



## Briefing Note: Meeting with Universities New Zealand (Vice Chancellors)

<b>To:</b>	Hon Chris Hipkins		
<b>Date:</b>	2 December 2020	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1245133
<b>Drafter:</b>	Laurie Teal, Senior Policy Analyst	<b>DDI:</b>	
<b>Key Contact:</b>	Julie Keenan, Group Manager, Te Ara Kaimanawa	<b>DDI:</b>	9(2)(a)
<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	No

### Purpose of Report

This paper provides briefing notes and talking points for your meeting with Vice Chancellors on 4 December 2020.

### Summary

- Universities New Zealand (UNZ) has requested a meeting with you on behalf of Vice Chancellors, and indicated that they would like to discuss international education issues, and hear about your priorities for the sector.
- The issues they would like to discuss include increasing international student entry, the International Education Strategic Recovery Plan, and international student work rights.
- You may wish to bring their attention to the government's priorities set out in the Tertiary Education Strategy, and to mention the recent review of the Performance-Based Research Fund.

**Note** the advice in this Briefing Note and discuss with Vice Chancellors as you wish.



Julie Keenan  
**Group Manager, International Education**  
**Te Ara Kaimanawa**



Hon Chris Hipkins  
**Minister of Education**

## Background

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1. You will meet with the Vice Chancellors on Friday, 4 December 2020, for 45 minutes.
2. They would like to focus the meeting on their Briefing to the Incoming Minister (BIM), and have identified three particular issues they would like to discuss, all related to international education:
  - restarting larger-scale international student flows into New Zealand
  - International Education Strategic Recovery Plan (Recovery Plan)
  - international student work rights.
3. They have also indicated that they would like to hear about your priorities for the next three years and how they can assist you to deliver on those priorities.

### Impact of COVID-19 on international fee revenue in the university sector

4. Enrolments and tuition fee revenue from international students in the university sector are down less for 2020 than was expected six months ago. 9(2)(f)(iv)  
[REDACTED]  
[REDACTED]  
[REDACTED] Final counts for the year will be available after the December returns.
5. Revenue and enrolments have reduced less than expected in part because many international students have remained enrolled and studying while “stuck” offshore (around 5,200 according to UNZ). Many of these students will eventually need to travel to New Zealand to progress or complete study.
6. Enrolments have also remained high because universities have continued to enrol new students offshore. Most of the students studying offshore still hope to enter New Zealand, and may un-enrol (and request refunds) if this remains impossible long-term. UNZ suggests that demand for offshore provision is high only among students who hope to travel to New Zealand, while demand is low for purely offshore online provision.
7. The reductions in revenue and enrolments are expected to worsen in 2021, and continue below 2019 levels for a number of years as the pipeline of new students remains disrupted.
8. Universities have mitigated losses to date through a number of mechanisms aimed at reducing expenditure, including salary freezes, “sinking lid” staffing policies, cutting capital expenditure, slowing maintenance, borrowing and restructuring.

## International student entry to New Zealand

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### Update on the first cohort: 250 PhD and postgraduate students

9. You announced on 1 October 2020 that approval has been granted for an initial cohort of 250 PhD and other postgraduate students to enter New Zealand to continue their studies. Officials have worked closely with UNZ and have identified 194 PhD students eligible for entry; these students are now going through the required processes with Immigration New Zealand.
10. The 194 nominees are from 45 different countries, with Chinese nationals making up 38% (74 students) of the cohort. All eight universities will receive some students, with Auckland receiving 49 students (25%), Otago receiving 40 students (21%), and Massey receiving 28 students (14%).

11. Officials are working across all provider sectors to identify eligible Masters students to fill the remaining 56 places.
12. The online reservation system for MIQ spaces (Managed isolation allocation system (MIAS)) went live on 3 October 2020. There are now no spaces left in 2020, with few openings available until April.
13. Since the border restrictions were put in place, universities have been keen to establish their own MIQ arrangements. The government has been clear that it is not ready to move away from the current government-managed model of MIQ.

## **International Education Strategic Recovery Plan**

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14. Cabinet approved the Recovery Plan in June 2020, aimed at stabilising and rebuilding a stronger, more sustainable sector. Since June, we have delivered targeted financial support to selected schools, private training establishments and English language schools to retain specialist staff, support viability and pivot some provision to different learner sectors.
15. We will be advising you on a second and subsequent cohorts of international students for entry, and will provide you with a strategic “Road Map” for student entry by the end of this year.
16. Immediate priorities to continue progress on the Recovery Plan include:
  - workshops with the sector to refine the direction of the plan
  - establishing agreement on what constitutes “high value” in the sector
  - identifying options for you to consider for managing Crown risk and increasing sector resilience in relation to international education
  - adjusting immigration and education settings, including those related to education agents, to strengthen the regulatory system
  - continuing regulatory work related to pastoral care of international students.
17. You are scheduled to report back to Cabinet in March 2021 on Recovery Plan progress.

## **UNZ BIM comments on the Recovery Plan**

18. The UNZ BIM criticises two aspects of the Recovery Plan:
  - The emphasis on diversification, and particularly the proposed move toward online delivery
  - The proposal to look at in-study and post-study work rights.
19. The BIM’s criticism of diversification rests on the argument that COVID-19-related revenue and enrolment losses are a short-term “blip,” and that onshore provision should remain the primary mode of international education delivery. It points out that demand for travel to New Zealand will be higher than before once we get past COVID-19, and that demand for offshore delivery is low.
20. The BIM opposes changes to work rights on the grounds of remaining competitive in the global marketplace. It points to the essential nature of work experience for today’s university graduates, and argue that work rights are an integral component of our education “offer” that should not change.

## Government priorities for the sector

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21. You released the Tertiary Education Strategy (TES) on Friday 13 November 2020, following public consultation on a draft TES and National Education and Learning Priorities (NELP) in late 2019.
22. The TES sets out eight priorities for the tertiary education sector; seven of these are joint with the NELP and the eighth, relating to research and mātauranga Māori, is specific to tertiary.
23. The priorities set out in the TES are all important, and Tertiary Education Organisations (TEOs) should be thinking about how they will reflect all of these priorities in their policies and practices, and inform TEC about this through their investment plans. TEC will issue investment plan guidance in December 2020.

## Performance-Based Research Fund (PBRF) Review

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24. Targeted consultation on the Performance-Based Research Fund (PBRF) Review recently ran for eleven weeks. The Ministry received 45 written submissions, 73 online survey responses, and met with a range of stakeholders.
25. You will receive a summary of feedback received through targeted consultation before Christmas, and officials will have discussed the universities' feedback with the Vice-Chancellors.
26. We are working towards final Cabinet decisions by May 2021.

## Recommendation for release

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27. We recommend that this Briefing is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.