

Submission by



GROWING PROSPERITY AND POTENTIAL

to the

Ministry of Education

on the

**Draft Refresh – International Education Strategy 2022 -
2030**

DRAFT REFRESH – INTERNATIONAL EDUCATION STRATEGY 2022 - 2030 – SUBMISSION BY BUSINESSNZ¹

1. INTRODUCTION AND RECOMMENDATIONS

- 1.1 BusinessNZ welcomes the opportunity to make a submission to the Ministry of Education on the Draft Refresh – International Education Strategy 2022 – 2030 (the draft refresh).
- 1.2 BusinessNZ welcomes the Government intent to restart New Zealand’s international education sector, however the Draft Refresh fails to provide the vision, clarity and impetus needed to support not just the international education sector, but also the broader Reconnecting New Zealand Strategy.

It is recommended that the Ministry of Education:

- **Clearly articulate its vision for international education and what the Government is seeking to address when it refers to the rebuild looking different from prior international education offerings,**
- **Urgently expedite the design of monitoring mechanisms and provide data analysis and forecasting in the draft strategy to inform the expected recovery path for international education,**
- **Articulate the co-dependencies of international education and decisions already taken that will impact New Zealand’s ability to rebuild the international education sector,**
- **Ensure greater co-ordination across immigration, regulatory and education settings to encourage greater coherence of international education with broader skill and labour market challenges.**

2. BACKGROUND

- 2.1. International education has been hard-hit by the Covid pandemic. At its peak, international education contributed an estimated \$5.2 billion to New Zealand’s economy. International students contribute to New Zealand’s communities, provide vital revenue to New Zealand education providers that enables them to provide better services and facilities to New Zealand students, and also make up a significant and critical part-time labour force for New Zealand businesses. International education is important for providing a global experience for New Zealand students and enhancing international connections across a broad range of areas.
- 2.2 The direction of reducing international education was signalled prior to the Covid pandemic with an increased focus on higher levels of tertiary education, in line with the Government’s intent to reduce immigration more broadly. The pandemic has hastened this objective in terms of the demise of sub-degree level provision in international education, particularly for the private training establishments (PTEs). Changes to domestic funding under the Unified Funding System will likely further compound financial viability issues facing the PTE sector in the medium term.

3. CONTEXT AND COVID RECOVERY

- 3.1 The closed border, and decisions taken over the last two years, should be factored into the draft Refresh and acknowledge how challenging it will be to rebuild the international education market in the face of increased global competition and the decline in New Zealand’s global reputation.
- 3.2 Of the ‘lessons learned’ from Covid and decisions taken that should be acknowledged in the draft Refresh:
 - 3.2.1 *International students were the first cohort to which the emergency powers to amend immigration instructions were applied when the border closed and lockdown restrictions were applied – the opportunity to work in New Zealand is part of the international student experience, and international students make an important contribution to the part-time workforce, particularly given New Zealand’s persistent skill and labour shortages,*
 - 3.2.2 *International education border exemptions have failed to fill the full quotas – micromanagement of international education places through the border exemptions process has resulted in underutilised spaces and added considerable complexity to the international education process,*
 - 3.2.3 *Creating a new category of international student – under the Unified Funding System, the Government has removed eligibility for industry training (previously maintained as a ‘right to work, right to train’ principle. The draft Strategy does not reference the implications of creating a new category of international student or how this will be executed, particularly in industries with regulatory or health and safety requirements. This will shift unknown but significantly more cost on to employers or individuals and is not mentioned in the strategy for the education sector to consider a response,*

¹¹ Background information on BusinessNZ is attached as Appendix One.

- 3.2.4. *Uncertainty of immigration settings* – international students have been subject to the last two years of immigration reviews and resets and have more punitive settings now than previously. Restricting work rights for post-graduate study (as announced in the Immigration Rebalance), despite evidence that only a third of international students remain in New Zealand five years after graduating and excluding any carve-outs in the Residency Visa 2021 to retain highly skilled individuals make New Zealand less attractive for international students,
- 3.2.5 *Broader immigration and education context has moved*– immigration policy reviews and the Productivity Commission on immigration settings have highlighted how critical international skills and talent are to New Zealand’s economy and communities and that the immigration system has generally worked well. This needs to be acknowledged in the draft Refresh, and more emphasis put on the role of education agencies to ensure that New Zealand providers are operating in a way that encourages good educational and employment outcomes for all.

4. THE DRAFT REFRESH NEEDS TO BE WORKED ON FURTHER TO CLEARLY ARTICULATE THE STRATEGY AND PLANS TO ACHIEVE RECOVERY FOR THE INTERNATIONAL EDUCATION SECTOR.

- 4.1 Although New Zealand’s education immigration system can be taken to have worked well, presumably, in developing a draft Refresh, the intention was to promote an international education strategy even more effective than that previously in place, However, while the draft Refresh provides broad aspirational statements, these are not accompanied by concrete actions, timelines or key performance indicators, lowering the standard for international education by failing to take account both of basic sector metrics and the critical success factors that applied before the Covid pandemic. It fails to highlight any strategic initiatives above what could be considered business as usual.
- 4.2 The draft Refresh represents a ‘do nothing’ approach to international education. It lacks any consideration of how the world has changed in the last two years, takes no realistic view of what will be necessary to rebuild a strong international education market and gives no indication of New Zealand’s value proposition within this competitive market.
- 4.3 BusinessNZ strongly urges the Government to rewrite the draft Refresh document in line with the recommendations above.

The BusinessNZ Network is New Zealand’s largest business organisation, representing:

- Business groups [EMA](#), [Business Central](#), [Canterbury Employers’ Chamber of Commerce](#), and [Business South](#)
- [BusinessNZ](#) policy and advocacy services
- [Major Companies Group](#) of New Zealand’s largest businesses
- [Gold Group](#) of medium-sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
- [Buy NZ Made](#) representing producers, retailers and consumers of New Zealand-made goods

The BusinessNZ Network is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

The BusinessNZ Network contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and Business at OECD ([BIAC](#)).

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