

12 November 2025

Hon Tim Watts MP
Chair, House Standing Committee on Education
Canberra ACT 2600
Via email: edu.reps@aph.gov.au

Dear Mr Watts

Thank you for the opportunity to input into the Inquiry into Building Asia Capability in Australia through the education system and beyond.

The Business Council of Australia (BCA) represents more than 120 of Australia's major corporations, together employing over 1.1 million people, including some of Australia's top universities and companies operating throughout the Indo-Pacific. The BCA is working towards a stronger Australia that is competitive, productive, fair and inclusive – now and for future generations.

Overview

At a time of global economic uncertainty, the need to diversify and strengthen Australia's trade and investment relationships across Asia has never been greater. Asian markets are complex, with rapidly developing technologies, consumer preferences and regulatory environments. Australian companies must compete not only for consumers in the region, but also local partners, capital and talent.

It follows that Australian companies require a workforce that has a sophisticated understanding of the politics, economy and history of Asian markets, backed with the cultural intelligence, language skills, trusted relationships and professional experience to manage risks and seize opportunities.

Declining second language education

Notwithstanding Australia's cultural diversity and the range of Asia-focused stakeholders across the education and training sector, the level of second language learning and Asian studies in Australia is not commensurate with the scale of Australia's regional engagement opportunities.

In a 2018 OECD survey, Australia ranked second last out of 64 countries on the number of Year 10 students learning a second language.¹ Importantly, that same survey showed that speaking two or more languages was strongly associated with interest in learning about other cultures.

The uptake of Asian languages among Australian Year 12 students is steadily declining. Data from the Australian Curriculum, Assessment and Reporting Authority shows that the number of Year 12 students taking Japanese, Chinese, Indonesian and Vietnamese is at its lowest point in a decade. Only

¹ https://www.oecd.org/en/publications/pisa-2018-results-volume-i_5f07c754-en.html

3.5 per cent of Year 12 students studied these languages in 2023, down from 5.4 per cent in 2010.² The uptake of other important languages such as Hindi and Korean is even lower.

Enrolments in Asian languages at the university level are also going backwards. In the decade to 2024, East Asian language enrolments by domestic university students dropped by 40 per cent, Southeast Asian language enrolments dropped by 61.9 per cent and South Asian language enrolments dropped by 68.6 per cent. Despite the size of Australia's Southeast Asian and South Asian diasporas, domestic university enrolments in these respective language groups numbered only 520 and 44 in 2024.

Asian language courses are becoming more difficult to access. In 2023, while a majority of Australia's 42 universities offered Japanese and Chinese, most did not offer other Asian languages and 12 offered no Asian language at all.³

At the same time, the Australian Government has invested significantly in the New Colombo Plan (NCP) which has supported over 55,000 Australian undergraduate students since 2014 to study, complete internships and undertake language training in the region. The BCA welcomes changes to the NCP announced in July 2025, which we were pleased to inform, and which are designed to encourage more university students to learn priority Asian languages.

Nevertheless, the data indicates the need for accelerated action to arrest the decline in Asian language learning, and to ensure the Australian education system better equips the next generation to engage with Asia.

Australia's Asian diasporas are an underutilised asset in this endeavour. Census data from 2021 indicates that approximately 22.3 per cent of Australian residents speak a language other than English at home, with six of the top 10 languages being Asian languages. Australia must play to its strengths as a diverse multicultural society by elevating the prestige of speaking an Asian language, fostering greater pride in the second languages spoken by Asian Australians and encouraging the continuation of those languages in education settings.

Asia Capability as a workforce skills issue

The challenge around Asia Capability is not simply about the supply of education offerings in schools and universities and their limited uptake, but also about ensuring Asia is legible to the next generation of Australian business leaders and that they have the skills to execute on the opportunities.

Although the data remains inadequate, there is evidence that Australian business leaders are already facing capability gaps in navigating the complexities of the region. Research by Asialink Business found that in 2020 only seven per cent of board members and senior executives of the ASX 200 were sufficiently Asia capable.⁴ In particular, the research found that while senior business leaders performed strongly in terms of their knowledge of Asian markets, they underperformed in adapting to Asian cultural contexts. Unsurprisingly, it also found that companies with more Asia capable leadership generated a greater proportion of their revenue from the region.

For many BCA members with outward facing businesses, recruiting employees with experience engaging Asia and upskilling existing staff is already considered a commercial priority. The BCA

² <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/year-12-subject-enrolments>

³ <https://asaa.asn.au/wp-content/uploads/2022/11/Australias-Asia-Education-Imperative.pdf>

⁴ https://assets.asialink.unimelb.edu.au/2024-08/30.01-WinningInAsia_Report.pdf

suggests that Asia Capability should be recast as a core workforce and professional capability issue for the Australian business community.

Australia's Asian communities should be considered a competitive advantage in boosting Asia Capability in our workforce. Analysis of 2021 Census data indicates that approximately 17.4 per cent of the population claims ancestry categorised by the Australian Bureau of Statistics as Southeast Asian, Northeast Asian and Southern and Central Asian. Besides language proficiency, many Asian Australians have the networks, know-how and cultural intelligence to advance regional engagement.

Leveraging the role of business

A major focus of any action to uplift Asia Capability must be directed towards shifting mindsets, to view Australia's multicultural community as a major asset and change a prevailing culture of underinvesting in these Asia-focused skills. Business can play a critical role in signalling the value of professional experience engaging Asia and increasing demand for these skillsets.

The BCA is supportive of initiatives implemented under Nicholas Moore's landmark report *Invested: Australia's Southeast Asia Economic Strategy to 2040*, including the appointment of Business Champions and a pilot placements program. The BCA also welcomes recent government funded programs in partnership with universities and think tanks, as well as the establishment of institutions encouraging culturally competent engagement, such as the National Foundation for Australia-China Relations, Centre for Australia-India Relations and ASEAN-Australia Centre.

Going forward, the BCA believes the Australian Government should invest in more effective programs to support Australians to undertake immersive professional work experience in the region. There is no substitute for Australians having direct exposure to complex operating environments, forming trusted relationships in market, and developing the confidence to engage effectively.

More support for high-impact professional placements abroad would be a practical step to close capability gaps and enhance business effectiveness in the region. Such programs must be designed in collaboration with business to ensure there is strong participation and clear entry points for business. If well executed, they can powerfully highlight the significance of Asia Capability.

Finally, expanding Australia's commercial diplomacy efforts can help make the region more accessible to Australian senior executives and board members. By way of example, the Australia India CEO Forum brings together the most senior business leaders from Australia and India to provide advice on desirable policy changes for the relationship, including through a series of sectoral working groups. This offers a useful model that could be expanded to other priority relationships, and the BCA could play a leading role in executing these initiatives. In addition, company directors should be included in outbound business delegations to Asia to help update their market knowledge, refine risk perceptions and position Asia Capability as having lifelong career advantages.

Recommendations

The BCA has been a long-standing supporter of a whole-of-nation effort where government, schools, universities, business and the community work in concert to develop and signal Asia Capability as a national asset for Australia's future prosperity. In 2021, the Asia Taskforce, a collaboration between the BCA and Asia Society Australia, published a report *A Second Chance: How Team Australia can succeed in Asia*⁵ and many of the ideas set out in that report remain relevant to the current Inquiry.

⁵ https://asiasociety.org/sites/default/files/2021-04/AsiaTaskforce_ASecondChance_Report.pdf

The BCA recommends the Australian Government take the following actions:

Future-proof language and intercultural education

- **Recommendation 1:** Commit long-term federal funding to enable all Australian primary and secondary schools to teach priority Asian languages, where possible.
- **Recommendation 2:** Fund opportunities for Australian schools, especially in rural and remote areas, to participate in intercultural programs with schools in Asia to stimulate early interest in our region among Australian schoolchildren.
- **Recommendation 3:** Commit to long-term funding of in-country language learning for university students, including support for hybrid and digital models to consolidate Asian language study.

Harness Australia's multicultural diversity

- **Recommend 4:** Commission a comprehensive survey of Australian businesses engaged in Asia to collect qualitative and quantitative data and allow for a deeper understanding of specific capabilities required for success in Asia and existing capability gaps.
- **Recommendation 5:** Invest in targeted programs to recognise the wealth of language skills among Asian Australians, including a campaign to showcase these capabilities within Australia's diverse workforce.
- **Recommendation 6:** In collaboration with business chambers and think tanks, create platforms to role model the skills and capabilities required for more effective engagement in Asia, including that of Asian Australians.

Leverage business for professional capability building

- **Recommendation 7:** As part of the full implementation of *Invested: Australia's Southeast Asia Economic Strategy to 2040*, fund business associations, including the BCA, to run an industry led pilot enabling Australian professionals to gain experience in Southeast Asia.
- **Recommendation 8:** Consider establishing CEO Forums for senior Australian business leaders to connect with their counterparts across priority bilateral relationships, including Japan, Korea, Singapore, Indonesia, Thailand and Vietnam, and potentially an Australia-ASEAN CEO Forum.
- **Recommendation 9:** Actively involve Australian company board directors in outbound business delegations and other commercial diplomacy initiatives in Asia, to update boards' awareness of contemporary Asia and signal the importance of Asia Capability within the workforce.

I trust this submission is of assistance and welcome further engagement with the Committee.

Yours sincerely



Bran Black

Chief Executive
Business Council of Australia