



Education Report: Final report back on the International Education Recovery Plan

To:	Hon Jan Tinetti, Minister of Education		
Cc:			
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Purpose of Report

This paper provides a report back on the International Education Recovery Plan.

Summary

1. In 2020, Cabinet agreed to an International Education Strategic Recovery Plan [SWC-20-MIN-0079 refers] following the disruption of COVID-19 and resulting border closures. The Recovery Plan covered three areas:
 - a. Transition and economic stimulus
 - b. Strengthening the system
 - c. Transforming to a more sustainable future.
2. There was \$51.6 million from the COVID-19 Recovery and Response Fund (CRRF) invested in the Recovery Plan.
3. A range of actions has been undertaken as part of the Recovery Plan, which helped to sustain and strengthen international education during an uncertain time.
4. With the borders now open and key decisions made on immigration changes, the policy environment for international education is now more certain. The refreshed New Zealand International Education Strategy 2022 – 2030 guides government's direction for international education. It incorporates the themes and some of the unfinished actions from the Recovery Plan.
5. We recommend that the Recovery Plan is now considered closed off.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** the activity that has occurred since July 2020 as part of the Recovery Plan.

Noted

- b. **note** that international education is now guided by the New Zealand International Education Strategy 2022-2030, and this Strategy incorporates outstanding activity from the Recovery Plan.

Noted

- c. **agree** that the Recovery Plan be closed off.

Agree / Disagree

- d. **note** that the International Chief Executives participated in a facilitated workshop on 2 December 2022 to consider the future role of the group.

Noted

- e. **agree** that the International Education Chief Executives Group be disbanded now that the Recovery Plan is closed off.

Agree / Disagree

- f. **agree** that the Ministry of Education release this briefing in full once it has been considered by you.

Agree / Disagree



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15/02/2023



Hon Jan Tinetti
Minister of Education

16/02/2023

Background

6. In June 2020, Cabinet agreed to a high-level Strategic Recovery Plan that would ensure international education would rebuild following the impacts of COVID-19, and that it would transform to become more diversified, resilient and high-value.
7. The Minister of Education also asked that a Chief Executives' Group be established to support the governance and implementation of the Recovery Plan. This group has met regularly to oversee and guide activity under the Recovery Plan through:
 - a. confirming the strategic direction, work programme and priorities
 - b. allocating resources as appropriate
 - c. monitoring progress and impact, and agreeing to or recommending changes to Ministers
 - d. managing issues, including interagency issues, and risks
 - e. reporting to Ministers individually and collectively.
8. From 2020 to 2022, activity under the plan adapted to respond to emerging needs and changing circumstances. Work began to develop a second stage of the Recovery Plan, but it was subsequently overtaken by the refresh of the New Zealand International Education Strategy (the Strategy).

Activity and progress made under the Recovery Plan

9. This section outlines key activity that occurred under each phase of the Recovery Plan, as agreed by Cabinet, and the impact it had on international education. It also outlines how international education is now placed, and what further work is planned in these areas.

Transition and economic stimulus

10. The 'transition and economic stimulus' phase of the Recovery Plan was aimed at addressing the immediate impacts of COVID-19, and in particular at stabilising the sector.
11. Activity under this phase included suspending the Education Export Levy (EEL) for the 2020, 2021, and 2022 calendar years. It also included managing four border exception cohorts of international students, and from October 2020 to July 2022 this enabled 7,495 international students to be nominated for a border exception.
12. There were also sector deep-dive workshops held to better understand the specific impacts on different parts of international education.
13. Targeted financial assistance was also available to support students and give short-term relief to providers:
 - a. \$20 million for state and state-integrated schools to enable them to maintain workforces that dealt with international education. This transition support funding was delivered to 541 schools in 2020 while they prepared for lower international student revenue in 2021.
 - b. \$10 million for Private Training Establishments (PTEs). The Tertiary Education Commission (TEC) administered the PTE Targeted Assistance Fund. A total of \$8.1 million was distributed to support 22 PTEs (18 of which were English language providers) to continue operating at a minimum viable level, or to support hibernation costs.

- c. \$1.5 million for English Language Schools. This was distributed through the TEC-administered PTE ESOL Provision fund and supported 11 providers to expand delivery of English language training to partners and dependents of New Zealand citizens and residents. It meant that demand for training was sustained (so the providers could continue operating) and also helped upskill and improve the employability of New Zealanders with English language needs.
 - d. \$6.6 million in lieu of what would normally be available through the EEL for the pastoral care of international students, promotion of New Zealand education abroad, undertaking research and supporting industry development. \$889,000 of this was made available to be used in the Education New Zealand (ENZ) administered International Student Hardship Fund, which supported 3,963 international students.
- 14. This funding in lieu of EEL revenue was also used on digital campaigns, events and engagement to ensure that New Zealand's education brand remained visible while travel restrictions were in place, and research projects to better understand different markets' interest in New Zealand education amid the pandemic and to understand student retention strategies.
- 15. Funding was also spent on professional development, including deep dive workshops to better understand the impact of COVID-19 on international education, and professional development workshops and webinars focussed on working with regional economic development agencies to support international education.
- 16. The border is now fully open, and providers are able to attract and enrol international students. From 1 August to 30 January, 30,069 visa applications were received from offshore applicants. 21,038 had been decided, with 19,889 of them approved.
- 17. No further action is needed under this phase.

Strengthening the system

- 18. The 'strengthening the system' phase was aimed at ensuring key strategic drivers of increased sustainability, resilience, and broader public value were embedded into international education for the medium to long-term. This included policy changes and setting a clear direction. It also included looking at financial risk to Crown-owned institutions posed by international education, particularly when it relies on a few key markets.
- 19. Activity under this phase reviewed or updated policies and settings for international education, including:
 - a. Refreshing the Strategy
 - b. Reviewing the enrolment of fee-paying international students under Year Nine. Following the review, it was decided to maintain the status quo
 - c. The Immigration Rebalance, included a suite of changes to policies affecting international students
 - d. Increasing the amount of funds international students are required to have to support themselves
 - e. Enhancing the protection and wellbeing of students by updating the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021
 - f. Ensuring the ongoing quality of New Zealand education being delivered offshore and strengthening ongoing quality assurance processes. \$500,000

was provided to the New Zealand Qualifications Authority from the CRRF to support this work.

20. The refreshed Strategy is now the guiding document for international education, and it includes a statement on how international education can be 'high-value' for all of New Zealand.
21. Decisions on other key settings have now been made and communicated to stakeholders. There has been a lot of interest in immigration changes, and there are actions in the Strategy for agencies to review the impact of these changes.
22. There is one outstanding activity from this phase, as described in the 2020 Cabinet paper, which is determining the fiscal risk to the Crown of international education. This was particularly a concern in the initial stages of border closures, as publicly funded providers, particularly universities, indicated they were facing significant revenue shortfalls. However, universities have found themselves in a better space than expected, and those providers most significantly affected are PTEs. We will still look at Crown risk, working with the TEC and accounting for what has been shown over the period of the border closure, and provide advice at a later date.

Transforming to a more sustainable future

23. The 'transforming to a more sustainable future' phase was aimed at supporting international education to become more resilient in the future, including through diversifying products, markets, and modes of delivery.
24. There was some funding available under this phase:
 - a. \$10 million to support the diversification of international education products and services, including the development and delivery of a unified digital platform, and for exploration, market testing and analysis to create innovative products and services; as well as to establish and deliver offshore licensed education institutions on behalf of all New Zealand universities;
 - b. \$3 million to support international education communications, marketing and brand awareness so that the Government can drive and convert demand when circumstances allow and ensure that New Zealand's brand reputation does not diminish while borders are closed.
25. To date, ENZ has spent \$6.5 million of the \$10 million allocated to support diversification, and the full \$3 million allocated for communications and marketing and to maintain brand awareness. Its annual report for 2021/22 will contain a fuller report back on activities undertaken with this funding. The diversification work is still under way, and is included as an action in the refreshed Strategy.
26. ENZ's spend on diversification to date has included programme-level activity, resourcing and communications. It designed and implemented the Product Innovation Fund, which has now provided funding to seven recipients. ENZ intends that the new products and services created will deliver international learning in new ways, and provide insights that will feed into a report and recommendations paper planned for September 2023.
27. Diversification activity undertaken by ENZ also included testing different modes of delivery. It included exploring offshore face-to-face delivery through a global partnership with New Zealand's eight universities and qualifications provider Northern Consortium United Kingdom, and offshore digital delivery through online education

platform pilots with FutureLearn. These experiences will also inform the report and recommendations paper planned for September 2023.

28. To support international education communications, marketing and brand awareness ENZ evolved the 'Think New' brand to better represent opportunities for online, hybrid, and offshore learning with New Zealand providers. It also launched a global campaign 'Take a New Look', which included a video-led campaign, direct marketing, blogs, and paid media on social media channels.
29. Through consultation on the Strategy we heard that parts of the sector are worried about the diversification of international education and development of offshore delivery. In particular, those that focus primarily on in-person delivery expressed a strong preference for focussing on rebuilding onshore delivery in the short term. The Government has indicated through the final version of the Strategy that it does not expect every provider to diversify or deliver services offshore, and that it is supportive of providers building back their onshore operations. There is also an opportunity to work more with parts of the sector that are not student attraction focused, such as EdTech and education publishers, on increasing the diversity of international education.
30. Building a diversified and sustainable future for international education is an important part of the refreshed Strategy. Actions within it build on the work undertaken as part of the Recovery Plan. Some specific actions include the following.
 - a. ENZ will continue to build preference for and promote New Zealand's international education brand through marketing and public relations activities to attract learners to study with New Zealand
 - b. ENZ is using CRRF funding to support the diversification of international education products and services, including assisting successful applicants of the Product Innovation Fund to create new products and services pilots, providing thought leadership for the sector, and diversifying modes of education delivery
 - c. ENZ is building a greater understanding of the opportunities for the diversification of education products and modes of delivery across both the existing sector and potential new entrants.

Closing off the Recovery Plan and International Chief Executives Group

31. We recommend that the Recovery Plan is now closed off. With the reset of international education through the border reopening, refreshed Strategy, and changes to immigration settings, we can move into a new space. While some parts of international education are still in recovery mode, this is covered by Focus Area One of the Strategy.
32. On 2 December 2022, the International Chief Executives Group participated in a facilitated workshop to consider its future role, given the changes in the operating environment since the group was formed. The discussion explored opportunities for responding to the Government's broader objectives and strategies (trade recovery, economic, science and innovation, foreign affairs, and other policies) and identifying and addressing key tensions in implementing the Strategy.
33. The group identified a direct link of the international education portfolio into other existing Chief Executive fora, with a broader focus on the Government's Economic Plan (including trade, immigration, research, science and immigration, and the labour market) would be a more effective way to provide collective aligned advice.

34. The group agreed to disband, and recommended that the international education portfolio be connected to the Economic Chief Executives forum as a new inclusion. The group also recommended that the Chief Executive, ENZ be invited to participate as a member this forum. The Chief Executive, Ministry of Business, Innovation & Employment, confirmed this addition to the Economic Chief Executives forum.
35. The International Education GMs group will take on responsibility for overseeing the actions in the Strategy.

Next Steps

36. This report closes out activity on the Recovery Plan.
37. You may wish to share this report with the Minister for Trade and Export Growth; the Minister for Economic Development; the Minister of Research, Science and Innovation; Minister of Foreign Affairs and Minister of Immigration, who also have an interest in international education.