



International education: An evolving opportunity

Global growth rate
3.66%



Students are more mobile and flexible about the location and timing of their study than ever before

NZ advantage score
9.3



A changing landscape for international education

The changing nature of the international education landscape means New Zealand's opportunity is evolving.

In terms of demand, students are more mobile and flexible about the location and timing of their study than ever before. In a globalised world, the higher education market is becoming increasingly internationalised. Some five million tertiary students currently study abroad. By 2025, this figure is expected to reach eight million.⁵¹

There are also shifts in international education from the supply side. Technological changes will drive new and innovative educational services, expanding and evolving delivery. Technology is changing the way education is purchased, experienced and consumed; and it is extending international education markets beyond their established geographic and service boundaries.

New Zealand has been able to successfully position itself in this industry. International education is New Zealand's fourth largest export earner, currently generating \$4.5 billion⁵² annually. Exports in education increased by 54% between 2013 and 2016.

The current 131,609 international students in New Zealand participate at every level of education, from primary through to post-graduate studies.^{53,54,55}

Looking ahead, international education will continue to contribute to a vibrant and prosperous New Zealand. To realise the opportunities that exist in the industry, New Zealand's comparative advantage in international education needs to be maintained and strengthened.

New Zealand's advantage in international education

A positive and authentic education experience for learners

New Zealand is seen as a welcoming country with strong human rights, and one of the safest countries in the world. To support a positive and safe experience here, the industry established the Code of Conduct for the Pastoral Care of International Students;⁵⁶ a framework for education providers.

Proximity to Asia

Students from Asia represent more than half of all international students enrolled in OECD countries. China has the most citizens enrolled abroad, followed by India. This has flow-on benefits for New Zealand, given New Zealand's proximity to Asia.⁵⁷

International collaboration

International collaboration initiatives can take a variety of forms, and include research collaboration (joint research projects), academic mobility, agreements enhancing short or long-term student flows and work placement programmes. In terms of research collaboration, studies have shown that investment in research contributes to the long-term economic growth of a country. For example:⁵⁸

- Research outputs can lead to better systems, materials and products, and overall productivity improvements in the economy if the research influences the practices of industry, government and broader society
- International research collaboration produces higher quality research due to access to knowledge, skills, techniques, facilities and broader networks
- Access to world-leading research that leads to innovation provides a competitive advantage for New Zealand and through intellectual property that can be commercialised

Technological changes will drive new and innovative educational services, expanding and evolving delivery

English is spoken inside and outside the classroom

A New Zealand education offers full immersion in the English language – the world’s business language. This puts New Zealand education providers on more of an equal footing with the other leading education providers such as the United States, the United Kingdom, Australia and Canada.

Challenges for New Zealand

International education is becoming increasingly borderless

This is both a challenge and an opportunity for New Zealand’s international education industry. New technologies enable international education to be just a click away for students. For example, there now exist massive open online courses (MOOCs), distance education, international education-related internships and training experiences, cross-border delivery of academic programmes and offshore satellite campuses. This is a growing concern for New Zealand’s education institutions competing against global brands.

However, this also provides an opportunity for New Zealand to overcome geographical barriers. New Zealand is already taking advantage of this opportunity:

- The University of Auckland’s MOOCs allow anyone in the world to study at the university by distance
- The University of Otago is a world leader in offering online professional development for the aviation and occupational medicine industry and has 100+ students studying in the Middle East, North America, Europe, Asia and Australia⁵⁹

Increase the value of international education

Given the trend that international education is becoming increasingly borderless, another challenge will be how to increase the value of international education in New Zealand, not only the volume. The per-student spend with borderless international education will be much less than the per-student spend for education within New Zealand. Action is required to ensure New Zealand is retaining the value of the industry while remaining competitive in a global market.

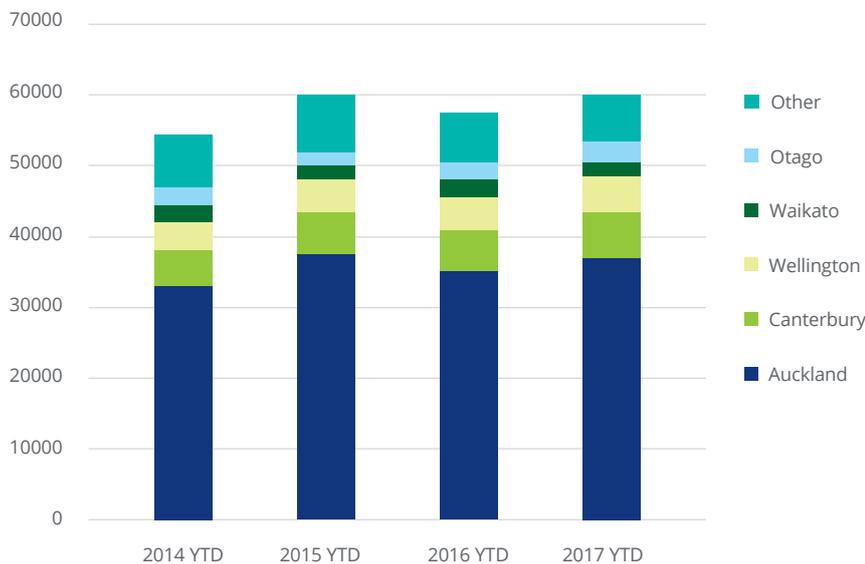
International education is New Zealand’s fourth largest export earner, currently generating an annual

\$4.5 billion

63% *of total international enrolments are in*
Auckland



Figure 10: **Total student visas provided by region** (2014 to 2017)



Source: New Zealand Education

Student attraction and rising student expectations

To remain competitive, New Zealand needs to increase the visibility and international recognition of its qualifications overseas. This includes promoting the country and its international education system on social media and platforms such as Weibo and WeChat, and making more use of the *Study in New Zealand* website.

In addition, given the rise of Asian universities, New Zealand needs to offer a differentiated student experience that provides social connections beyond the classroom. Any bad publicity, or changes in immigration settings, could increase the risk of international students opting for local alternatives.

Attract international students beyond Auckland

Currently, Auckland is the main destination for international students, with 63% of total international enrolments.⁶⁰ This concentration may contribute to infrastructure and housing pressures in Auckland. Other regions in New Zealand have capacity to grow and to provide a positive experience for international students. A more strategic regional development approach for international education is required to realise these opportunities, including consideration of how direct flights to Asia are a key consideration for families. Figure 10 illustrates the total student visas provided by region, 2014 to 2017.⁶¹

Positioning for prosperity

Effective and targeted strategies for international collaboration, and being in front of the innovation curve for online studies, could deliver significant benefits for New Zealand's international education industry. But the industry faces key challenges that need to be addressed to reap these benefits in the future.

The following questions should be considered to take full advantage of opportunities in the international education sector.

1. How can we encourage further international research collaboration and support bilateral student flows?
2. How can we improve visibility and accessibility for international education in New Zealand?
3. How can we incentivise the delivery of new and innovative education and training services in New Zealand?
4. How can we increase both the value and the volume of international education in light of future trends and manage risks at the same time?
5. How can we distribute demand for international education outside Auckland?