be helpful if all Commonwealth departmental policies were consistent and combined to support Australian providers in expanding TNE provision in its various forms.

8. TNE providers should ensure that they adopt standard ‘due diligence’ undertakings, good management (including risk management), quality assurance and business planning. However, these are not always adhered to by all TNE providers, particularly those new to this type of provision or when moving into new markets and countries.

9. The motivations and rationales for initiating TNE arrangements are diverse, but it is clear from this research that it is important that the strategic decision to commence this activity is thought through carefully and well-founded. In particular, each provider needs to ensure they are clear about the strategic goals for their TNE activity, including whether such provision is a means to an end (e.g. pathways to study within Australia) or an end in itself.

10. Our survey and consultations revealed that regulatory approval and taxation rules were among the main barriers to TNE activity in host countries. TNE providers need to ensure that the regulatory and operating environment of any new country/market is well-understood, and likely to facilitate planned growth.

11. The research also suggests the importance of TNE providers clearly identifying a specific market, particular groups of students and discrete education and training needs and, in some cases, avoiding competition with existing provision. TNE providers need to adopt a targeted approach to establishing partnerships and entering new markets.

12. Direct personal or institutional links need to be established with TNE partners in host countries, based on mutual trust with a clear understanding by both parties about what the TNE relationship will entail. A focus on developing good communications with partners in TNE (including offshore providers, commercial collaborators, governments and regulators) is essential.

13. Respondents to our research rated highly the importance of teaching staff at local partner institutions having adequate qualifications and experience, especially where bringing staff from Australia is not feasible. TNE providers should establish that the expertise and experience of staff in offshore partner institutions is sufficient to ensure high quality delivery of education. This may require the provision of staff training, development and continuing support.

14. A key concern of online TNE providers is the ability to establish an effective price point while still ensuring the quality of course delivery. These costs include the need to train and support academic staff, the provision of support (including technical support) for students, ensuring accurate data collection and protecting intellectual property. If effective pricing can be implemented at scale, it would allow students with more limited financial resources to access Australian TNE.

15. Finally, respondents also confirmed that a key component of successful offshore and online TNE provision is ensuring effective engagement with students throughout their participation in TNE programmes.