

## Education New Zealand Briefing

<b>Title:</b>	Education New Zealand's input into Ministry of Business, Innovation and Employment advice on post-study work rights		
<b>Date:</b>	26 March 2018	<b>Priority:</b>	Medium
<b>Security level:</b>	In Confidence	<b>ENZ ID no:</b>	1718-111

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28 MAR 2018

BY: Office of Hon. Hipkins

## Action sought

Addressee:	Action sought:	Deadline:
Minister of Education	<p><b>Note</b> that Education New Zealand provided insights into the current state of New Zealand's international education industry and international students' perspectives into the importance of employment to the Ministry of Business, Innovation and Employment to use in developing post-study work rights policy advice.</p> <p><b>Note</b> that the ability to work during and after international study is a material driver of both a potential international student's consideration of viable destinations and their subsequent likelihood to advocate positively for their chosen country.</p>	

## Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1 <sup>st</sup> contact
Angela Meredith	Accountability Manager	[REDACTED]		
John Goulter	General Manager, Stakeholders and Communications	[REDACTED]		x

Withheld under s9(2)(a)

## The following departments/agencies have seen this report

<input type="checkbox"/> ERO	<input type="checkbox"/> MBIE	<input type="checkbox"/> MFaT	<input type="checkbox"/> MoE	<input type="checkbox"/> MoH	<input type="checkbox"/> MSD
<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury	<input type="checkbox"/>

## Minister's office to complete

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined	<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by events	<input type="checkbox"/> See Minister's notes	<input type="checkbox"/> Withdrawn

Comments:

Hon Hipkins - Noted.  
  
 10/4/18  
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## Recommendations

Education New Zealand recommends that you

- a. **note** that Education New Zealand provided insights into the current state of New Zealand's international education industry and international students' perspectives into the importance of employment to the Ministry of Business, Innovation and Employment to use in developing post-study work rights policy advice
- b. **note** that the ability to work during and after international study is a material driver of both a potential international student's consideration of viable destinations and their subsequent likelihood to advocate positively for their chosen country

**Noted**



John Goulter  
General Manager, Stakeholders and  
Communications  
Education New Zealand

Hon Chris Hipkins  
Minister of Education

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## Purpose

1. This paper provides you with summaries of the two reports that Education New Zealand (ENZ) provided to the Ministry of Business, Innovation and Employment (MBIE) to use in developing advice on post-study work rights for international students. The policy advice will be provided to Ministers for discussion at the International Education Ministers meeting on 9 April 2018.

## Background

2. At the direction of the Minister of Immigration, MBIE has been reviewing the policy settings for the post-study work rights of international students. ENZ, along with the other International Education Agencies (IEA) have been working with MBIE to develop policy advice on post-study work rights for international students.
3. ENZ provided two reports to MBIE to use in the development of their policy advice as the reports provide insights into the current state of New Zealand's international education industry and international students' perspectives into the importance of employment. The two reports have been provided to your office and the reports' findings are summarised below.
4. When ENZ prepared its input, MBIE's preferred option was to replace the employer assisted post-study work visas for students at all levels with a two year open visa for students who complete non-degree Level 7 course or below and a three year open visa for students who complete a Level 7 bachelor degree or above. MBIE also was recommending changing requirements so that those studying at non-degree Level 7 could be required to do two years of study in New Zealand to be entitled to post-study work rights (aligned with current sub-degree requirements).

## "Update on international student numbers for T2 2017 and beyond" report

5. ENZ's Intelligence Team developed an internal Intelligence Report that looks at the potential implications of proposed changes to work rights for international students. It does this using the international student enrolment numbers for 2016 calendar year and 1 January to 31 August 2017.
6. The report's key points are:
  - Substantial decreases in the number of international student enrolments in the private training establishment (PTE) sector have resulted in a 7% decrease in the total number of international students enrolled with New Zealand providers in 1 January to 31 August 2017 compared to the same period in 2016.
  - Decreased student numbers from migration focused markets have caused the decrease in PTE sector enrolments, with the decrease in the PTE sector expected to reach the predicted 10,000 international students for the 2017 calendar year.
  - International student university enrolments have increased by 7%, which has partially offset the decrease in the PTE sector, and evidences a rebalancing of the market to higher-level qualifications.
  - There are indications that some migration focused international students may have realigned their level of study to Level 7 Certificates and Diplomas.

- The estimated value of the industry for 2017 calendar year is estimated to be \$4.4 billion, only slightly down on the 2016 value of \$4.5 billion.
- The preferred option for post-study work rights may result in a degree of churn across sectors rather than materially impact international student enrolment numbers.
- There is an increasing likelihood that the cumulative effect of three years' of policy changes, general political commentary and proposed changes to work rights for international students could be affecting the perception of some markets toward studying in New Zealand.

### **“Understanding the role of employment in the perceptions and experience of International Students in New Zealand” report**

7. In 2016/17 ENZ contracted Kantar TNS to undertake a national research project on the New Zealand experience of international secondary and tertiary students, to take a reading of how well their expectations are being met. The research included focus groups around the country and a nation-wide quantitative survey. A summary of the research report will be provided to you shortly.
8. Based on the 2016/17 research, ENZ asked Kantar TNS to summarise the learnings about the role of employment in the perceptions and experience of international students in New Zealand.
9. The key points of the research are:
  - The ability to work during, and particularly after, an international study experience is a material driver of both a potential student's consideration of viable destinations and their subsequent likelihood to advocate positively for their chosen country.
  - In terms of the experience of the United Kingdom, a major international education destination, that has abolished post-study work visas, the findings strongly suggest that the economic fallout from ignoring this core need of international students is both negative and significant. A Hobsons survey of international students supported the finding as “80% of students said that they would switch their study location if their host country's visa rules were changed.”
  - In New Zealand's case, the role of employment is particularly relevant as employment prospects are an important driver of why an international student may choose New Zealand. However these expectations are generally not fulfilled on arrival and employment is a measurable weakness of the student experience in New Zealand. For this reason, care should be given to any policy changes that further increase the difference between expectations and reality.
  - Another important issue is the way in which international students are treated as employees as previous research has strongly illustrated the significant negative personal impact and subsequent reputational damage on New Zealand when the student expectations of being treated fairly are not met.
  - The report recommended the continuation of the current allowance of post-study work rights in New Zealand to both reassure potential international students and their families and agents, and to contribute positively towards the continued viability of the industry.

### **Next steps**

10. MBIE's policy advice on post-study work rights for international students will be provided to Ministers for discussion at the International Education Ministers' meeting on 9 April 2018.