

Education New Zealand and Ministry of Education Aide Memoire

Title:	International Education Strategy – Cabinet Economic Development, Science and Innovation Committee, 1 August 2018
Date:	27 July 2018
References:	ENZ ID: 1718-054 METIS: 1139066

Purpose

This aide memoire supports your discussion of the International Education Strategy, at the Cabinet Social Wellbeing Committee meeting on 1 August and Cabinet meeting on 6 August 2018.

I am seeking Cabinet approval for the International Education Strategy for New Zealand 2018-2030

- The International Education Strategy (the Strategy) looks towards a **thriving and globally connected New Zealand through world class international education**, and supports other government priorities across education, immigration and economic growth [paragraph 2].
- A government strategy will build certainty and confidence across the sector in New Zealand, helping to ensure that New Zealand is more competitively placed internationally alongside other countries.

A Government International Education Strategy is needed to ensure our efforts are aligned

- The strategy positions New Zealand to have a **more coordinated approach** to international education, and one that is more **strongly aligned with the Government’s domestic reform agenda for education**.

There have been recent challenges resulting from growth in the sector

- As the sector has grown, **some challenges have arisen** in relation to the quality of education delivered [paragraph 15].
- **I am placing the wellbeing of international students firmly at the centre**, to address any issues which place at risk the education and experience they expect to receive [paragraph 16].

Our strategic direction is supported by proposed changes to post-study work rights for international students

- Some private providers and a number of Institutes of Technology and Polytechnics (ITPs) rely heavily on international student enrolments. **Many ITPs are already facing significant financial challenges** through a decline in domestic student numbers over the past decade [paragraph 26].
- **New Zealand needs a strong and resilient ITP sector** that delivers high quality vocational education and training across New Zealand. I am currently looking at ways to secure a **sustainable future for New Zealand’s ITPs through my ITP Roadmap 2020 project** [paragraph 27].

The Strategy is focused on three goals for international education

- We will deliver an **excellent education and student experience**; enable **sustainable growth**; and **develop global citizens** [paragraphs 29 – 36].

The Strategy includes an economic target of \$6 billion

- Following draft Strategy consultation feedback on the proposed economic target of \$7 billion, the Strategy now includes a revised **economic target of \$6 billion by 2025**. Modelling was carried out by Education New Zealand to assist in determining an economic value goal for the Strategy. This target is based on little change in actual student numbers, but a shift in the mix of students from low-value to high-value education provision (see Appendix).

An Implementation Plan will measure the success of the Strategy

- **Alongside an economic focus, the Strategy includes social and cultural benefits as measures of success**, including student satisfaction and more domestic students undertaking an outbound international experience [paragraph 39].
- I have also established an international education stakeholder group which will help me to monitor progress on implementing the Strategy [paragraph 42].

Next steps

- Following Cabinet approval, **I intend to launch the International Education Strategy for New Zealand 2018-2030 at the New Zealand International Education Conference here in Wellington in August** [paragraph 47].

Proactive Release

We recommend that this Aide Memoire is not released at this time as the International Education Strategy is being launched at the New Zealand International Education Conference in early August. The Aide Memoire along with other relevant briefings could be released immediately following this.

Agree / Disagree



John Goulter
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Kate West
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Hon Chris Hipkins
Minister of Education

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Appendix 1: Modelling to determine an economic value goal for the Strategy

- The modelling looked at a range of scenarios, with the key variables being total student volume, sector mix, and growth in tuition fee income. The modelling utilised 2016 enrolment data and values taken from the 2016 valuation of international education undertaken by Infometrics on behalf of ENZ¹. Three growth scenarios are described below.

Estimating the future value of New Zealand's international education sector

Scenario One – 'Quality'

1. Scenario one assumes that over the next eight years, total student numbers decline and then stabilise at 120,000 but the mix of students across industry sectors and levels undergoes significant shifts, with continued growth at Level 7 and above, declining volume at Levels 4-6 and static volume in schools. This scenario also assumes that the regional mix of students remains the same as present and that the value of education services exports remains static.

Under this scenario, industry value grows to around \$5.4 billion by 2025.

Scenario Two – 'Sustainable Growth'

2. Scenario two assumes that over the next eight years, total student numbers decline and then stabilise at around 130,000 but the mix of students across industry sectors and levels undergoes significant shifts, with continued growth at Level 7 and above, declining volume at Levels 4-6 and growing volume in schools. This scenario also assumes the regional mix of students changes, with fewer students in Auckland and a modest increase in the value of educational services exports.

Under this scenario, industry value grows to around \$6.1 billion by 2025.

Scenario Three – 'Regional Stretch'

3. Scenario three assumes that over the next eight years, total student numbers grow to around 140,000 but the mix of students across industry sectors and levels undergoes significant shifts, with continued growth at Level 7 and above, declining volume at Levels 4-6 and growing volume in schools. This scenario also assumes that volume growth only occurs in regions outside Auckland and strong growth in educational services exports.

Under this scenario, industry value grows to around \$7.0 billion by 2025.

¹ Education New Zealand (2018). *Strategic Scan of the Global International Education Environment*. Retrieved from <https://intellilab.enz.govt.nz/document/400-strategic-scan-of-the-global-international-education-environment>