



LAUREATE
INTERNATIONAL
UNIVERSITIES

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**President,
Torrens University
Australia**

**SAAIR Annual Conference,
20th October 2016**

Laureate International Universities

A leader in global higher education



LAUREATE
INTERNATIONAL
UNIVERSITIES



1 MILLION+
STUDENTS



25
COUNTRIES



70
INSTITUTIONS

\$700,000,000+
GIVEN IN SCHOLARSHIPS
AND DISCOUNTS TO STUDENTS
NETWORK-WIDE



720,000+
FREE AND LOW-COST
HEALTH SERVICES
PROVIDED TO
146,000+ PEOPLE



88%
OF LAUREATE STUDENTS ARE
IN DEVELOPING COUNTRIES

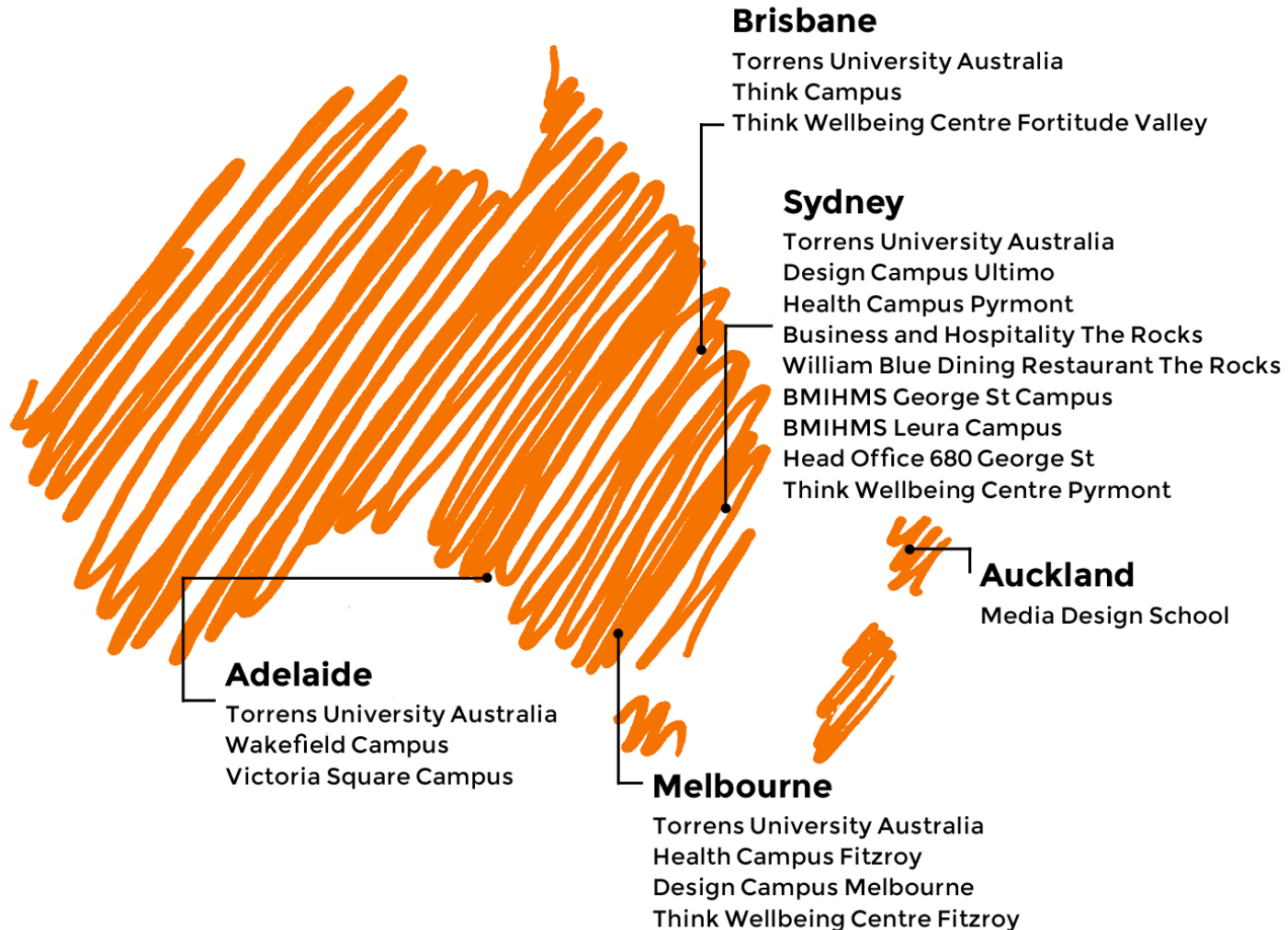


124,000+
HOURS VOLUNTEERED BY MORE THAN 20,000
LAUREATE STUDENTS, FACULTY AND STAFF DURING
THE 2015 GLOBAL DAYS OF SERVICE WEEK

A growing presence across Australia and New Zealand



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Laureate in Australia: Improving competition, quality and access



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Joined Laureate
International
Universities in
2009



**TORRENS
UNIVERSITY
AUSTRALIA**

Joined Laureate
International
Universities in
2013

THINK
EDUCATION

Joined Laureate
International
Universities in
2014

Laureate Australia includes some of Australia's most iconic and innovative education institutions

- **Torrens University Australia**, Australia's first new university in over 20 years, offering a growing range of degree programs to students all over Australia, into the Asia-Pacific region and beyond
- **Think Education**, which encompasses eight different colleges in NSW, QLD and VIC across four faculties; Business, Health, Hospitality and Design
- **Blue Mountains International Hotel Management School**, Australia's leading hotel school for hospitality education providing internationally recognised hospitality and business degree courses



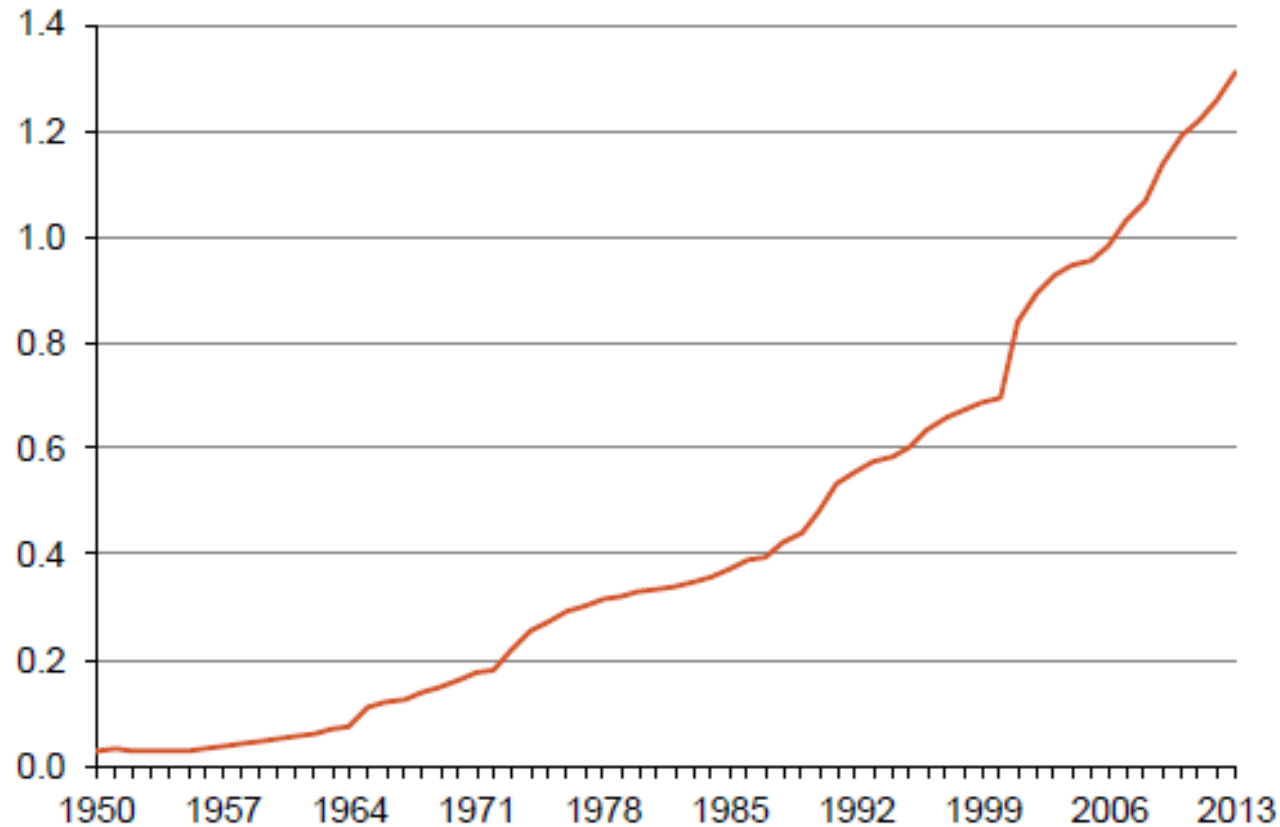
Australian higher education: a growth story



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Australian Higher education enrolments, 1950-2013

Millions of students

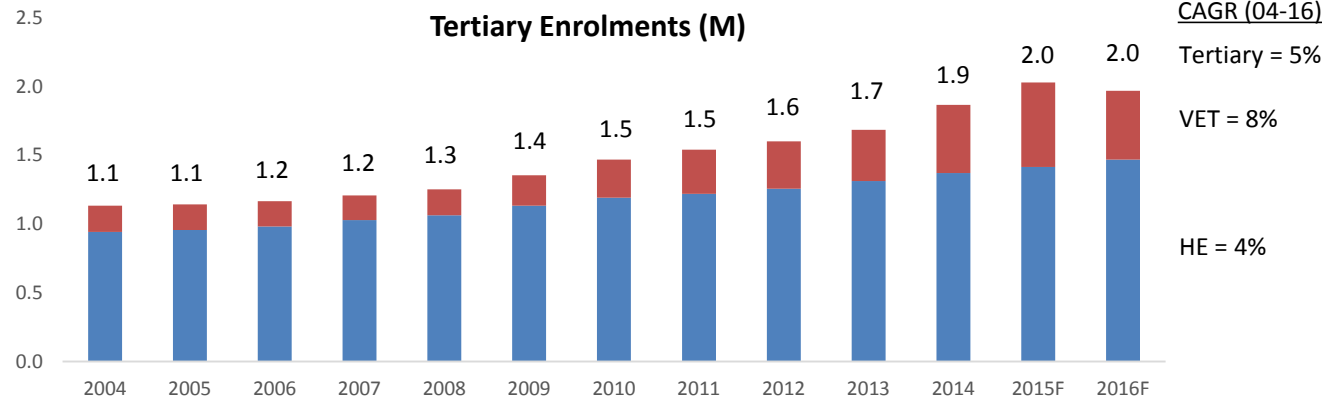


Sources: DEEWR (2000); Department of Education (2014h)

A long view highlights the importance of flexibility and quality for sustained growth amidst sector cycles

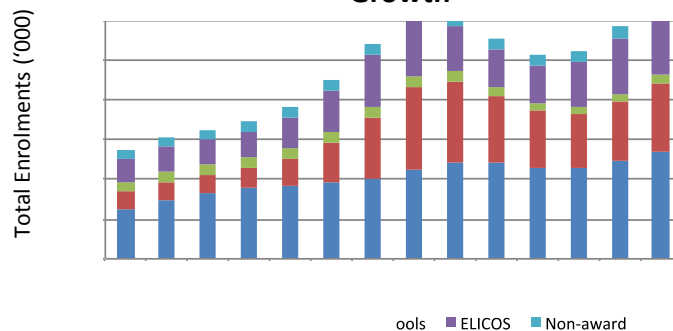


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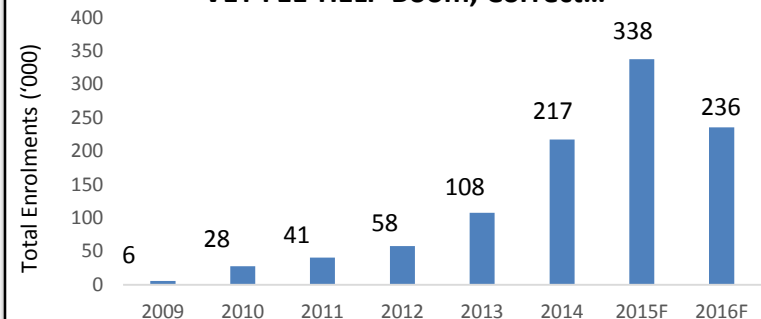
Consistent growth in total tertiary market since 2004, despite underlying volatility in segments – largely driven by private market over-reaction to policies and then reactive government policy

International – Boom, Correct, Resume Growth



Immigration policy drove 50% increase in international from 2006-2010; policy changes, media attention on student issues, and AUD led to 20% drop in 2012 with stable growth resuming 2-3 years later

VET FEE-HELP Boom, Correct...



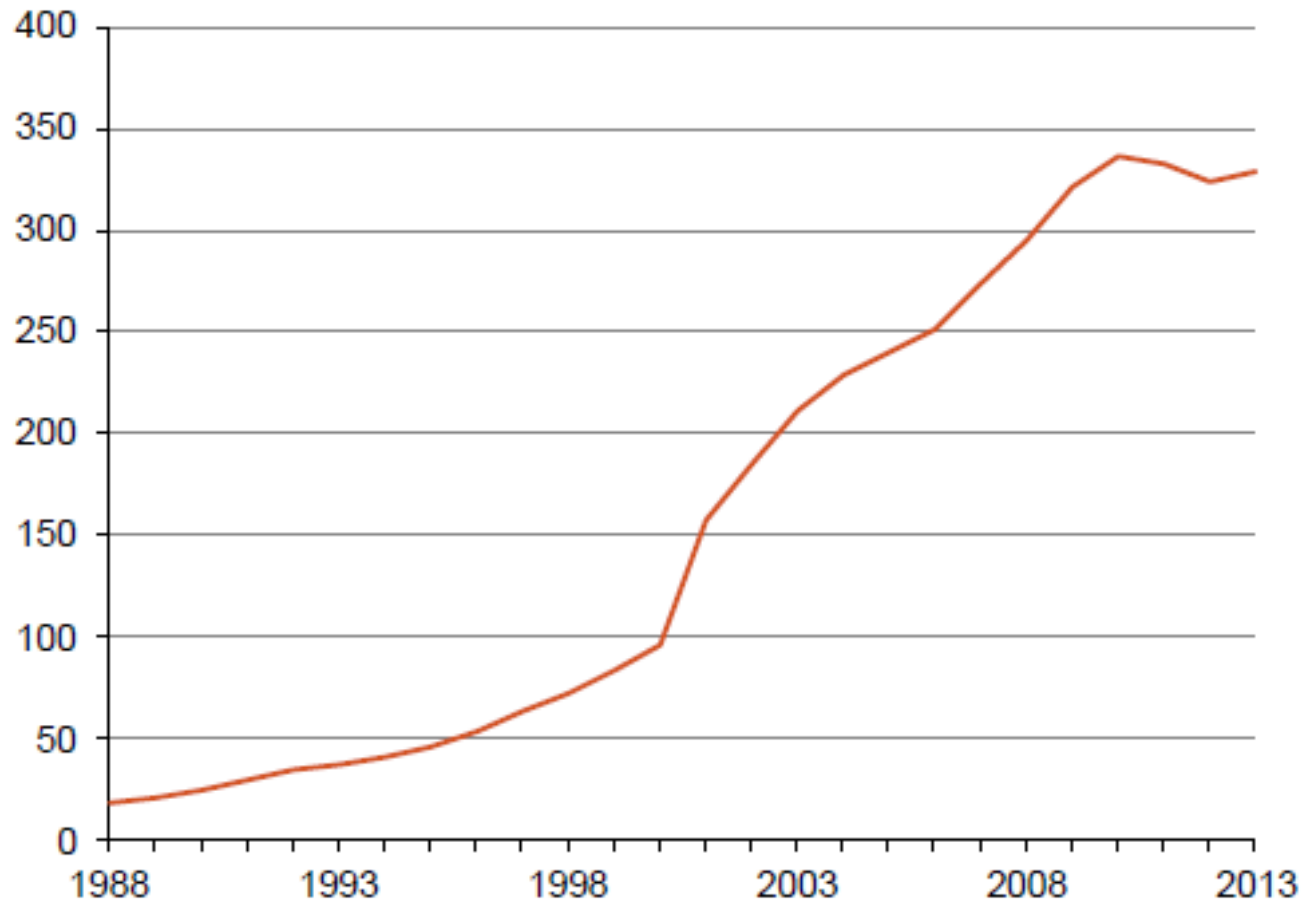
Exponential growth in VET FEE-HELP loans since introduction in 2009, from \$26M to \$3B in 2015; government crack down to clean up sector abruptly; after correction phase expect market will stabilise, with overall tertiary trends intact

International Student Crisis



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International students enrolled in Australian higher education, 1988–2013 ('000s)



Sources: Department of Education (2014h); DEEWR (2000)

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2016 has brought new challenges, notably a vocational sector in crisis



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New VET Reforms Dec 2015...

- Loans available to any provider capped at prior year level
- Payments now in arrears vs. up front on expectation
- Recruitment obstacles
 - Physical proof of high school certificate
 - Student ID registration
 - Literacy & numeracy exams
 - Cooling off periods between acceptance and loan applications and application and start
 - Enrolment cycle shortened by ~2-3 weeks
- Additional regulations on brokers and 3rd parties

...and a Very Public Focus on Private Providers

Training giant Evocca College sacks 200 staff, set to close about a third of its campuses

By the National Reporting Team's Josie Taylor and Alison Branley

Updated 18 Mar 2016, 12:58am

Up to 12,000 students in limbo after Vocation collapse

Top vocational college AIPE may be shut down

November 30, 2015

☆ Reac

Phoenix Institute closes after government crackdown, students devastated

December 5, 2015

Acquire Learning casts 'a very dark shadow' over its clients

Fraud probe sparks Australian Federal Police raid of Australian Careers Network in Spotswood

**ACCC's \$160m win as training firm
Careers Australia rolls over**

THE AUSTRALIAN | MAY 17, 2016 12:00AM



- **Of the top 8 VET FEE HELP recipients 2013-15 (THINK is #4) we are the only provider not being closed down or under investigation**
- **Reforms projected to reduce total VET FEE-HELP extended in 2015 from \$3B to \$1.5B in 2016, roughly cutting the private market in half**

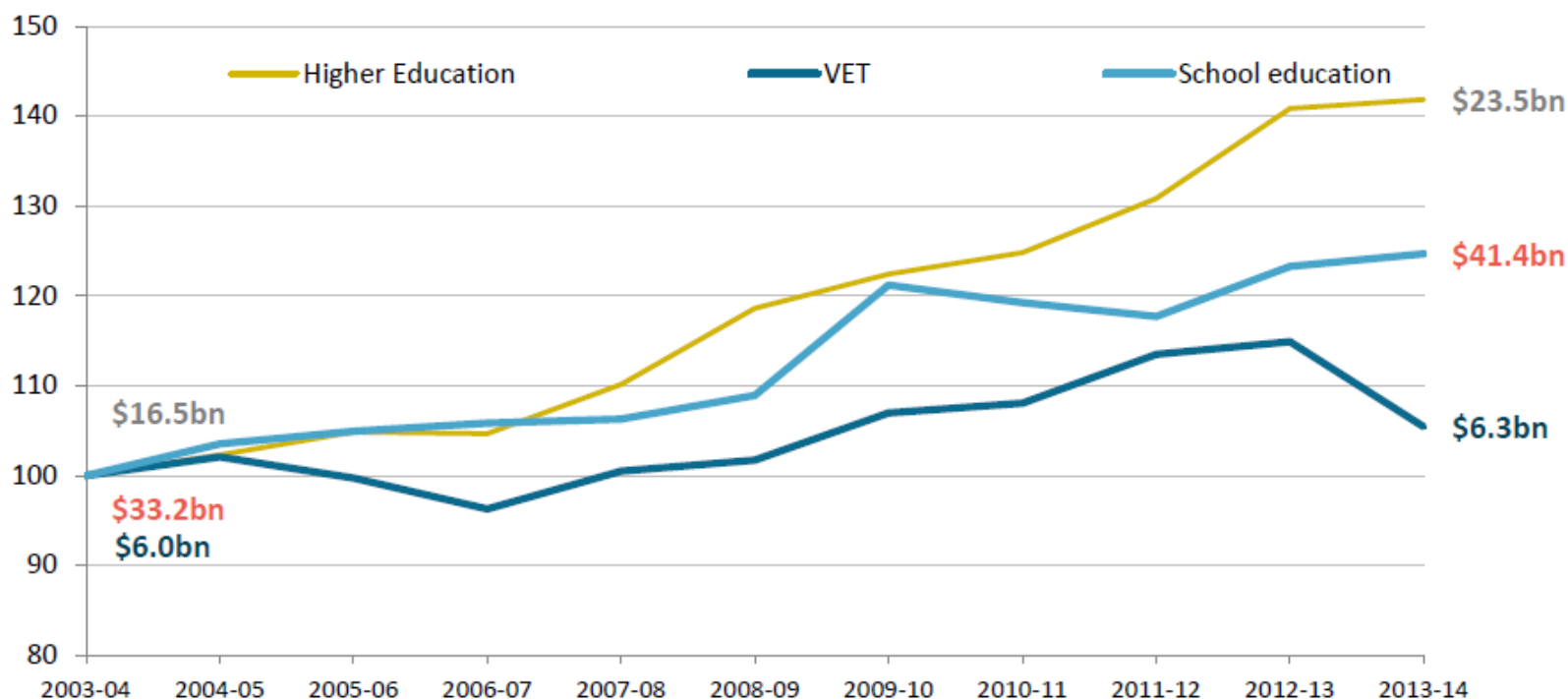


VET – boom to bust



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Expenditure by education sector in Australia 2004 - 2014.

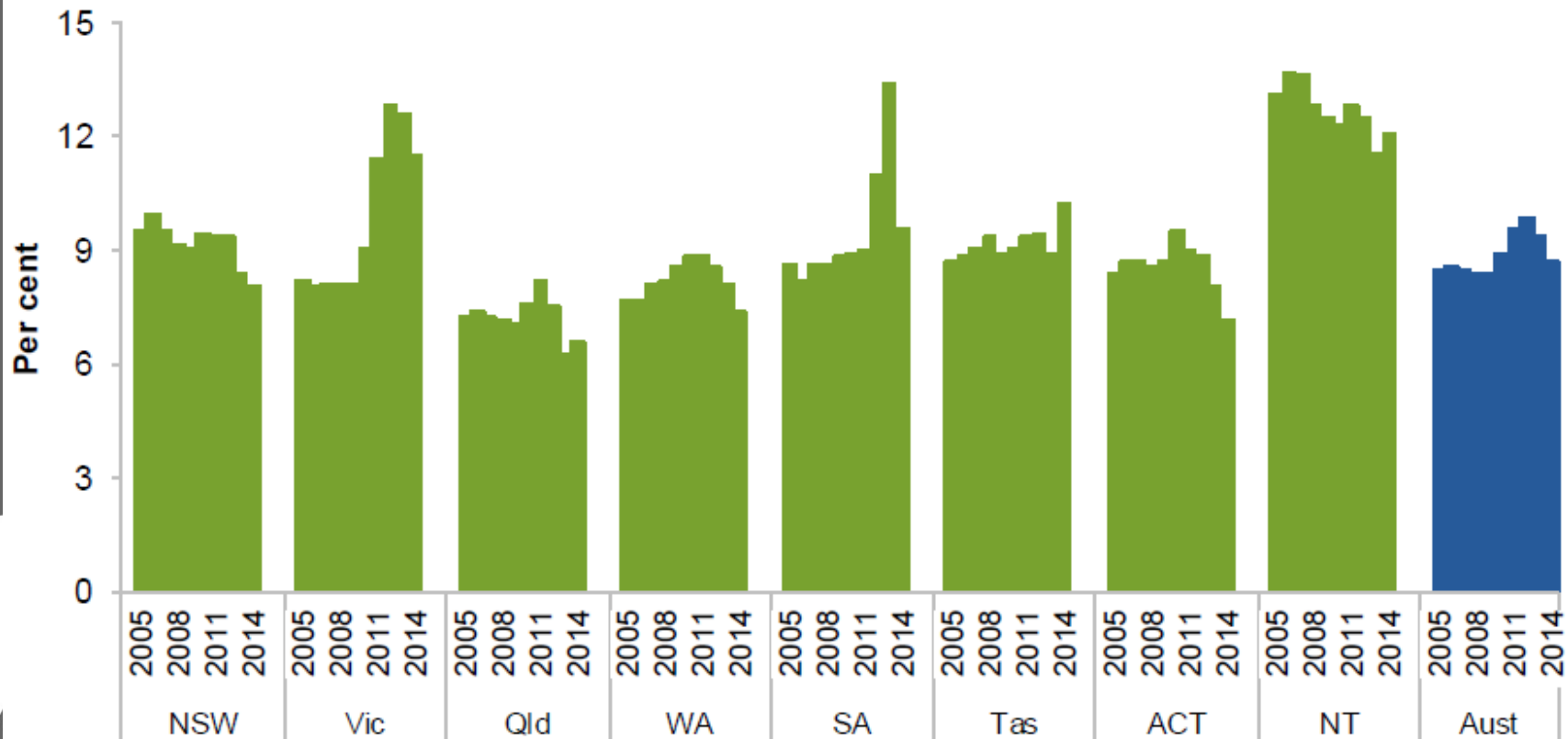


The impact of the VET crisis on participation rates



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VET participation rates 2005 – 2014: A story of boom and bust



The Torrens Story

Australia's fastest growing university, a truly national university that brings a fresh, modern, careers-focussed perspective to higher education.



Our Purpose - To create a better future

Our goal is a better future for our students. We are working with industry to co-create a future focussed university where graduate outcomes deliver ethical global leadership and innovative economies.



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UNIVERSITY
AUSTRALIA**



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- As the first new university in Australia in more than 20 years, Torrens is bringing a careers-focussed perspective to higher education.
- Courses are designed to take graduates further in the modern workplace, arming them with industry-recognised skills with a global edge.
- Torrens offers flexible learning options, a national network of award-winning campuses and an industry-connected academic team.
- Undergraduate and postgraduate programs in business, design, education, project management and public health and Higher Degree by Research programs.
- Australia's global university, connecting students to the world through the Laureate network



Employability and Industry Engagement at Torrens



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Curriculum Design + Work Integrated Learning

- Internships
- Work placements
- Live briefs and projects

B2B

- Real Madrid FC, Adelaide United, Adelaide Thunderbirds
- Course co-creation: AGSL, The Collective, FYA
- The Loop (LinkedIn)

Industry Leadership

- 100 Lectures
- Industry Leadership Speaker Series
- Industry Stars

Internal Enterprise

- William Blue Dining
- Leura Blue Mountains Campus
- Billy Blue Design Studio

Relationship Management

- Career advisory board
- Industry Scholarships
- Industry Awards
- Chambers of Commerce

Student Experience + Jobs

- Mentoring
- Student industry visits
- Gallop Skills Test
- Personalised graduate recruitment

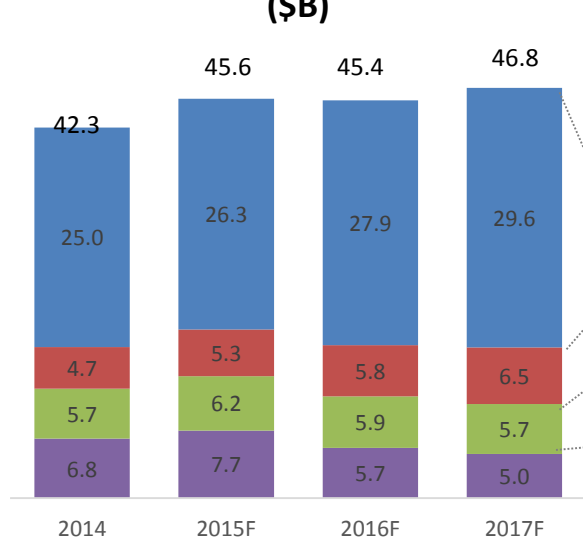
All undergraduate students conduct an industry placement as part of their course

Despite policy uncertainty, education remains a large, growing, strategic sector



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Tertiary Education Market (\$B)



■ Private VET ■ Public VET ■ Private HE ■ Public HE

	TE CAGR 12 – 15F	TE CAGR 14 – 17F	\$ CAGR 14-17F	TE Intl % (15)	# Institutions	Avg. Rev (\$)
Total	1%	-3%	3%	11%	4,745	\$10M
Public HE	3%	3%	6%	25%	40	\$740M
Private HE	12%	9%	11%	37%	101	\$65M
Public VET	-3%	-2%	0%	3%	1,739	\$3.2M
Private VET (VFH Only)	82%	-9%	-9%	0%		

TE = Total enrolments

VET institutions are for 2014

All universities, schools, community education providers and enterprise providers clubbed with Public VET; private VET only includes private RTOs

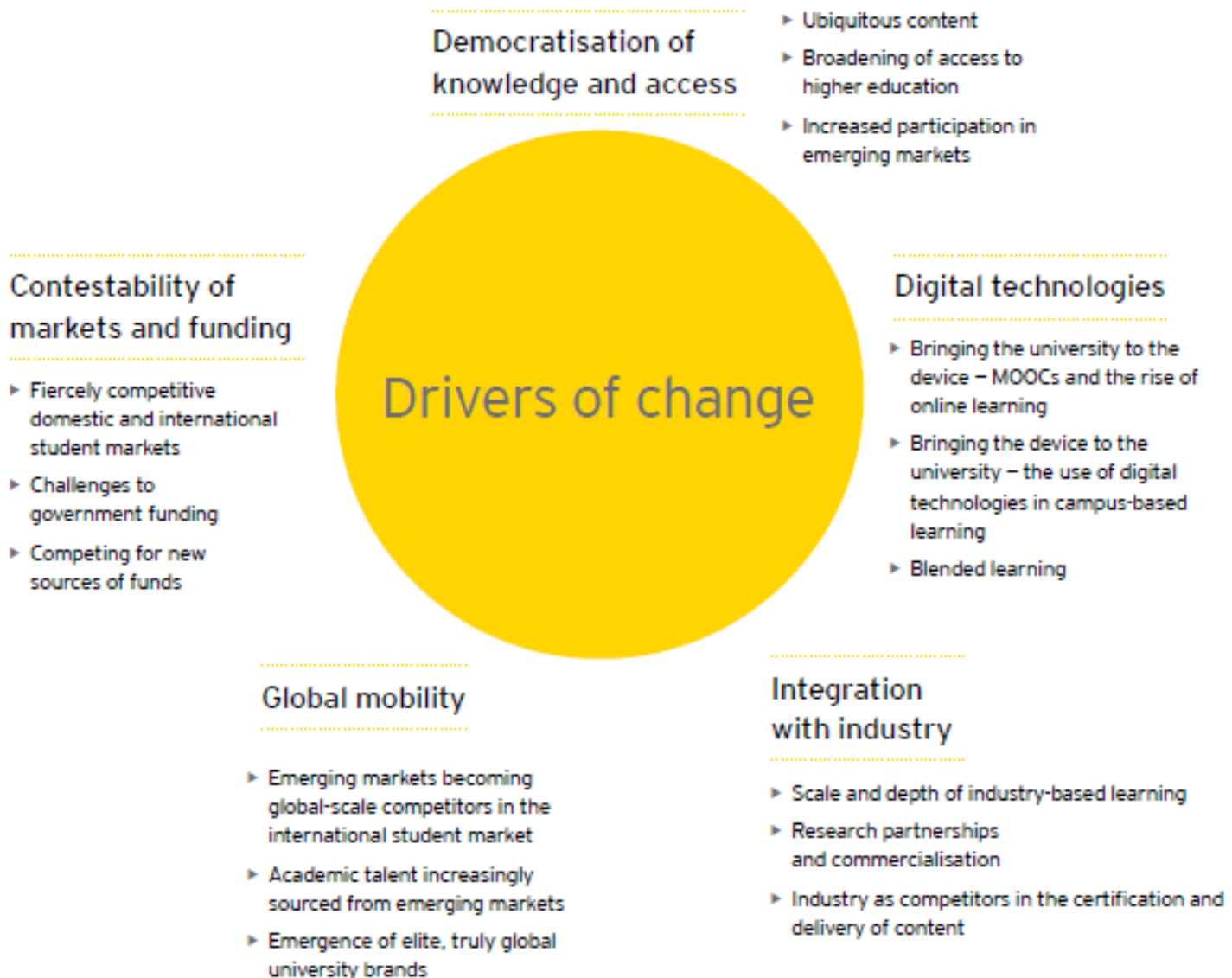
Key trends 2014 & 2015

- Economy stable across all key metrics but with AUD and commodities weaker since 2015
- Private HE remains fastest growing segment
- 2015 VET reforms will cut government loans to the private sector by as much as half (\$1.5-3bn)
- International growth to continue, with ambitious government policies aiming to double enrolments by 2025
- Public universities on average continue to enjoy uncapped places and are growing in low single digits by lowering standards and increasing international enrolments
- **Overall as the only pure private university, and one of <100 private higher education providers with increasing international strength, we are well positioned relative to market opportunities**

The next iteration of change in higher education



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Access to tertiary education is growing around the world

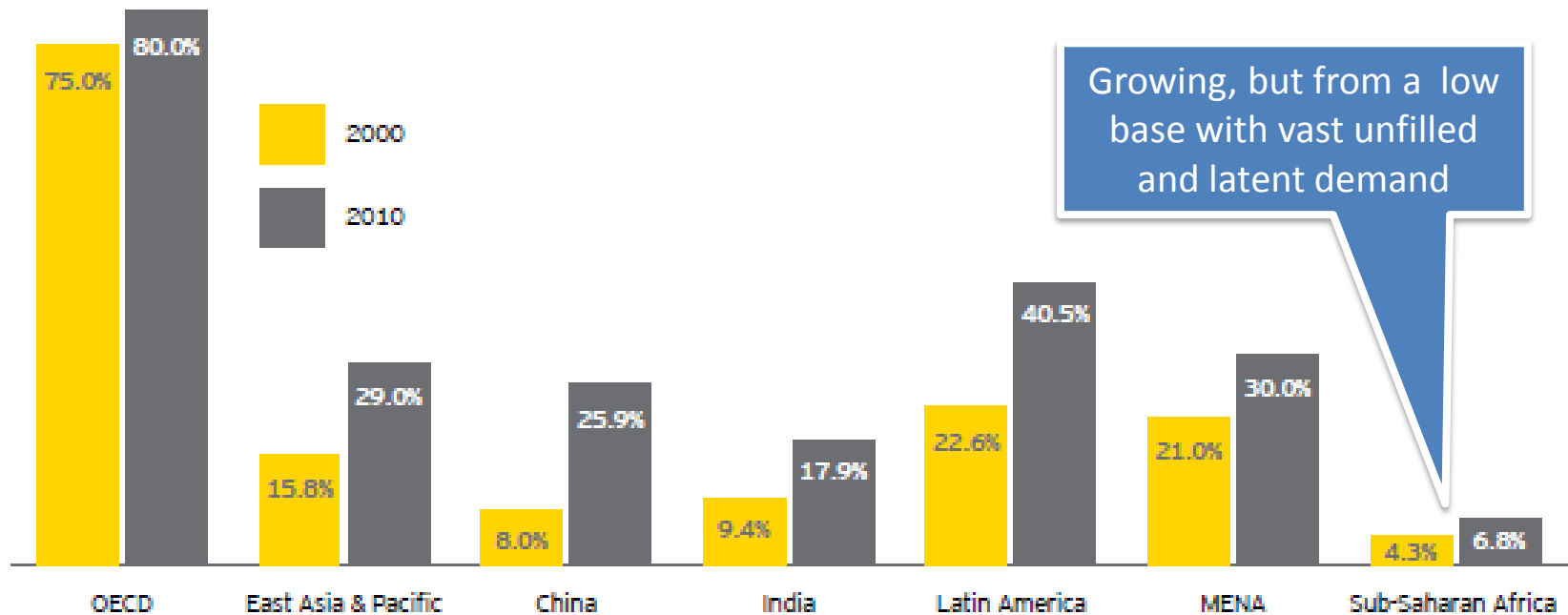


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The democratisation of knowledge and access is driving a global 'education revolution' of a scale never before seen, creating both new opportunities and new sources of competition.

This creates new opportunities for South African universities

Global Tertiary education participation rates (Proportion of 18-22 years olds in post secondary education)



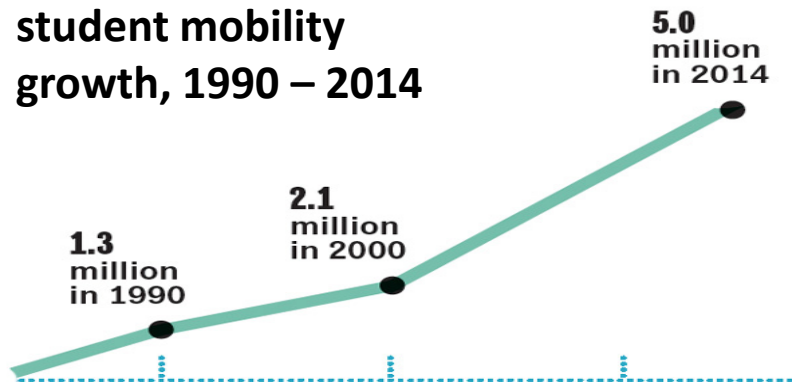
Source: World Bank, Ernst & Young analysis. MENA – Middle East & North Africa; OECD – Organisation for Economic Co-operation & Development

Forecast growth of Transnational Education: Southern Africa's great opportunity



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International tertiary student mobility growth, 1990 – 2014



Rising demand for transnational higher education is forecast to be particularly strong in Africa, as youth populations swell.

Over the past decade, transnational education has gone from a niche sector to a more than US\$25 billion opportunity, growing by US\$1 billion a year

International higher education student flows are increasing, but the traditional destination countries such as the US and UK are seeing their proportion of enrolments decreasing.

There are already 130,000 African students studying elsewhere in Africa, a number which is growing rapidly through a combination of demographic pressures and economic growth.

In the longer term, this presents a huge opportunity for South Africa as the continent's pre-eminent higher education sector.