International Education Snapshot: January – April 2013

This report provides a snapshot of the international education sector for the first four months of 2013. The report utilises information from the Export Education Levy, Single Data Return, visa and tourism statistics to provide a snapshot of the trends in international education, and to inform the outlook for New Zealand's international education sector.

The snapshots by sector attached to this report provide insight into the changing demographics of international students, including what subjects they are choosing to study, gender and age profiles of students, which markets are accounting for growth and decline in each sector and the overall trends in enrolments.

Key trends

From January to April 2013, the international education key trends were:

- Institutes of Technology and Polytechnics (ITPs) and Universities experienced growth of 3% and 2% respectively.
- Demand for science, technology, engineering and mathematic (STEM) subjects are increasing, in line with global demand trends. STEM enrolments increased 4% in Universities and 10% in ITPs.
- Higher levels of study continued to show growth. Masters level enrolments grew by 22%, and PhDs by 6% in the University sector against the same period last year.
- Chinese international students continued the year-on-year trend of growth, increasing overall by 5%. China continues to be an important market for New Zealand, accounting for 30% of the enrolments for the year to date.
- Canterbury PTEs and ITPs showed signs of recovery, with an overall growth of 8% for internationally focused PTEs, and an increase of 4% in international enrolments at ITPs. Canterbury was the only region to experience growth in the PTE market.
- Enrolments in Canterbury Universities continued to decline, but at a slower rate than in previous years.
- The Schooling Sector remained relatively stable, with a slight increase in Primary enrolments balanced by a slight decline in the Secondary sector. Northland was the fastest growing region across both Primary and Secondary Schools.
- First-time visas issued from January to April 2013 were 7% lower in 2013 than 2012, reflecting the increase in returning students for multi-year programmes, and the decline in the PTE sector of first year enrolments.
- New Zealand continues to be a preferred destination for international travelers. Tourism statistics for the first six months of the year showed a 10% growth against the first six months of 2012. Full-year immigration data to June 2013 shows that temporary work visas increased by 5% for 2012/13, although long-term migration declined slightly by 4%.

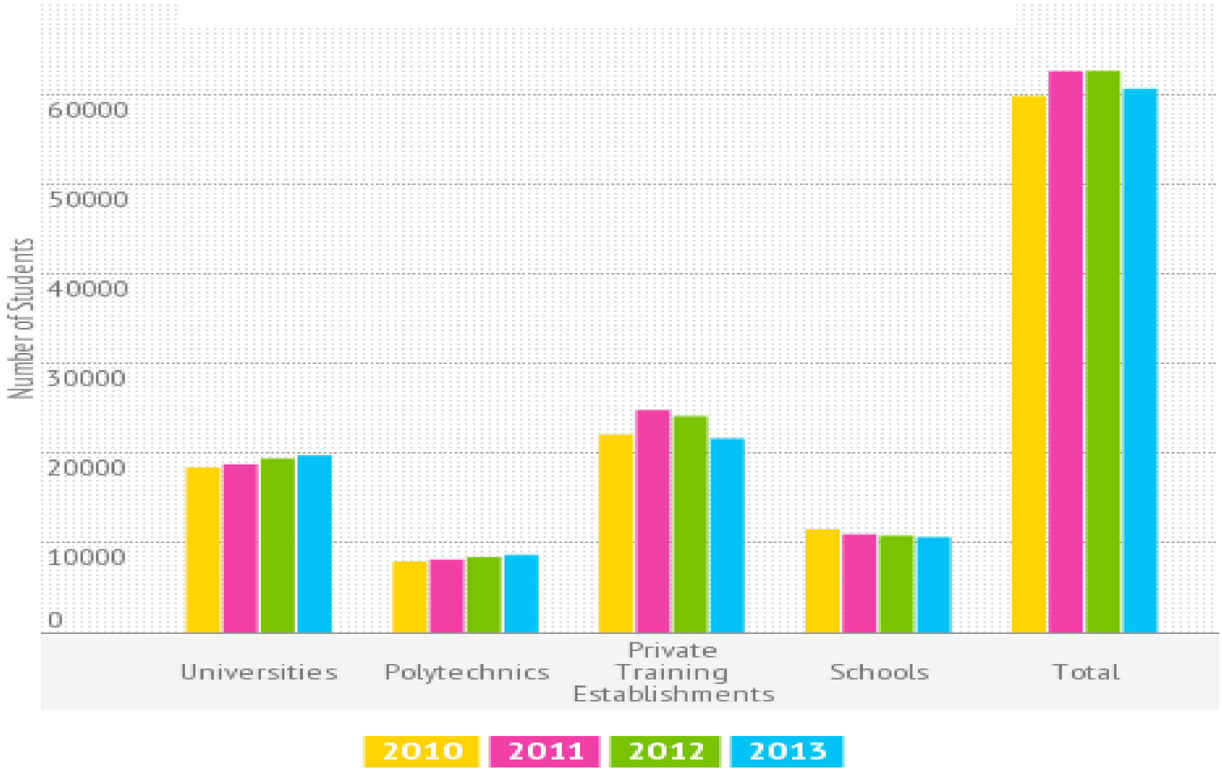
- A decline in enrolments of 10% in the Private Training Establishment (PTE) sector accounted for the overall reduction, and off-set growth in other sectors. The PTE sector is tracking at 2010 levels for the first part of 2013.

- Auckland experienced the greatest decline in international enrolments, reflective of the decline in the PTE sector which accounts for 75% of the national total of PTEs that focus on attracting international students.

- Overall, 60,590 international students were enrolled with New Zealand schools and tertiary providers. This is a 3% decline against the January to April 2012 period.

Figure 1: The Number of Students in the International Education Sector:

January to April - 2010 to 2013



Comment on trends

For the first four months of 2013, New Zealand's international education market has remained relatively static. Overall, enrolments declined by 3% against the same period in 2012, comprised of a significant decline in the Private Training Establishment sector which has not been matched by the growth in higher level qualifications at Institutes of Technology and Polytechnics, and Universities.

The relatively high New Zealand dollar, increased domestic education investment and expansion of tertiary networks in priority markets such as India and the Gulf Co-operation Countries (GCC), and greater competition for international students from the United States of America, Canada and the United Kingdom has put pressure on New Zealand providers to maintain and grow market share. Compared to Australia however, New Zealand has fared reasonably well. The Australian VET and

Higher Education sectors have faced significant declines, with a 14% and a 5% decline over the same period respectively.

International education is estimated to contribute more than $2 billion to the New Zealand economy every year. The Tertiary Education Commission's year-end financial results indicate that fee revenue from international students continued its year-on-year increase, growing by approximately $25 million in tertiary education institutions to $403.9 million, despite a small decrease in enrolments.

OECD data indicates that New Zealand has maintained its market share in international tertiary students, and the export of educational services and products has continued to grow steadily, though growth in the international education sector will need to intensify at a faster rate if the target to increase the value of international education to $5 billion by 2025 is to be achieved.

Outlook

Ministerial education missions in the first part of 2013 has lifted New Zealand's profile with key country partners; the signing of Memorandums of Understanding and direct institution-to-institution agreements. The Prime Minister's delegation to China included a strong educational component, and Ministerial trade and education missions to Indonesia, Malaysia, Chile, Brazil, Germany, the United Kingdom, Ireland, France, the Netherlands and Poland have helped strengthen education relationships with these countries. New Zealand will be hosting the International Summit on the Teaching Profession in March 2014 which will also help raise the profile of NZ's high quality education system in OECD countries.

The International Growth package in Budget 2013 included an additional $40 million over the next four years for international education initiatives. The additional funding will be used to launch a new out-bound scholarship scheme, creating opportunities for stronger direct institutional relationships. The funding provides an additional $2 million per year for industry development. This will support innovative education projects in target markets; and marketing and promotion activities will be intensified in priority markets.

The positive tourism visitor visas for the first part of 2013 indicate New Zealand is growing in profile as a destination of choice. Transport links to New Zealand, such as the announcement of an international expansion of Wellington Airport, and the Chinese Southern Airlines agreement providing direct flights more frequently to New Zealand, will support easier access to education in New Zealand.

Globally, international education is forecast to continue to grow. The OECD has forecast that demand is to increase from around 3.6 million currently to 7.2 million international students in 2025. Although there is expected to be growth in all sectors, English language provision, and higher education with strong links to employment are emerging as high demand areas.

In the short-term, visa and enrolment data indicates the 2013 year-end result will show a slight decline in student numbers on 2012, although tuition fee revenue and economic benefits are expected to remain steady. In the medium-to-long term, ongoing work on policy settings to support international education; opportunities for the sector to access industry growth funding and link in with planned marketing and promotion activities in key markets; an anticipated increase in scholarship students and global forecasts of increasing demand for high quality international education indicates, on balance, a positive outlook for New Zealand's international education sector.

For detailed statistical information:

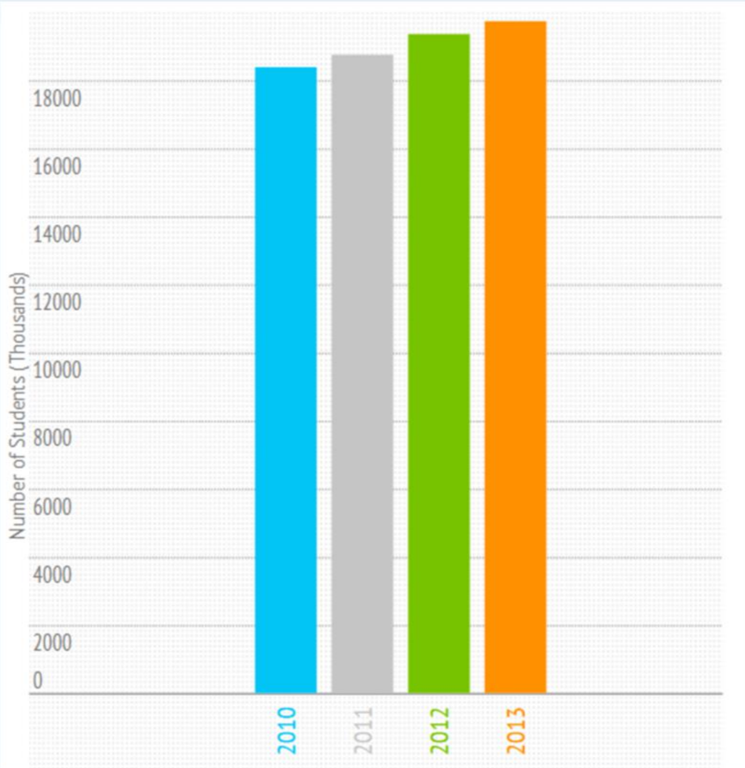
Immigration data is available at: www.immigration.govt.nz

Tourism data is available at: www.mbie.govt.nz

Education data is available at: www.educationcounts.govt.nz. The Export Education Levy data will be released in August 2013. The Single Data Return data will be available in a full-year data set in early 2014.

Trends of International Students in the University Sector: Jan - Apr 2013

Number of Students Enrolled in the Sector 2010 to 2013 Jan - Apr



Key Trends vs. 2012:

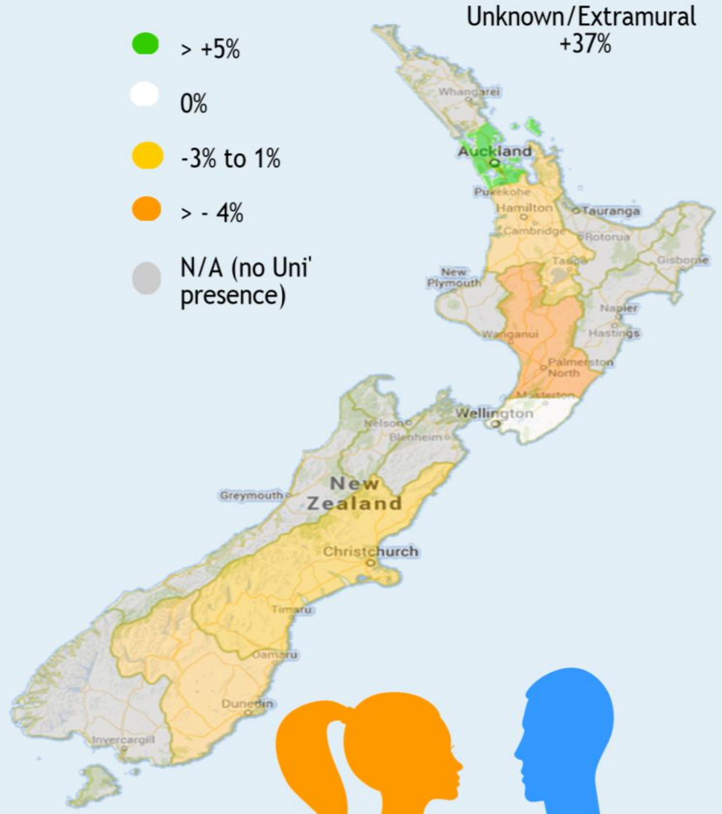
Number of Students + 2%

Students Enrolled in Masters + 22%

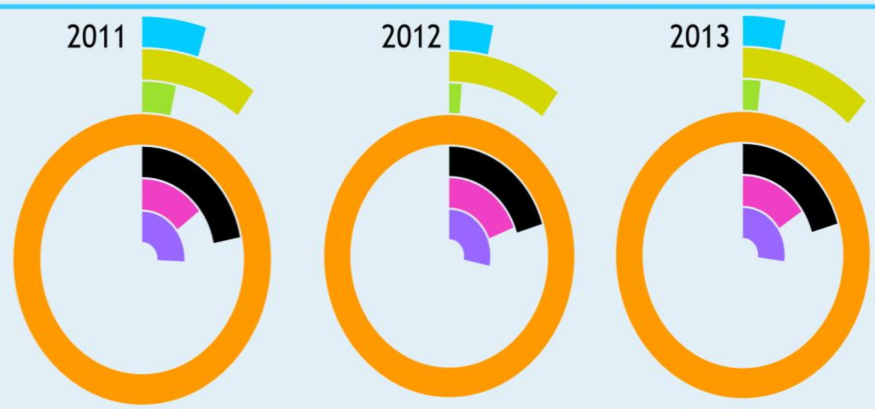
Students Enrolled in STEM + 4%

Students Enrolled in Engineering and Related Technologies + 9%

Movement of the Number of Students Enrolled by Region 2012 vs. 2013 Jan - Apr



Proportion of Students Studying by Level: 2011 - 2013 Jan - April



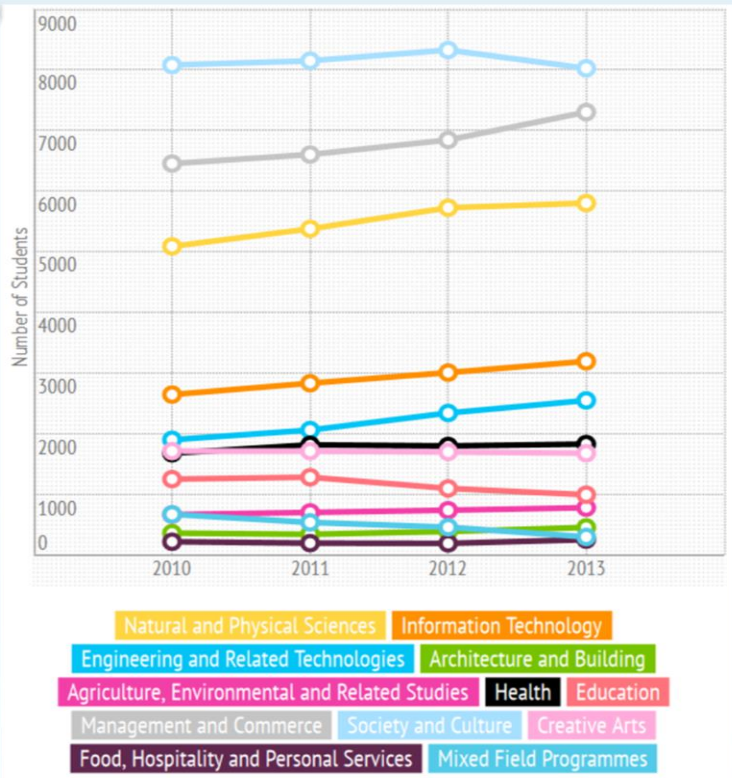
Certs L1 - 3 | Certs L4 | Certs L5 - 7 | Bachelors | Postgrad/Hons | Masters | Doctoral

Number of 'Higher Education' Enrolments in Australia Jan - Apr

-5%

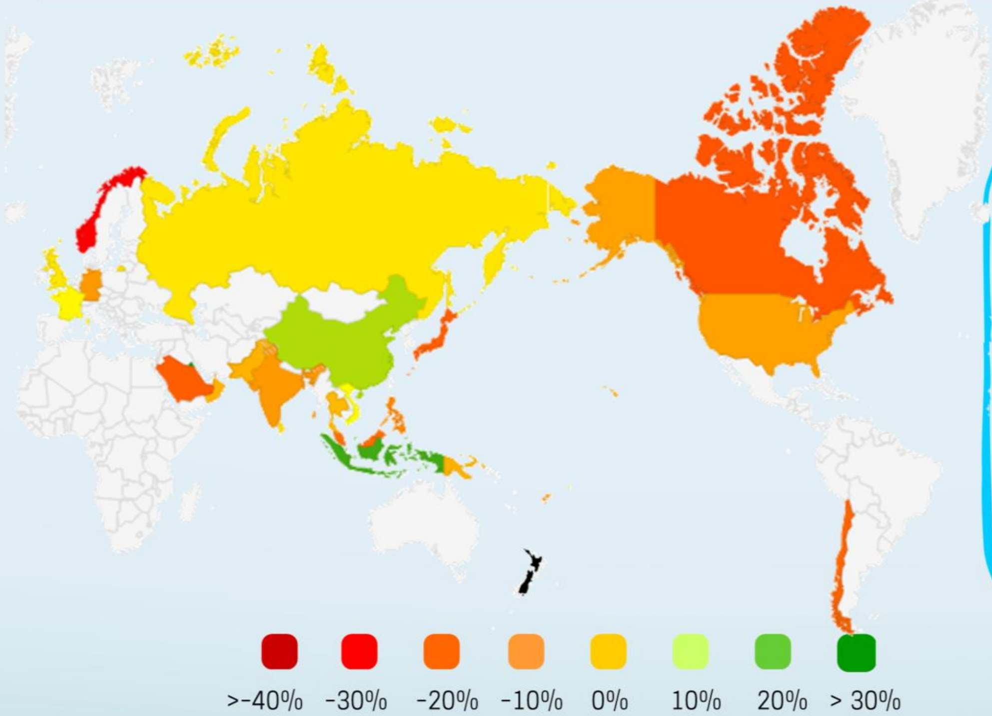
50% 50%

Number of Students Studying by Broad Field of Study 2010 to 2013 Jan - Apr



ESOL belongs under the "Society and Culture" Field

Movement of Top 30 Countries: 2012 vs. 2013 Jan - Apr

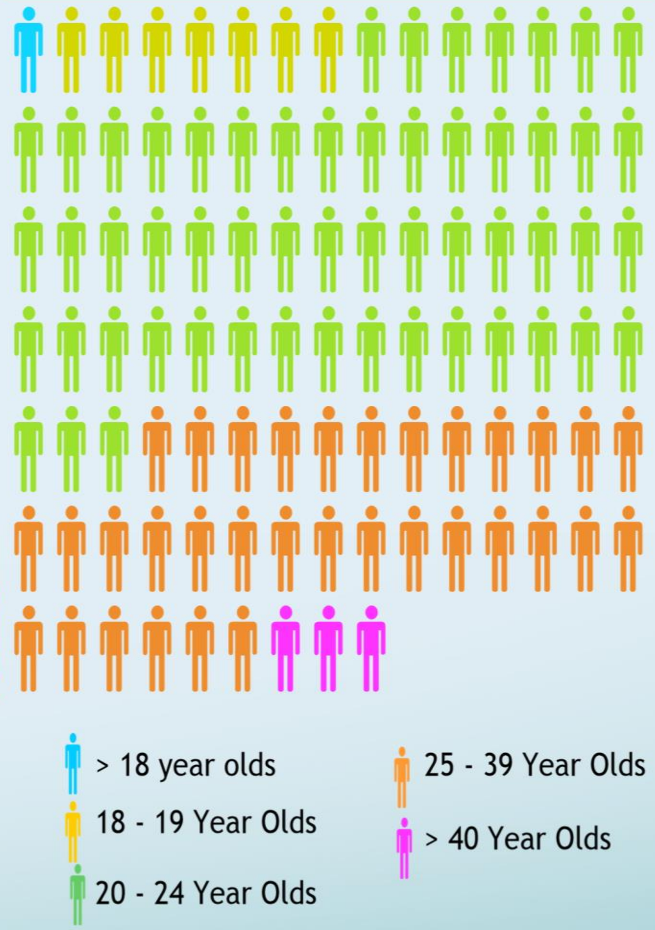


Top 5 Movements: 2012 vs. 2013 Jan - Apr

Kuwait +35% (+25 Students)
Indonesia +29% (+61 Students)
Tonga +19% (+14 Students)
China +15% (+905 Students)
Vietnam +5% (+43 Students)

Norway - 25% (-39 Students)
Canada -15% (-52 Students)
Saudi Arabia -14% (-124 Students)
Japan -14% (-57 Students)
Malaysia - 12% (-228 Students)

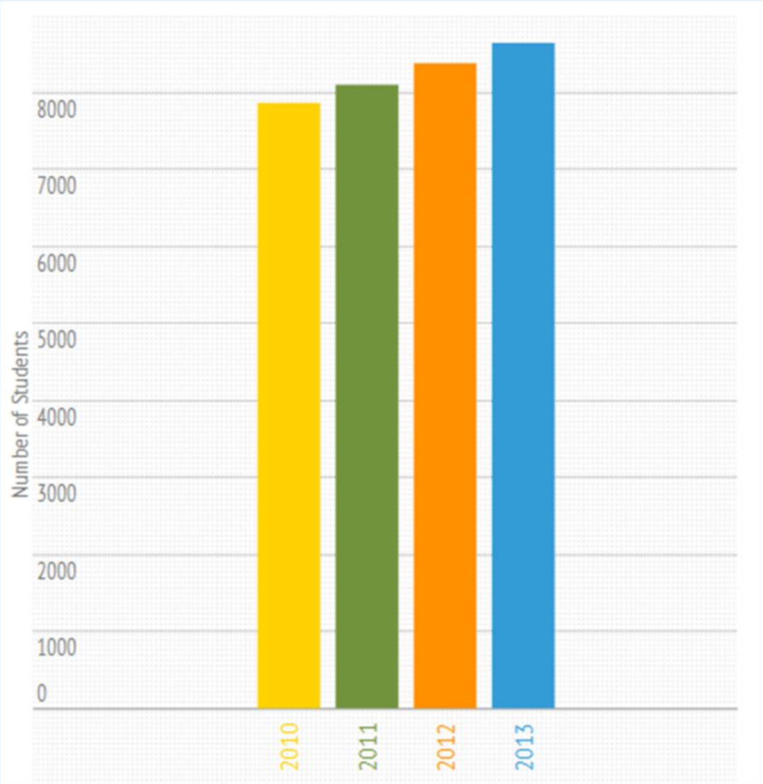
Age Profile of students in the Uni sector



This includes NZAID students, international fee-paying students (including people on Work Permit), student on recognised exchange schemes, foreign research based post graduates, visiting military personnel, diplomatic staff or family, persons associated with Antarctic programmes, international on shore PhD students, international students doing ITO off-job training, and refugee or protected persons holding a valid temporary visa. Developed by Education New Zealand July 2013. Data sourced from the Ministry of Education. 2013 student data is provisional until the final SDR release in early 2014. Australian data was sourced from www.aei.gov.au.

Trends of International Students in the ITP sector: Jan - Apr 2013

Number of Students Enrolled in the ITP Sector 2010 to 2013 Jan - Apr



Key Trends vs. 2012:

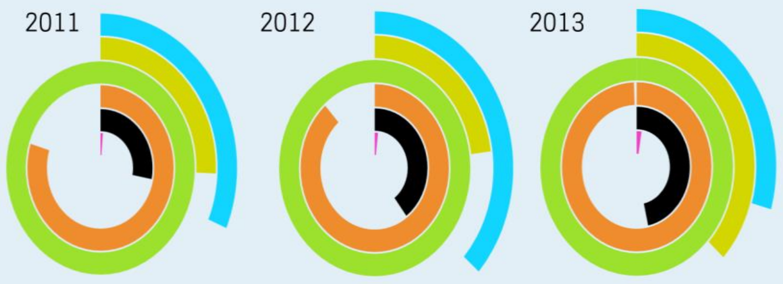
Number of Students + 3%

Students Enrolled in the Otago Region +40%

Students Enrolled in STEM + 10%

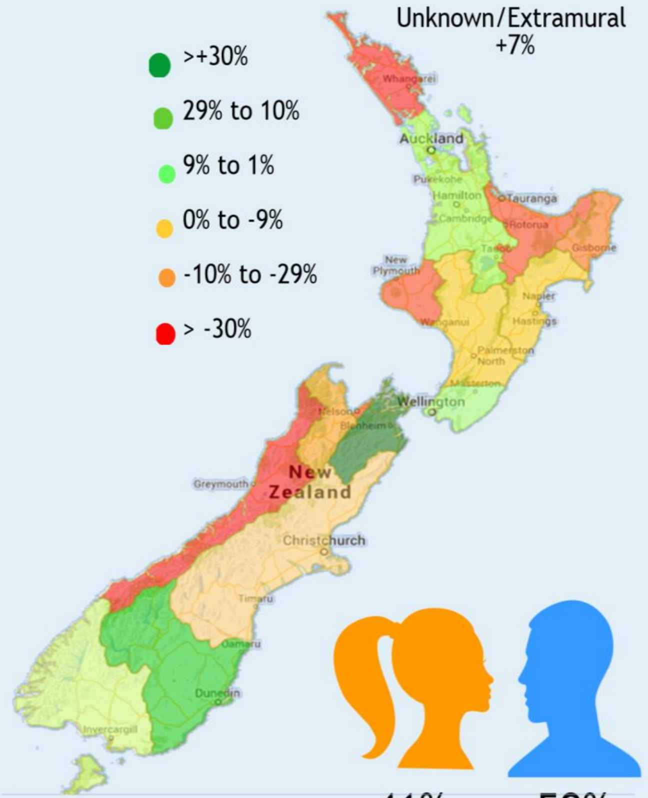
Students Enrolled in Architecture & Building + 70%

Proportion of Students Enrolled at an ITP by Level of Study



Certs L1 - 3 · Certs L4 · Certs L5 - 7 · Bachelors · PostGrad Cert/Dips · Masters

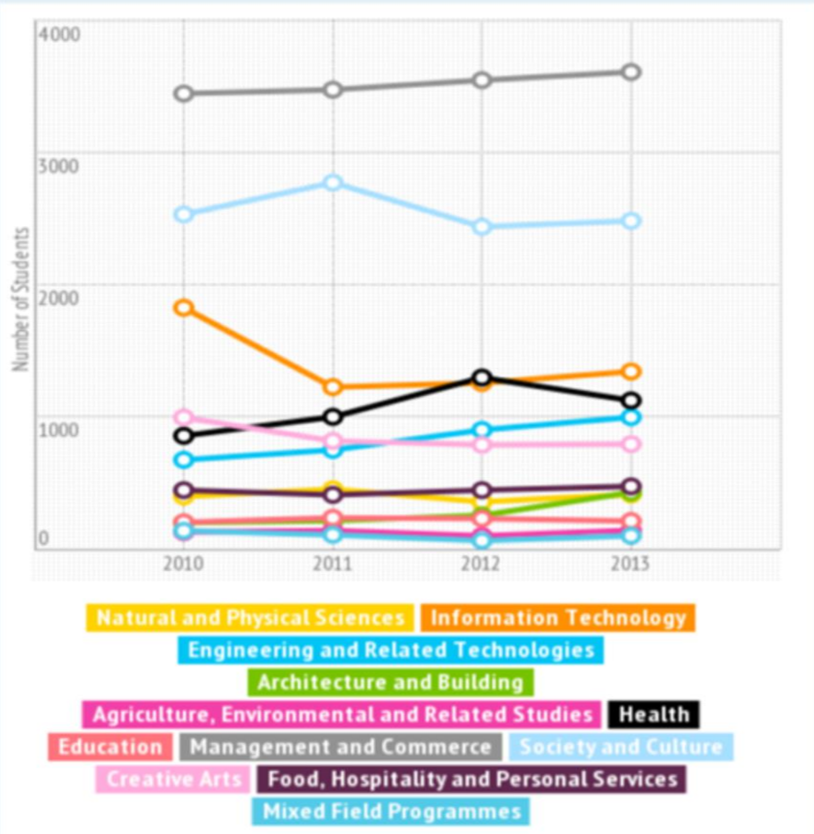
Movement of the Number of Students Enrolled by Region 2012 vs. 2013 Jan - Apr



Number of 'VET' Enrolments in Australia: Jan - Apr

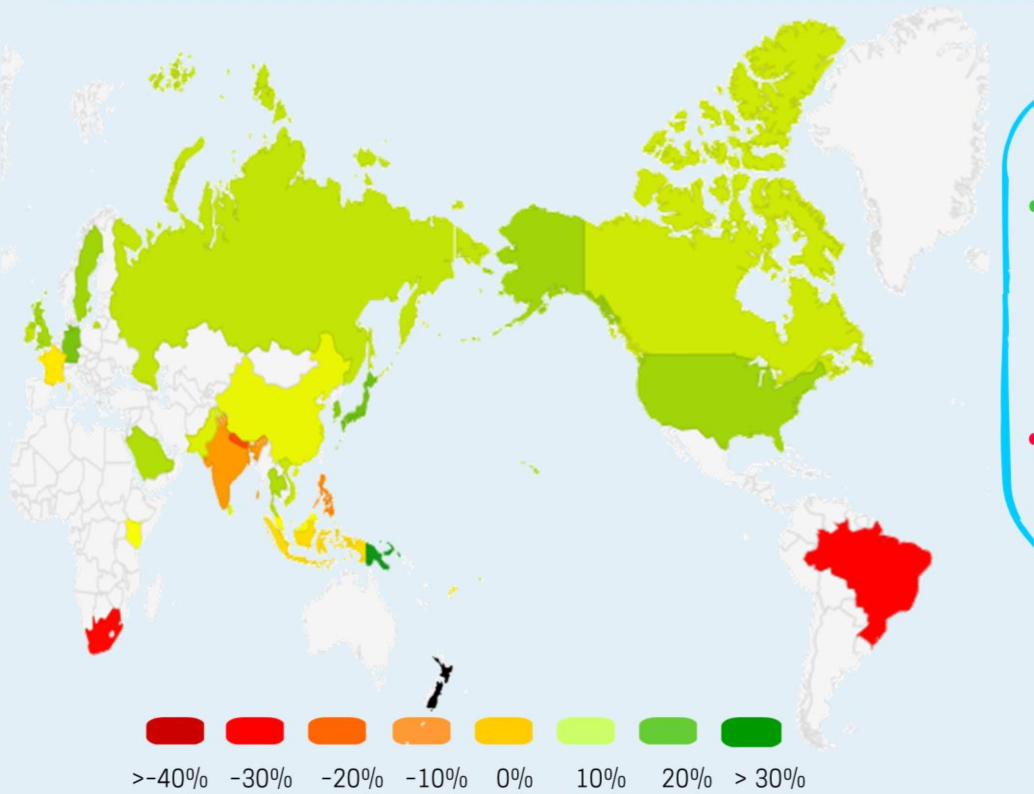
-14%

Number of Students Studying by Broad Field of Study 2010 to 2013 Jan - Apr



*ESOL belongs under the "Society and Culture" Field

Movement of Top 30 Countries: 2012 vs. 2013 Jan - Apr

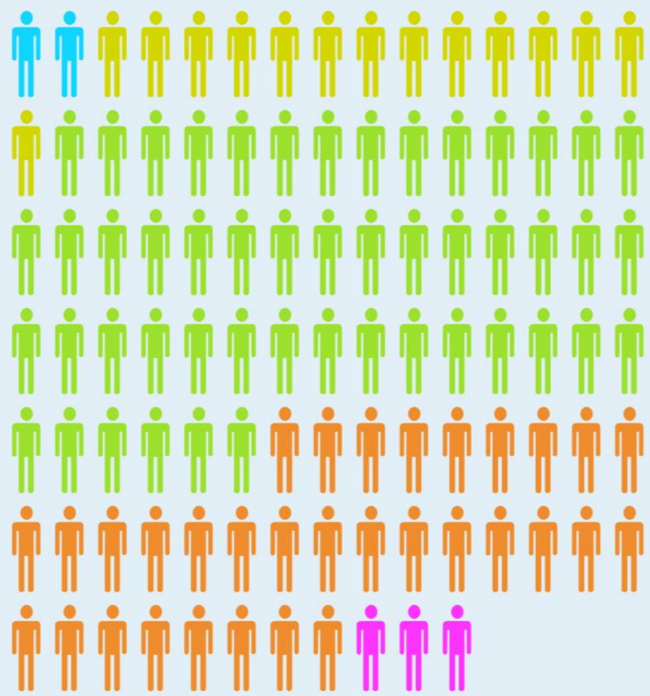


Top 5 Movements: 2012 vs. 2013 Jan - Apr

- South Korea +600% (+87 Students)
- Japan +43% (+77 Students)
- Germany +38% (+19 Students)
- Saudi Arabia +21% (+74 Students)
- China +8% (+268 Students)

- Brazil -39% (-11 Students)
- Taiwan -38% (-22 Students)
- South Africa -27% (-9 Students)
- Nepal -20% (-22 Students)
- Tonga -18% (-81 Students)

Age Profile of Students in the ITP sector

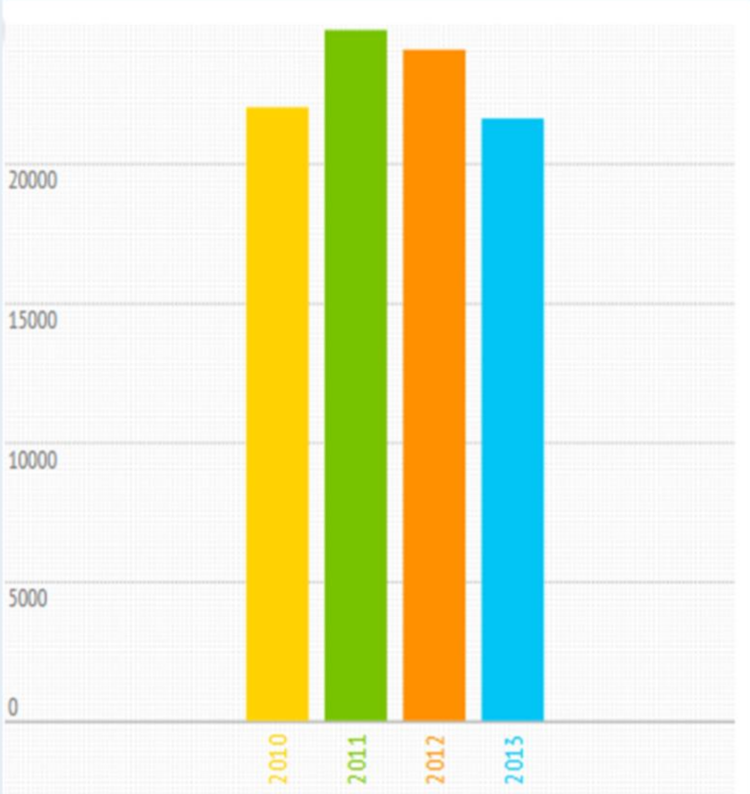


- > 18 year olds
- 18 - 19 Year Olds
- 20 - 24 Year Olds
- 25 - 39 Year Olds
- > 40 Year Olds

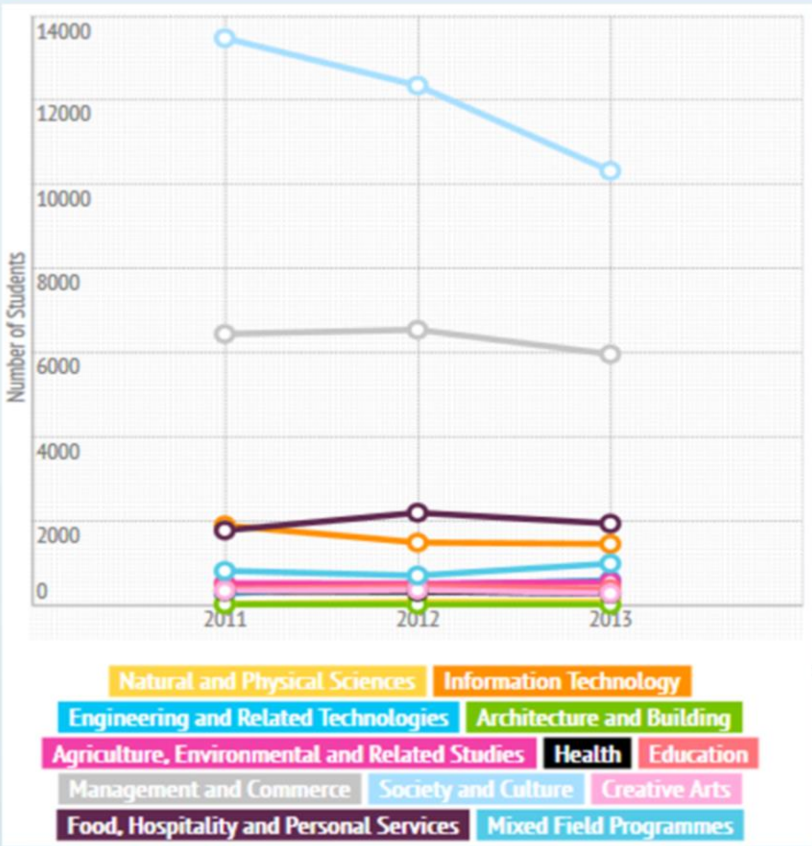
This includes NZAID students, international fee-paying students (including people on Work Permit), student on recognised exchange schemes, foreign research based post graduates, visiting military personnel, diplomatic staff or family, persons associated with Antarctic programmes, international on shore PhD students, international students doing ITO off-job training, and refugee or protected persons holding a valid temporary visa. Developed by Education New Zealand July 2013. Data sourced from the Ministry of Education. 2013 student data is provisional until the final SDR release in early 2014. Australian data was sourced from www.aei.gov.au.

Trends of International Students in the PTE sector: Jan - Apr 2013

Number of Students Enrolled in the PTE Sector 2010 to 2013 Jan - Apr

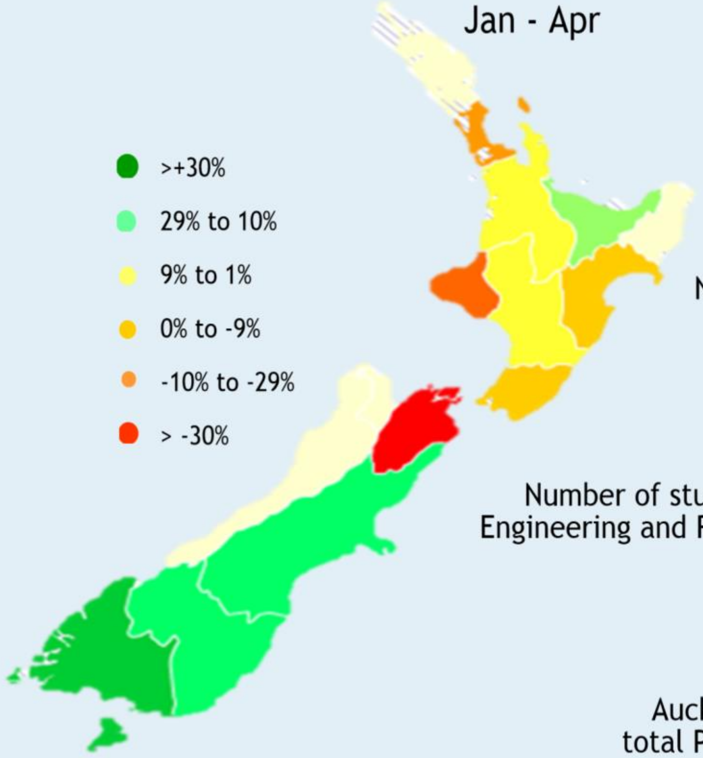


Number of Students Studying by Broad Field of Study 2011 to 2013 Jan - Apr



ESOL is included in the "Society and Culture"

Movement of the Number of Students Enrolled by Region: 2012 vs. 2013 Jan - Apr



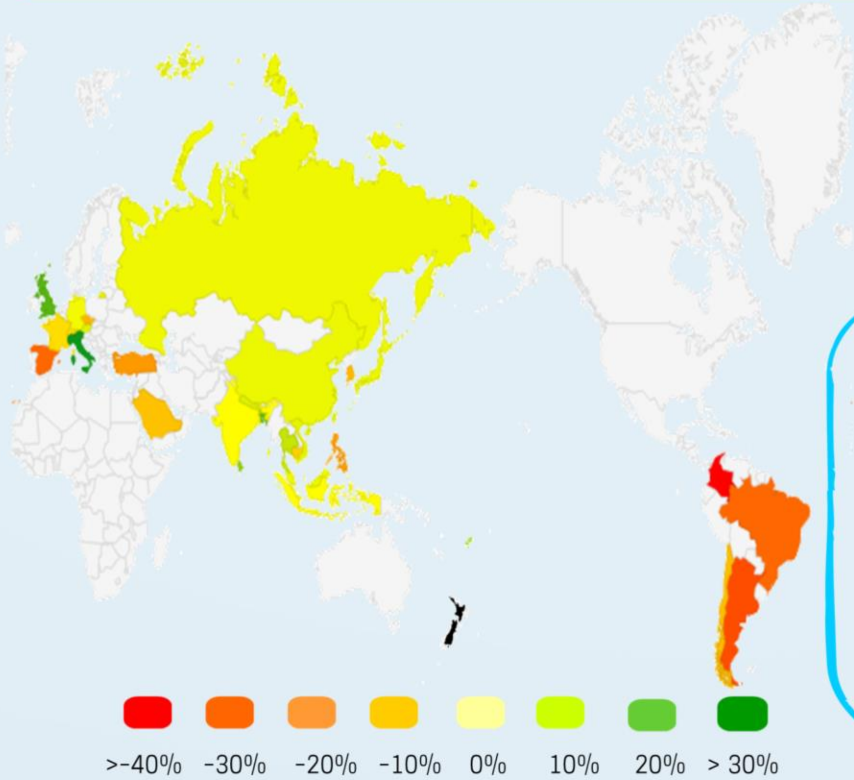
Key Trends vs. 2012:

Number of Students -10%

Number of students enrolled in Engineering and Related Technologies +20%

Auckland's portion of the total PTE number of Students 75%

Movement of Top 30 Countries: 2012 vs. 2013 Jan - Apr



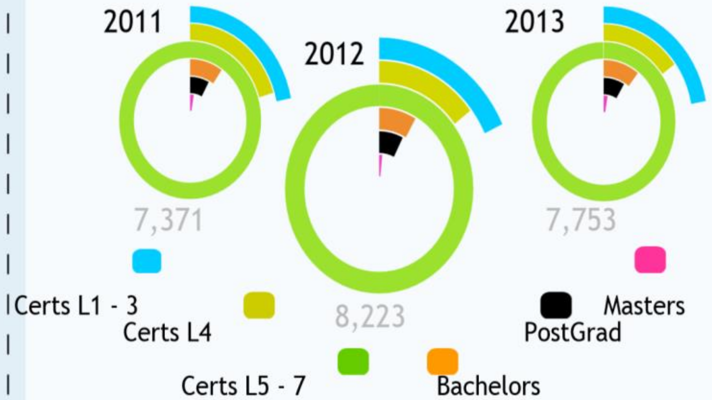
Top 5 Movements: 2012 vs. 2013 Jan - Apr

Italy +54% (+34 Students)
Nepal +48% (+35 Students)
UK +30% (+35 Students)
Sri Lanka +20% (+52 Students)
Thailand +7% (+53 Students)

Colombia -55% (-220 Students)
Argentina -38% (-53 Students)
Spain -36% (-50 Students)
Philippines -36% (-206 Students)
Saudi Arabia -34% (-324 Students)

PTEs that receive SAC Funding =36%

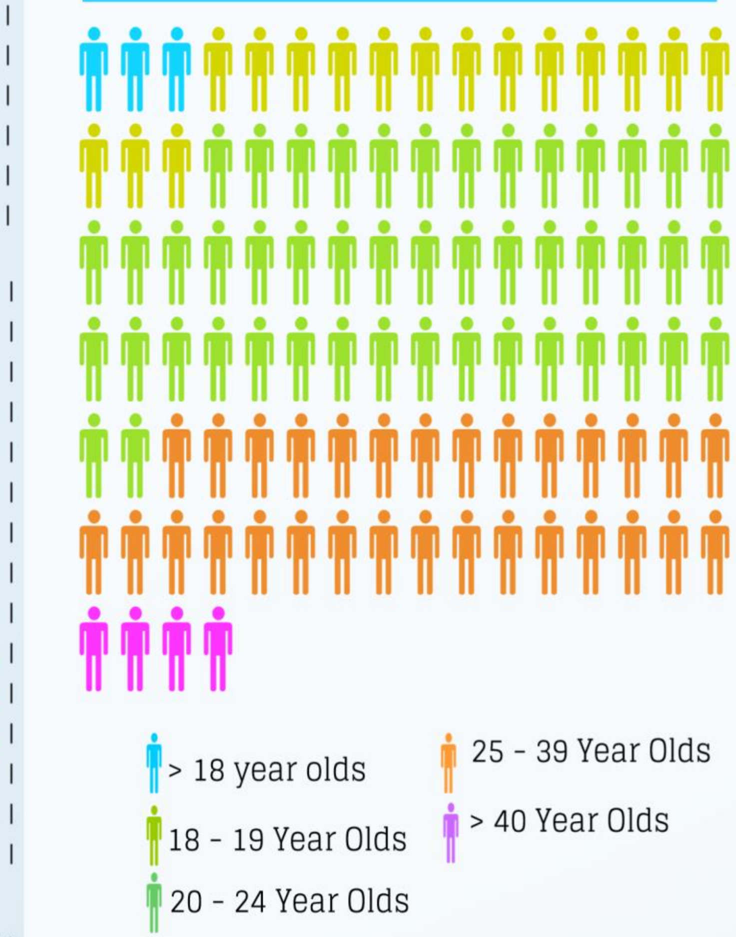
Proportion of Students Studying in SAC-Funded PTEs by Level of Study Jan - Apr



Number of Students enrolling in >Bachelors level Study +12%

37% 63%

Age Profile of Students in the SAC-Funded PTEs sector



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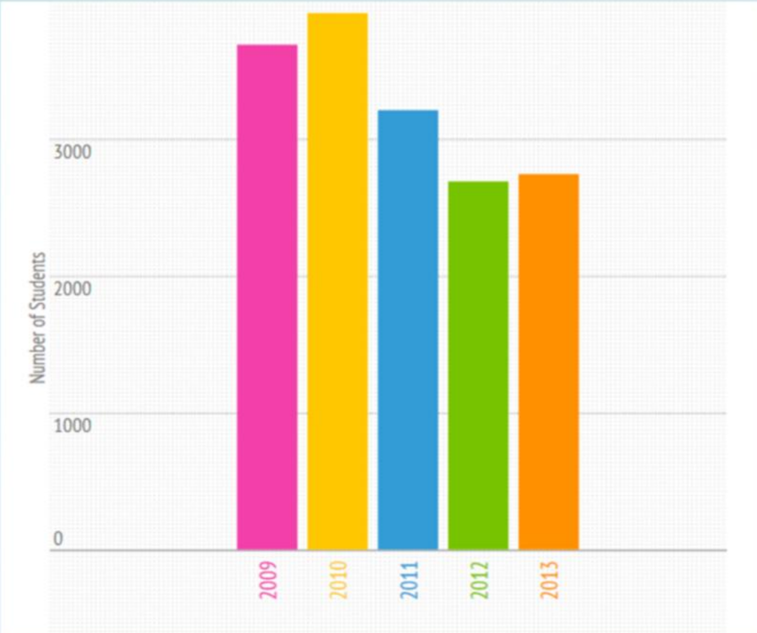
Trends of International Students in the Schools sector: Jan - Apr 2013

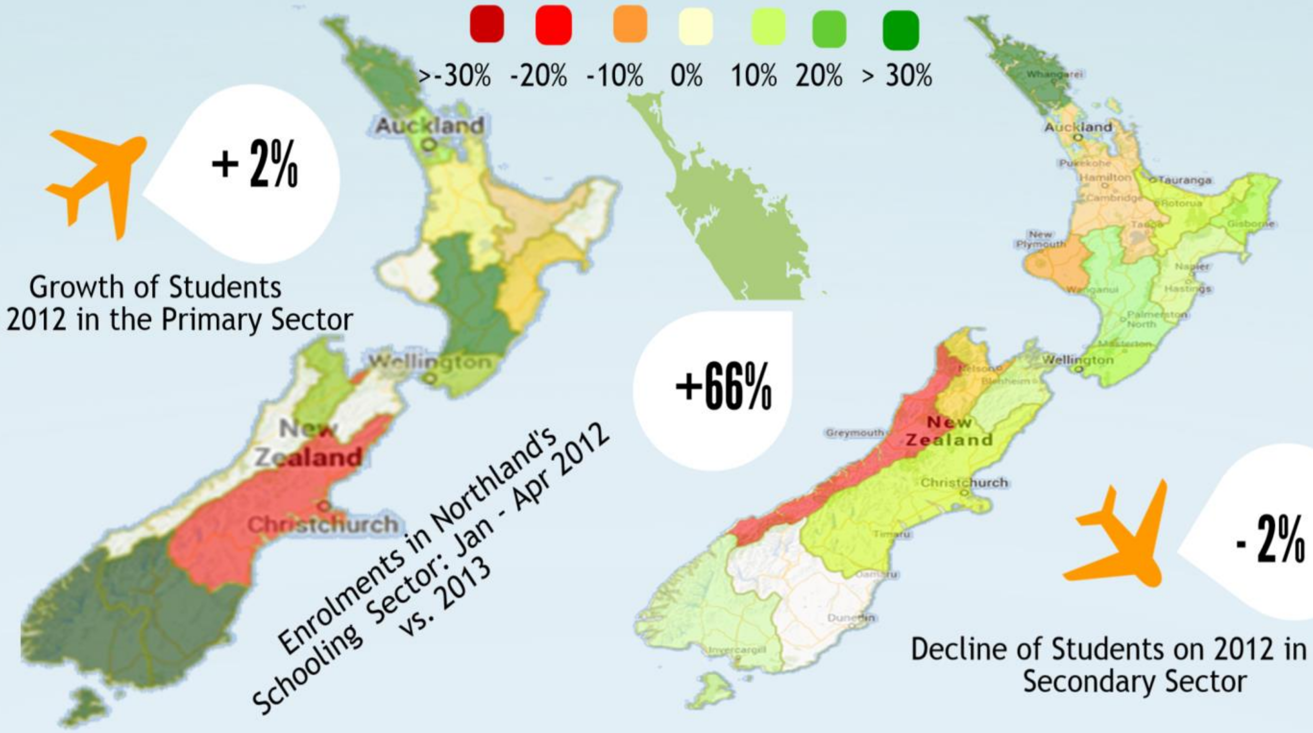
Primary Sector

Number of Students Enrolled in the Primary Sector 2009 to 2013 Jan - April



+ 2%

Growth of Students on 2012 in the Primary Sector

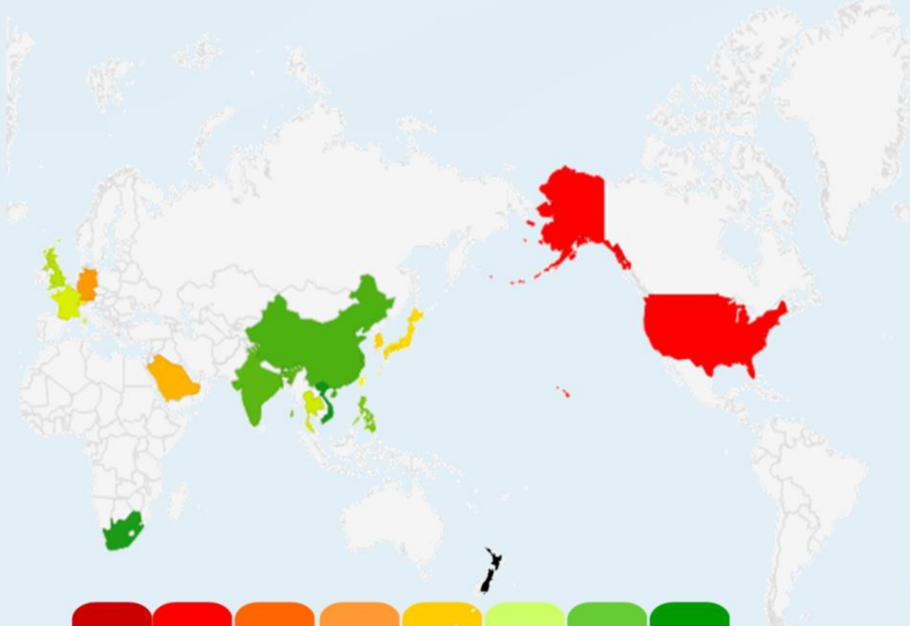


- 2%

Decline of Students on 2012 in the Secondary Sector

Movement of the Number of Students Enrolled by Region 2012 vs. 2013 Jan - Apr

Movement of Top 15 Countries: 2012 vs. 2013 Jan - Apr



>-40% -30% -20% -10% 0% 10% 20% > 30%

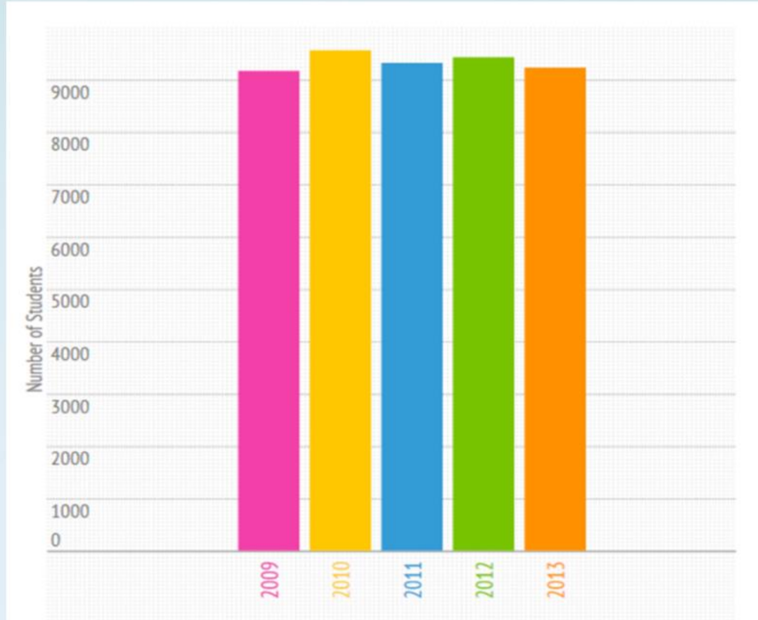
Top 15 Countries proportion of total Primary Sector

97%

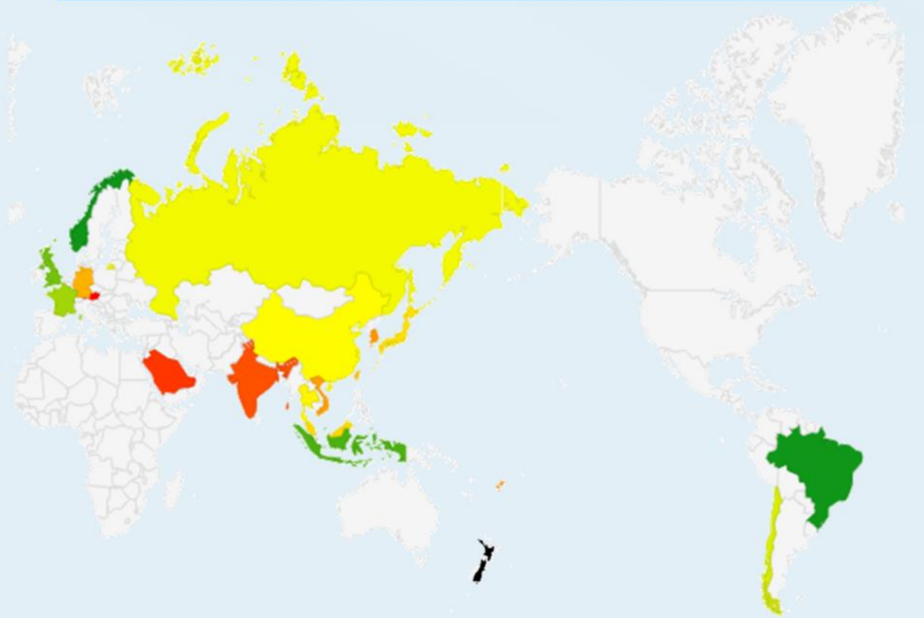
47% 53%

Secondary Sector

Number of Students Enrolled in the Secondary Sector 2009 to 2013 Jan - Apr



Movement of Top 20 Countries: 2012 vs. 2013 Jan - Apr



>-40% -30% -20% -10% 0% 10% 20% > 30%

Top 20 Countries proportion of total Secondary Sector

95%

50% 50%

Enrolments in the Australian 'Schools' Sector: Jan - Apr 2012 vs. 2013

-5%

Top 2 Movements: 2012 vs. 2013 Jan - Apr

Primary Sector

China +54% (+33 Students)
Thailand 19% (+14 Students)

Saudi Arabia -11% (-8 Students)
South Korea -3% (-26 Students)

Secondary Sector

Norway +525% (+21 Students)
Brazil +143% (+289 Students)

Iran -85% (-11 Students)
Kuwait -57% (-16 Students)

This captures international fee paying students.
Developed by Education New Zealand July 2013. Data Sourced from the Ministry of Education's Education Export Levy dataset. Australian data was sourced from www.aei.gov.au