

The Business Growth Agenda

Leadership Statement for International Education

Progress Update





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Ministers' Foreword

We are pleased to present this report setting out progress by the international education industry following the Leadership Statement for International Education.

The government released the Leadership Statement for International Education on 20 September 2011. This document has become the key strategic framework for agencies which work to develop international education, and sets out guidance for providers active in the sector.

International education is an important enabler in strengthening New Zealand's economic, cultural and social links with the world. New Zealand is a trading nation, and a key objective of the government's Business Growth Agenda is to shift resources to the tradeable part of the economy in order to help earn our way in the world. Growth in the value of international education is a significant contributor to this objective.

This government has made a substantial investment in an internationally focused growth package for New Zealand's export industries, including tourism and international education. A range of government and provider initiatives have been put in place to enable a step-change in the performance of the sector, despite the competitive challenges we face.

International education commentators are forecasting an increase in demand for international education globally, however at lower levels than previously predicted. Factors such as improved domestic provision and the strong growth of online education delivery have slowed the growth rate of international student mobility.

New Zealand's competitive position has improved as a result of key policy changes, including the extension of work rights to more international students and an increasing investment in raising overseas awareness of New Zealand education. For Christchurch in particular, the consequences for the city's international education sector following the earthquakes are being mitigated by the allocation of specific support, including the extension of part-time work rights to English language students in the city.

As well as strengthening our education system, international education is expected to contribute to our goals for research, innovation, trade and tourism. International education also encourages the immigration of highly skilled people, and helps to grow links with our major trading partners in Asia, Europe and the Pacific. These links are crucial to our ongoing success.

This Leadership Statement Update sets out progress towards achieving the goals and objectives since 2011, the key actions by government, and ongoing work to support the growth of international education.



Hon Steven Joyce
MINISTER FOR TERTIARY EDUCATION,
SKILLS AND EMPLOYMENT



Hon Michael Woodhouse
MINISTER OF IMMIGRATION

The Leadership Statement for International Education was published on 20 September 2011. The Vision, Goals and Objectives of the Leadership Statement are set out below.

Vision

New Zealand's quality education services are highly sought after internationally, and expand our international social, cultural and economic engagement.



Goal 1

New Zealand's education services delivered in New Zealand are highly sought after by international students.

Objective:

New Zealand will, over the next 15 years double the annual economic value of these services to \$5 billion, through increasing international enrolments in our tertiary institutions, private providers and schools.

Goal 2

New Zealand's education services in other countries are highly sought after by students, education providers, businesses and Governments overseas.

Objectives:

New Zealand will, over the next 15 years:

- develop and sustain mutually beneficial education relationships with key partner countries as a leading part of 'New Zealand Inc' strategies in Asia, the Pacific, the Middle East, Europe and the Americas
- increase annual revenues from providing education services offshore, to at least \$0.5 billion
- increase the number of international students enrolled in providers off-shore, from 3,000 to 10,000.

Goal 3

New Zealand makes the best possible use of its international education expertise to build skills in our work force, to grow research capability and to foster wider connections between New Zealand and overseas firms.

Objectives:

New Zealand will, over the next 15 years:

- double the number of international postgraduate students in New Zealand (particularly in courses in addition to those at PhD level), from 10,000 to 20,000
- increase the transition rate from study to residence for international students with bachelors level qualifications and above
- increase New Zealanders' skills and knowledge to operate effectively across cultures.

Government actions to support the Leadership Statement since 2011

Government agencies have an important role in supporting the goals and success of the Leadership Statement. Agencies have worked together to introduce the following series of key changes since 2011. The International Education Senior Officials Group reports direct to Ministers to ensure cohesive advice on all aspects of international education policy and operations.

- 1. Increased the investment in international education by \$40 million over four years in Budget 2011, and a further \$40 million over four years in Budget 2013.**
- Amended the Education Act in 2011 to create Education New Zealand, the new Crown Agency for international education.
- 3. Assigned a specific marketing fund of \$5 million over four years to assist education providers in Christchurch.**
- Undertook a joint 'Christchurch Educated' marketing project shared by education providers in the city.
- 5. Implemented a work rights pilot for international students enrolled in English language schools in Christchurch.**
- Strengthened the enforcement powers of the New Zealand Qualifications Authority.
- 7. Launched the Immigration Online project, with a priority assigned to implementing web-enabled student visa applications and approvals.**
- Funded the International Student Barometer, to assess the satisfaction of international students with their New Zealand study and living experience.
- 9. Established new quality assurance rules for offshore education provision.**
- Revised the requirements for the award of Masters degrees, to allow the expanded delivery of shorter programmes.
- 11. Established a new regulatory framework for the care and support of international students.**
- Introduced Immigration partnerships with quality education providers, to enable streamlined visa processing and shared responsibilities for compliance.
- 13. Established the Prime Minister's Scholarships for Asia to support student mobility to our key trading partners.**
- Implemented the International Education Growth Fund to support new developments by our education providers and businesses.
- 15. Completed a further study on the economic value of international education, which found the sector contributed \$2.6 billion in 2012.**
- Announced an extension of work rights to all English language students enrolled in Category One providers, effective from January 2014.
- 17. Published the New Zealand Education Story as part of our national brand.**
- Supported the launch of Massey University Worldwide, the university's new web-based distance education system.
- 19. Released the Tertiary Education Strategy 2014–2019, with a greater emphasis on the internationalisation of education as one of six priorities.**
- Facilitated the creation, with providers and education businesses, of sector roadmaps for the further development of international education.

The role of Government agencies

There are five key themes underpinning actions by agencies:

- Supporting the recruitment of international students, including through immigration policies and systems
 - High quality education and pastoral care for international students
 - Increasing international skills in the New Zealand workforce. This encompasses increasing the transition to work and residence of international graduates, and improving the international capabilities of domestic students
 - Mutually beneficial education relationships with key partner countries, including through supporting offshore provision and in trade agreements
 - Provision of information and research on the international education sector.
-



Education New Zealand is the Crown agency responsible for supporting the development of the international education sector. The Education Act 1989 requires Education New Zealand to give effect to government policy on international education.



The **Ministry of Business, Innovation and Employment (MBIE)** has a key role in supporting international education, through its administration of the immigration system.



The **New Zealand Qualifications Authority** provides independent quality assurance of non-university tertiary education providers, including those providers which are active in delivering services for international students.



The **Ministry of Education** (as the Government's principal advisor on international education) and MBIE will advise on policy changes required to deliver the Leadership Statement for International Education, and will monitor the agencies responsible for implementation.



The **Tertiary Education Commission** will use the Leadership Statement and the Tertiary Education Strategy to set performance expectations for the tertiary sector, and to shape its investment in tertiary education organisations in a way that reflects the Government's priorities.

Over the next three years agencies will:

- Expand the use of the national education brand (Think New) and promotions activities into the priority markets for international education
- Support the implementation of the sector roadmaps created by providers and education businesses
- Implement an on-line student visa processing and approval system
- Encourage more New Zealand students to take up study opportunities in our key trading partner countries
- Undertake an on-going programme of research into the experiences of international students, the internationalisation of tertiary education organisations, and the economic value of international education.

Education New Zealand International Network

Education New Zealand, in collaboration with its industry partners, is tasked with growing the economic value of New Zealand's international education industry. Education New Zealand has staff in overseas locations and in Auckland, Christchurch, and in the National Office in Wellington, who are responsible for business operations and marketing activities in New Zealand's key overseas markets for international education.



Goal 1

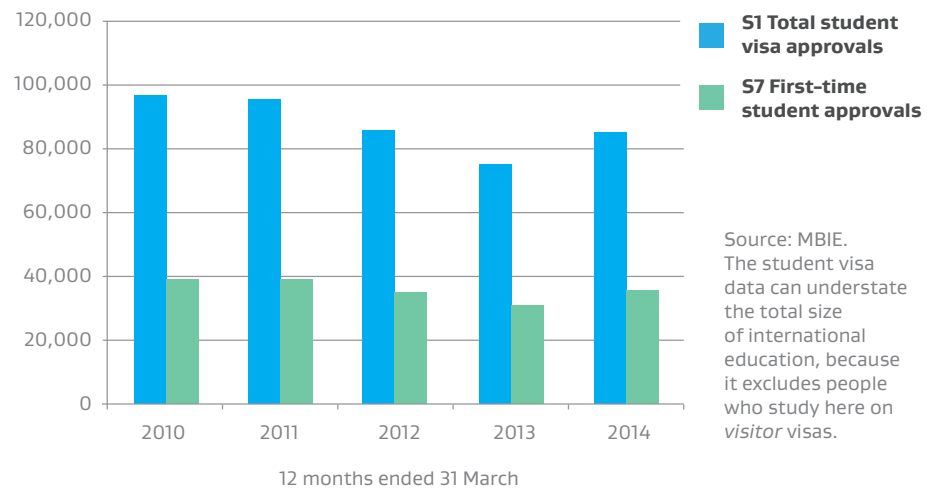
New Zealand's education services delivered in New Zealand are highly sought after by international students.

Growth

The economic value of international education has risen from \$2.5 billion in 2007/08 to \$2.6 billion in 2012. This is detailed in the next section. In 2013, the total tuition income from international students was \$755.3 million, a 1% rise from 2012.

The international education sector is recovering from the Christchurch earthquake, which contributed to reduced student interest in 2012 and 2013. There have recently been marked increases in both total and first-time student visas.

Student visa approvals

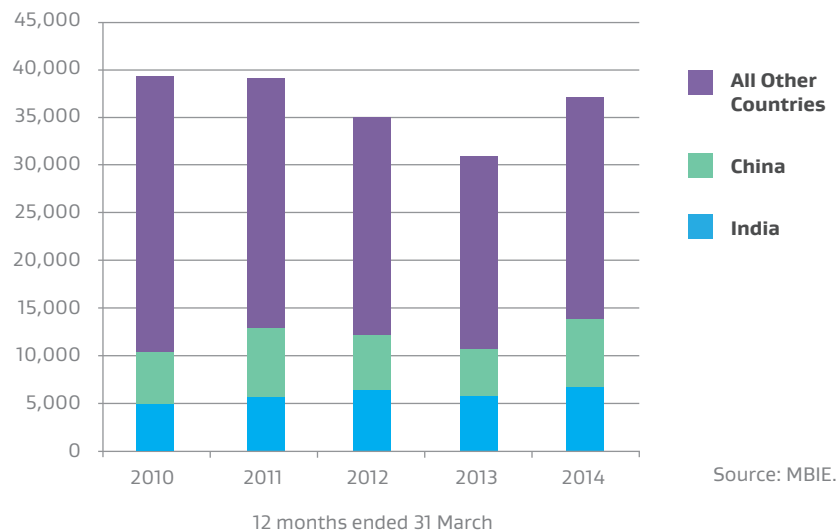


Growth

There has recently been strong growth in first-time student approvals, including

from our two largest source countries, China and India

S7 – First time student approvals

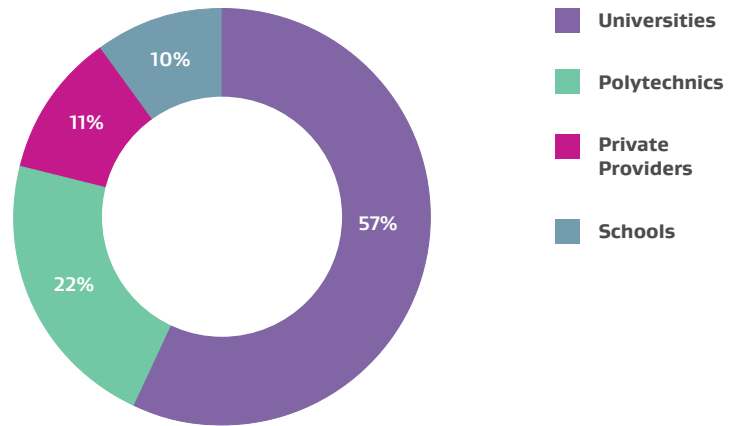




Industry Partnership Pilot

The **Industry Partnership Pilot** enables selected providers to nominate offshore student visa applicants for streamlined, priority application processing by issuing them a nomination letter for inclusion with their visa application. To date, the universities and polytechnics have been most active in nominating applications.

Decided industry partnership pilot applications, 31 March 2014



For further information on the Industry Partnership Pilot, see www.immigration.govt.nz



Sector Roadmaps

The strategic roadmap for the development of the international education industry in New Zealand is now in its final development stage. 'Test drives' were carried out during May at five centres around the country. Education New Zealand has facilitated the process on behalf of the industry. The team working on the project completed 10 sector-specific roadmap workshops involving over 374 participants, as well as 117 in-depth interviews. That information was collated with outcomes from the

cross-sector Innovation Cafe session in February, together with background research.

The result is a draft roadmap (or plan) for each of the seven sectors within the industry, which identifies where the sectors want to be in 2025, the perceived barriers to progress, and proposed initiatives to overcome the challenges.

The sector plans will form the basis of an overarching industry roadmap, complete with an agreed future vision and a set of accountable steps to achieve it. The final set of sector roadmaps will be ready by July 2014.

The overall aim of the roadmap process is to provide each sector with a cohesive planning tool and to assist peak bodies, and individual education providers, with their own business planning.

The roadmaps will also inform the work that government agencies undertake in support of the international education industry, and will help focus resources and activities to support implementation of roadmap initiatives.

**Spot
light**

The New Zealand Education Story



The 'Think New' marketing brand and campaign concept was launched in November 2013, as an important part of the New Zealand Story. In April 2014 a new marketing campaign was initiated in China, using the Think New brand, to grow awareness of New Zealand's world class universities. Our education providers are able to use the brand to support their own marketing messages. See www.studyinnewzealand.com for more information.

LEARN TO THINK NEW



When you study in New Zealand you'll learn to Think New, like we do.

A NEW TYPE OF CLASSROOM



New Zealand's fresh approach to life creates the perfect conditions for education.

NEW THINKING FOR A GLOBAL EDGE

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| C2 | NEW YORK | 11:00 | ATA780 |
| A2 | HONG KONG | 11:20 | AHK025 |
| B2 | SEOUL | 11:45 | KAL126 |
| A1 | KUALA LUMPUR | 12:00 | MAS447 |
| B3 | LONDON | 12:25 | AHZ250 |



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Goal 2

New Zealand's education services in other countries are highly sought after by students, education providers, businesses and governments overseas.

Growth

A total of 18 government-to-government education bilateral agreements are in place, and three more are in the process of negotiation. There have been successful Ministerial Education Missions to the USA, China, the Gulf Co-operation Council, Indonesia, Malaysia and Vietnam. There have been visits by education delegations from several countries since 2011.

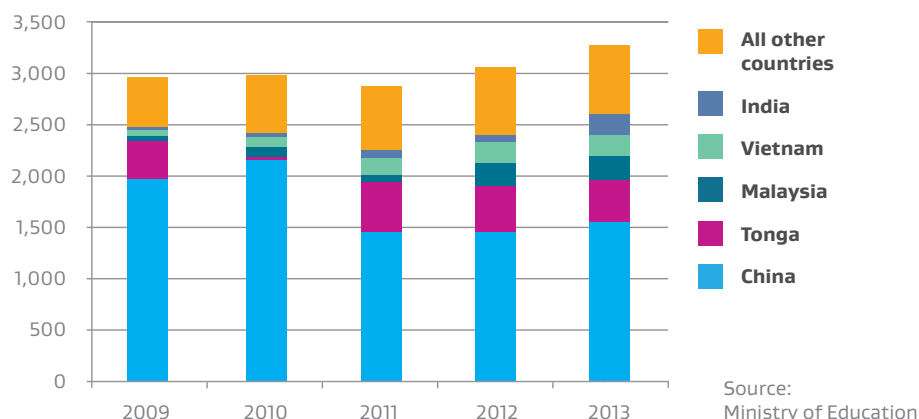
Notably, the **International Summit on the Teaching Profession** was successfully held in Wellington in late March 2014.

Trade agreements feature measures governing trade in private education services (i.e. China, ASEAN, Malaysia, Hong Kong).

The economic value of New Zealand's offshore education services has been stable since 2007/08, and was valued at \$104 million in 2012.

Offshore tertiary enrolments have risen since 2011.

New Zealand Tertiary Education Organisations Offshore Student Enrolments



Spot light

International Education Growth Fund

The International Education Growth Fund (IEGF) is designed to help New Zealand's education providers and businesses achieve significant growth by making the most of international education opportunities.

The purpose of the IEGF contestable fund is to:

- › Boost innovation in the international education supply chain, including new products that better meet the demand of international students
- › Increase the number of international

students studying with New Zealand providers both on and offshore

- › Open up new avenues for business diversification
- › Increase revenue from the provision of education products and services offshore
- › Promote and increase the number of collaborative international education projects

Recent recipients of IEGF assistance include a group of Auckland schools

which are working together to pilot a recruitment programme in several South American nations, and Massey University's development of a new joint degree programme in China. Results from the IEGF so far include Wellington-based company *Software Education* launching five new courses in Singapore and six new partnerships with US organisations; and Auckland-based *Kiwa Digital* using its funding to close international contracts.

Further information on the IEGF can be found on www.enz.govt.nz

Goal 3

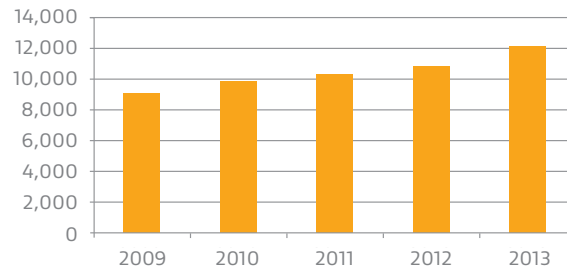
New Zealand makes the best possible use of its international education expertise to build skills in our work force, to grow research capability, and to foster wider economic connections between New Zealand and overseas firms.

Growth

International postgraduate students (including Masters and PhD students) can contribute to expanding the skills base of the New Zealand economy, and help to improve research outcomes by

our universities and their linkages with overseas institutions. There has been a rising trend in overall international postgraduate enrolments.

Total international postgraduate students in New Zealand

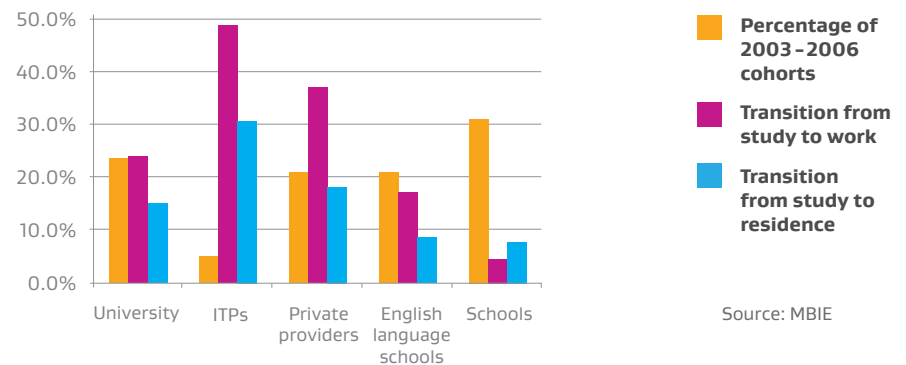


Source: Ministry of Education

A 2010 analysis showed that 23% of foreign university students, who enrolled from 2003 to 2006, made the transition

to work by 2009, and 15% made the transition to residence.

International students' settlement experiences in New Zealand



Source: MBIE



Prime Minister's Scholarships for Asia

The Prime Minister's Scholarships for Asia (PMSA) is an outbound scholarship programme funded by the New Zealand government. The scholarships are awards supporting top undergraduate or postgraduate students wanting to undertake study or research in Asia. The application and selection process for the PMSA is managed by Education New Zealand (www.enz.govt.nz).

The scholarship will support part or whole undergraduate or postgraduate degree or diploma programmes in a subject area that can be linked to New Zealand's economic or trade agenda, including, but not limited to: business studies; law; food technology; design and languages. The PMSA will also support trade or economic-related short-term research projects to target countries.

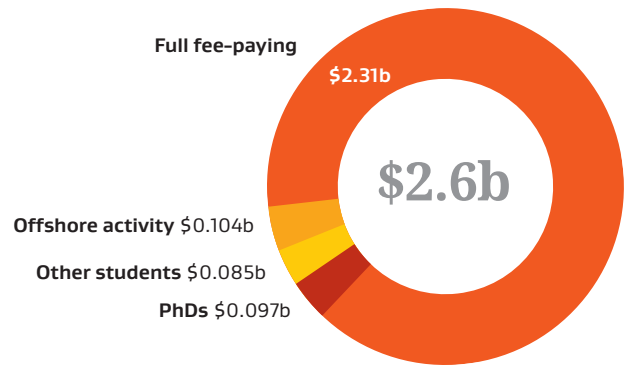
The target countries include Thailand, Philippines, Malaysia, Vietnam, Singapore and Indonesia, as well as China, Japan, Korea and India.

For further information, please email scholarship@enz.govt.nz

Value of the Sector

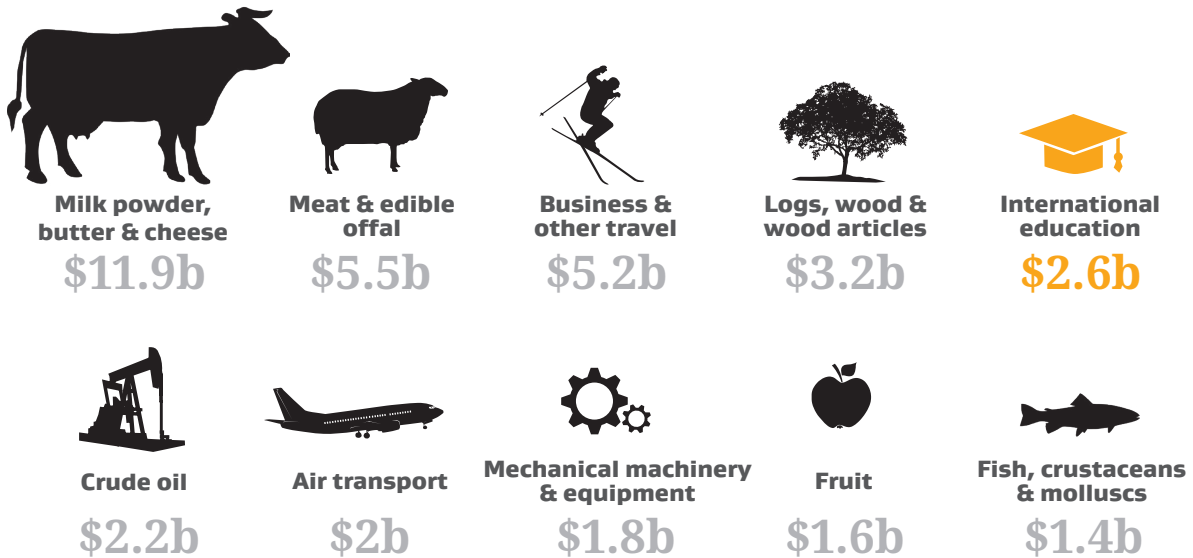
A 2013 study commissioned by Education New Zealand found that international education was worth an estimated \$2.6 billion in 2012. International education is now New Zealand's 5th most valuable export sector, and supports an estimated 28,000 jobs.

Total contribution of international education

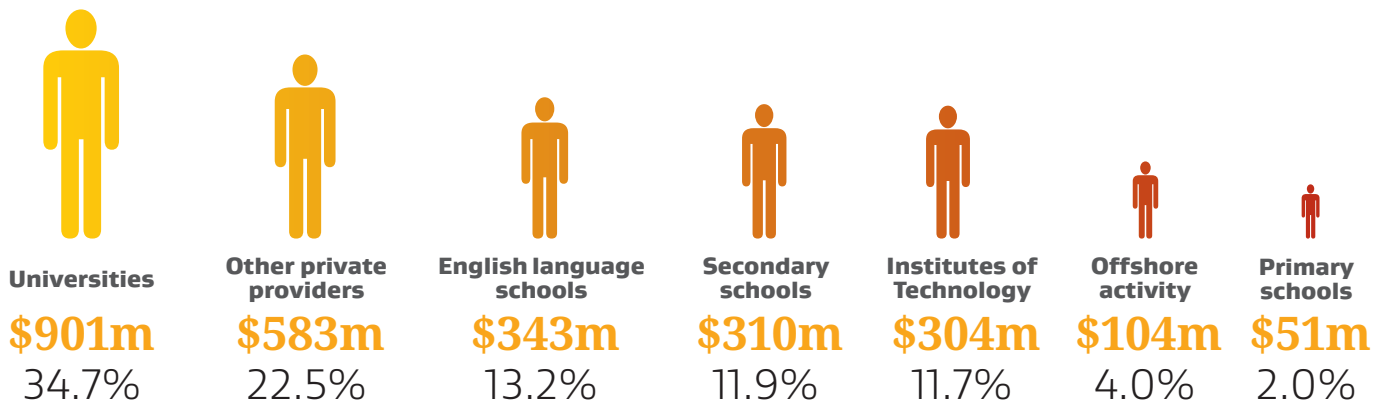


Proportional value by sector

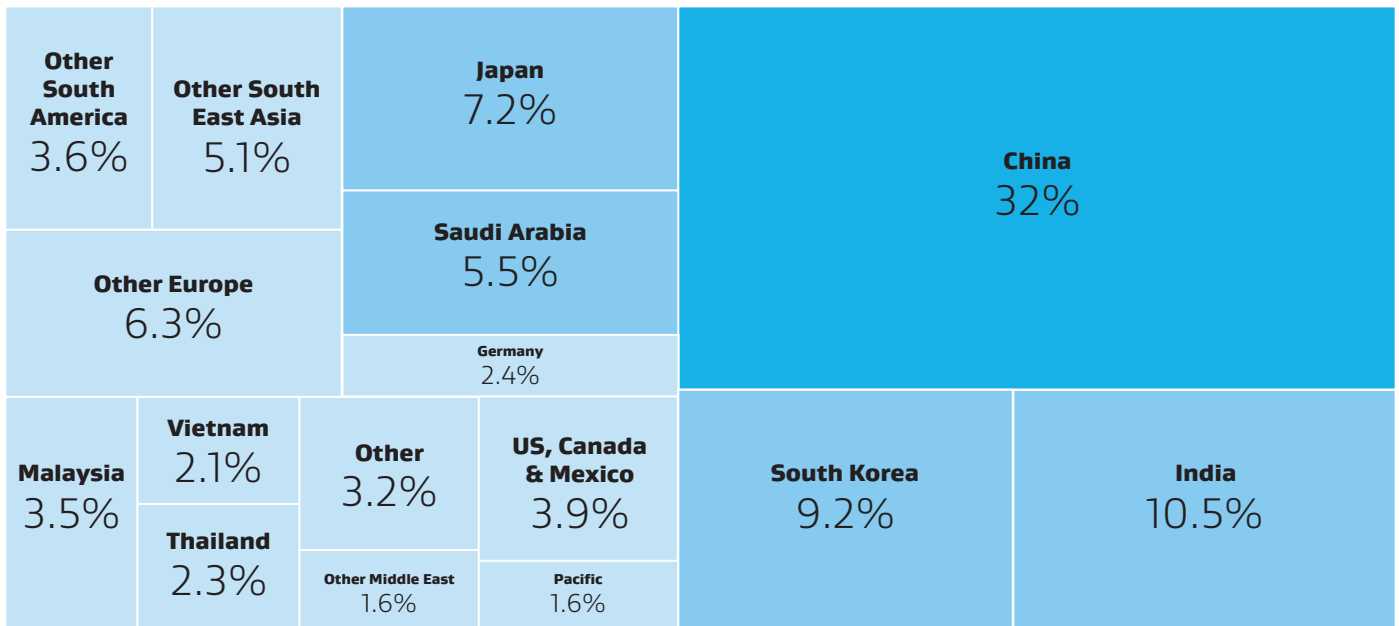
Economic value-add (2012): NZ \$2.6 billion



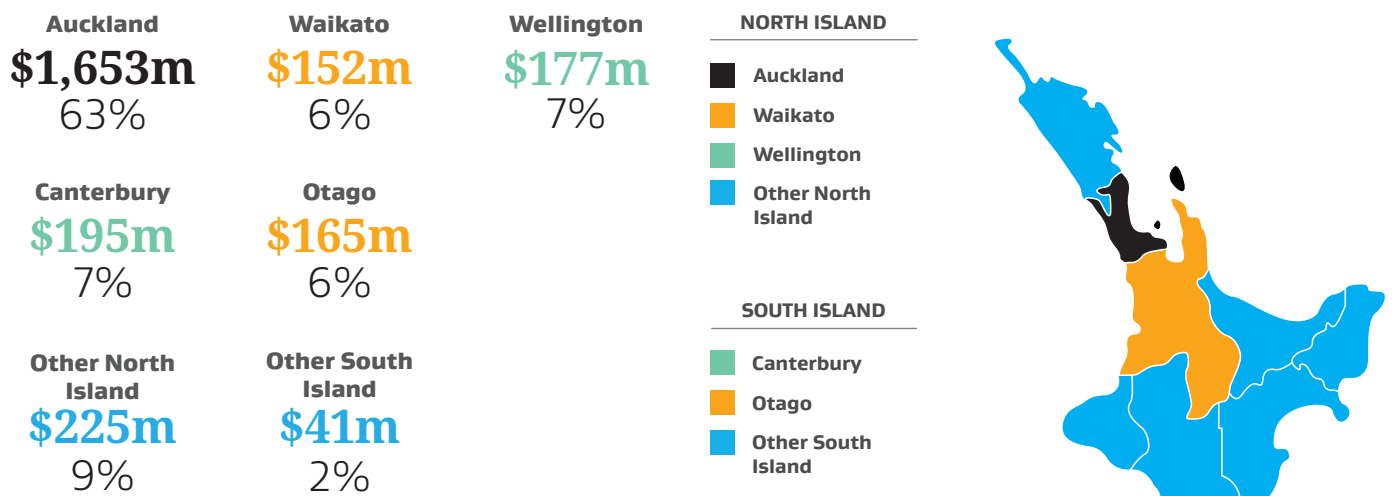
Total international students (2012): 98,182



The eight universities are the primary contributors to the economic value of international education, followed by private providers, then secondary schools and institutes of technology.



Chinese students provide the single largest share of economic value from international education, followed by India, South Korea, Japan, and the Kingdom of Saudi Arabia.



Auckland is the primary destination for international students who enrol in New Zealand, and so accrues the largest share of economic value.

The next most important regions for international education are Canterbury, Wellington, Otago and Waikato.

Source: Education New Zealand (www.enz.govt.nz)

For more information

Government agencies involved in supporting the international education industry are:



www.enz.govt.nz



www.minedu.govt.nz



www.mbie.govt.nz



www.tec.govt.nz



www.nzqa.govt.nz

New Zealand Government

www.newzealand.govt.nz

