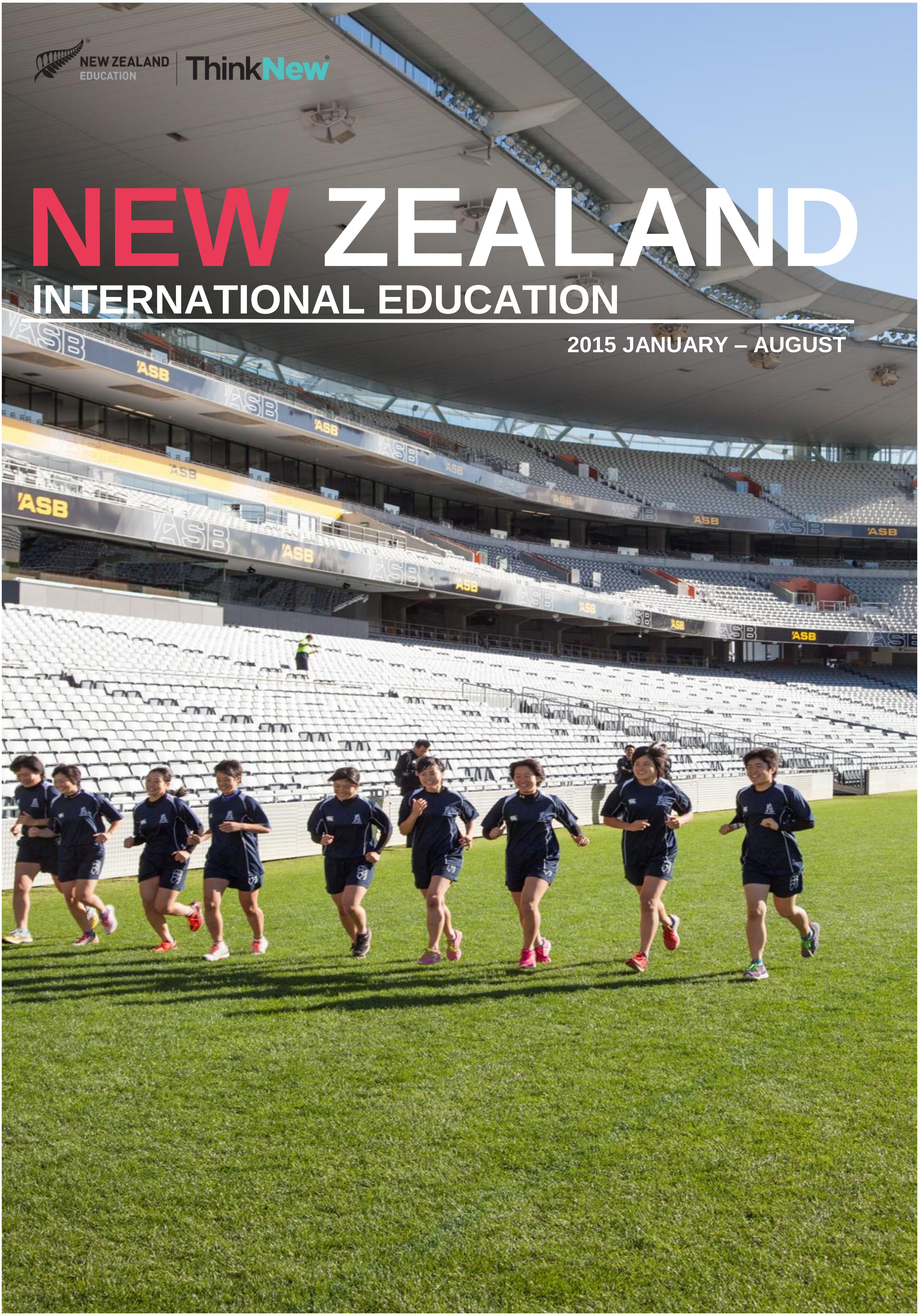
NEW ZEALAND EDUCATION | ThinkNew

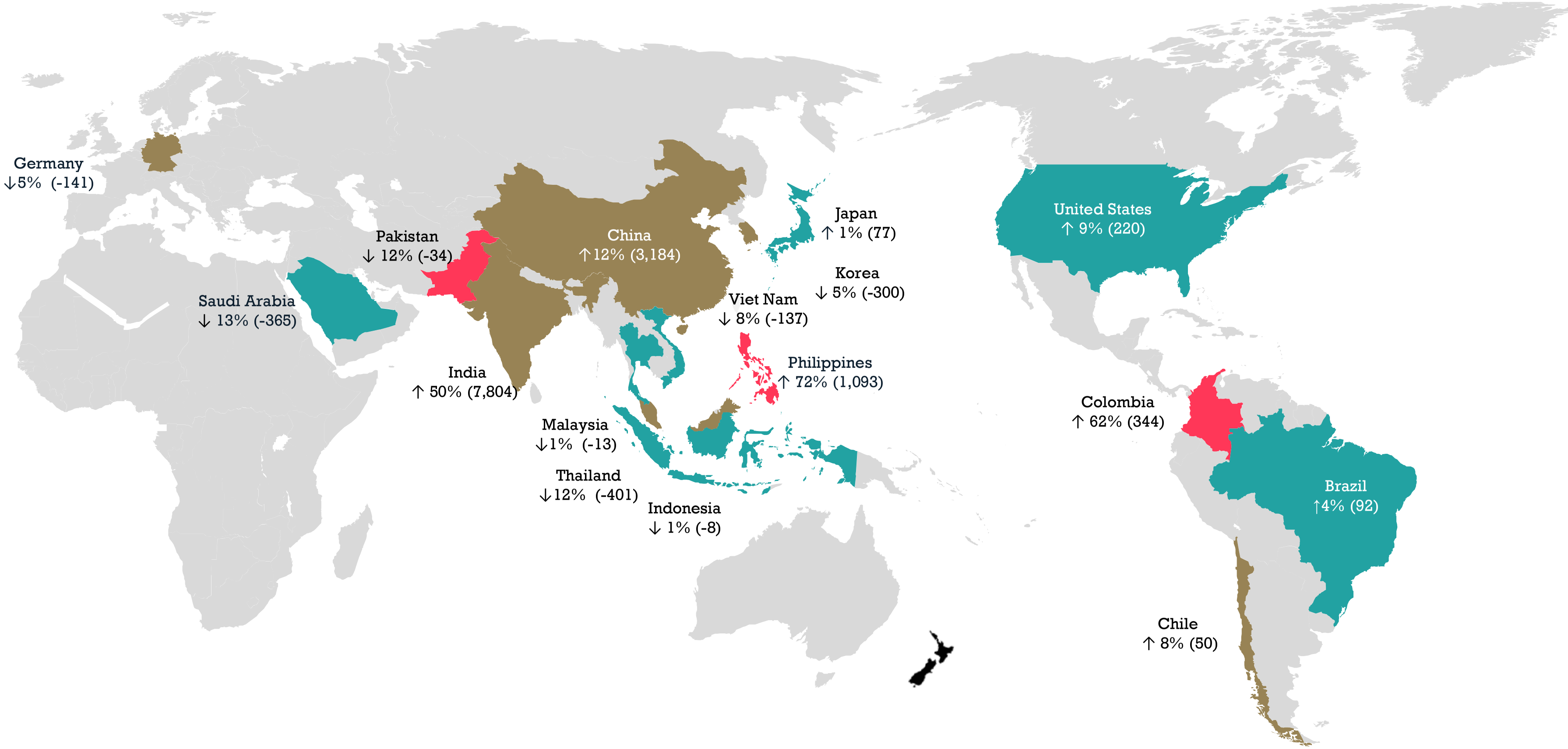
NEW ZEALAND

INTERNATIONAL EDUCATION

2015 JANUARY – AUGUST



Priority market trends: 2015 January to August student enrolments



Key

- Rebalance Markets
- Promote Markets
- Explore Markets

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Developed by Education New Zealand.
This infographic includes data on full fee-paying, NZ Aid, PhD, foreign research postgraduate and exchange students sourced from the SDR. Offshore students are not) included.
Links to data source: student numbers (www.educationcounts.govt.nz

Introduction

New Zealand providers of international education are experiencing a period of sustained growth.

This growth is bringing real benefits to the country. Recent statistics from the Ministry of Foreign Affairs and Trade illustrate the point powerfully. A generation or so ago, in 1975, New Zealand was a country that made its way internationally on the back of primary and product exports. Meat, dairy products and wool were the top three exports, strongly dominating the entire export sector.

Fast forward to 2015 and dairy products are of course still strong, but services based on the flow of people have pushed many other commodities down the list. In 2015, international education is New Zealand's fifth largest export category.

Among all New Zealand's exports, education showed the third fastest growth between 2012 and 2015. As powerful as the economic statistics are, they tell just one part of the story of our industry.

New Zealand's education providers – schools, universities, ITPs and private providers of many types – are educating New Zealanders for a world that is markedly more diverse than it was in 1975. All our institutions know that the students getting their education today will live in a world that is far more globally connected than their parents' ever was.

Among the essential skills that young people pick up over the course of their education is the ability to be internationally "literate." Getting a full education is about understanding cultural diversity, rubbing shoulders with many nationalities, and doing business across borders.

International students who come to New Zealand have already recognised that need for their own lives and careers. They are also making a big contribution to the diversity of the New Zealand institutions they study in, and the communities they live in.

The global network of New Zealand-educated alumni makes up an international network of life-long New Zealand "ambassadors." Education providers, and Education New Zealand, are working to find ways to keep their connections with New Zealand alive.

International education is making a huge contribution to New Zealand. It is great that we understand those benefits today – and work to ensure the connections we are all building will keep making a strong contribution to New Zealand's future as well.

Grant McPherson

Chief Executive

Education New Zealand

OVERALL

International student trends

January to August 2015

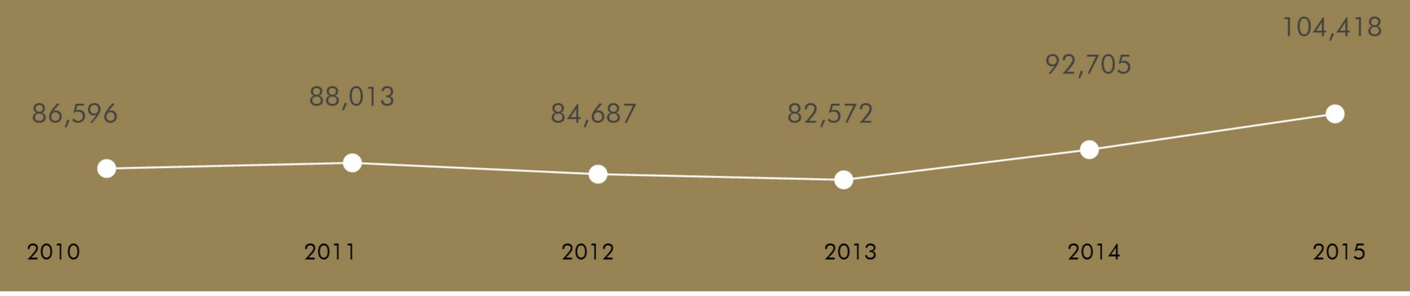
+13% The number of international students

+13% Tuiton fee income

+12% Students studying at Masters level

+11% International student enrolments in Australia

Number of international students from 2010 to 2015



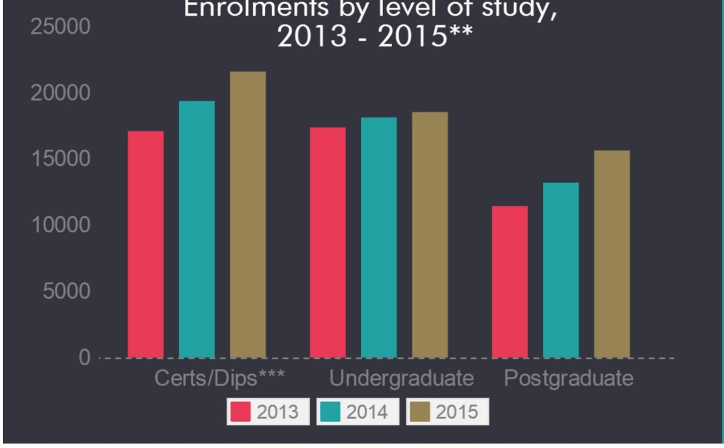
Regional enrolment variations (alphabetically)*

Auckland Region	↑	15% (8,311)
Bay of Plenty Region	↑	18% (612)
Canterbury Region	↑	17% (1,352)
Gisborne Region	↓	3% (-1)
Hawkes Bay Region	↑	2% (20)
Manawatu-Wanganui Region	–	0% (4)
Marlborough Region	↑	66% (42)
Nelson Region	↑	43% (329)
Northland Region	↑	12% (50)
Otago Region	↑	1% (36)
Southland Region	↑	6% (63)
Taranaki Region	↑	11% (61)
Tasman Region	↓	18% (-37)
Other	↓	4% (-118)
Waikato Region	↑	8% (383)
Wellington Region	↑	8% (485)
West Coast Region	↓	8% (-3)

Proportional distribution of students by region, 2015

Auckland (62%) Canterbury (9%) Wellington (6%)
Waikato (5%) Otago (5%) Other (13%)

Enrolments by level of study, 2013 - 2015**



Top three increases and decreases by source country

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*Other includes the "unknown" field and distance provision
**These include Government funded tertiary providers only, which are universities, institutes of technology (ITPs), wānanga, and government funded private training establishments (PTEs).
***Certs/Dips includes Certificates from level 1 - 4 and Diplomas from level 5 - 7 in the SDR.
These figures are provisional and are subject to change in the full year release.

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UNIVERSITY

International student trends

January to August 2015

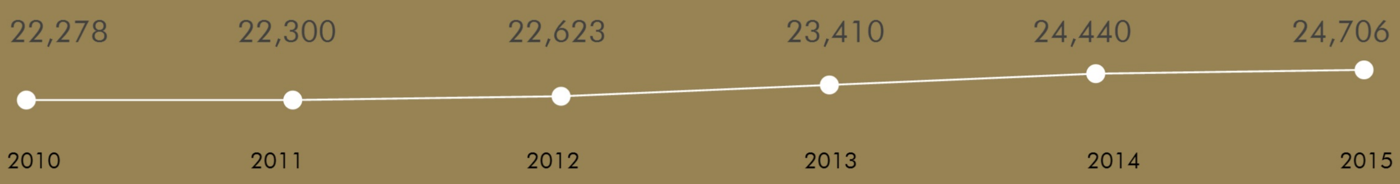
+1% The number of international students

+4% Tuiton fee income

+11% Students studying at Masters level

+2% International student enrolments in engineering and related technologies

Number of international students from 2010 to 2015

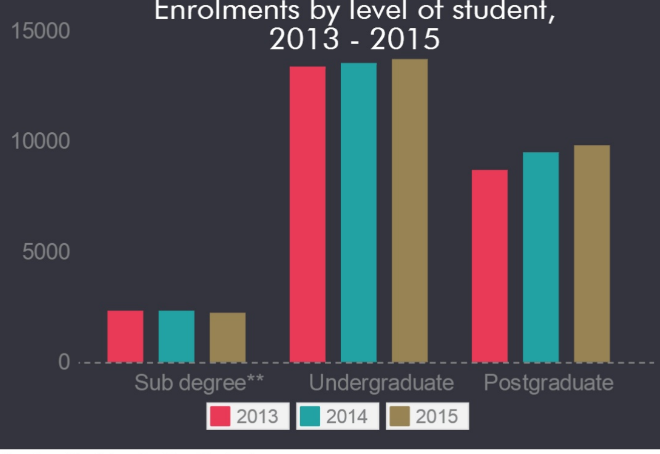


Regional enrolment variations (alphabetically)*

Auckland Region	0% (-54)
Bay of Plenty Region	18% (-3)
Canterbury Region	10% (242)
Manawatu-Wanganui Region	8% (-129)
Marlborough Region	71% (5)
Otago Region	1% (30)
Other	11% (-154)
Waikato Region	3% (48)
Wellington Region	3% (93)

Proportional distribution of students by region, 2015

Enrolments by level of student, 2013 - 2015



Top three increases and decreases by source country

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**Sub degree includes Certificates from level 1 - 4 and Diplomas from level 5 - 7 in the SDR.
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ITP

International student trends

January to August 2015

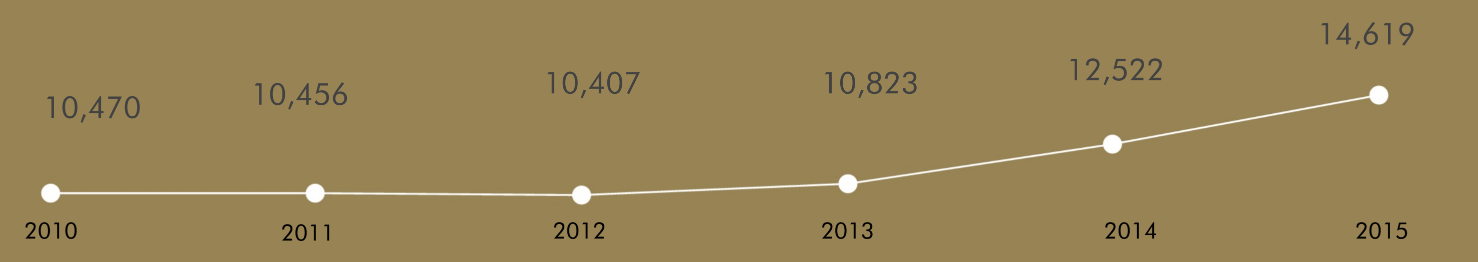
+17%
The number of international students

+31%
Tuiton fee income

+60%
Students studying at postgraduate level

+32%
International student enrolments in Information Technology

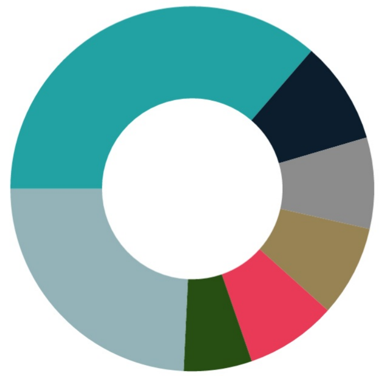
Number of international students from 2010 to 2015



Regional enrolment variations** (alphabetically)

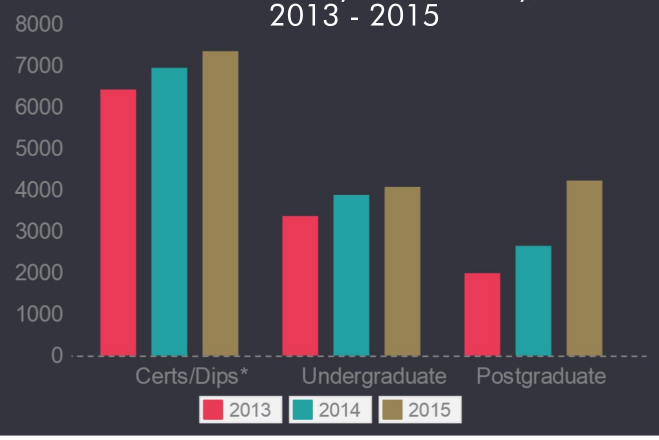
Auckland Region	14% (639)
Bay of Plenty Region	19% (213)
Canterbury Region	19% (195)
Hawkes Bay Region	13% (39)
Manawatu-Wanganui Region	15% (33)
Marlborough Region	148% (31)
Nelson Region	122% (292)
Northland Region	63% (87)
Otago Region	2% (-7)
Southland Region	9% (74)
Taranaki Region	61% (103)
Other	0% (-2)
Waikato Region	15% (158)
Wellington Region	25% (243)
West Coast Region	12% (-3)

Proportional distribution of students by region, 2015

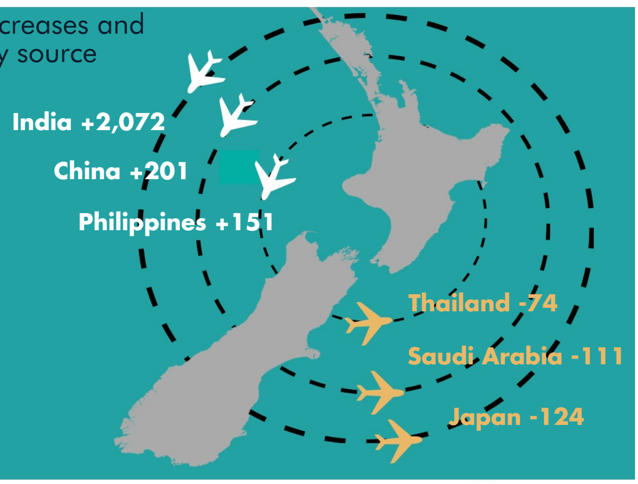


Auckland (36%) Bay of Plenty (9%) Waikato (8%) Wellington (8%) Canterbury (8%) Southland (6%) Other (24%)

Enrolments by level of study, 2013 - 2015



Top three increases and decreases by source country



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PTE

International student trends

January to August 2015

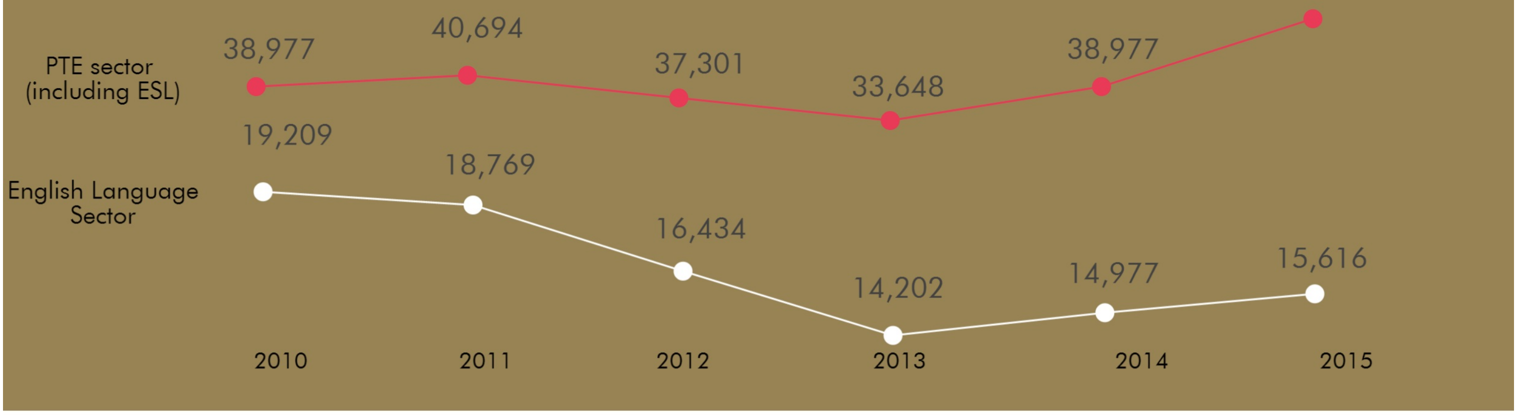
+21%
The number of international students

+20%
Tuiton fee income

+49%
The number of international students studying at L8 +

+25%
The number of international students studying Information Technology

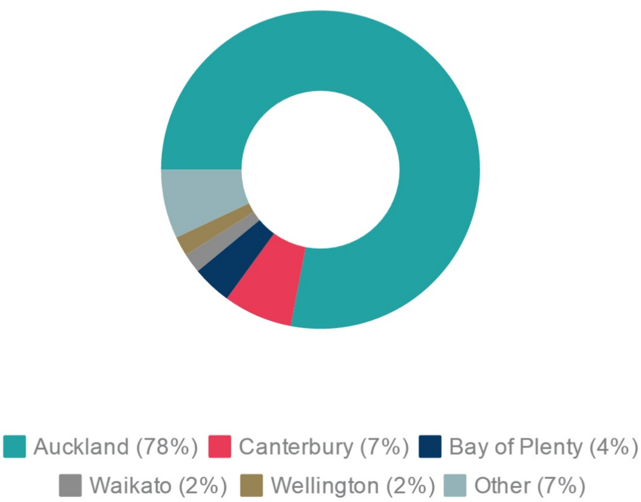
Number of international students from 2010 to 2015



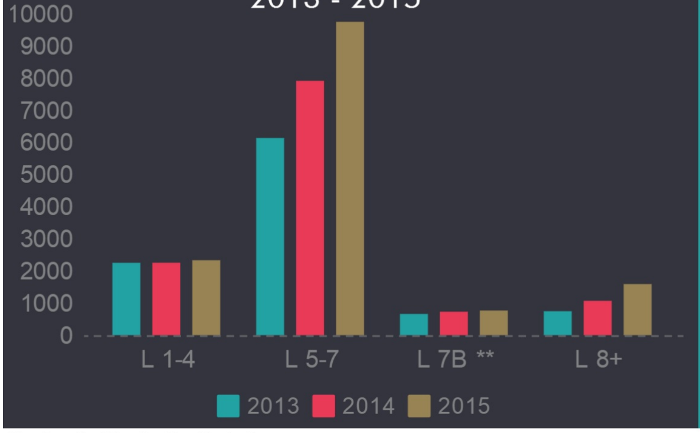
Regional enrolment variations*** (alphabetically)

Auckland Region	↑	22% (6,823)
Bay of Plenty Region	↑	32% (438)
Canterbury Region	↑	32% (895)
Hawkes Bay Region	—	0% (0)
Manawatu-Wanganui Region	↑	6% (34)
Nelson Region	↑	5% (11)
Otago Region	↑	5% (68)
Taranaki Region	↓	8% (-24)
Tasman Region	↑	58% (7)
Other	↑	40% (38)
Waikato Region	↑	11% (116)
Wellington Region	↑	13% (137)

Proportional distribution of students by region, 2015



Enrolments by level of study, 2013 - 2015*



Top three increases and decreases by source country

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*This only include government funded private training establishments (PTEs).
** L7B this includes undergraduate studies only
*** Regions that have less than 10 enroilments have not been included. Other includes the "unknown" field and distance provision.
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PRIMARY & SECONDARY SCHOOLS

International student trends

January to August 2015

+18%

The number of international students in primary schools*

+4%

The number of international students in secondary schools

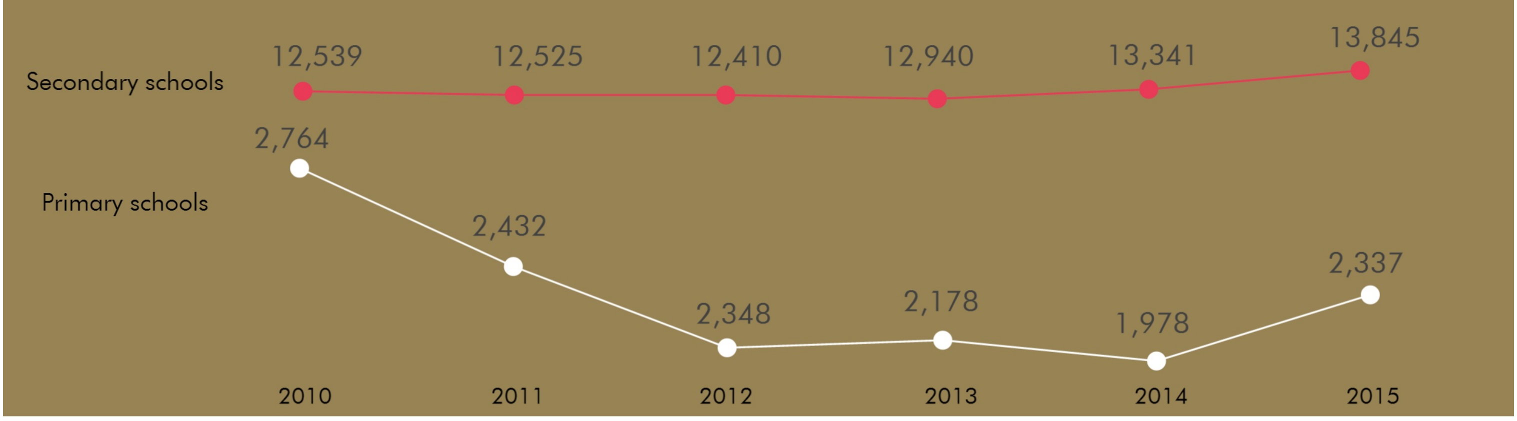
+6%

Tuiton fee income

+9%

Tuiton fee income

Number of international students from 2010 to 2015

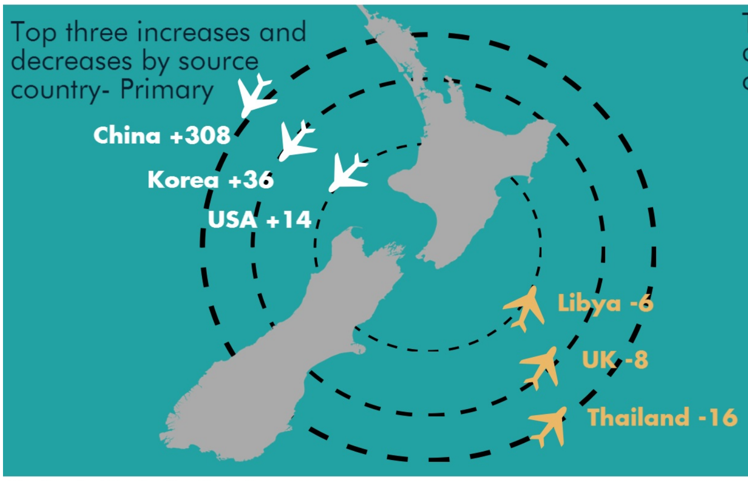


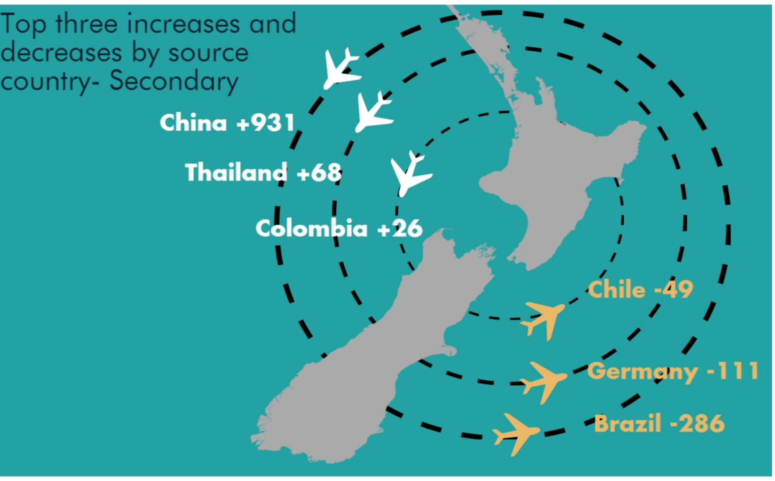
Regional enrolment variations** Primary (alphabetically)

Auckland Region	↑ 25% (326)
Bay of Plenty Region	↓ 1% (-2)
Canterbury Region	↓ 17% (-26)
Hawkes Bay Region	↑ 19% (3)
Manawatu-Wanganui Region	↑ 21% (7)
Nelson Region	↑ 183% (11)
Northland Region	↑ 15% (3)
Otago Region	↓ 24% (-10)
Southland Region	↑ 16% (3)
Tasman Region	↓ 46% (-11)
Waikato Region	↑ 35% (36)
Wellington Region	↑ 37% (17)

Regional enrolment variations** Secondary (alphabetically)

Auckland Region	↑ 8% (577)
Bay of Plenty Region	↓ 5% (-34)
Canterbury Region	↑ 3% (46)
Gisborne Region	↑ 4% (1)
Hawkes Bay Region	↓ 8% (-22)
Manawatu-Wanganui Region	↑ 13% (59)
Marlborough Region	↑ 14% (5)
Nelson Region	↑ 5% (15)
Northland Region	↓ 16% (-39)
Otago Region	↓ 7% (-45)
Southland Region	↓ 7% (-14)
Taranaki Region	↓ 19% (-20)
Tasman Region	↓ 20% (-33)
Waikato Region	↑ 3% (25)
Wellington Region	↓ 1% (-5)
West Coast Region	– 0% (0)





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*Primary school figures include intermediate schools.
**Regions that have less than 10 enrolments have not been included.
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Key trends for January – August 2015:

- The January to August period of 2015 saw an overall increase in international student enrolments of 13% (11,760) when compared to the same period in 2014.

- Tuition fee revenue for the same period reached record levels now totalling $803.5m, this represents a 13% ($91.2m) increase on 2014.

- There were record high levels of:
  - Institutes of technology and polytechnics (ITP) enrolments ↑17% (2,097)
  - Postgraduate enrolments in government funded tertiary education providers, increased by 18% (2,418). This growth was driven by Level 7 graduate certificates and diplomas ↑38% (1,087)

- Indian international students represented the largest proportion of the increase in enrolments ↑50% (7,804)

- Chinese and Filipino international student enrolments also experienced strong growth, increasing by 12% (3,184) and 72% (1,093), respectively.

- A number of regions experienced growth rates above the 13% overall result including:
  - Auckland ↑15% (8,311)
  - Canterbury ↑17% (1,352)
  - Bay of Plenty ↑18% (612)
  - Nelson ↑43% (329)
  - Marlborough ↑66% (42)

This report provides a snapshot of the trends in New Zealand's international education industry for the 2015 year to date (January – August). This report utilises information from the Export Education Levy, Single Data Return (SDR) and student visa statistics. It builds on previous reports released in 2013 and 2014.

Overview

Building on the strong growth seen in 2014, January – August 2015 international student enrolment numbers continue this momentum with enrolments now reaching the highest levels since 2003[1].

For the January – August period there were 104,418 international students enrolled at a New Zealand education provider, which is an increase of 13% (11,760) in enrolments when compared to the same period in 2014.

Figure 1: The number of international students in the New Zealand international education industry, 2011-2015

Tuition fee revenue also experienced record growth ↑13% ($91.3m), now totalling $803.5m for the January – August period. The largest contributor to this growth was the PTE sector, which increased 20% ($38.0m). This is an encouraging sign that the sector has recovered after the 2011 – 2013 declines in student numbers and value.

The majority of New Zealand's regions experienced growth:

Of the metro areas:

- Canterbury ↑17% (1,352)
- Auckland ↑15% (8,311)
- Waikato ↑8% (383)
- Wellington ↑8% (485)
- Otago ↑1% (36)

[1] The Export Education Levy dataset begins at 2003.

From the regions:

- Marlborough ↑66% (42)
- Nelson ↑43% (329)
- Bay of Plenty ↑18% (612)
- Northland ↑12% (50)
- Taranaki ↑11% (61)
- Southland ↑6% (63)
- Hawkes Bay ↑2% (20)

Gisborne, Tasman and West Coast were the only regions to experience a decline in international student enrolments, down 3% (-1), 18% (-37) and 8% (-3), respectively. Working with the regions continues to be a strong focus for Education New Zealand (ENZ), with further investment into the Regional Partnership Programme (RPP) by the Government. The RPP will receive $2 million in investment over FY 2015/16 and FY 2016/17 to expand the programme, in order to support higher rates of growth across more regions.

The number of international students studying at level 7 and above[2] is at record levels, with enrolments growing by 18% (2,418) since 2014. This was driven by strong growth in graduate certificates and diplomas up 38% (1,087).

Traditional student attraction markets for New Zealand, including China and India, continue to track positively, providing a strong base of international students for the industry. Within these markets, there are notable shifts towards students increasingly enrolling in higher-level qualifications when compared to previous years.

Table 1: The percentage and total change in international students and tuition income, 2015 vs 2014 (excludes Wānanga)

All Sectors	School	Universities	ITP	PTE (excluding ELS)	ELS	Total PTE	Total
% change in student numbers	6%	1%	17%	31%	4%	21%	13%
Total change	863	266	2,097	7,894	639	8,533	11,670
% change in tuiton income	9%	4%	31%	22%	11%	20%	13%
Total change in tuition income ($m)	$7.5	$13.6	$32	$34.9	$3.1	$38.0	$91.2

As New Zealand’s international education industry grows its profile globally, emerging markets including the Philippines, Brazil and Colombia, continue to build momentum and deliver strong growth.

A positive student experience is essential to continued growth. The experience New Zealand offers international students is a combination of the high quality education they receive, and the overall experience they have while in New Zealand with New Zealanders. The recent positive International Student Barometer results show that the industry is continuing to achieve high student satisfaction levels, and has built a strong platform to grow.

New Zealanders also have an opportunity to learn from international students. It’s critical that New Zealanders continue to grow their awareness of the value that international education brings the country; not only economically but also culturally.

[2] This includes undergraduate, honours and graduate diplomas/certificates, Master’s, and PhD level enrolments.

On-going efforts to develop strategic partnerships with key stakeholders, along with developing business opportunities offshore and increasing media and promotional activities, will encourage positive stories and feedback from current students and alumni. This positive profile will ensure continued growth of the international education industry.

As the industry benefits from increasing numbers of international students, sustainability remains a key focus for New Zealand. NZ Inc agencies are working with the industry to ensure the appropriate level of assurance is in place to encourage quality and sustainable growth. In October 2015, the New Zealand Qualifications Authority (NZQA) introduced changes to the English language requirements for international students. These changes mean that international students from countries with a student visa approval rate of less than 80% are required to undertake an internationally recognised English language test to demonstrate that they have the level of English required to study successfully in New Zealand.

Leveraging the growth experienced in 2014, the future challenge will be to continue building a sustainable industry. As the industry experiences growth, the on-going focus of ENZ and the industry is to ensure that New Zealand continues to attract high quality students from a range of markets, and to deliver high quality experiences and qualifications to them.

Analysis

There were four key themes that emerged from the January – August period

- Growth in tuition fee revenue
- Growth in the regions
- Priority market growth: China, India, Colombia, and the Philippines
- Shift to higher levels of study

Growth in tuition fee revenue

The New Zealand international education industry earned $803.5m in tuition fee revenue in the January – August period 2015. This is a 13% ($91.2m) increase on 2014 and is a record result. Growth was driven by the PTE sector, specifically the non-government funded PTEs ↑22% ($34.9m)[3].

The ITP sector has also seen strong growth ↑31% ($32m). Despite a relatively flat result in student enrolments, the ELS sector experienced an 11% ($3.1m) increase in tuition fee revenue. The university sector tracked relatively flat, ↑4% ($13.6m). The schools sector reported a 9% ($7.5m) growth in tuition fee revenue for the January – August period of 2015.

Growth in the regions

January – August 2015 saw almost all regions grow, with the exception of the West Coast, Tasman and Gisborne. The ITP and PTE sectors have proved to be the key drivers for regional growth this year.

Auckland and Canterbury regions continue to enrol the majority of international students representing 62% and 9% respectively. Auckland enrolments increased by 15% (8,311), driven by the PTE sector ↑22% (6,823) and the ITP sector ↑14% (639). The Canterbury region grew by 17% (1,352), with growth driven by the PTE sector ↑32% (895) and the ITP sector ↑19% (195).

[3] This excludes the English language sector.

Bay of Plenty experienced significant growth during the January – August period ↑18% (612). This growth was driven by the increase in PTE enrolments ↑32% (438) and the ITP sector ↑19% (213) compared to the same period in 2014.

The Waikato region grew by 8% (383). Strong growth from the ITP ↑15% (158) and PTE ↑11% (116) sectors drove the region's strong result. The university sector also experienced growth ↑3% (48).

Wellington also saw a positive result, growing by 8% (485) for the January – August period. The ITP sector drove this growth, experiencing a 25% (243) increase on 2014. The PTE and primary school sectors grew by 13% (137) and 37% (17), respectively. The university sector grew by 3% (93). The secondary school sector experienced a flat result ↓1% (-5) on 2014.

The Nelson region experienced significant growth ↑43% (329). After five years of year-on-year declines, Nelson's ITP sector experienced strong growth ↑122% (292) driving overall growth for the region. The majority of this growth came from Indian, Nepalese, Saudi Arabian and Filipino enrolments.

The Otago region experienced a relatively flat result ↑1% (36). Strong growth from the ELS sector ↑22% (159) helped offset flat results from university enrolments ↑1% (30), ITPs ↓2% (-7), primary school enrolments ↓24% (-10) and secondary schools ↓7% (-45).

Growth in key markets: China, Colombia, India and the Philippines

There was notable growth from a combination of traditional and emerging markets in the January – August period of 2015, specifically China, Colombia, India and the Philippines.

Colombia +62%

Philippines +72%

India +50%

China +12%

Chinese international student enrolments continue to experience steady growth, ↑12% (3,184 student enrolments) across all sectors. The growth was driven by secondary school enrolments ↑23% (931) and university enrolments ↑8% (747). The growth in the university sector was driven by Masters level enrolments, ↑14% (196) for the January – August 2015 period.

New Zealand continues to benefit from an increase in Indian student mobility and a strengthening Indian economy, with record growth in enrolments ↑50% (7,804) when compared to the same period in 2014. The PTE sector (excluding ELS) saw the largest increase in student enrolments ↑51% (5,629), followed by the ITP sector ↑63% (2,072).

The Philippines continues to perform strongly, with the market experiencing a 72% (1,093) increase in student enrolments for the January – August period of 2015. The growth was driven by the PTE sector (excluding ELS) ↑108% (981) and the ITP sector ↑35% (151).

There was record growth in Colombian international student enrolments ↑62% (344). While all sectors saw growth, the non-government funded PTEs increased by 102% (63) and secondary schools grew by 79% (26), which drove the overall increase.

Shift to higher level

The number of international students studying above undergraduate level (Graduate Diploma through to PhD level) has reached record levels with 15% (15,621) of all international students now enrolling at this level. This has increased steadily from 11% (9,395) in 2010.

When compared to 2014, enrolments above undergraduate level have increased by 18% (2,418). Growth was driven by the ITP sector experiencing a 60% (1,575) increase in students enrolling in qualifications above undergraduate level. This growth was driven by a 49% (949) increase in graduate level certificates and diplomas and a 100% (596) increase in honours and postgraduate level certificate and diplomas.

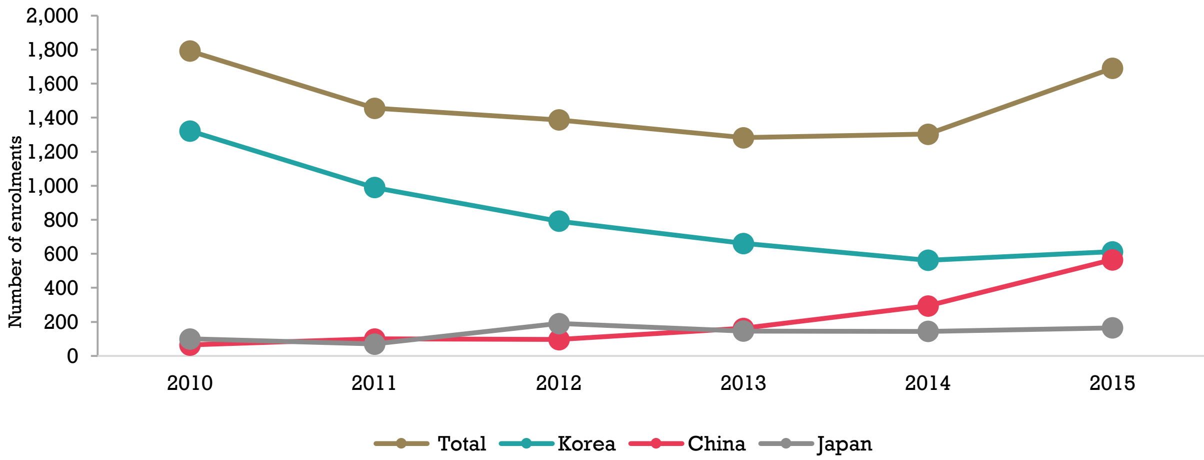
International students in the university sector are increasingly choosing to study at higher levels, although overall international enrolments remain flat. The university sector experienced an 11% (328) increase in Masters level enrolments and a 3% (115) increase at PhD level. Masters level growth was driven by China ↑14% (196), India ↑26% (90), and Indonesia ↑41% (33). PhD level growth was driven by China ↑15% (72), Nigeria ↑60% (28), and Indonesia ↑20% (21).

Sector summary

Primary schools

The primary school sector saw a 30% (387) increase for January – August 2015. The growth in the sector was driven by China, ↑92% (271) compared to the same period in 2014. The Korean market experienced modest growth after several trimesters of decline ↑9% (50).

Figure 2: International student trends in the primary school sector, 2010-2015

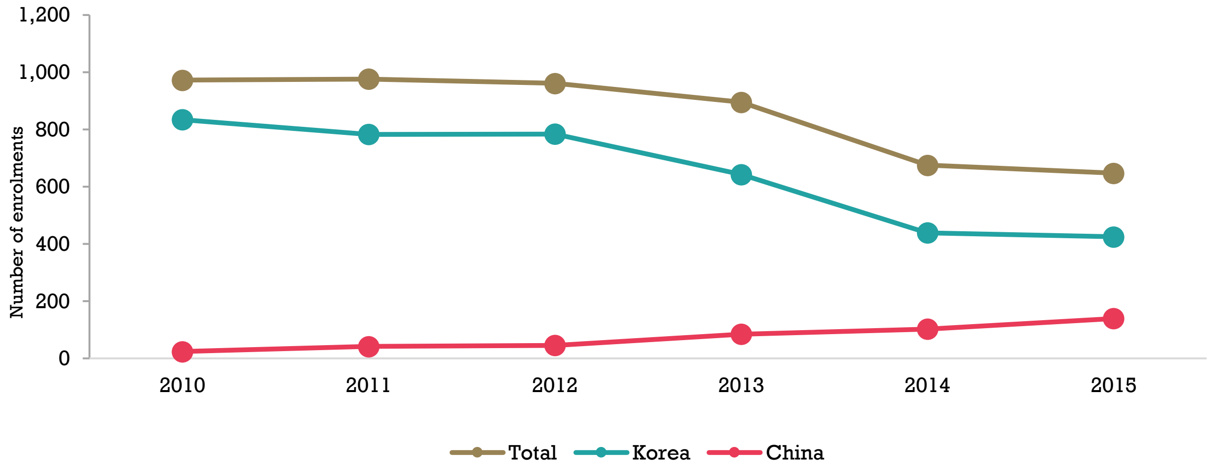


The Auckland region experienced the biggest increase, ↑40% (316), followed by the Waikato region ↑36% (29), when compared to the same period in 2014.

Intermediate schools

Intermediate school sector enrolments declined 4% (-28) for January – August 2015. The decline was driven by a 3% (-14) decrease in Korean students and ↓57% (-28) decline in Thai students compared to 2014. China saw growth ↑36% (37) which helped offset this decline.

Figure 3: International student trends in the intermediate school sector, 2010-2015

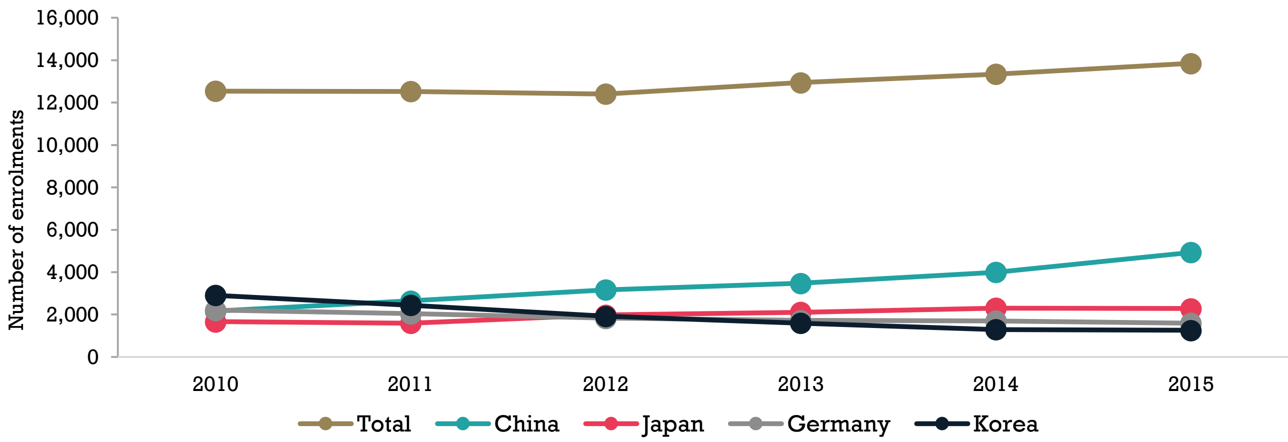


Secondary schools

This sector grew by 4% (504) for January – August 2015. Growth was driven by China, ↑ 23% (931). Thailand also experienced strong growth ↑ 6% (68) and continues to be a consistently performing market for this sector.

The growth from China and Thailand offset the decline from Brazil ↓45% (-286), Germany ↓7% (-111), and Chile ↓21% (-49). Korean student numbers have continued to decline ↓3% (-42).

Figure 4: International student trends in the secondary school sector, 2010-2015



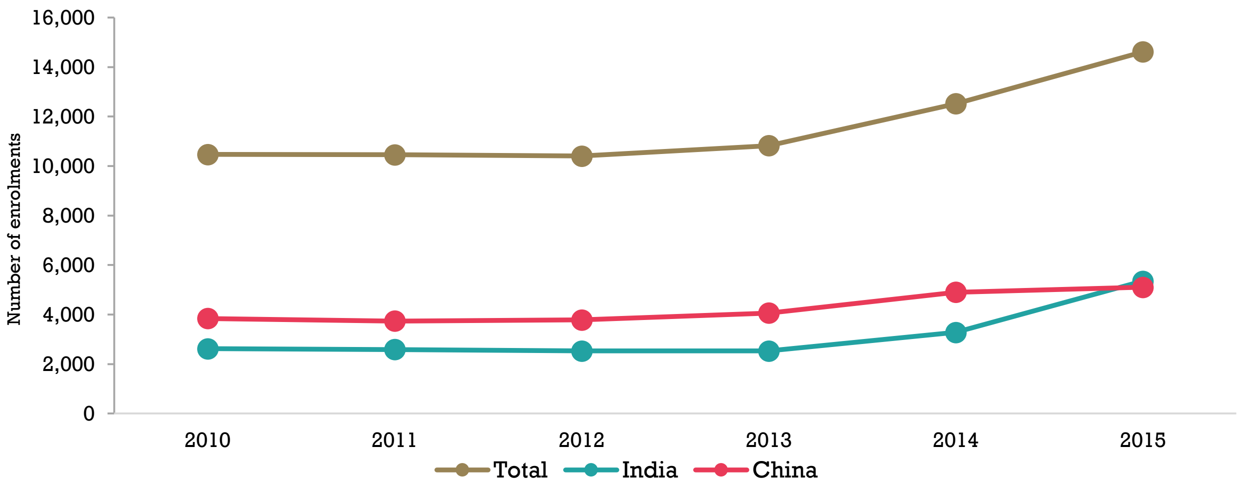
The Auckland region experienced the largest growth in the number of secondary students studying with an 8% (577) increase. The Canterbury region also saw growth ↑ 3% (46) and the Manawatu-Wanganui region ↑13% (59). The Otago region experienced the largest decline in secondary student enrolments ↓7% (-45).

Institutes of technology and polytechnics

The ITP sector increased 17% (2,097) for the January – August 2015 period and was the second fastest growing sector. The growth was driven by India, with enrolments increasing 63% (2,072) on

2014. China, the Philippines and Nepal also experienced strong growth ↑4 % (201), ↑35% (151), and ↑57% (96) respectively.

Figure 5: International student trends in Institutes of technology and polytechnics, 2010-2015



Levels of study that grew the most during the January – August 2015 period were: level 7 graduate certificates/diplomas ↑49% (949) and Level 8 honours degree/postgraduate ↑100% (596).

Subjects that experienced the strongest growth were: management and commerce ↑26% (1,538) and information technology ↑33% (625).

Alongside Auckland, there was strong growth in the regions. The top five performing regions were:

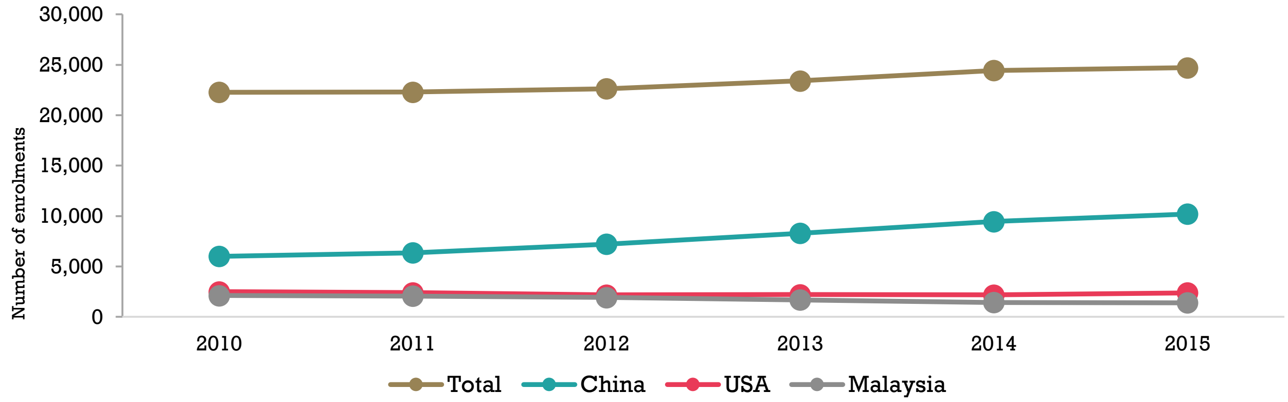
- Nelson ↑122% (292)
- Wellington ↑25% (243)
- Bay of Plenty ↑19% (213)
- Canterbury ↑19% (195)
- Waikato ↑15% (158)

University sector

When compared to the other sectors, the university sector saw a flat result ↑1% (266) for January – August 2015. China, the United States (USA) and India experienced strong growth, ↑8% (747), ↑9% (204) and ↑6% (68) respectively. The growth from these markets was offset by declines from most of the sector's core markets including Korea ↓20% (-160), the UK ↓20% (-109) and Saudi Arabia ↓11% (-80).

After four years of year-on-year declines from the USA market, strong growth in 2015 comes off the back of a series of successful ENZ activities in-market, including a scholarship campaign run towards the end of 2014 by ENZ, supported by the universities' strong and long-standing relationships in-market.

Figure 6: International student trends in university sector, 2010-2015



Masters degrees saw the largest increase in enrolments, ↑11% (328) followed by bachelors degrees ↑1% (178). The growth at both levels of study was driven by China, ↑14% (196) and ↑8% (466) respectively.

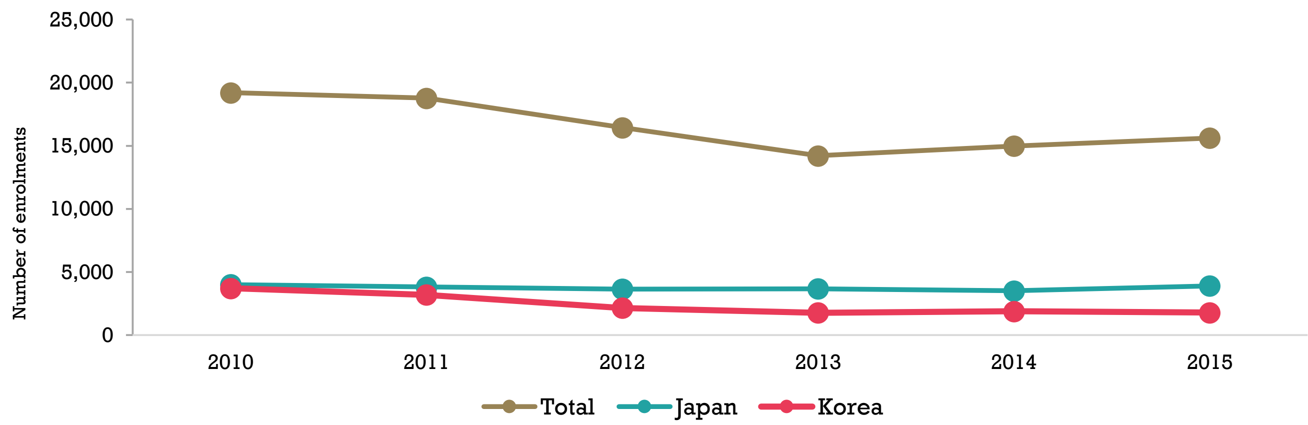
Subjects that saw strong growth were: society and culture ↑3% (337), management and commerce ↑2% (211), and agriculture, environmental and related studies ↑16% (166).

The Canterbury region experienced the largest growth in enrolments ↑10% (242) on 2014, followed by Wellington ↑3% (93).

English language schools

The ELS sector experienced enrolment growth of ↑4% (639) compared to 2014. The growth was driven by Japan ↑11% (390), Brazil ↑32% (289) and Colombia ↑81% (254). Thailand experienced a significant decline ↓34% (-394), while Korea continued to decline ↓6% (-106) on 2014.

Figure 7: International student trends in the English language sector, 2010-2015

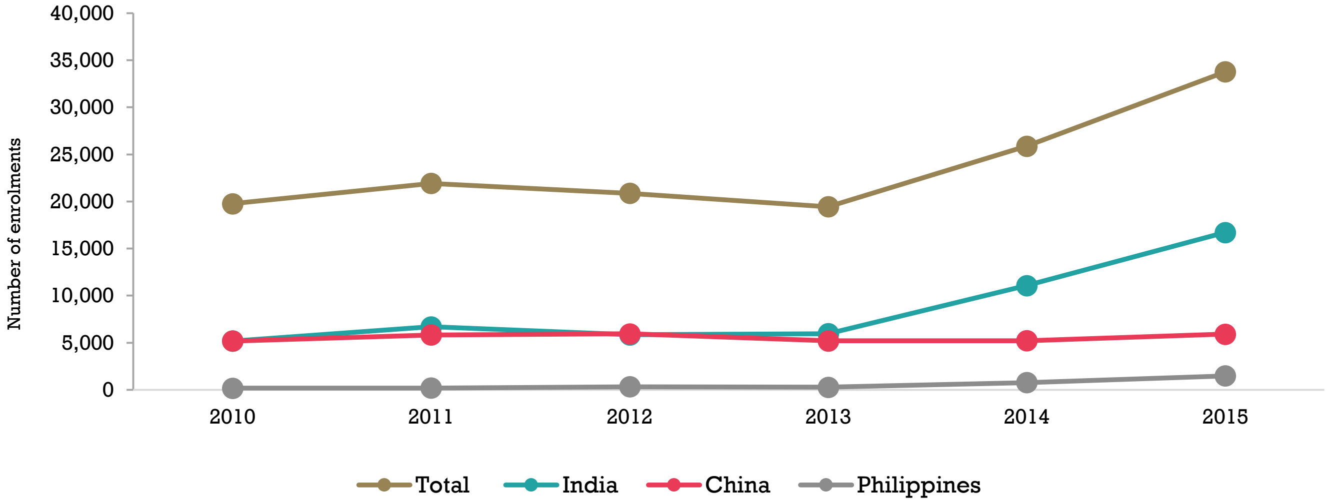


The Otago region saw the largest regional increase in enrolments ↑ 22% (159), followed by Wellington ↑ 22% (157) and the Waikato region ↑31% (147).

Private Training Establishments sector (excluding ELS)

The PTE sector continues to experience record levels of growth, ↑31% (7,894) on 2014. The growth in the sector has been driven by the Indian market ↑51% (5,629) compared to the same period in 2014. The Philippines experienced strong growth ↑108% (981), and China increased 16% (921) in international student enrolments.

Figure 8: International student trends in the PTE sector (excluding ELS), 2010-2015



The growth in enrolments in publically funded PTEs was driven by management and commerce ↑29% (1,351), food, hospitality and personal services 21% (507), and information technology ↑25% (378). Level 5-7 certificates/diplomas were the most popular levels of study at publically funded PTEs, representing 68% of enrolments and growth of 23% (1,837) in 2015.

Auckland saw the largest regional increase ↑32% (6,690), representing 85% of the total growth for the sector. Canterbury experienced significant growth, increasing by 49% (819), followed by the Bay of Plenty region ↑57% (388).

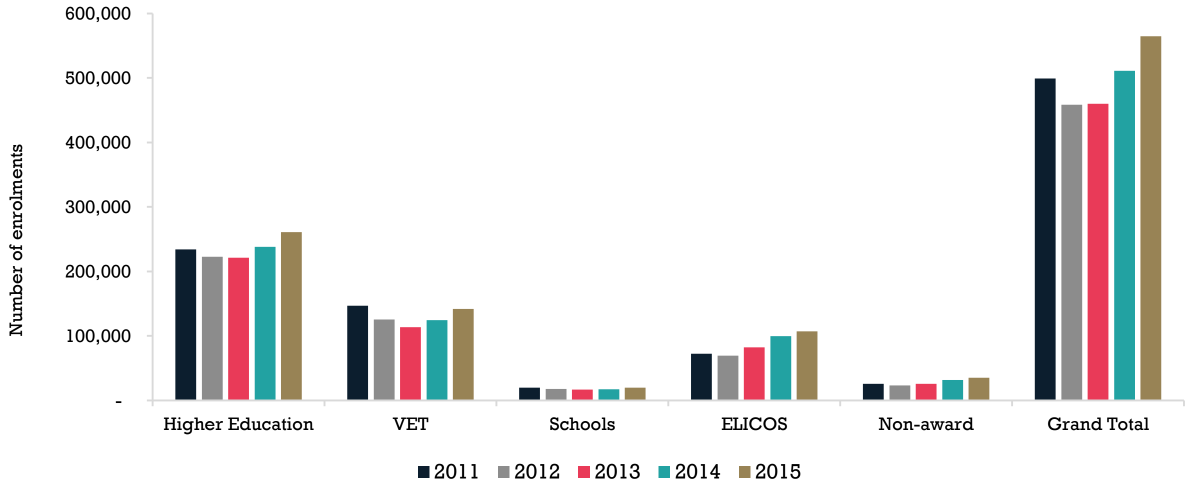
Competitor trends

Australian student enrolment trends January to August

The Australian international education industry appears to have recovered from the 2010 – 2013 declines and has experienced two consecutive years of growth. Australian international student enrolments increased by 10% (53,491) during the January – August 2015 period.

All sectors experienced strong growth, with the higher education sector experiencing the biggest growth ↑10% (22,743), followed by the Vocational Education and Training (VET) sector ↑14% (17,483).

Figure 9: Australian international student enrolment trends, 2011-2015



Australia also experienced strong growth from India ↑ 20% (10,465), when compared to the same period in 2014. This growth was driven by a 38% (8,927) increase in enrolments in the higher education sector, a 5% (1,283) increase in the VET sector and a 4% (197) increase in the English language sector.

There was strong growth from other markets including: China ↑13% (17,684), Taiwan ↑34% (2,769) Thailand ↑10% (2,151) and Nepal ↑12% (1,917).

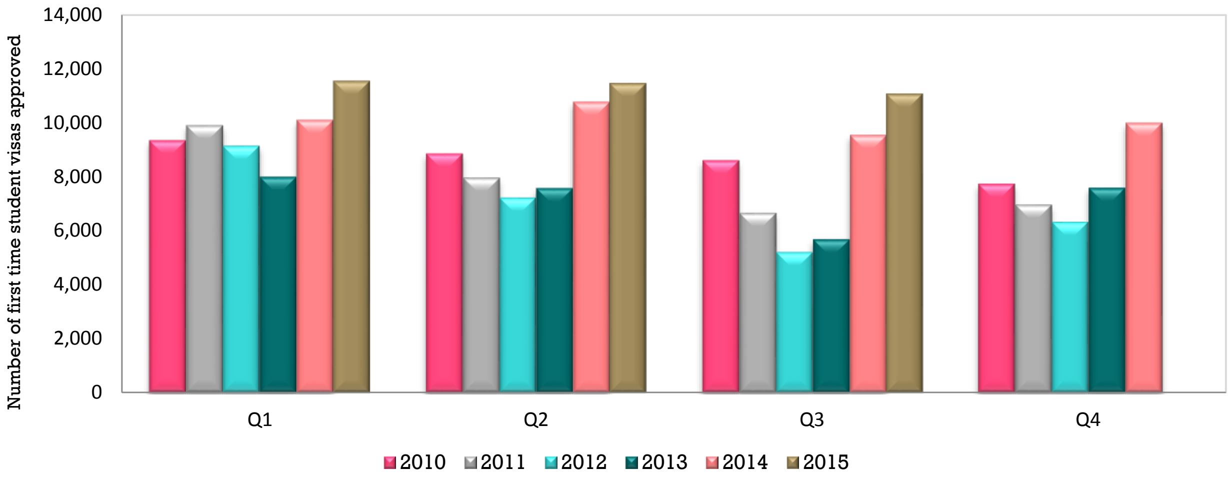
New Zealand's international education future outlook

Student visa trends provide a useful proxy lead indicator of international enrolment trends and are available on a monthly basis. There was a 13% increase (9,325) in total student visas (TSVs) approved for the January – October 2015 when compared to the same period in 2014. First time student visas (FSVs) also increased 13% (4,293) during this time.

While Indian students continue to be the backbone of the industry's growth, there is an apparent shift from a significant wave of new students arriving to students returning, indicating they are being retained and moving through the education system. In 2014 there was a sharp increase in the number of FSVs approved for Indian students ↑128% (6,882) when compared to 2013. By comparison, year to date 2015 shows a significant increase in the number of returning/re-enrolling Indian students ↑57% (2,702) on 2014, compared to a relatively steady rate of FSVs being approved ↑11% (1,118) on 2014.

These are strong signals that New Zealand is attracting high quality students, who are seeking pathways in education and to remain within the New Zealand education system. This growth is evidence of the education industry rebuilding the pipeline of Indian students after declines in 2012 and 2013.

Figure 10: Overall total first time student visas approved quarterly, 2009-2015



Future trends

The estimated number of globally mobile students has tripled since 1990 with more than 5 million students now seeking education outside their home country.[4] Along with New Zealand, competitor countries including Australia, Canada and the USA are also experiencing increases in international student numbers. In order to sustain the growth experienced in 2014 and in the January – August 2015 period, New Zealand's international education industry will need to focus on continuing to take advantage of the changing environment

The changing and complex international environment presents new challenges and opportunities, with the emergence of new markets such as the Philippines and Colombia, and changing modes of delivery. These include in-market delivery, online delivery and new qualifications for New Zealand, such as the taught Masters degrees which tend to have high demand due to the length and quality of the courses.

The global international education environment is also evolving. There is an increase in traditional source markets for international students from Asia now shifting to become destination markets themselves.

Along with maintaining growth from New Zealand's key markets such as China and India, the international education industry will need to continue developing new markets in order to ensure diversification and sustainable growth.

ENZ is working with the New Zealand international education industry through the strategic roadmaps to implement key projects designed to enhance growth prospects for the industry into the future.

These factors, along with changes to work rights, have shown strong results for New Zealand's international education industry for 2015. It is estimated that, based on student visa results for January to October 2015, the growth in international student numbers and the value of the industry will continue throughout the 2015 academic year.

[4] http://monitor.icef.com/2015/11/the-state-of-international-student-mobility-in-2015/

Appendix 1: Definition and breakdown of an international student:

As part of the Economic Impact of International Education 2012/2013 study, Education New Zealand (ENZ) revised its definition of international students to align with international standards.
ENZ defines international students as students who are non-residents of New Zealand who:

- have entered into New Zealand expressly with the intention to study, or
- have enrolled in a New Zealand provider offshore, where the educational programme is delivered in-market.

Along with full fee-paying students, the following categories have been included when measuring the economic value and performance of international education industry[5]:

- international PhD students
- exchange students
- NZ AID students
- foreign research postgraduate students
- offshore and onshore students

Data source and breakdown:

Data source	Sector	2014	2015	Change on 2014	% change
Formal qualifications: Onshore and offshore: SDR	University	24,440	24,706	266	1%
	ITP	12,522	14,619	2,097	17%
	Wānanga	6	7	1	17%
	SDR-PTE	11,642	14,043	2,401	21%
Full fee-paying and exchange students	Primary	1,303	1,690	387	30%
	Intermediate	675	647	-28	-4%
	Secondary	13,341	13,845	504	4%
Export Education Levy: includes Subsidiaries	Non-SDR PTE	14,231	19,724	5,493	39%
	English language	14,977	15,616	639	4%
Total enrolments		**93,137**	**104,897**	11,760	13%
Total head count		**92,705**	**104,418**	**11,713**	**13%**
Combined sub-sectors (enrolments)	Schools	15,319	16,182	863	6%
	PTEs (incl ELS)	40,850	49,383	8,533	21%

[5] Students within these categories are considered to be domestic students under the Education Act 1989.

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