

Education New Zealand Briefing

Title:	Latest international student enrolment and student visa trends		
Date:	28 February 2018	Priority:	Medium
Security level:	Unclassified	ENZ ID no:	1718-065

Action sought

Addressee:	Action sought:	Deadline:
Minister of Education	<p>Note that Education New Zealand plans to release the international student enrolment numbers for the calendar year to 31 August 2017 on 7 March 2018.</p> <p>Forward this briefing to the Minister of Immigration for his information.</p>	7 March 2018

Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1 st contact
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Andy McPhee	Intelligence Manager	[REDACTED]	[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 Withdrawn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:

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Recommendations

Education New Zealand recommends that you

- a. **note** that Education New Zealand plans to release the international student enrolment numbers for the calendar year to 31 August 2017 on 7 March 2018

Noted

- b. **forward** this briefing to the Minister of Immigration for his information



Clive Jones
**General Manager, Strategy and
Insight**
Education New Zealand

Hon Chris Hipkins
Minister of Education

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Purpose

1. This paper:
 - explains the differences between student visa numbers and international student enrolment numbers, highlights certain issues with the data collected, and discusses why student visa numbers are used as a lead indicator for international student enrolment numbers
 - summarises the provisional international student enrolment numbers for the calendar year to 31 August 2017¹ and the January 2018 student visa numbers.

Background

2. International student enrolment numbers, and the sectors in which they study, are often used to assess the state of the international education industry. International student enrolment numbers are also important for industry planning, and for government policy makers. As the lead government agency for international education, Education New Zealand (ENZ) reports student visa and international student enrolment numbers to industry and government.
3. ENZ defines an international student as a non-resident who has expressly entered New Zealand with the intention of studying here or has enrolled with a New Zealander provider offshore. Included in this definition are international PhD students, exchange students, NZ Aid students, foreign research postgraduate students and full fee-paying international students. Those not counted as international students include Australian citizens and residents, work visa holders, dependents or partners of migrants working in New Zealand and dependents of foreign diplomats or military personnel.

International student enrolment numbers

4. International student enrolment numbers are provided to ENZ by the Ministry of Education (MoE). The numbers are obtained from two sources:
 - the single data return (SDR), completed each trimester by all institutions that receive government student funding²
 - a manual system to capture the balance of international students from unfunded English language schools (ELS) and private training establishment (PTE) providers.
5. Sometimes providers submit their data late to the MoE, and the MoE needs to extract and cleanse the submitted data from a number of systems. Combined, these factors can delay the international student enrolment numbers being provided to ENZ.

¹ The number of international student enrolments are provisional until the full year international student enrolment numbers are available.

² These institutions include schools, intermediates, secondary schools, institutes of technology and polytechnics, universities, some English language schools and some private training establishments.

Provisional international student enrolment numbers

6. A summary of the provisional international student enrolments for the calendar year to 31 August 2017 is attached. This information has not yet been released by ENZ and will be made available on 7 March 2018.
7. There were 106,021 international students enrolled with New Zealand providers in the calendar year to 31 August 2017, a 7% decrease compared to the same period in 2016. ENZ estimates that international education will contribute \$4.4 billion to the New Zealand economy, slightly down from \$4.5 billion in 2016.³
8. The overall decrease in international student enrolments was driven by a 30% decrease in the unfunded PTE sector, partially offset by a 7% increase in the university sector. In January to August 2017 there were more international university students enrolled than in the full 2016 year.
9. The decrease in the unfunded PTE sector also drove the 10% decrease in international students studying in Auckland, while growth in the university sector supported the increased international student enrolments in Canterbury, Manawatu-Whanganui and the Waikato.
10. Due to the lag in the availability of the international student enrolment numbers, ENZ uses the student visa numbers as a lead indicator.

Student visa numbers

11. Non-New Zealand residents wishing to study here generally require a visa to enter New Zealand. However, people from visa waiver countries who enter New Zealand on a visitor visa are able to study on courses of three months duration or less without requiring a student visa⁴. This predominantly affects the ELS sector and means international student enrolment numbers are greater than the number of student visas issued.
12. International students transitioning from unfunded to funded education providers can be double counted in international student enrolment numbers due to the reduced information collection requirements for unfunded providers. This is because students at unfunded PTEs and ELS do not receive the National Student Number which normally prevents double counting when students change providers.
13. An idiosyncrasy of the system is that total student visas are calculated by adding the total of first time student visas and returning student visas together. The second and any subsequent student visas issued to a person are counted as returning student visas, regardless of when those visas are issued. As a result, total student visa numbers can be artificially inflated, as shown below.

³ ENZ is currently undertaking a full economic value analysis of the industry for 2017 which includes surveying international students to find out how much they spend while studying in New Zealand.

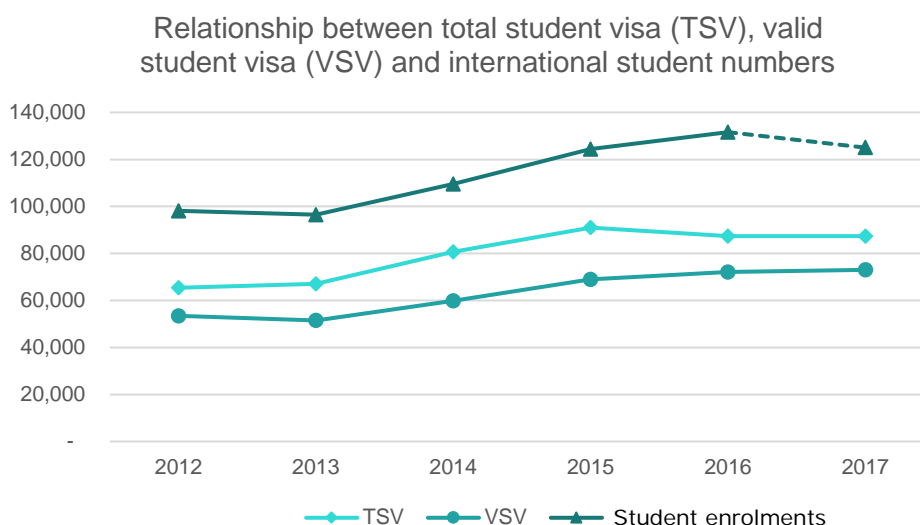
⁴ There are approximately 60 visa waiver countries whose citizens can be granted visitor visas on arrival for stays of three months or less. Some visa waiver countries are major student markets such as Korea and Japan.



Ralph is an international student arriving from a non-visa waiver country and intends to study at a New Zealand university. To improve his English, he first enrolls with an ELS for a short course and his first time student visa is issued.

After completing the course, Ralph enters university. The visa gets reissued to reflect the change in provider. Now Ralph has had a first time student visa plus a returning student visa. The total student visa numbers have now been inflated by one. Paying for his tuition a semester at a time or changing providers will result in additional returning student visas being issued and inflate total student visa numbers, while the physical student count remains as one.

14. Due to this issue, ENZ focuses on first time student visas to indicate the number of new international students being attracted to New Zealand and valid student visas as a lead indicator for international student enrolment numbers.
15. Valid student visas are the number of people holding a student visa at the beginning of each month. Comparing valid student visas month on month, or month to month (for different years), can provide a more accurate measure of international student enrolment numbers than total student visas. ENZ still uses total student visas for some analysis as the valid student visa data does not contain some of the information contained in the total valid student visa data, such as whether the students are exchange students, vocational trainees, or dependants of migrants.
16. The graph below shows the difference between international student enrolment, total student visa⁵ and valid student visa numbers. It identifies the artificial inflation in visa numbers between total student visas and valid student visas, along with the disparity between international student enrolment numbers and visas. The disparity is due to international students studying in New Zealand on non-student visas, such as visitor or work visas.



⁵ The uncharacteristic 'dipping' in total student visas between 2015 and 2017 is likely to be due to the decrease in Indian students who had previously paid for their study on a trimester basis.

January 2018 student visa numbers

17. The attached January 2018 student visa numbers are the most recent student visa numbers available and were published by ENZ on 22 February 2018.
18. The number of first time student visas approved in January 2018 was 7% higher than in January 2017. As the peak processing time for student visas is February to March, this increase may be due to the 'front-load effect' when more international students apply for visas early, enabling Immigration New Zealand to process the visas ahead of the normal peak processing months.
19. The increase in first time student visa numbers was driven by India, Japan and Germany and was partly offset by decreases from China, the United States and Latin America. Notably, January 2018 saw a continuation of the trend in first time Chinese student visa numbers being below the first time student visa numbers from the same month in the previous year – this trend started in May 2017.
20. At 1 February 2018 there were 77,756 valid student visas, a 4% increase compared to 1 February 2017. The PTE sector, down 12%, was the only sector to see a decrease in valid student visas. The university sector had the largest increase in valid student visas with the rebalancing towards high-level qualifications continuing.

Next steps

21. On 7 March 2018, ENZ will release the international student enrolment numbers for the calendar year to 31 August 2017.
22. ENZ expects to receive the 2017 full year international student enrolment data from the MoE in the next few weeks. This will be one major input into ENZ's biennial economic valuation analysis of international education, which is currently underway.

2017 International Student Enrolment Summary – as at 31 August 2017

The planned market rebalancing is well underway and sector value is holding



There were 106,021 international students enrolled as at 31 August 2017



Enrolments are down 7% on the same period in 2016



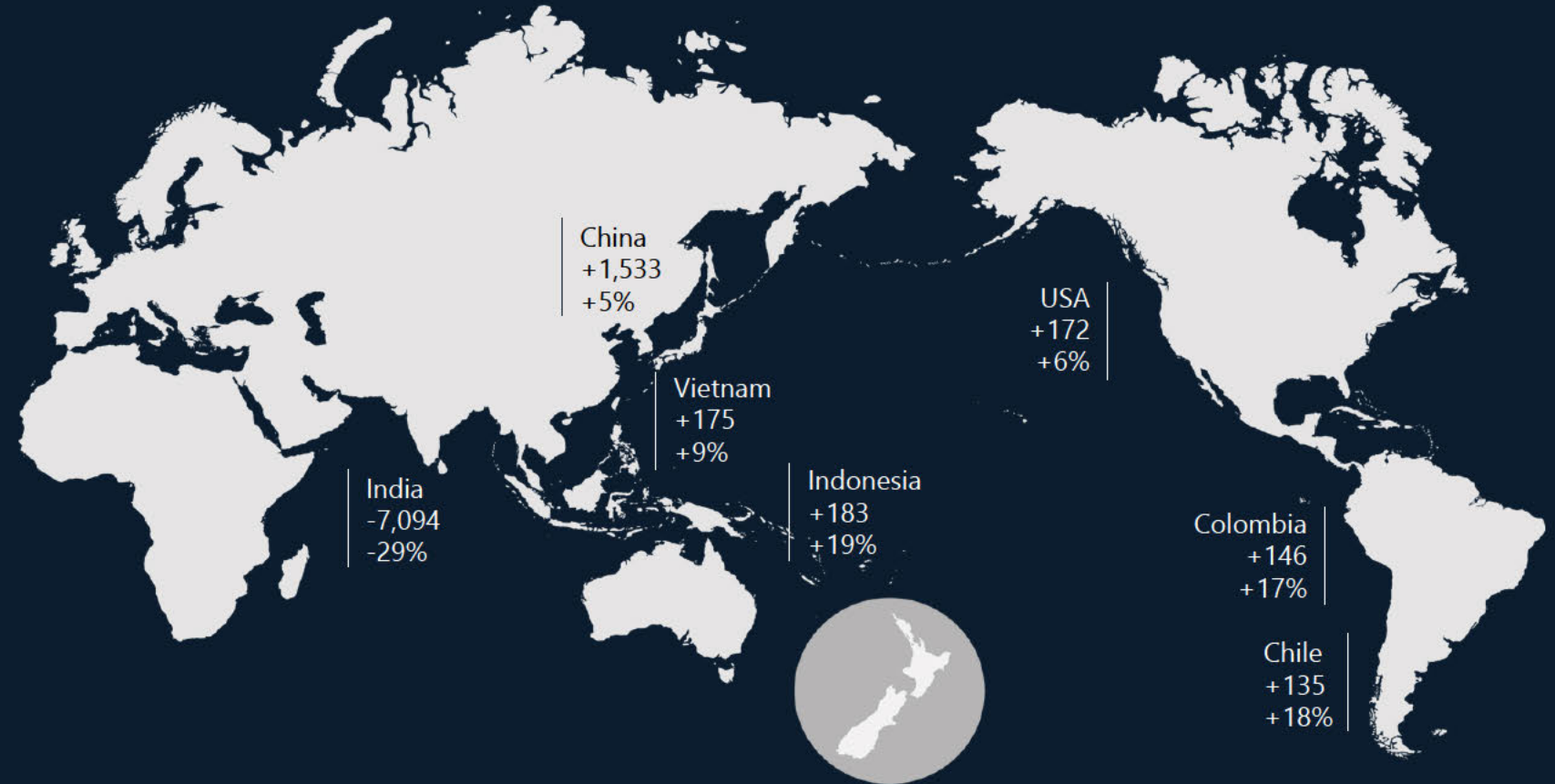
The major change was a decline in enrolments in the unfunded PTE sector, which was down 30% on 2016



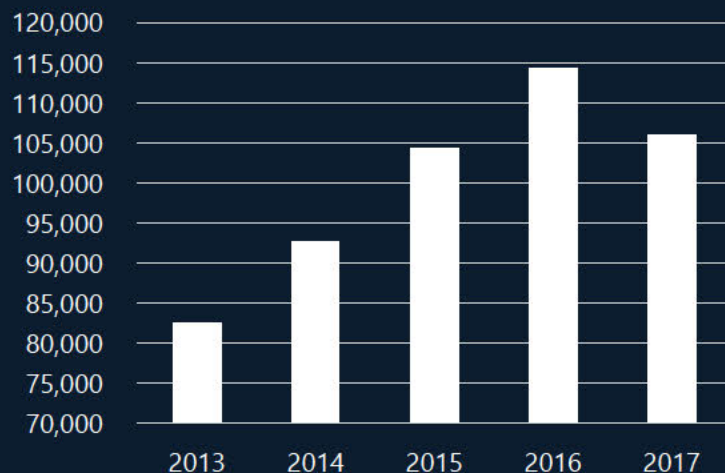
But this was offset by growth in the University sector which grew by 7%



Enrolments in Auckland were down 10%, but enrolment growth in other regions was generally positive.



International Student Enrolments



Market	% of Total Enrolments	Trendline 2013-2017
China	33%	
India	17%	
Japan	8%	
Korea	6%	
USA	3%	
Thailand	3%	
Brazil	2%	
Philippines	2%	

50%

Of all students came from China and India



Enrolments from India declined by 29%



University sector enrolments grew from both China and India

Projected 2017 international education sector value¹

\$4.4 billion

2017 International Student Enrolment Summary – as at 31 August 2017

Auckland's proportion of total international students has declined by 2% to

60%



Auckland's student number trendline since 2013

74% of English Language students studied in Auckland

Both India and Philippines declined by 47% in Unfunded

PTEs

41% of School sector students were from

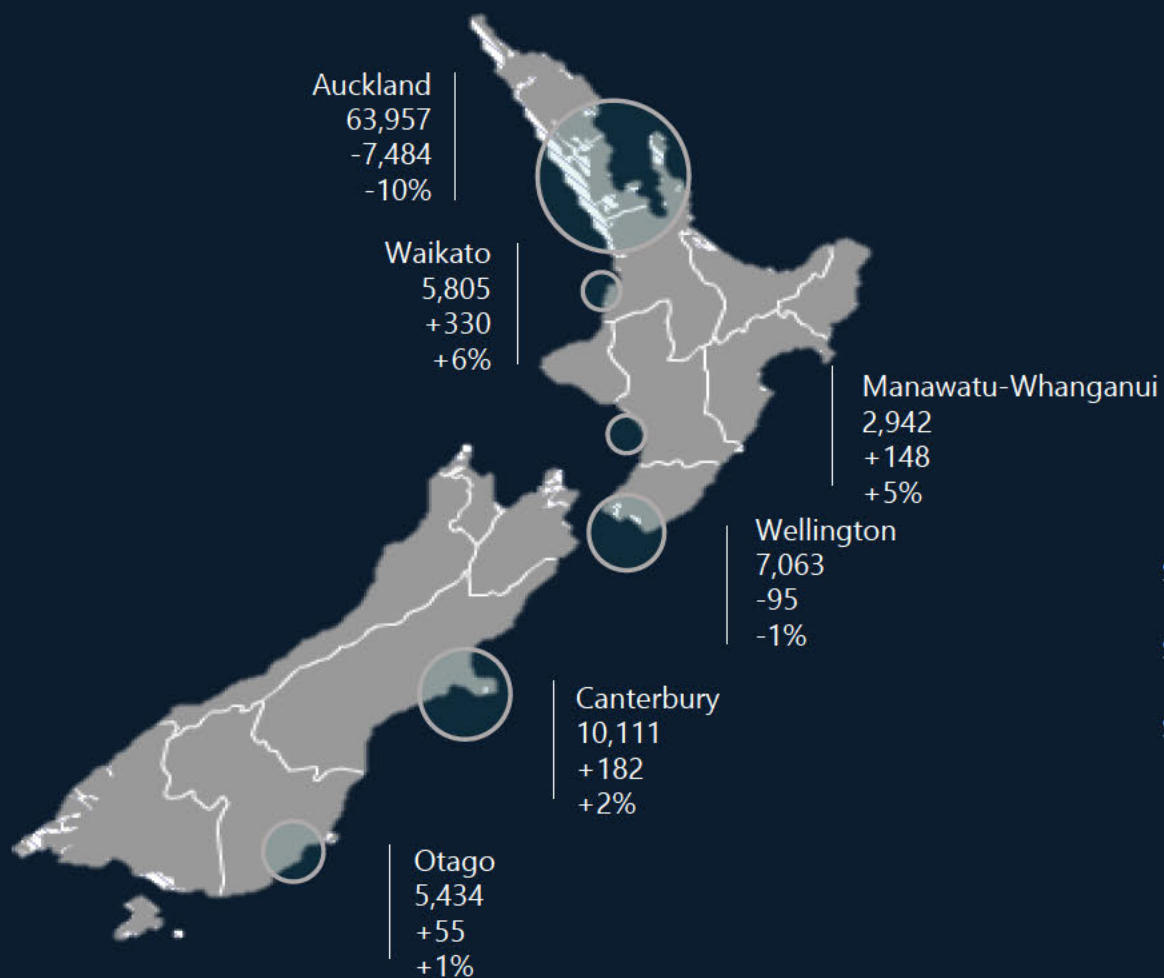
China



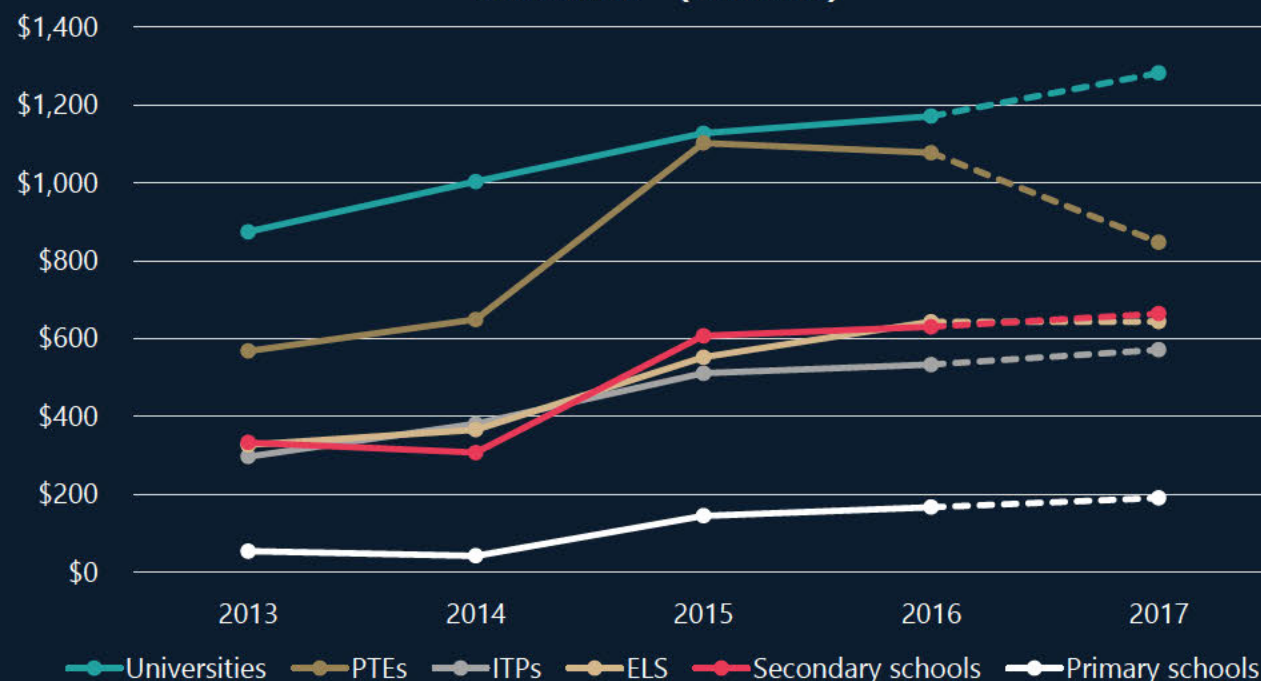
Enrolments grew in all levels of post-graduate study in the University sector

61% of Funded PTE students studied Level 5-7 Certificates / Diplomas

ITP sector enrolment growth came from Level 4 Certificates and Level 7 Graduate Certificates & Diplomas



Value of New Zealand's international education by subsector¹ (millions)



This data is for the first two trimesters of 2017. Increases and decreases for this year are comparing the same period in 2016. All sparklines are for the period 2013-2017. This summary combines the data sources from the Ministry of Education: the Export Education Levy and Single Data Return (SDR) data. Offshore students are included if classified as offshore in the SDR. Link to data source: student numbers (www.educationcounts.govt.nz). The numbers of students by region and by qualification level will not add up to the total number because students study in multiple regions for multiple qualifications. 1. Infometrics method updated with data from 2017. Prediction for 2017 is a forecast only and should not be treated as full and final. Further revisions may occur.

Visa Summary: January 2018

Overview

Note: The principal visa indicator is now the Valid Student Visa (VSV). This student visa type shows a stronger, closer and more consistent correlation to student enrolments levels and are less influenced by external factors such as processing speed. Unless otherwise specified, all VSV are a count as of the 01 February 2018. To access in-depth visa data, ENZ's Interactive Visa (IV) Tool is available for download on IntelliLab.

2018 begins positively



All student visas types have started 2018 up on 2017 levels and their respective 3-year averages

VSV

77,756. Up 4% (+3,113) on YTD 2017

FSV

4,968. Up 7% (+327) on YTD 2017



Regional growth indicators are positive. Though Auckland's growth stabilised, VSV and FSV across all other regions grew for YTD 2018



The rebalance towards high-level qualifications continues with the growth in Universities sector VSV offsetting the decline in PTE sector VSV

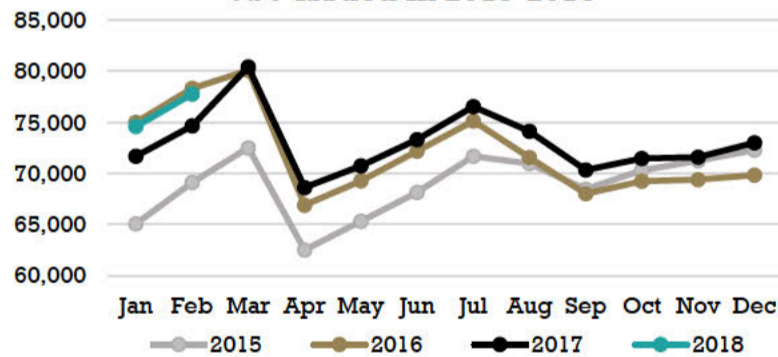


FSV for India, Japan and Germany increased in YTD 2018 whilst China, USA and Latin America declined

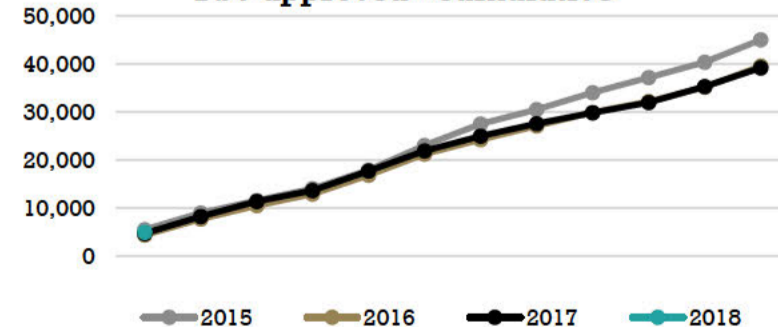


External factors may have resulted in a front-load effect in visa processing prior to the seasonal peaks of Feb-March

VSV issued in 2015-2018



FSV approved - cumulative



Markets

Market	FSV YTD 2018	FSV Proportion	Trendline
India	1025		
China	657		
USA	548		
Brazil	244		
Korea	207		
Japan	168		

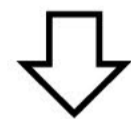
Note: The trendlines are a longitudinal representation of the YTD FSV numbers from 2015 to 2018.



India had an increase of 30% in FSV



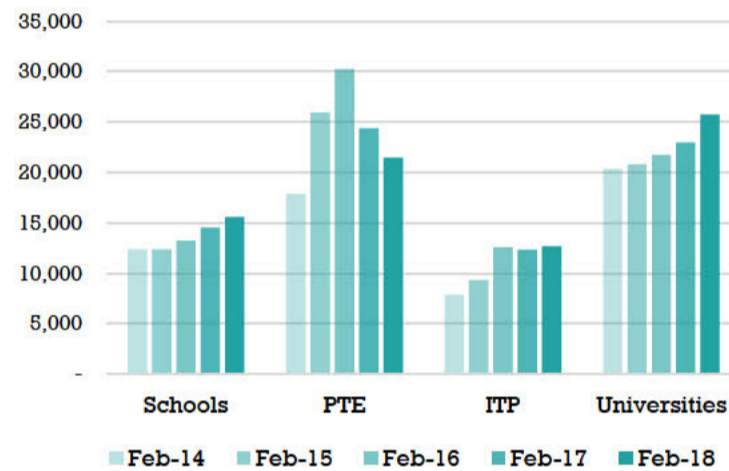
India's FSV growth was across all tertiary sectors, particularly ITP sector (+134, +36%)



China had a decrease of 10% in FSV

Sectors

Total VSV by sector



Most sectors are up

+12%

Universities sector VSV are up 2,766

+7%

Schools sector VSV are up 1,082

+2%

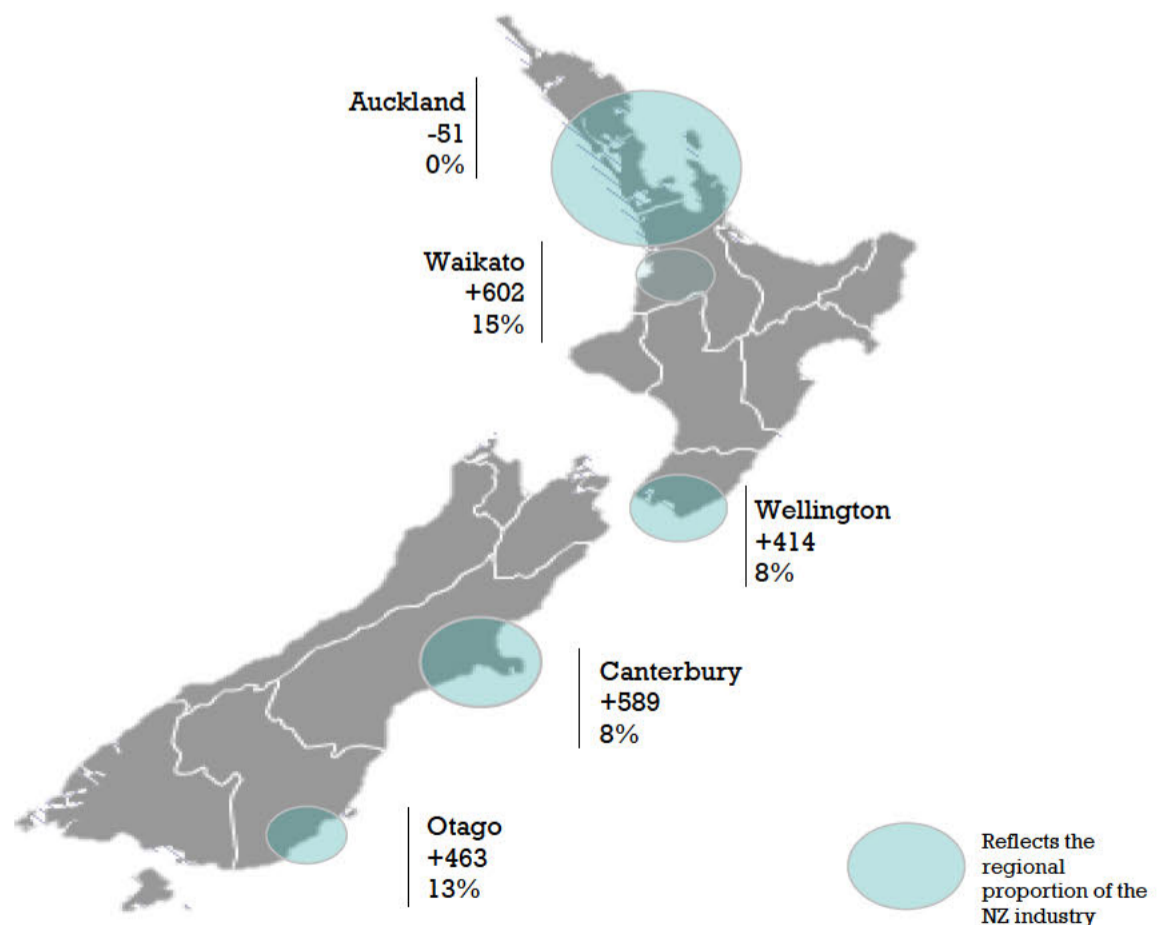
ITP sector VSV are stable (+299)

-12%

PTE sector VSV are down 2,922

Regions

Total VSV by region YTD



1. Student visas only capture students who enter New Zealand with a student visa. These students are mostly those who are planning to study for more than three months. Students who undertake a course less than three months in duration are not required to enter on a student visa. Students who do choose to enter on a visitor visa (usually from visa-free nationalities) are not captured in this dashboard. Working holiday visas also allow students to study for up to six months. Those who enter New Zealand on a working holiday visa who plan on taking up this option are also not included in this dashboard. These factors will impact the PTE (including English Language Schools) numbers. 2. There is a potential delay of up to three months between students having their visas approved and their actual entry into New Zealand. Therefore, the figures shown here may not necessarily represent the actual number of students currently in New Zealand. 3. This dashboard excludes dependants, applicants under Section 61, and Variation of Conditions.