MINISTRY OF EDUCATION
Te Tāhuhu o te Mātauranga

export education

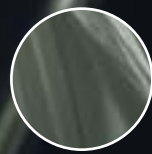## in New Zealand

A Strategic Approach to Developing the Sector

export education
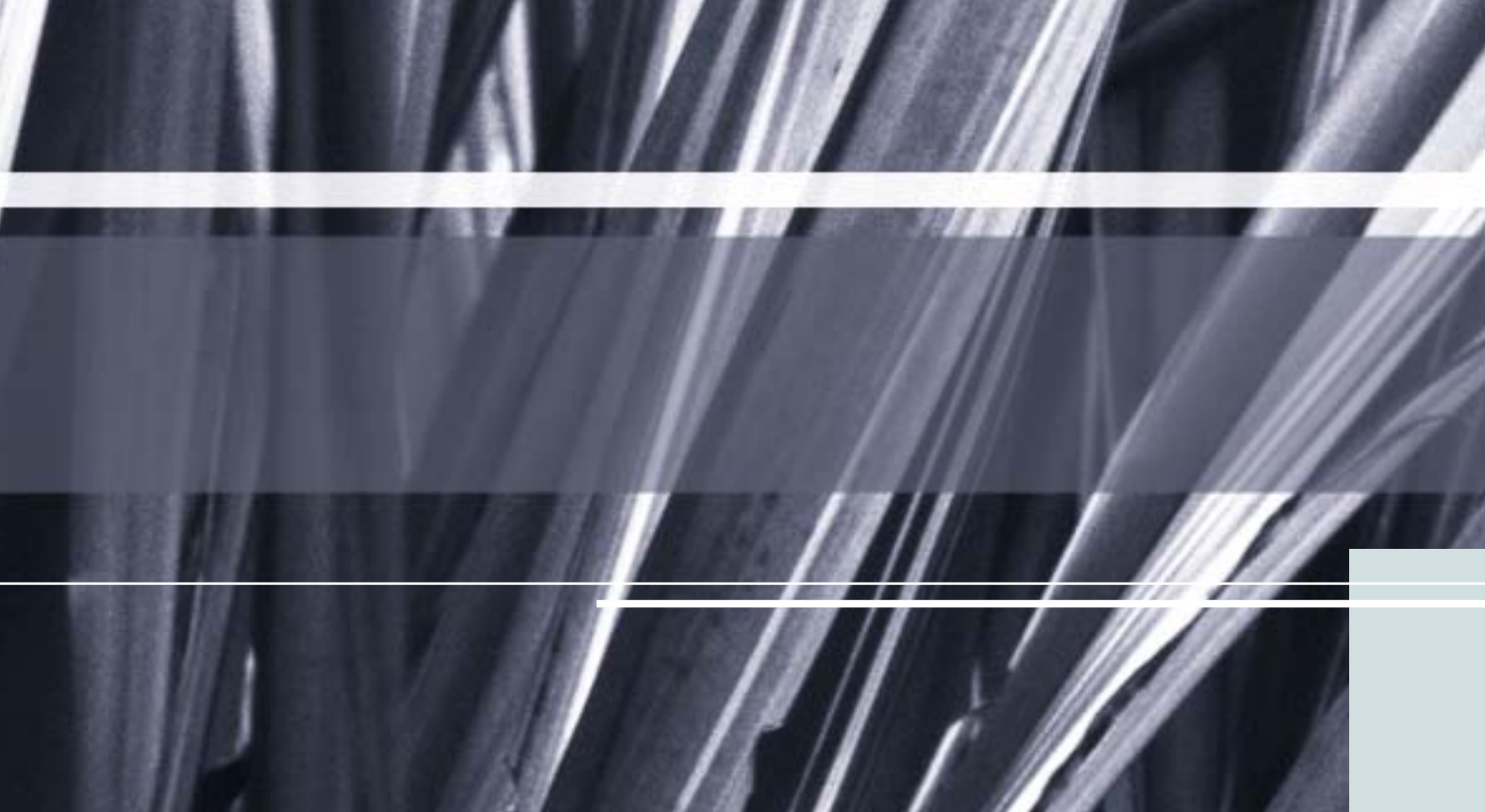
in New Zealand

A Strategic Approach to Developing the Sector

Contents

Foreword

Export education is a key contributor to New Zealand's development as a knowledge nation. Last year the export education industry contributed over $700 million over – more than our wine industry. The number of full fee-paying students in New Zealand education institutions is growing rapidly and is expected to achieve earnings of $1 billion within two years.

The benefits of export education are more than just financial. In our increasingly global world, knowledge of other cultures, cross-cultural communication skills and international linkages are essential. International students, particularly at postgraduate level, can make a valuable contribution to our research and development activities.

Alongside these benefits are a number of challenges and risks. The export education industry will only continue to grow if the support and education that we provide to international students is of a consistently high quality. A significant amount of our export education business is undertaken in publicly owned institutions, and the Government has a strong interest in ensuring that the interests of the Crown are protected. It must also ensure that benefits for domestic students, and New Zealand society as a whole, are realised.
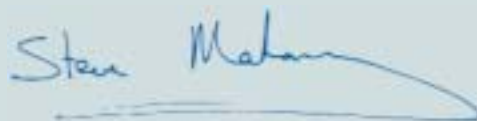
This report discusses these and other potential benefits and risks in detail. It provides a comprehensive overview of the development and key features of our export education sector, and highlights key areas for improvement. It signals areas for further work, such as the development of offshore education activities.

We are pleased that the Government has already acted to respond to many of the issues identified in this report. We have allocated $1.3 million in the 2001 Budget for a range of initiatives aimed at improving quality and developing capacity within the sector. These initiatives are wide-ranging and flexible, to reflect the different stages of development and diverse needs of providers.

A successful and sustainable export education industry can enrich society and build positive linkages for the future. Our intention is for Government agencies and the sector to work together to ensure high quality provision, and more balanced growth in what is an important and promising industry.   This report represents a key step in this process.

Hon Trevor Mallard
Minister of Education

Hon Steve Maharey
Associate Minister of Education (Tertiary Education)

August 2001

Executive Summary

Background

This report is divided into two parts. The first part examines the challenges facing New Zealand's export education industry. It reflects research and consultation in the areas of sector capability, capacity and market facilitation. The second part identifies initiatives that will assist the long-term, sustainable development of the sector.

New Zealand and international context

New Zealand's export education industry is young and growing rapidly. We currently educate over 40,000 international students per year, primarily onshore in New Zealand. This report examines this development. It also looks at the wider context of international trends in export education within which New Zealand must operate and compete.

Opportunities and issues

A range of potential opportunities and benefits associated with successful export education programmes are identified at the individual, institutional and societal levels.

Issues and areas requiring attention are also identified. These include enhanced quality, risk management and sustainability.

Initiatives

The initiatives set out in Part B of this document have been announced by the Government and seek to address both the opportunities and the risks related to the growth of the New Zealand export education industry. They are intended to build the skills, knowledge and relationships that are necessary for the development of both onshore and offshore export education programmes.

Broadly grouped, the initiatives that are being implemented fall under the following headings.

* *Institutional and professional development*
* *Quality improvement and monitoring*
* *Data and research*
* *Building knowledge in the international education sector*
* *Building recognition of New Zealand education and qualifications*
* *Strategy management and sector liaison*
* *Evaluation and success indicators.*

Funding and further development

Funding of $1.3 million has been provided through Vote Education for the implementation of the initiatives in 2001/02. Means of providing sector funding for, and shaping of, initiatives beyond this period will be addressed during the latter part of 2001.

Further work will be undertaken to consider issues and opportunities specific to the development of offshore education activites.

Introduction

Purpose

This report examines the challenges facing New Zealand's export education industry and identifies a strategic direction for the long-term, sustainable development of the sector.

It arises from scoping work carried out in the areas of capability, capacity and market facilitation[1] and complements a Government-sponsored marketing initiative being implemented by Trade New Zealand, Education New Zealand and Tourism New Zealand.

Elements of a balanced strategy

Capability Development

Capacity Building

Marketing

Market Facilitation
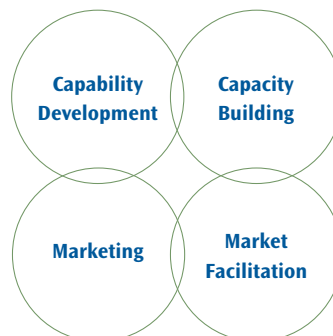
[1] Capacity refers to availability of physical space, teacher supply, and space in programmes.

Capability refers to the range of skills necessary to arrange and provide quality export education and supporting programmes.

Market facilitation refers to a range of policies, arrangements and activities which are not directly a part of providing export education programmes, but which permit, foster or promote it.

What is export education?

Export education is a transaction across borders involving the provision of education services in exchange for financial consideration. It sits within a broader spectrum of international education activity, some of which has no immediate commercial aspect. The relationship between export and other international education is discussed in the next chapter.

There are a variety of ways in which export education can be defined and classified. APEC uses the following classifications:

- **Consumption abroad**, in which the student moves to the country of the supplier to receive education
- **Cross-border supply or distance education**, in which an educational service is provided across borders but without the movement internationally of either student or teacher
- **Commercial presence**, in which the provider establishes a presence in the country in which the student resides, for example through a twinning programme[2] or establishment of an offshore campus
- **Presence of natural persons**, in which the educator moves to the country of residence of the student to provide the service.

In the practical application, these types of services are often combined. For example, twinning programmes normally involve elements of both 'commercial presence' offshore and 'consumption abroad'. If there is also an element of provision via the internet, and staff from the provider country travel to the student's country to deliver some lectures, then the full spectrum of delivery types can be involved.

In New Zealand's case, 'consumption abroad' is overwhelmingly the most common activity, as it still is in most of our competitor countries despite their greater involvement in other modes.

In this report, 'offshore' education will be used to encompass all modes of delivery other than 'consumption abroad'.

---

[2] Twinning is an arrangement between institutions, under which part or all of one (or each) institution's academic programme is taught or provided by the other.
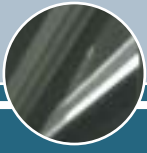
Initiatives

The initiatives set out in Part B of this report are intended to address a range of basic issues, such as business planning and cross-cultural communication, which will support growth across all the delivery types.

Further work focusing specifically on offshore provision and distance education will be needed to support ongoing growth in these areas. The Government's e-learning task-force will make recommendations regarding its contribution to the future development of export education towards the end of 2001, and the Ministry of Education will work with other agencies to consider the opportunities and risks associated with the development of offshore education.

Other export education activities include the sale to international purchasers of consultancy services, research services, products, books and information resources. These are all important related activities, but fall outside the ambit of this report. Issues surrounding these activities also merit further discussion and analysis.

Background and vision

The period 1997-99 was a time of stagnation in New Zealand's export education sector brought about by economic difficulties in Asia. During those years, the sector perceived the primary issue for export education as how to revive the historically rapid growth of the industry through better coordinated and more intensive marketing.

Since then, for reasons only partly attributable to marketing, the contribution of export education to the economy has climbed from around $500 million a year in the late 90s to an estimated $700 million in 2000. The industry's target of a $1 billion contribution to annual GDP is achievable within two years. Although offshore ventures contribute to this growth, the major driver is that of large annual increases in the number of international students coming to study in New Zealand, particularly from one or two key markets in Asia.

In the context of this rapid growth, there are several questions to consider.

• Are there practical and desirable limits to growth in the industry?
• Do we have objectives for the industry beyond the immediate foreign exchange?
• How can we get greater value from growth?

Put in stark terms, New Zealand could take a mass recruitment approach to export education with low coordination in terms of policy, planning or skill development. This approach would stretch our capacity and risk damaging the positive features which we are building our reputation on. Or we could take an approach pitched at providing quality services, underpinned by systems and principles which support sustainability and ongoing improvement, and which help us to increase the value derived from our activity across a number of areas.

The approach to export education adopted in this report
pursues the latter option, focused on a vision of:

A *sector providing sustainable, high quality international education and support services,*
thereby producing a range of economic, educational and cultural benefits for New Zealand.

To achieve this vision will require:

- appropriate investment in and management
  of our services and facilities
- measures to ensure consistently high quality
  educational and supporting services
- excellent pastoral care and a community
  and physical environment in which students
  are safe and happy
- a commitment by the sector to a higher
  level of collective action and purpose
  (i.e. a better balance between competition
  and cooperation)
- a strategic and innovative approach to
  developing the industry
- a sound body of information and research
  to underpin development.

There is also a need to ensure that domestic
students' interests are protected, Crown
interests are not put at risk and that export
education objectives do not compromise other
social and economic priorities.

Benefits and risks

In seeking to boost the export education industry, a range of short, medium and long-term economic, social and educational benefits are at stake.

Ideally, the benefits resulting from a successful long-term strategy for export education include:

Individual

- Access to programmes or perspectives in the curriculum that might not otherwise not be available
- Exposure to different cultures and perspectives, building competence to succeed in a cross-cultural and international context
- Development of relationships that may be of future value

Institutional

- Increased income and increased capacity to invest in institutional development
- Enhancement of facilities, range of programmes and staffing
- Enrichment of programmes and curriculum through the experience and perspectives of international students
- Increased staff competence in cross-cultural teaching

Societal

- Increased foreign exchange earnings
- Economic benefit to non-education sectors through associated spending
- Creation of internationally-based knowledge, skills and relationships that will help ensure New Zealand's future viability.

Alongside these benefits, a number of potential risks to New Zealand's reputation as an educational provider need to be considered. These include:

- potentially adverse impact on domestic students
- issues of quality of service and value for money for international students
- issues related to the care of vulnerable young people
- issues of efficiency and effectiveness in an industry characterised by a large number of small participants
- issues relating to investment, business planning and programme management skills
- issues resulting from different levels of participation between institutions along the lines of region, socio-economic status or ethnic mix.

The initiatives set out in Part B of this report seek to address both the opportunities and the risks associated with export education.

Relationship to other priorities

Export education will deliver the greatest value to New Zealand if it is shaped in a way that contributes positively to our national development objectives, such as the promotion of a knowledge-based nation, ensuring the benefits are evenly distributed across our regions and population groups, and the strategic positioning of New Zealand internationally.

Within education, development of the industry should be in harmony with existing commitments to:

- strengthen management and teaching capabilities in both school and tertiary institutions
- foster cooperation within the sector
- address resourcing and achievement gaps
- strengthen and extend e-learning.
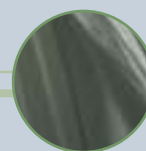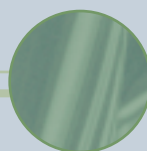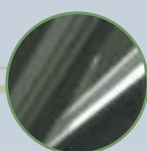
Part A: Review of Export Education

International Context

The following have been identified as key international trends in export education:

- *Steadily-increasing mobility of students and staff*
- *Intensifying competition*
- *Growth of offshore and distance education*
- *Reform of programme structures, credit systems and recognition agreements to support mobility*
- *Modest progress in trade negotiations to address barriers to mobility*
- *Greater attention to institutional and professional development*
- *More complexity/interdependence of institutional arrangements*
- *Internationalisation of the curriculum*
- *Increasing diversity in the participating population*
- *Greater (although still limited) attention to equity issues in international education.*

Steadily-increasing mobility of students and staff

Over the last few decades there has been rapid growth in the number of students, teachers and academics involved in international education. The pursuit and provision of education across national borders has extended from a mainly regional to a global activity as an ever-increasing number of institutions and countries have entered the international education arena.

UNESCO data show that in the late 1990s over 1.6 million tertiary students were studying outside their own country. That figure is now likely to be as high as two million. It has been estimated that the number of tertiary students studying internationally could reach five million over the next 20 years.

In addition to students in formal tertiary education, many students undertake primary and secondary education abroad and many others pursue vocational learning. There is also a growing number of students receiving classroom or distance education from a foreign provider within their own country. However, international participation in these forms of education is poorly documented.

Intensifying competition

Rapid growth in international education is being driven by a number of factors, including:

- ongoing population growth
- insufficient supply or perceived poor quality of places in developing countries
- restricted availability of places in more developed countries
- increased disposable income
- increasingly high value placed on an international education by consumers and employers in developed and developing countries
- increased linkages between business, education, and other institutions
- governments are increasingly viewing export education as an element in the strategic positioning of their countries.

Increasing competition is a feature of the international education arena and a number of countries have embarked on strategies to increase their involvement. For example, in recent years Australia has invested $21 million in marketing education internationally and the United Kingdom has launched a multi-million pound marketing campaign incorporating a rebranded image and scholarship schemes. Last year the United States announced a package of initiatives to boost its share of international students. With Europe making progress on harmonising its diverse education and qualifications systems, it too stands poised to become a much bigger player in international education.

International education occurs on a less than fully commercial basis and even within commercially-focused countries, many international students are placed on a subsidised basis. Indeed, nearly half of the two million students studying abroad do so on a less-than-full-cost fee basis, be that under exchange, scholarship, development assistance (aid programme), bilateral or multilateral arrangements which foster the free or cost-neutral movement of students.

A selection of countries hosting tertiary international students[3]

Country	No. of students	Year of data
United States	454,000	95/96
United Kingdom	199,000	96/97
Australia	102,000[4]	97
Canada	36,000[5]	98/99
Ireland	6,000	96/97
Germany	166,000	96/97
France	138,000	95/96
Spain	21,000	94/95
Japan	54,000	94/95
Egypt	7,000	95/96
South Africa	13,000	94

[3] Unless otherwise stated, these data are sourced from the 1999 UNESCO Statistical Yearbook.

[4] Includes students studying offshore.

[5] Overseas Students Statistics 1999, Australian Education International.

A feature of the international education marketplace is the inter-changing roles of host and supplier countries. Countries which were once seen as mainly or solely suppliers of students are now also offering education internationally. For example, in 1999 Malaysia had 12,000 international students (or 10% of the roll) in private colleges, and Singapore, once primarily an exporter of students, has become a regional education centre which competes successfully for postgraduate research students.

Conversely, many traditional destination countries are also suppliers of students, often in the context of a practical or 'study abroad' placement as part of their home-country-based education.

International comparison

This graph shows the proportion of enrolments in higher education which international students comprise. The countries listed are the 'top' 21 countries hosting international students.

Percentage of tertiary students who are not citizens of the country of study, 1998[6]
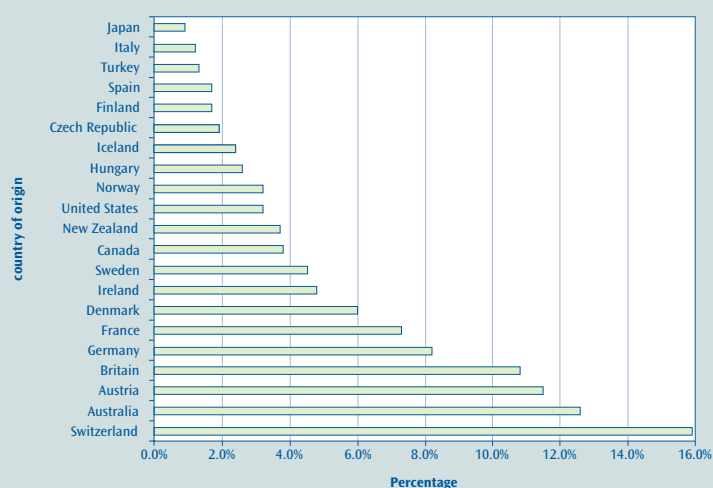
- *In 1997/98 114,000 US students (or 9.3% of bachelor programme students) undertook one to two semesters of their degree programme abroad on a fee-paying study abroad or cost-neutral exchange basis.*
- *In 1997/98 25,500 or 8% of Swedish tertiary students studied at foreign institutions of higher education as fee-payers or under exchange arrangements.*
- *Japan invests many millions of yen each year in promoting student mobility. Over 50,000 foreign students (many receiving state or institutional assistance) undertake tertiary study in Japan each year, and 190,000 Japanese students undertake study overseas.*
- *The 'Group of Eight' leading industrialised nations has adopted a goal of doubling student and teacher exchanges in the next 10 years.*
- *The European Community sponsors and provides administrative support for a large-scale movement of students and staff within the Community countries.*

6   This data is sourced from Education at a Glance OECD Indicators 2000, which uses 1998 as the base year. However, for some countries the data collected may have been for a year earlier than 1998.

A Strategic Approach to Developing the Sector

Growth of offshore and distance education

The growth of offshore and distance education represents a further key trend of the last decade.

Australia, Canada, the UK and the US all report ongoing growth in offshore delivery through twinning programmes, teaching by home staff in host institutions and the development of offshore campuses.
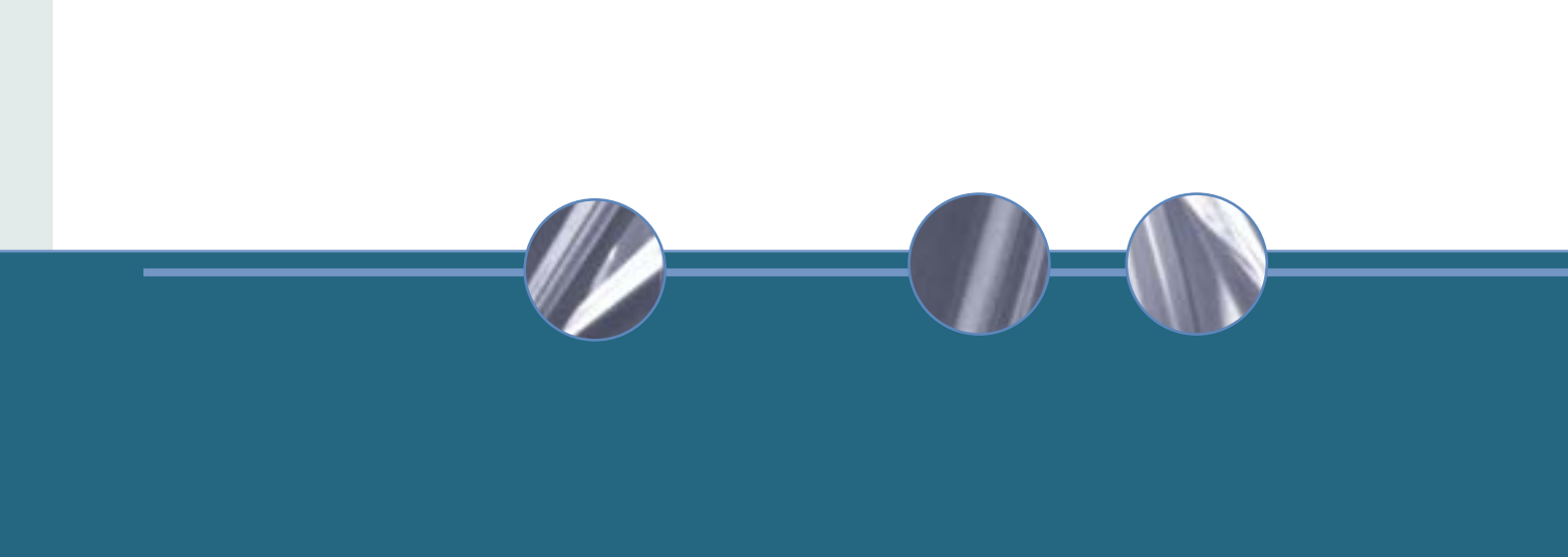
Distance education has now become a major international business, expanding in tandem with the growth of e-commerce. Successful participation in this field, however, demands substantial investment in curriculum development, technology, tutoring and administrative support. While e-commerce appears to provide opportunities for small providers, distance education is dominated by resource-rich large providers or consortia of providers.

Provision of offshore education

The last few years have seen Australian institutions establish or plan to establish campuses in South Africa, the Gulf States, Malaysia and Fiji, as well as expand their involvement in other offshore teaching arrangements. In 1999 Australia had 27,000 overseas students studying offshore, 16,000 of them 'commencing students' – indicating a rapid future expansion of this activity.

In 2000 Canadian colleges and universities offered a total of 130 academic programmes (involving around 20 institutions) and 70 training programmes (involving around 8 institutions) offshore. In a survey five years before, this activity was considered not significant enough to assess.

Reform of programme structures, credit systems and recognition agreements to support mobility

Educational mobility requires effective systems for transferring credit, harmonising degree structures and recognising qualifications. Europe has focused on these issues for some years and the European Credit Transfer System has gained a high degree of credibility. A similar credit transfer system has now been established in the Asia Pacific region by UMAP, the organisation for University Mobility in Asia Pacific.

While these systems have focused primarily on credit transfer between the more traditional academic programmes, there is a growing trend to ensure other vocational and technical programmes are also included. Also being explored are ways to harmonise degree and diploma structures across borders. The result is a movement towards greater homogeneity. In the case of degree programmes this has involved a growing convergence on the 3-2-3 (bachelors, masters, doctoral) Anglo-Saxon model.

In addition to these developments, there are a number of regional conventions which, with varying effectiveness, promote the recognition of studies, diplomas and degrees across borders. The barriers these conventions are intended to address relate not just to academic issues but also to issues of labour market protection.

Modest progress in trade negotiations to address barriers to mobility

A range of national barriers hinder the acceptance of foreign qualifications for professional employment. While international arrangements such as The General Agreement for Trade in Services (GATS) provide a framework to overcome these barriers, education remains an area where many countries are unwilling to act.

An APEC study of factors inhibiting export education in the Asia Pacific region found that while there are few restrictions on distance education and students going abroad for study, it is far more difficult to establish a commercial presence overseas. The APEC study also found that many countries regarded as problematic the cultural and social impact of education by foreign providers, the pressure foreign provision places on home-based providers, and equity considerations relating to access to education. The study identified a number of issues needing to be addressed including the protection of intellectual property, subsidisation of education and access of foreign students to those subsidies, the establishment of quality assurance systems and the transparency of information about policies and regulations.

In a similar vein the 2000 annual meeting of Commonwealth Ministers of Education raised concerns about the effects of the commercial approach of providers on the people and economies of developing countries.

As with APEC countries, many European educators and policy makers are also suspicious of export education – as distinct from international education – seeing it as a one-way relationship with negative social and cultural outcomes.

Greater attention to institutional and professional development and support issues

A professional development industry, primarily centred in North America and Europe, has developed to help institutions and individuals equip themselves for participation in the international education arena. In these regions, and in some other key provider countries, associations have emerged to develop standards, provide professional development and act as advocates for international education.

Recently a number of governments have become more active in research and development efforts. In many countries reviews of international education have been carried out to guide policy developments, establish baseline data and provide examples of best practice.
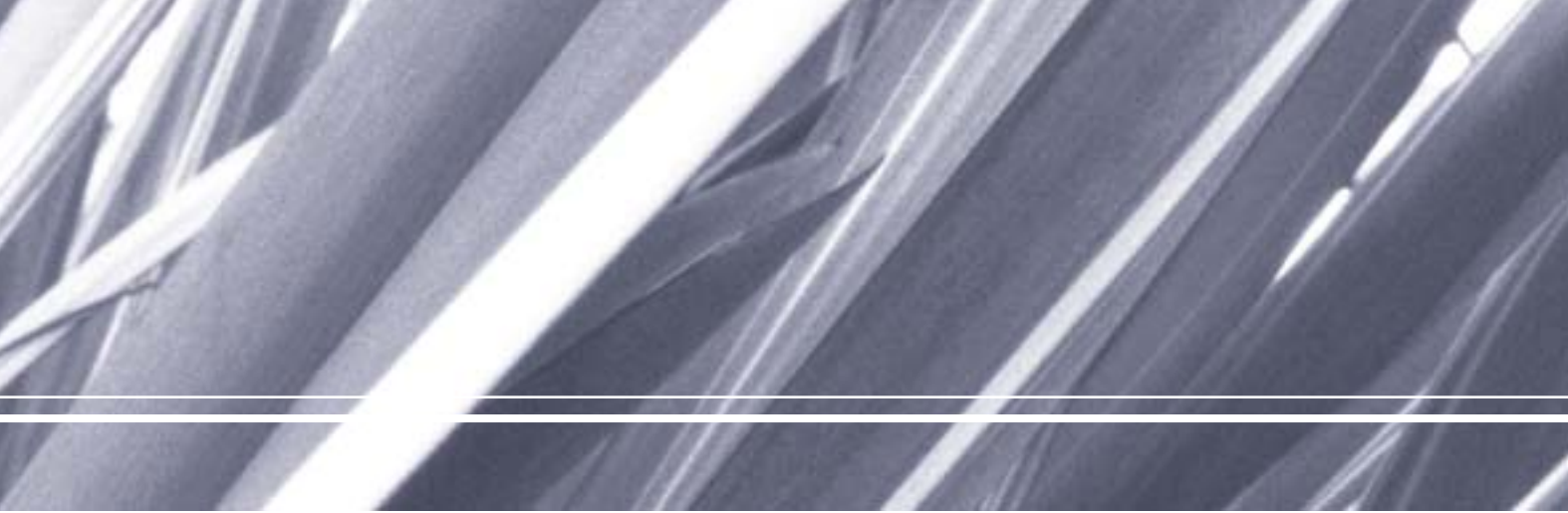
More complexity/interdependence of institutional arrangements

While many individual institutions offer comprehensive programmes to international students, there is a trend for institutions to compete successfully by establishing partnerships with other providers and specialising in particular areas.

Under this model, a range of services such as course provision, recruitment, student support and staff development are franchised or contracted out. This unbundling of programmes and services requires greater interdependence and cooperation between institutions and providers.

Internationalisation of the curriculum

Internationalisation of the curriculum is a key theme in the international education literature, although there is debate about the extent to which it is achieved in institutions and education systems. Using the OECD definition, it refers to the infusion into the curriculum of an international orientation in content that improves student (both domestic and foreign) performance in an international and multi-cultural context.

Diversity and equity

Although students in their late teens and early 20s form the majority of international students, more mature students are increasingly seeking further education. Programmes need to be oriented to meet the requirements of these people. This applies also to potentially-disadvantaged groups such as ethnic minorities, lower socio-economic groups and the disabled.

New Zealand and Export Education

History

From aid to trade

From the 1950s through to the late 1980s New Zealand hosted many international students relative to the size of our domestic student roll. Some students came to New Zealand under formal assistance schemes – notably the Colombo Plan – while others came privately, benefiting from our subsidised education services.

In the late 1980s the Government clarified the status of international students and provided ground rules for their enrolment. The 1989 Education Act and subsequent amendments clearly differentiated between domestic and international students. International students were further differentiated between those sponsored under New Zealand's Overseas Development Assistance (ODA) programme or belonging to other exempted categories, and students who were charged fees on a full cost-recovery basis.

The Act requires institutions to charge fees on a full cost recovery basis, and New Zealand tertiary institutions and subsequently schools, set about actively recruiting full fee-paying international students as a result.

Sector organisation

A new national agency, New Zealand Education International Limited (NZEIL) was established in the early 1990s to foster the development of export education. It was supported by membership subscriptions and, for a period, by government funding. NZEIL and its successor, Education New Zealand, maintained a primary focus on marketing and advocacy, although advice was also provided to institutions on policy matters and other aspects of developing international programmes.

At the same time sector groupings in the tertiary and language school areas used their national secretariats and/or associations to coordinate export education marketing and related activities. In the latter part of the 1990s, regional groupings of providers across all sectors in their locality also became active.

Role of Government

The Government, through its various departments and agencies, has had a role in supporting export education since 1989 in the following areas:

- facilitating the market by introducing legislation to empower and regulate the recruitment, charging and enrolment of foreign fee-paying international students
- advocating liberalisation of international trade in services at multi-lateral forums and seeking to ease restrictions in the context of bilateral agreements (e.g. the CEP with Singapore)
- adjusting visa policies and processes for international students
- providing marketing support through Trade New Zealand, and in the early to mid-1990s through funding to NZEIL
- providing and administering a voluntary Code of Practice on pastoral care for institutions hosting international students.

In 2000 the Government took a more active role in fostering the sector, both through funding a marketing strategy and by supporting the scoping work that underpins this report. A review of the Code of Practice on pastoral care was also initiated.

Non-commercial aspects of international education

In the 1990s New Zealand continued to provide substantial scholarship assistance to students from developing countries through its ODA scholarships programme and through funding contributions to bodies such as the University of the South Pacific and the Commonwealth of Learning.

Government funding has also been provided to Asia 2000, which helps build links between academics, researchers and institutions in New Zealand and Asia.

A 1998 review of internationalisation of tertiary institutions commissioned by the Ministry of Education showed that some institutions had taken coordinated steps towards internationalisation, but that progress overall had been limited, relative to generally-accepted indicators. By the late 1990s more schools and tertiary institutions were tentatively seeking to include an international dimension, beyond the presence of international students, in their services, programmes and culture. There has been a growing emphasis on the development of linkages with counterpart institutions overseas and a greater encouragement of mobility by New Zealand students through participation in reciprocal exchange schemes. Nevertheless, we appear to have some way to go before we achieve the levels of engagement with broader aspects of internationalisation apparent in Europe and North America.

Growth patterns

The period since 1989 has seen rapid growth, both in the number of providers participating in onshore provision of education to international students, and in student numbers. This growth was interrupted in the late 1990s by several years of stagnation caused by the Asian economic crisis and the dependence of much of the sector on just a few Asian markets for much of their recruitment.

Since 1999 there has been a surge in onshore activity – growth of 37% in student numbers in the secondary schools sector in 1999-2000 and of almost 50% in 2000-2001, judging by preliminary figures. In public tertiary sector institutions, growth of 26% occurred, with full 2000-2001 figures likely to show continuing high growth. Although growth in the private sector is more difficult to track, data suggest approximately 18% growth among PTEs (Private Training Establishments) and English language schools in 1999-2000.

Overwhelmingly, this growth has derived from just a few markets – primarily China and, to a lesser extent, Korea. Indicative information for 2001 suggests further rapid growth from these two markets.

Number of primary foreign fee-paying (FFP) students, 1993 - 2000
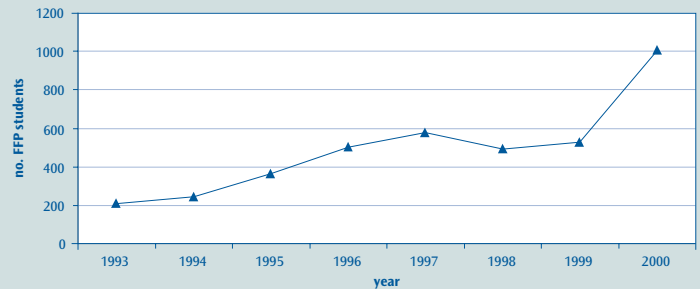
Number of secondary foreign fee-paying (FFP) students, 1993 - 2000
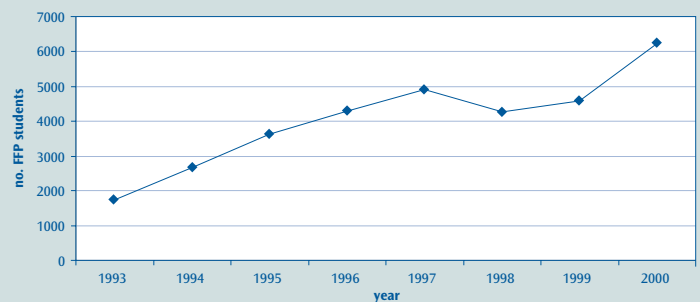
Number of public tertiary foreign fee-paying (FFP) students, 1994 - 2000
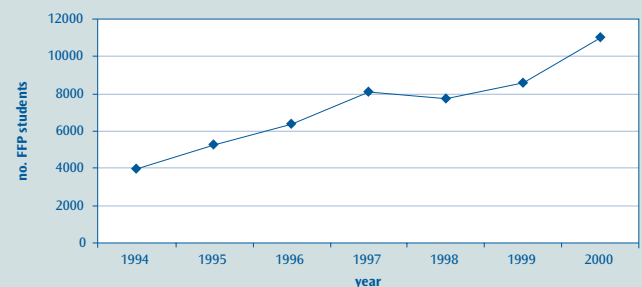
In 2000, there were more than 7,000 international students in New Zealand schools[7], 11,500 in public tertiary institutions, 2,000 in PTEs, and approximately 18,000 in language schools.

While it is frequently argued that New Zealand's participation in export education has not been as great as that of Australia, a comparison of international student numbers relative to total enrolments shows that we are ahead of Australia in the school sector. At the tertiary level – where we lag behind Australia – international students nevertheless make up a similar proportion of total student enrolments in New Zealand as in the US or Canada.

Number of foreign fee-paying (FFP) school students by region of origin, 2000

region of origin	no. FFP students
Asia	6506
Pacific Region	304
Europe	194
South and Central America	136
North America	25
Africa	20
Middle Eastern Region	6
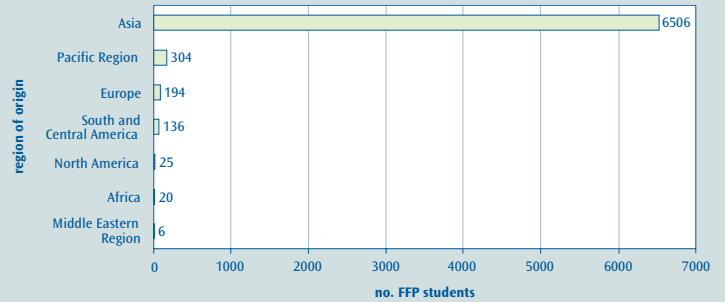
Number of foreign fee-paying (FFP) school students from the Asian region by country of citizenship, 2000

country of citizenship	no. FFP students
China	1989
Korea	1496
Japan	1254
Thailand	513
Taiwan	426
Hong Kong	374
Other	152
Indonesia	138
Malaysia	90
Vietnam	74
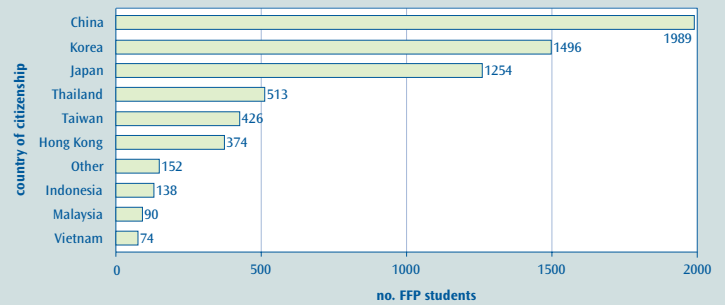
Number of public tertiary foreign fee-paying (FFP) students from China, Malaysia, Japan and Korea, 1994 - 2000

Malaysia
Japan
Korea
China
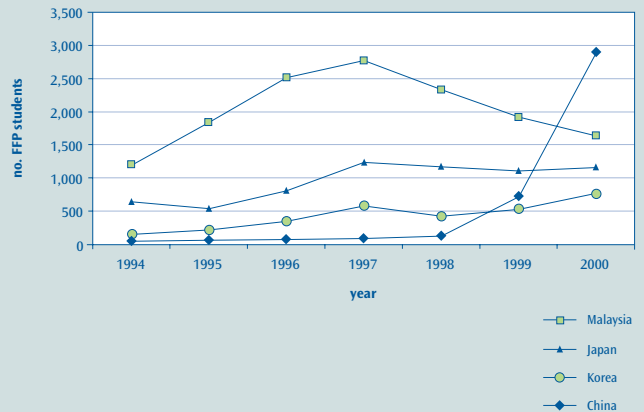
7   Rising to 9,429 in March 2001

Number and percentage of foreign fee-paying (FFP) school students
as a percentage of all school students by region, 2000

no. FFP students

4000

3000

2000

1000

0

percentage

2

1

0

Northland
Auckland
Waikato
Bay of Plenty
Gisborne
Hawkes Bay
Taranaki
Manawatu - Wanganui
Wellington
Nelson - Marlborough
West Coast
Canterbury
Otago
Southland

region

☐ Number of Primary & Secondary FFP Students   ▲ FFP Students as a % of All Students
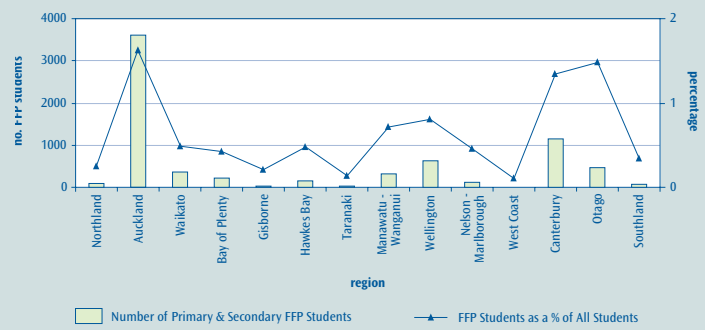
Percentage of schools with foreign fee-paying (FFP) students,
and average number of students per participating school by
socio-economic decile band, 2000

percentage

100

75

50

25

0

average no. FFP students

40

30

20

10

0

1   2   3   4   5   6   7   8   9   10

socio-economic decile band (1 = low and 10 = high)

☐ % of primary schools with FFP students

☐ % of secondary schools with FFP students

─○─ average no. of primary FFP students per participating school

─▲─ average no. of secondary FFP students per participating school
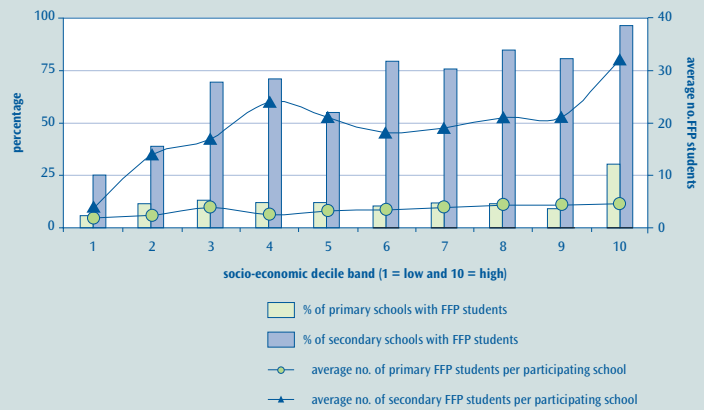
Within the overall pattern of growth described, participation is highly uneven across a number of dimensions – across regions, across individual providers within regions, across types of providers and by the socio-economic status and ethnic mix of the communities in which providers are located.

Recent growth and the overall share of student numbers has been dominated by Auckland, with significant increases also occurring in Christchurch and Wellington.

In the secondary school sector, Auckland schools have experienced growth well above the national average and in 2000 hosted half the country's international school students. Canterbury, Wellington, Waikato and Otago account for much of the balance. Elsewhere, international students are less well represented, both numerically and as a proportion of their region's school rolls. Although a small number of secondary schools have over 100 international students, across the sector as a whole the majority have fewer than five, a level at which viability may be questionable. One third of New Zealand secondary schools have no international students.

In post-compulsory education, Auckland accounts for at least 40% of international students in the tertiary sector, and has a major share of the English language school enrolments. Although all universities are reasonably substantial players, participation by polytechnics and PTEs is variable. In the polytechnic sector in particular, there is strong participation by the larger institutions, but the majority, and particularly the regional polytechnics, have modest international student numbers despite the fact that many of their vocational and degree programmes have potential appeal in the international student market. In contrast, in a few PTEs, international students comprise 80% or more of the roll.

Structure and characteristics of the sector

The New Zealand export education sector has a number of distinctive features which need to be borne in mind when considering development possibilities and needs.

Numbers and ownership of providers

The sector is characterised by a large number of providers (around 780) relative to the number of international students.

The majority of providers are state owned or dependant on state funding, and their participation in international education is marginal to their primary function – the education of domestic students. English language schools and a handful of PTEs are the only significant exception to this pattern. Full fee-paying international students form the majority of their student numbers and generate most or all of their revenue.

Most export education providers then, have small international student programmes. Of 297 secondary schools with full fee-paying international students in July 2000, almost 200 had ten or fewer such students. Of 83 PTEs, 74 reported fewer than 50 such students, and most had fewer than 10. Public tertiary providers' numbers were higher, but even in this sector, 17 of the 36 institutions with international students had 100 or fewer.

Number of foreign fee-paying (FFP) students in each sector (and number of providers in each sector with foreign fee-paying students), 2000

PTEs
2,010 FFP students
(83 providers)

Primary schools
1,006 FFP students
(278 providers)

Secondary schools[8]
6,254 FFP students
(297 providers)

Private English language schools
18,000 FFP students[9]
(90 providers)

Public tertiary insititutions
11,498 FFP students
(36 providers)
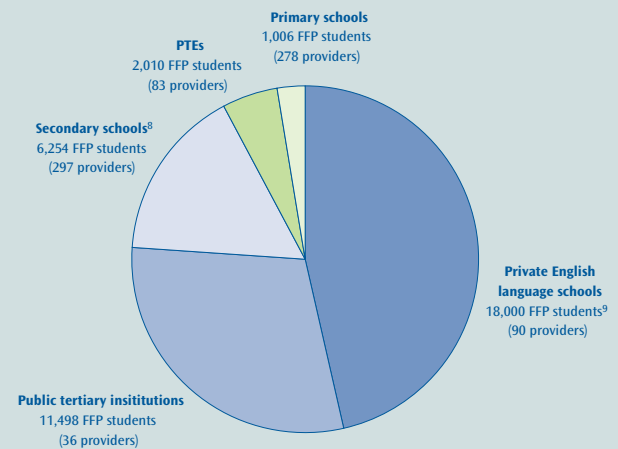
[8]   Includes Composite and year 7-15 schools.

[9]   Estimate based on a survey of 49 providers.

Specialisation, cooperation and national coordination

There is some specialisation of services in international education in New Zealand – for example, some providers use accommodation placement agents and buy in English language teaching services. Relative to trends internationally, however, providers in New Zealand tend to perform a broad range of services themselves. Factors that appear to be associated with this include the relative youth of export education in New Zealand, the small size of the country and therefore number of potential suppliers of specialised services, and limited penetration of the sector by external suppliers.

When compared with some other New Zealand industries characterised by a large number of small providers – for example, tourism in the service sector and fruit and dairy producers in the agricultural sector – national cooperation and planning relating to export education has been weak. The sector has been characterised by a range of sub-sectoral groupings carrying out parallel functions and activities, with many providers acting outside even these groupings.

Emerging tertiary education policy, with an emphasis on a more cooperative approach amongst providers and a focus on a greater degree of specialisation, should provide a favourable climate for a more coordinated and concerted process of industry development in export education.

International linkages and offshore activity

New Zealand providers have the potential to link with international consortia or multi-national business enterprises through which their expertise and resourcing could be strengthened and the reach of their programmes extended. One example where such a link has been made is Auckland University's membership of Universitas 21.

Although we have a limited number of twinning programmes or joint enterprises with Malaysia, Singapore and now China, New Zealand providers have not been large players in the provision of offshore education. The sector generally lacks expertise and experience in this activity, and as a rule providers have been reluctant or constrained in their ability to invest the time and resources required for success.

While New Zealand has some very experienced providers of distance education, we are behind our international competitors. Competition in this area is intense and draws on powerful financial, technical and educational resources.

Flexibility

Partly because of the primarily domestic focus of programmes, the extent to which New Zealand providers have been able or willing to rapidly modify their services to meet international consumer demand has been more limited than in some other industries. At the tertiary level, sector processes for the development and approval of new academic programmes can also require a considerable investment of time and effort to meet quality standards. In some instances though, domestic demand has resulted in innovations which are favourable to the needs of international students – the introduction of summer semester programmes is an example.

Credit transfer and qualification recognition

New Zealand benefits from having a degree structure recognisable within the broad British/North American model, which facilitates both recognition and credit transfer. Nevertheless we face some issues of recognition and acceptance of the value of our qualifications due to being a small country that is not well known in some parts of the world.

Issues and Opportunities

Introduction[10]

This section identifies the capability, capacity and market facilitation issues facing the international education industry in New Zealand. It draws on New Zealand and international research, consultation with provider groups around the country and meetings with relevant officials and agencies.

[10] It is acknowledged that in such a diverse sector, observations will not always be true of all groups. This report focuses on issues which have general importance but references comments to particular parts of the sector where relevant.

**Issues facing the export education sector fall
under the following headings.**

- *Participation and capacity*
- *Institutional planning and management*
- *Availability of development opportunities*
- *Costing and pricing*
- *Communication, teaching and the curriculum*
- *Support and links with the community*
- *Monitoring and review*
- *Quality assurance and indicators*
- *Research and sector development*
- *Assisting international mobility*
- *Information dissemination and relationship-
  building*
- *Strategy management and sector
  coordination.*

Participation and capacity

As shown in the previous chapter, growth in the onshore education of international students has been variable across different regions, across institutions in the same region, and across socio-economic and ethnic dimensions.

A number of local factors influence our onshore export education capacity. These include the capacity of physical facilities and teacher supply, the willingness of institutions to invest to increase capacity, and institutional policies on the number of international students as a proportion of their roll.

Population change and capacity

In the late 1980s New Zealand experienced several years of an above-average birth rate. The resulting 'population bulge' is now starting to enter our secondary school system. In areas of the country where there is strong growth and migration from other parts of the country and overseas – notably Auckland and a few other centres – there is increasing pressure on secondary school capacity and a need for increased government resources to deal with this growth. This pressure will last for the next 5-6 years, after which tertiary institutions will experience increasing domestic demand.

These domestic geographical 'pressure points' are also the most popular destinations for international students. Some schools that once had spare capacity to accommodate fee-paying international students now face a greater demand for places from domestic students than they can easily accommodate.

Forecast capacity secondary rolls - Auckland
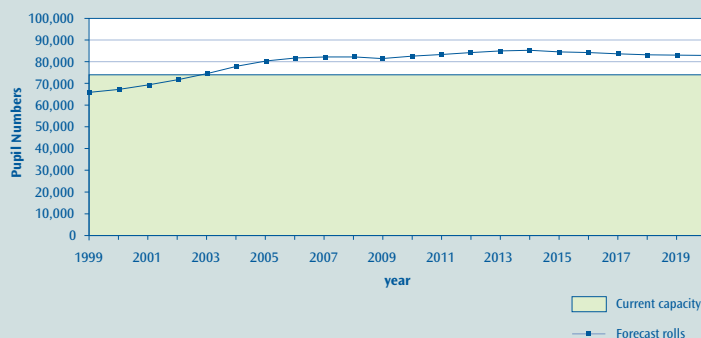
Forecast capacity secondary rolls - Central South
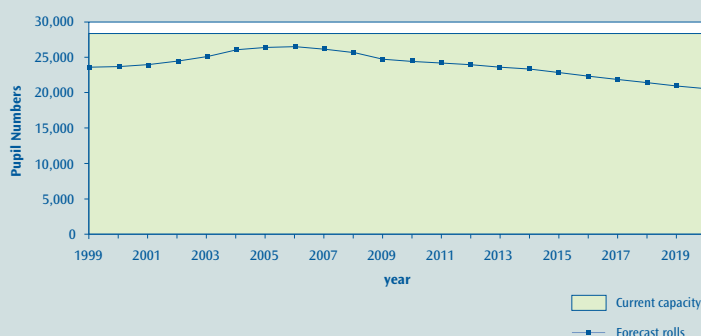
Forecast capacity secondary rolls - Canterbury
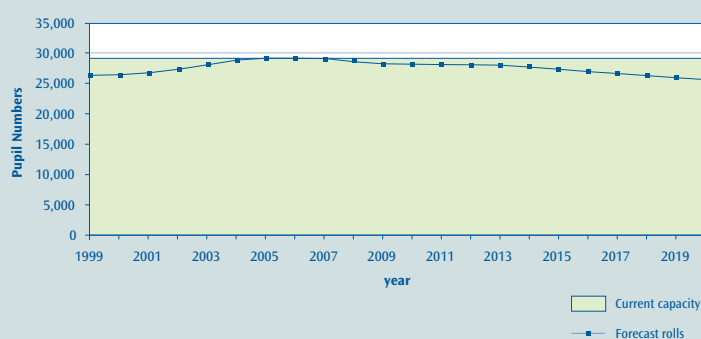
Forecast capacity secondary rolls - Otago
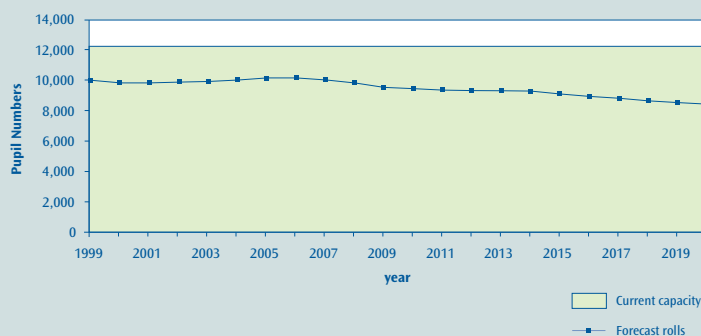
In contrast with the main centres, many regions and smaller cities, even with the population bulge effect, have substantial spare capacity which is likely to increase in the future. These areas have relatively few international students, either in straight numbers or as a proportion of their student roll. While this is partly because they are less well known in overseas markets, it also reflects lower provider awareness of opportunities or preparedness to enter the market. This does not mean they lack relevant skills. For example, many institutions with high Maori and/or Pacific Island populations are likely to have the skill base and experience of working cross-culturally.

Improving the spread of participation is desirable to make better use of under-utilised facilities and to ensure that educational, cultural and economic benefits are more widely enjoyed. Having said this however, it is not suggested that any institution should commence or expand an international student programme without seriously considering how this relates to their strategic and development objectives, and capability and capacity factors.

Teacher supply

With growth in student numbers, New Zealand faces a growing challenge of recruiting, training and retaining sufficient teachers both for our domestic needs and to support the growth of export education.

Although international students tend to place demands on the same geographical regions as domestic students, they do not necessarily have the same teaching needs. In addition to the obvious strong requirement for ESOL (English for Speakers of Other Languages) teachers, international students in the school system are concentrated in the senior years and are more likely than domestic students to enrol in subjects such as physics, economics, accounting, chemistry and mathematics with statistics or calculus. Many of these are subject areas in which schools experience difficulty in recruiting teachers.

As international enrolments grow, costs indirectly incurred by the Crown in relation to teacher recruitment for the state school sector will also increase. Although institutions are responsible for the employment of staff for their international student programme, they draw from the same pool as that required to meet the needs of domestic students, with the Crown bearing many of the costs associated with recruitment, training and maintenance of the teacher pool.

Teacher supply is less of an issue at the tertiary level, where there is greater flexibility in the ways programmes and lectures can be organised and there are no teacher registration requirements. However, with international students' focus on business-related and IT (Information Technology) programmes and continued growth in domestic student numbers, it is likely that demand for appropriately-skilled teachers in these fields will also rise.

Although New Zealand can and should try to attract international students to a broader range of programmes, and can identify niche services in which there is capacity and expertise, the current emphasis on business and IT-related education is global and likely to continue.
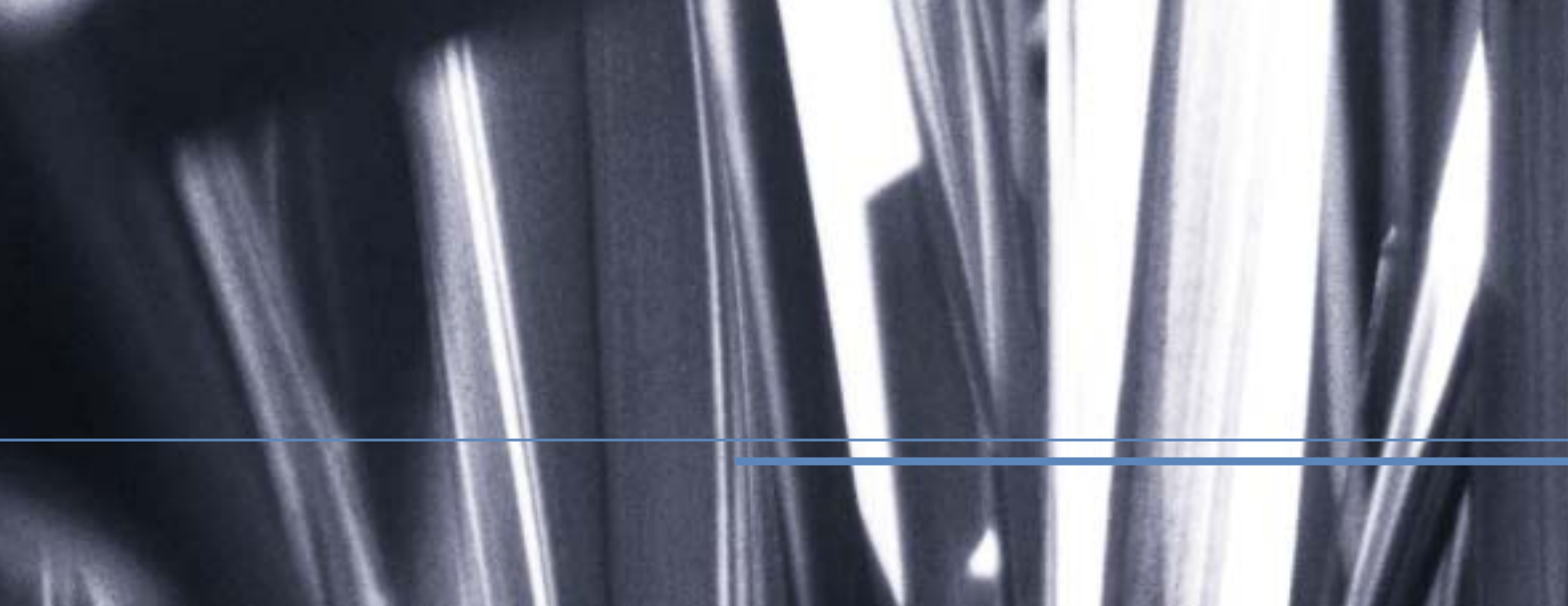
Institutional policies

While capacity and capability factors have a strong influence on participation and growth, so too do factors relating to the primary function of institutions and policies which express their strategic objectives in relation to international student programmes.

Given that the majority of our schools and tertiary institutions exist primarily to educate domestic students, many have a target for international students as a proportion of their total roll, which they aim to meet but not exceed. Many also desire to draw their students from a mix of countries. While these targets may be partly influenced by capacity factors, they generally also reflect issues relating to the character of the institution, the impact on staff and teaching, and a desire to ensure a quality experience for both domestic and international students.

Potential for further growth

To safeguard long-term growth, remain competitive, and ensure New Zealand remains linked to the development of key markets, there is a need to ensure adequate sector and institutional planning.

There is also a strong argument that increased focus on offshore and distance provision of education is necessary. The latter also links to the further development of e-learning within the domestic education system. In the shorter term, however, achievement of the industry's goals is likely to be dependent on onshore services, and the marketing of New Zealand as a safe, friendly, good quality destination for the on-campus experience.

Strengthening business, programme development, communication and other skills relevant to onshore delivery has potential flow-on benefits by helping prepare institutions for offshore work, but other conditions also apply. A key requirement is the formation of relationships with potential partners and investors in New Zealand, in target markets and in third world countries. As a country we also need to continue to address trade barriers, promote recognition of our qualifications and programmes, and continue to develop quality assurance policies and procedures in partner countries.

Institutional planning and management

Institutions which are well equipped to engage in export education tend to be characterised by a number of features. They:

- understand the benefits and risks associated with international student programmes
- set their international student programme in the context of the institution's development policy and strategy, establishing both financial and educational objectives for the programme
- have a business plan in which resource requirements relative to projected benefits are scoped
- plan and manage the administrative and support policies and systems required
- assess the appropriateness of their facilities and programmes relative to their current and potential international student client groups
- plan and manage a process for addressing institutional development needs relating to course content, cross-cultural communication and teaching styles, and pastoral care/support
- plan and manage an evaluation process against programme objectives, including, for example, objectives relating to social development and integration, student learning and achievement, and benefit to domestic students
- are able to access networking, cluster group and other strategies to support and extend their development and capability (particularly relevant to smaller institutions).

Institutions exhibiting good practice in relation to international programmes have often started from a sound base - i.e. they are used to planning strategically and have sound existing policies, management practices and systems. They may also have staff with a special interest in international education and access to relevant networks and information.
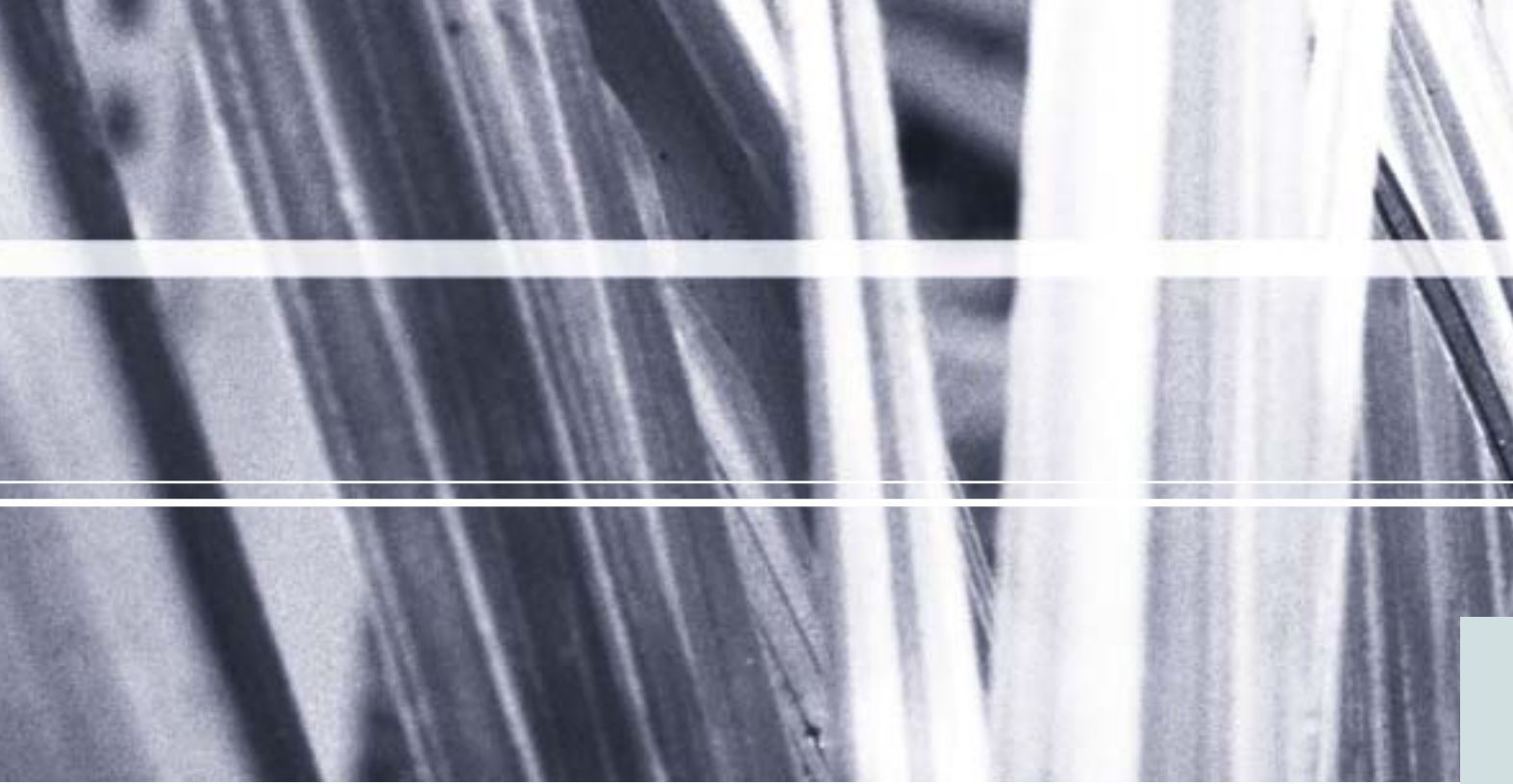
While large organisations with an established history of catering for international students have often developed reliable systems and good practice in relation to international students, size and experience do not necessarily guarantee this. In some parts of the sector growth and capacity-related problems may create new issues to be considered.

Equally, although some small institutions provide excellent programmes and a strategic approach to engagement with international education, their attempts to further develop in the export education field could be enhanced by greater professional development, resources, time, knowledge and well-developed networks.

The areas for institutional development in relation to international student programmes are not dissimilar to broader needs addressed by government policies aimed at strengthening strategic planning, business planning and reporting capability in the tertiary and schools sectors. Initiatives relevant to schools include changes in the National Administration Guidelines, the introduction of a new planning and reporting framework, and a professional development programme for new principals. At the tertiary level the recommendations of TEAC (Tertiary Education Advisory Commission) and the work of the TAMU (Tertiary Advisory and Monitoring Unit) also address management, planning and professional development needs and concerns.

While these sector-wide development strategies will help equip institutions with core capabilities, initiatives specifically focused on export education activity are also needed.
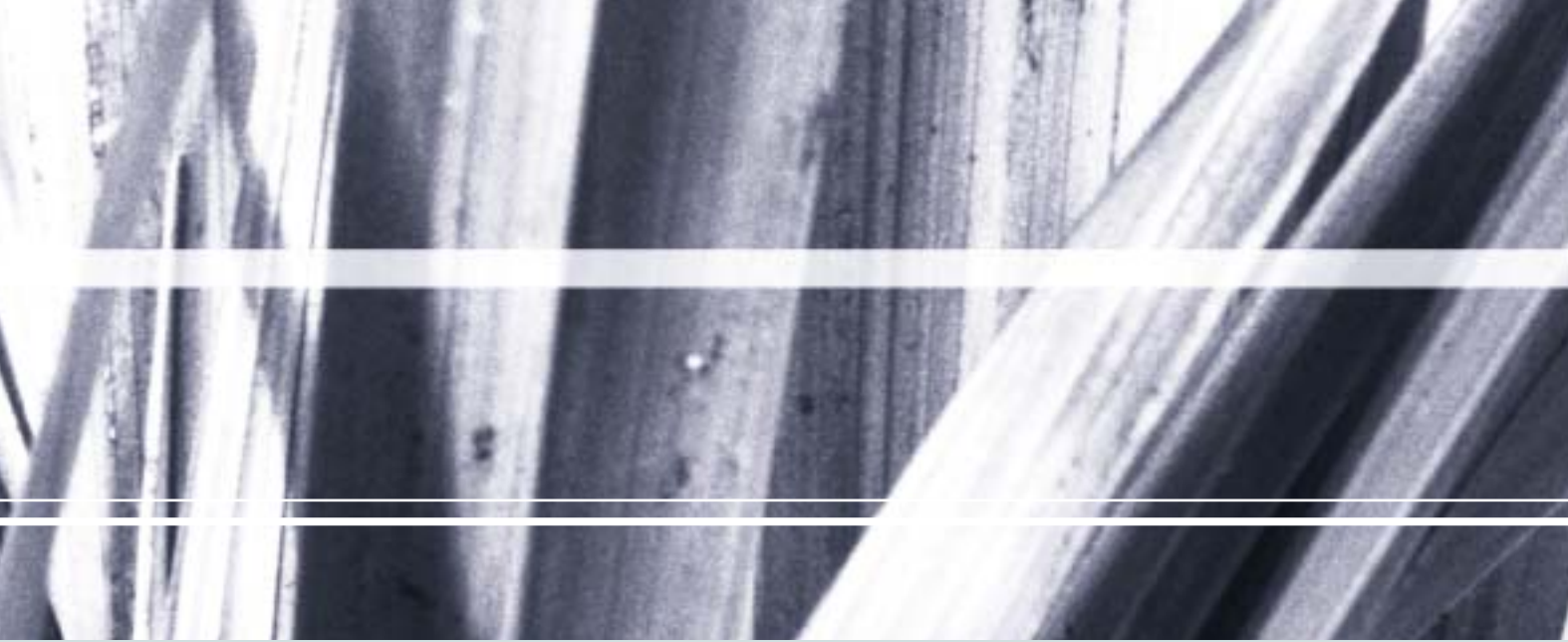
Availability of development opportunities

At present the typical process by which managers and staff working in international education obtain assistance is through input from peers in other institutions with more or different experience in the field. While valuable information is conveyed in this way, the process is serendipitous – it depends on an institution having access to a knowledgeable advisor, the soundness and transferability of their advice, and on the goodwill and time of those from whom help is sought.

The information transfer process is facilitated to a degree by groupings of export education providers which have formed in some regions, and by occasional national meetings of particular sector groups (although these groupings tend to focus primarily on marketing). Competition and a lack of mechanisms for bringing different groups together mean that development activities often occur in parallel. Partly reflecting our distance from other significant players (other than Australia), and the youth of export education in New Zealand, staff have had limited access to information on international experience and models.

The research and consultation that informs this report suggests that there are few professional development opportunities available in New Zealand that specifically relate to international student programmes or the internationalisation of educational institutions. The supply of information, advice and resource materials on international education would benefit from strengthening, particularly in areas other than marketing. There is also scope for greater sharing of experience and knowledge, and cross-fertilisation of ideas within the sector.

Costing and pricing

The Education Act 1989 requires that schools and public tertiary institutions recover operating and capital costs associated with the education of an international student. Beyond meeting these requirements it is up to the governing Board or Council to determine fee levels.

Overall, the price of international education tuition in New Zealand is modest relative to our competitors, and the generally lower living expenses makes the overall cost to students attractive. Questions arise, however, as to whether international tuition prices for some levels of education in New Zealand are sufficiently differentiated, or pitched relative to current costs and future investment requirements, supply factors, market demand or the longer term objectives of the institution.

Relatively few institutions in the public sector appear to have formal business plans relating to their international programmes. There is a risk of inadequate attribution of some costs, and a risk of insufficient provision in costing and pricing for investment to build further capacity. This is currently highly topical in relation to secondary schools in areas where there is pressure from domestic enrolments. Schools that have reached capacity will only be able to expand their international programmes in the short to medium term if they have non-Crown funds available for this purpose.

Institutions at various levels may in some cases also be under-investing in the infrastructure and training necessary to support improvement in their international programmes.

Although financial planning is in the first instance the responsibility of the institution, in varying degrees the Crown is a financial partner in the operation of international student programmes, and in the case of state schools recovers its costs through a levy (as do the proprietors of integrated schools). It therefore has an interest in ensuring that institutions apply sound principles in costing and pricing.

While comparative information on international fees in schools is less readily available than for other sectors, secondary school international tuition fees in Australia are on average approximately 20-30% higher in cost to the student than in New Zealand.[11] Within the New Zealand secondary school market there is very limited variation in pricing.

Information on international tuition fees is more widely available for the tertiary level, and comparative analyses are published periodically by overseas agencies. These sources are normally referred to by New Zealand tertiary institutions when setting their tuition fees. While at the undergraduate level our fees are generally cheaper than, or comparable to, those of competitor countries,[12] at the postgraduate level our prices tend to be high and appear to be a factor in low recruitment at that level.[13] While undergraduate numbers have grown vigorously, postgraduate numbers are static.

The Act empowers tertiary institutions to charge fees on a marginal cost basis where this is advantageous to them. There appears to be scope for tertiary institutions to take greater advantage of this flexibility, taking into account capacity, the international market rate, and the indirect as well as the direct benefits derived from hosting international students. Internationally, for example, leading tertiary institutions tend to seek to make tuition costs as little a barrier as possible for the best research students. This is often achieved through scholarships, fee waivers and undertakings of part-time employment, rather than through low-set fees per se.

---

[11] Based primarily on information available on Australian international education web sites; consultation with an expert Australian source confirms that our conclusion is valid.

[12] The exception is Canada, which consistently prices tuition lower than in other provider-countries. Without deeper analysis it is not clear to what extent this represents partial cross-subsidisation by domestic funding or genuinely lower costs.

[13] The perceived quality or status of our postgraduate programmes internationally may be another factor.

Communication, teaching and the curriculum

A range of issues relating to language, communication and pedagogy have been identified within the export education sector. Improvements in these areas would not only enhance the potential for achievement of international students, but could even have some influence on their currently highly-skewed choice of subjects.[14]

English language teaching and support

Provision of TESOL (Teaching of English to Speakers of Other Languages) is an important element in the success of our education export industry. It has a direct bearing on students' entry to courses, their academic success, their perception of the quality of our services, the degree of ease or difficulty that teachers in other disciplines experience in teaching them, and the quality of their interaction with other students.

In the course of consultation for this report, a need was highlighted for the scrutiny of the quality and extent of the TESOL support provided to international students entering our education system. Specific issues include:

- the assessment of some students' competence prior to entry into school programmes
- the level of resourcing of TESOL for international students at school and tertiary levels
- the level of teachers' TESOL qualifications
- the language-readiness of students moving between levels of the education system.

Such concerns have led some tertiary institutions to tighten their requirements of students seeking entry from other countries or parts of the New Zealand education system.

It would be beneficial to review the current provision of English language teaching and support in institutions hosting international students and to establish minimum and best practice standards to guide the sector. The objective should be to ensure that students entering the system are appropriately assessed and assured of language training appropriate to their needs, thus giving them the opportunity to progress smoothly through the system.

---

[14] The concentration of international students in numerically oriented, scientific and some business subjects appears, at least in part, to be influenced by the lower demands on English language and interactive communication skills posed by these subjects.
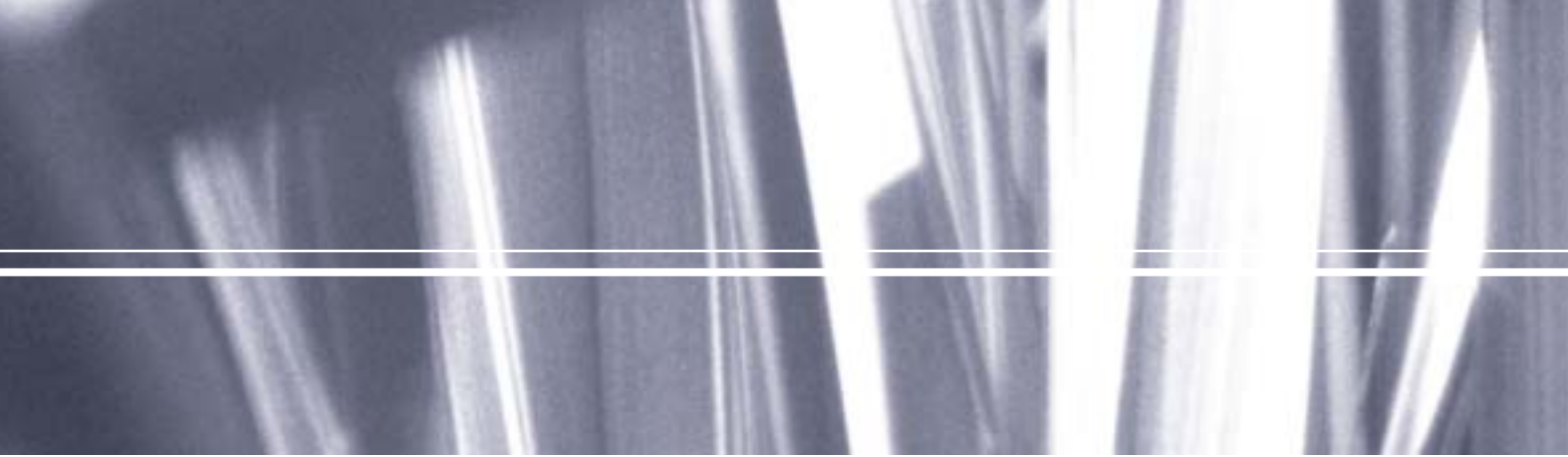
Cross-cultural communication skills

International students undertake studies overseas for a variety of reasons including developing their wider cross-cultural communication skills.

'Communication' in this sense covers a range of contexts and situations inside and outside the classroom. The skills and understanding of teaching staff are obviously important, but so too are those of support-staff, homestay hosts and hostel staff, as well as domestic students with whom international students study and, hopefully, socialise. Research indicates that a communication failure in this latter area is not uncommon. At worst, there can be negative consequences, with international students experiencing isolation, and domestic students forming a potentially negative view of international students.

These observations lead to the view that cross-cultural communication needs to be approached in an institution-wide manner. Staff and institutions need to be able to draw on local and international experience, make use of increased opportunities for teachers' professional development, and adopt an approach which includes domestic students and others in the development process.

It also makes sense for initiatives in this area to build on the experiences of institutions with well-developed policies and staff experienced in working with multicultural student groups.

Teaching and learning styles

Differences in teaching and learning styles can pose difficulties in the interaction between international students and their domestic classmates and teachers, and may adversely affect international students' academic achievement. It is important that international students are given help to understand the different approach, values, manners and conventions that characterise our system of teaching and learning.

Given these considerations, the industry would benefit from further development in:

- cross-cultural communication skills
- knowledge of differences in teaching and learning styles
- knowledge of the educational context from which students come and to which they will return
- skills in using techniques for addressing cultural and learning differences in ways which are effective for both international and domestic students.

Curriculum issues

There is limited insight into the extent to which academic programmes are adapted for their international students, and whether this adaptation is successful for these students and their domestic classmates.

While an increasing number of institutions refer to internationalisation in their strategic objectives, resource materials and advice to support this are not widely available. International literature also suggests that the rhetoric surrounding the internationalisation of education worldwide is often not matched by the reality, once one gets beyond easily quantified indicators such as the number of international students at an institution.

A 1998 review provided some data on the strengthening of the international content and focus of courses in New Zealand universities, colleges of education and polytechnics, with benefits identified for international and domestic students. It was evident that adaptations had sometimes been nominal and applied unevenly across disciplines and institutions. The prior orientation of the discipline and the enthusiasm of particular staff were influential factors. Marketing and business programmes tended to be at the forefront, with pockets of innovation in the humanities and elsewhere.

The value of this review could be improved if trend data were captured through replication and if the review were extended to include PTEs.

There is no comparable national overview of the extent to which schools adapt their implementation of the curriculum or run their classroom programmes in relation to international students. There maybe benefits in carrying out such a study.

Several conclusions can be drawn.
First, we need a better picture of what is actually happening in institutions with regard to ways in which programmes are being made more relevant to an international context.
Secondly, we need to know more about what works and is beneficial for students.
And finally, we need to identify mechanisms which encourage positive innovations and soundly-based information to be shared.

Ideally, institutions and staff should:

- *understand the learning needs and objectives of international students in relation to their home, cultural, educational and employment context*
- *access and use literature and resources on internationalisation of the curriculum*
- *develop strategies to use the experiences and knowledge of the international students' backgrounds in the teaching programme*
- *identify, develop or modify resources to provide international material and an international perspective in the curriculum*
- *implement strategies to support and extend their ongoing development*
- *use learning and teaching approaches such as group and peer interactions that enable international students to develop their English language and other learning capabilities*
- *obtain feedback from both international and domestic students on the relevance and effectiveness of programmes.*

Support and links with the community

Pastoral care and support

A safe, caring environment for international students is fundamental to maintaining New Zealand's niche in the international market. This includes their care inside and outside the educational institution, with pastoral care being particularly important for younger students.

A voluntary Code of Practice introduced by Government in 1996 helped to improve standards in this area and provided a mechanism for appeal where problems appeared not to have been resolved at the level of the institution. The university sector has developed a separate code. Some institutions have not subscribed to either code, leaving their students without recourse to an appeal authority.

A number of issues exist in the area of pastoral care and support. These include the need to better protect students, and a need for stronger mechanisms to raise standards across the whole industry.

There is also a need to provide solid evidence to parents and ministries in market countries that New Zealand meets reliable standards of pastoral care. In particular, it is desirable that we demonstrate to market countries that New Zealand has policies to ensure:

- the accuracy of information and advice provided to prospective students by institutions and their agents
- ongoing support and counselling
- safe and appropriate homestay and hostel accommodation for younger students
- adequate channels for resolving complaints, and an impartial appeal process to deal with unresolved problems.

Australia introduced a compulsory code in early 2001. Without similar protection for foreign students, New Zealand risks losing market share to Australia.

Accommodation

The availability of suitable housing for international students affects student satisfaction with their New Zealand experience. Key factors include location and proximity to the teaching site, quality of accommodation relative to client expectations and the domestic/international mix of co-habitants. The ease of obtaining quality vetted family homestays for students may also affect recruitment. This picture is made more complex by variations in the needs and tastes of different age, ethnic and religious groups.

There may be a need to better manage homestay supply in specific regions and to increase student flows to areas where there is greater capacity.

Integration into the community

While not all international students will seek community involvement, a range of benefits result from sustained interaction and involvement with host communities. Research suggests that this doesn't always occur spontaneously and that planned strategies can foster this interaction.

Examples of effective strategies promoting links between international students and communities include buddy systems, matching with host families for visits and outings, and civic ambassador schemes. Some of these are run by educational institutions, others are anchored in the community or local government. There is a need to share information and experiences in this area, and ensure that strategies are well planned and evaluated.

Monitoring and review

While New Zealand is marketed as providing high-quality education to international students, we lack detailed information about the overall quality of our export education services. Providers, agents and policymakers, and potential clients and investors, would benefit from more information about the characteristics and distribution of international students, their achievements, subject choices and perceptions of the quality of service they receive, and about the extent to which institutions incorporate international dimensions into their programmes. Data is needed to shape policy and practice on issues as diverse as entry standards, foundation and remedial programmes, teaching styles, interventions to promote integration of students, and marketing. There also is a need to ensure that review and audit processes operating in the New Zealand education system adequately encompass international student programmes, including those offered offshore.

Monitoring of achievement

Existing studies of achievement include too few international students to yield useful information on this group. Full national data collections do not adequately record students' national status relative to their achievement. NZQA (New Zealand Qualifications Authority) examination data only indirectly identify international students. Ministry of Education data on the highest attainment of school leavers do not currently indicate international status, although data on tertiary programmes completed do. Examination success as international students progress through the tertiary system can be measured only by the individual institution.

Recent changes in the National Administration Guidelines require schools to report on the achievement of specific groups of students (Maori, special education and at risk students). International students currently fall outside such provisions.

There is a need for better identification of international students in both NZQA and Ministry of Education national data collections, and regular analysis and reporting should be carried out on these data. In the case of the Ministry, this will be facilitated by moves to improve data quality through electronic individual record reporting. In the case of NZQA it may require a redesign of the way data on enrolments for examinations are recorded.

Student satisfaction data

There is a less than well-developed picture of the characteristics of international students beyond the demographics in Ministry of Education data collections and a few limited research projects. We also have inadequate knowledge of the perceptions of the quality of our services among international students studying in New Zealand. In contrast, the Australian Government has introduced a national survey of international students, yielding data for monitoring and policy development purposes.

Baseline and trend data, both factual and opinion-based, on international students in New Zealand is needed to inform national and regional policy development, and to provide a basis for planning and reviewing services. This information would also be useful in shaping marketing activities and messages.

This would not replace the need to monitor quality and student satisfaction within individual institutions. Such monitoring could be encouraged through the provision of suitable exemplars and guidance to foster their use.

Quality assurance and indicators

Quality assurance

Because they fall outside the bounds of taxpayer-funded responsibilities with which central government agencies are normally charged, international students have in the past been somewhat peripheral to central review and audit processes, whether in respect of TESOL, academic programmes or pastoral care.

Increasingly, full fee-paying students and their home government agencies are scrutinising quality and quality assurance systems more closely. Concurrently, as the sector matures, it is becoming more focused itself on the need for ongoing quality monitoring and improvement.

Quality assurance requirements apply to courses offered by state and integrated schools and public tertiary institutions. PTEs are not permitted to enrol an international student in a course that is longer than three months unless the course is specifically approved and the provider is accredited to deliver the course. Special programmes offered by schools solely or primarily for international students, including English language classes, must also be NZQA approved. It appears that in the school sector there has been incomplete compliance with this requirement to date. NZQA has been strengthening its audit processes to ensure programmes such as those in schools are approved and conform to requirements.

NZQA and NZVCC (New Zealand Vice-Chancellors' Committee) have developed requirements for providers delivering programmes offshore. NZQA has established relationships with counterpart agencies overseas to support this activity. Although further work is required, New Zealand appears to be ahead of some competitor countries in this area. Given the concerns expressed by host-country governments and academics about the quality of offshore programmes in general, and our vulnerability as a small player whose education and qualifications system is little known, it is important that we maintain a focus in this area.

There are other encouraging developments as quality assurance standards are grappled with by sector groups. For example, one of the main associations of English language schools has recently adopted an international quality assurance process as a requirement of membership.

Also at the tertiary level, the NZVCC Academic Audit Unit recently carried out its first audit of the international activities of an institution – the optional audit theme selected by Lincoln University – and issued a set of challenging observations and recommendations. This precedent may be worth following by other tertiary institutions in New Zealand.

In summary, while quality monitoring of international student programmes beyond initial approval processes has not been as strong as it could, recent and current developments should improve this situation. Ongoing dialogue will be needed between the Ministry of Education, NZVCC, NZQA and ERO (Education Review Office) to ensure that their activities dovetail, and that there is good communication about arising problems and remedial action.

Quality indicators

There is scope for exploring ways of providing international consumers not just with an assurance of basic good quality, but some indication of standards beyond that level. This could involve the development of quality indicators or quality marks for the industry. Such a development would empower potential students with better information about the service they wish to purchase and would provide a more meaningful basis for differential pricing. The result would be an incentive for providers to lift their performance.
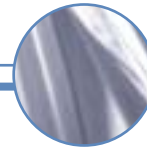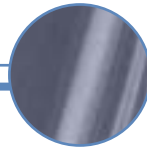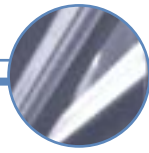
Research and sector development

In a recent paper on creating value from knowledge, the New Zealand Foundation for Research, Science and Technology (FORST) indicated that internationally, knowledge-based enterprises typically invest between 3-15% of their turnover in research and development to maintain their competitiveness.

While there are difficulties in accurately measuring research and development activities, investment by players in the export education industry in New Zealand has been slight. This contrasts with countries such as Australia and Canada where there is a significant investment in research and a research infrastructure to underpin the development of international education services.

There is a need to consider how to facilitate ongoing investment in research and development within the industry in New Zealand.

Assisting international mobility

Standards for recruitment agents

As recruitment activity grows in intensity and extends across a larger number of markets, ongoing growth in the use of private agents to boost recruitment is probable, but carries with it an element of risk. Maintaining high ethical standards in recruitment will be vital to our reputation as a provider country.

The current voluntary Code of Practice contains provisions relating to the supply of information for prospective students and procedures relating to recruitment agents. In tandem with this, some institutions have developed their own policies guiding their selection and use of agents. The sector and students would benefit from more consistent standards and policy.

Visa and work issues

Although recent changes in immigration regulations have assisted the recruitment of international students and their entry to New Zealand, export education providers and sector representative bodies have raised a number of areas in which they wish to see change considered.

These include:

- the possibility of issuing length-of-course visas for multi-year courses
- issues relating to conversion from one visa type to another
- hours of permitted employment for full-time students (up to 15 hours in New Zealand compared with the current 20 hours[13] in Australia)
- the ability of students studying bridging courses or non-degree diplomas to undertake part-time work
- processes for handling students withdrawing from or failing courses, or switching courses and/or providers
- the possibility of guardianship visas for parents of school-age international students.

These issues are largely the province of the NZIS (New Zealand Immigration Service). The impact of change in these areas on students' ability to pursue full-time studies and on the availability of part-time employment for New Zealand students needs to be taken into account. We currently lack data on international students' work patterns, and the level of importance they attach to work entitlements when choosing their country of study. Any changes in visa length or documentation processes need to take account of their wider impact on factors such as risk, cost and capacity.

[13]   This is existing policy; higher hours are being considered.

Information dissemination and relationship-building

Providing information and building understanding

Many of our competitor countries devote considerable resources to explaining their education and qualification systems to overseas audiences. This task is often undertaken by bodies which have an educational or cultural mission rather than a specific marketing focus. They include agencies such as Australia Education International (Australia), the US Information Service and the Fulbright Commission (USA), the British Council (UK), and the Goethe Institute (Germany).

Despite the best efforts of our offshore representatives, there is relatively low awareness and understanding internationally of New Zealand education, except in our traditional education markets and those countries with which we share British-derived education systems. This low profile has obvious implications for New Zealand's export education industry, but there are other reasons why New Zealand should address this issue. These have to do with the broader integration and positioning of our economy and society internationally.

We need to improve information and communication about matters such as:

- the nature of the New Zealand education system and its relativities to other systems
- quality assurance in the New Zealand education system, and comparability of standards internationally
- the nature and value of New Zealand school qualifications, including the new NCEA (National Certificate of Educational Achievement)
- the relative value of New Zealand's degrees vis-à-vis American, European and other degree structures and qualifications
- the nature and value of New Zealand's polytechnic diplomas and degrees relative both to programmes overseas and to other New Zealand tertiary qualifications.

Sponsoring bodies, government agencies and families of potential students overseas prefer to seek quality assurance from official rather than marketing sources, particularly when they come from societies where there is a strong government role in managing education. Feedback from the sector strongly indicates that pro-active information from an official, authoritative source would do much to reassure these audiences and lay the groundwork for successful relationship-building and marketing activity by provider groups.

While it is doubtful that a dedicated promotional body can be justified given New Zealand's size and resources, a greater investment could nevertheless be made in providing information and building relationships offshore, working through existing official agencies. There is also scope to better utilise New Zealand educators and academics to assist in this process.

Formal arrangements for international quality assurance and qualifications recognition

The international mobility of students and staff, and the growing complexity of international education programmes, mean that it is increasingly important to negotiate formal arrangements for assuring quality and recognising qualifications.

Issues in the area of educational quality assurance and recognition are paralleled in the trade sphere. New Zealand has pursued the reduction of barriers in the trade of educational services through APEC, the GATS (General Agreement in Trade in Services) negotiations and within the framework of bilateral economic agreements with partner countries. Overall, however, progress has been slow due to the general reluctance of many countries to make commitments in this area. The trends occurring internationally make further development of the framework for trade and mobility pressing, and, through MFAT (Ministry of Foreign Affairs and Trade), New Zealand is continuing to address these issues.

Bilateral/multilateral relationship development/adjustment

In Europe, student mobility programmes are important instruments for achieving economic, political and social objectives.

New Zealand is party to a number of agreements facilitating international student mobility. We have bilateral agreements with Australia for the education of students at domestic fee level, and with Germany and France for the acceptance of postgraduate students on a domestic fee-paying basis. The latter agreements cost New Zealand EFTS funding plus the foregone full-fee income but on the other hand deliver a flow of research students to New Zealand universities. In contrast, official reciprocal funding for the movement of a small number of postgraduate students between New Zealand, the UK and Canada under the Commonwealth Scholarships scheme was halted in the late 1990s. An arrangement continues, however, for movement between developing countries and New Zealand within the context of our ODA (Overseas Development Assistance) objectives.

The ODA scholarship programme is focused on humanitarian and development objectives and also has a relationship-building role with potential longer-term implications for trade development within its limited area of geographical focus.

Asia 2000 too, through its seed funding of education exchanges and visits by academics, addresses broad policy objectives for relationship development with Asian countries.

Because New Zealand cannot hope to match the financial investment that our more powerful neighbours make in the international arena, we may need to clarify the strategic objectives we wish to achieve by participating in international schemes and agreements facilitating student mobility. The challenge is to rationalise our actions and investment in the light of these objectives.

Strategy management and sector coordination

Effective mechanisms for coordinating an industry strategy involving both government agencies and the sector would assist New Zealand's export education industry to reach its potential. For both groups issues regarding resourcing, focus and coordination need to be addressed.

While many government agencies have contributed to aspects of the development of the industry, it hasn't necessarily been a high-level priority, or in some cases even a formal part of the outputs for which they are accountable.

New Zealand has a number of other industries where small providers with only a partial focus on export of their goods or services have combined to form strong national mechanisms through which concerted action and sector development can occur. The functions of such bodies can include:

- research and product development
- advice and training/professional development
- standards maintenance/regulation
- formulation of industry viewpoints and policy
- advocacy at home
- marketing, promotion and negotiation abroad.

Despite the efforts of Education New Zealand and other organisations, national and sectoral export education bodies have not had the level of industry support or the funding base to effectively undertake many of these functions to date. This is a major issue facing the industry as it develops and seeks to become more competitive in the international arena.

Conclusion

The first part of this report has traced the growth of the export education industry in New Zealand and considered the issues and opportunities it now faces. Given its size, modest international profile, the brief history of the activity in New Zealand and the primarily domestic focus of most providers, the sector's achievements have been impressive. The sector is youthful relative both to other export industries and to export education in key competitor countries.

New Zealand will be assisted to realise the opportunities available to us in what is a highly competitive environment if a number of development issues are addressed.

Objectives relating to growth need to be balanced by further development in the flexibility and quality of the services we offer and by a focus on increasing the value we derive from our activity. Planning for increased capacity in popular institutions needs to be accompanied by efforts to increase the participation of areas and providers with existing capacity, who may be unaware or unsure of how to enter and develop in the market.

New Zealand has a high quality education system supported by dedicated staff. However, there is scope for improving the business and management skills amongst export education providers in relation to international student programmes. There is also a need to ensure that programmes and curriculum are relevant to international students' circumstances. The communication, language support and other special needs of international students should be met to a standard which leaves them with the knowledge that they have received an excellent education.

A well-managed sector focused on and known for its quality will assist individual providers and communities achieve their financial, educational and other objectives. For New Zealand as a whole, success as a provider of international education will contribute to a range of economic, educational and cultural benefits.

Core requirements for a successful, sustainable industry can be identified. These include:

- *ongoing investment in research and development*
- *a systematic and supportive approach to professional and institutional development*
- *mechanisms for disseminating information resources within the sector and lifting the level of dialogue on international education issues*
- *processes for achieving ongoing improvement in quality standards*
- *an onshore policy and regulatory framework that facilitates growth while managing risk*
- *a framework of bilateral and multilateral agreements and relationships which support qualification recognition, quality assurance across borders and the mobility of students and teachers*
- *mechanisms to increase offshore knowledge of our education, qualifications and quality assurance systems*
- *a mechanism through which effective, coordinated action and self-managed development can be achieved within the sector.*

New Zealand has the opportunity to be a leader in export education – not in raw numbers, but in solid broad-based quality and reputation. We also have the opportunity to manage our development in this field in a way that has significant spin-off benefits for domestic education, local communities and our economy.

Part B: Strategic Initiatives
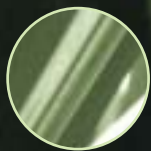
This section sets out initiatives that are intended to address the core requirements identified in the previous chapter.
A set of broad success indicators are proposed, but further work in cooperation with the sector is necessary to refine detailed objectives and targets.

Funding of $1.3 million for these initiatives has been provided from Vote Education for 2001/02. The longer-term implementation of initiatives – and the strategy within which they sit – will be determined by the outcome of discussions with and within the sector regarding ongoing funding, to occur during the latter half of 2001.

Broadly grouped the initiatives that are being implemented fall under the following headings.

- *Institutional and professional development*
- *Quality improvement and monitoring*
- *Data and research*
- *Building knowledge in the international education sector*
- *Building recognition of New Zealand education and qualifications*
- *Strategy management and sector liaison*
- *Evaluation and success indicators.*

Institutional and professional development

A comprehensive programme is planned to foster the ongoing development of policies, business and programme management skills in institutions with international students. The object of this is to empower institutions to enter and grow in the market in a well-managed way, creating the right learning environment for international students and maximising benefits for their fellow students and the institution.

The assistance will be flexible, recognising the varied experiences and circumstances of institutions. While some broad principles will hold true across the sector, work appropriate for institutions with capacity but on the margin of the market will differ from that with institutions experiencing issues around rapid growth and capacity constraints.

School support

A development programme will be implemented in secondary schools, with two main strands.

The first strand is aimed at helping school boards of trustees appreciate the benefits and responsibilities of an international student programme and understand its implications for resourcing and areas such as staff development, curriculum planning and marketing. Links between schools, other education providers and local community organisations will also be strengthened.

The second strand focuses on the development needs of those responsible for managing international student programmes. Professional development opportunities will strengthen the capacity of managers to develop a business plan and implement and maintain a viable and effective international student programme. Workshops for management and teachers will be supplemented by the provision of information resources and models, advice and on-site support for individual schools.

Where appropriate, work will be cross-referenced to other development activities, for example that being implemented around administrative guidelines, reporting and leadership development.

Tertiary support

A programme will also be provided for post-school/tertiary providers. In broad terms it will parallel aspects of the schools programme, with a focus both on governance matters and provider-wide issues, and on the development and management of an international student programme within institutions.

The governance programme will provide information and advice to the councils and CEOs of tertiary providers, and will be linked where relevant with the development programme managed by the Ministry's Tertiary Advisory Monitoring Unit.

The programme development strand will address the needs of staff responsible for international students. It will cover areas such as business planning, the implementation of appropriate administration and support systems, and the overall management of effective learning programmes for international students.

The focus in 2001/ 02 will be on providing information and support for the councils of a broad spread of public and private tertiary providers, and on development opportunities for programme management and staff. Subject to funding, in following years the plan is to focus on fewer tertiary providers – potentially with a special emphasis on those in provincial centres and/or the margin of the market – and provide them with more intensive assistance.

In response to feedback from the sector, part of the available resource will be used to appoint a national development officer located in the sector and working in liaison with an advisory group and the Ministry. The officer's functions will include researching and disseminating information, coordinating existing professional development activity and organising new programmes.

Overseas scholarships scheme

A modest visiting scholarship scheme will be established to foster better understanding of international students' cultures and educational systems. The scholarships will enable New Zealand staff from any level in the sector to study or take up a placement in an educational institution or agency in a country from which New Zealand draws a significant number of international students. The scheme could also involve visits to other countries where important innovations are occurring in international education. A key emphasis in this scheme will be on the ability of participants to subsequently share their new knowledge with peers and the sector when they return to New Zealand.

Three scholarships will be available in 2001/02.
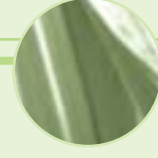
TESOL and cross-cultural communication

Recognising issues outlined in the previous section, a key part of the strategy in 2001/02 will be initiatives to develop standards and capability in TESOL and cross-cultural communication across the sector.

In 2001/02 a stocktake of the current ESOL provision in schools and post-secondary providers will be carried out. This will involve the establishment of a working party, a survey of providers, and the making of recommendations to address ESOL and cross-cultural communication issues associated with international student programmes.

This will be followed by the development of guidelines for practitioners and ESOL specialists which will provide best practice examples, and initial English language assessment procedures.

Subject to funding, from 2002/03 professional development programmes will be offered for subject teachers and ESOL specialists in schools. The programme will link with current national ESOL development initiatives (programmes focusing on students from non-English speaking backgrounds, and the Learning Through Language programme). It is intended that programmes will focus initially on secondary schools, and subsequently be extended to include primary schools, reflecting the growth in international student programmes in that sector.

Teachers in the tertiary sector will also have the opportunity to participate in these professional development programmes. They will also be assisted through the tertiary support initiative. Opportunities will be provided for staff to consider the implications of the TESOL guidelines for their teaching practice and programme development.

Given the close links between language, learning and culture, these initiatives are designed to enhance not just English language teaching but the development of cross-cultural communication skills.

Quality improvement and monitoring

In addition to professional and institutional development initiatives, a number of other steps will be taken to underpin sector development and quality improvement. These include:

- implementation of a mandatory Code of Practice for providers who enrol international students
- quality monitoring
- quality indicators development.

Code of Practice

Later in 2001 a sector-wide mandatory 'Code of Practice for Providers Who Enrol International Students' (the Code) will be introduced. The Code represents a powerful tool through which quality standards will be supported and students, their families and government agencies overseas assured of the high standard of New Zealand's care for international students.

With the introduction of the Code, the Ministry of Education will introduce a monitoring process to ensure compliance beyond the initial approval of institutions as signatories to the Code.

This will be the first time that clearly-stated quality standards for non-academic matters are enforced across the whole sector. Areas covered by the Code include the following:

- agents or staff working offshore (they must be knowledgeable of the institution's requirements and be able to assess students' English language proficiency)
- information provided to international students before and after enrolment
- assessment of appropriateness of applicants (signatories to this Code must be satisfied that prospective students have the level of English necessary for their chosen study programme, and prospective students who do not meet their requirements must be advised of courses that need to be completed and standards that must be met prior to their enrolment)
- orientation and ongoing support services
- the role of homestay agents (including more stringent requirements for homestay supply)
- selection and standards of homestay and hostel accommodation for younger students
- establishment of sector-wide channels for the resolution of complaints from students, where these fall within the matters covered by the Code.

The Code does not address the issues of course quality and teacher qualifications.

Providers will be given support in complying with the Code by staff within the Ministry of Education, through guidance and best practice information, and through coverage in professional development initiatives (outlined elsewhere in this report).

The impact of the Code on the sector will be monitored by the Ministry, particularly in its first year of introduction, and as a result provisions in the Code may be reviewed.

Quality monitoring

Self-monitoring by providers of broader aspects of the quality of their international programmes, as a basis for ongoing improvement, will be encouraged through professional development activity and advice. The work of particular associations and groups within the sector to promote quality standards is acknowledged.

The Ministry of Education and NZQA will consult to ensure that their monitoring processes and requirements with regard to international programmes are in harmony. This consultation will be extended to include ERO.

Quality indicators development

Exploratory research and consultation with the sector and other agencies will be undertaken around the identification of practical indicators of quality in international student programmes. The purpose of this work will be to provide:

- more objective information to consumers on which to base their choice of provider or programme
- a more effective contribution to the operation of the market
- a better basis for differentiation in prices
- a further incentive for institutions to seek excellence.

Data and research

Improving data collection on international students

To address gaps and strengthen data on the number, distribution and achievement of international students within the system, two initiatives will be implemented.

Firstly, existing official data sources on international students, including achievement data, will be reviewed and recommendations made regarding steps needed to improve coverage and compatibility. The objective will be to ensure that comprehensive, quality national and regional data are available to institutions and policymakers.

Secondly, an analysis of data on students at all levels of the education system will be undertaken and published, updating and extending the analysis carried out to support the development of this report. The purpose here will be to provide both fuller data and ongoing trend analysis.

Student satisfaction survey

Design work will be carried out for a periodic sample survey of students across the sector. The purpose will be to provide national and regional data on student characteristics and satisfaction with their educational experience in New Zealand. It is planned to implement the survey in 2002 and the data will be used to inform future policy developments and to help institutions review the services they offer international students. This information will also assist marketing activities.

This data collection will be in tandem with monitoring of satisfaction and quality within individual institutions. The professional development initiatives outlined in this strategy will encourage institutions to obtain systematic feedback from their students on a regular basis.

Internationalisation of providers

Data on international programmes and initiatives in New Zealand tertiary providers was collected in a 1998 study, based broadly on reviews carried out in Australia and Canada. Subject to funding, a second review of the internationalisation of tertiary providers will be carried out in 2003 to monitor progress five years out from the initial study.

Building knowledge in the international education sector

Building research capability

There is a need to stimulate greater research and development activity in the international education area. The funding of research projects outlined in this report will initiate a contribution to the development of a pool of useful knowledge, and will also help support the development of New Zealand research expertise in the area.

In addition to this investment, the provision of a pool of contestable funds to support international education research has been identified as a potentially useful mechanism for stimulating practitioner and research interest in this field. The means by which such funds could be made available – whether from the industry and/or from public good research funding sources needs to be discussed further.

Centres for international education research in universities in Australia and elsewhere have a useful role. While in some cases these centres benefit from direct state or institutional support, they are all, to differing degrees, also fueled by contract and contestable research funds. This is an area of activity that a New Zealand university or other research body may wish to consider focussing on.

Evaluation of strategy initiatives

The impact of the initiatives outlined in this report will be evaluated, with a focus on professional and institutional development, TESOL and the new mandatory Code. Particular attention will be paid to those heavily involved in providing education for international students as well as those operating on the margins of the market.

There is a need to help develop specialist knowledge of international education by providing comprehensive information about trends and innovations for the sector.

Subject to ongoing funding, two projects will be undertaken each year to draw together information in priority areas of international education. This material will be published and disseminated widely as a resource for managers, planners, teachers and other professionals involved with international student programmes. A review of literature on the nature and quality of interaction between international and domestic students – and initiatives for improving this interaction – has already been undertaken and published, and is an example of the type of further project work envisaged.

It is also proposed that a six-monthly strategy newsletter will be produced. This will keep those working in the sector well informed on progress in initiative implementation, and issues affecting the sector locally, as well as providing brief information on (non-marketing) trends, developments and innovations internationally. Information of importance to the sector will be featured in the Education Gazette and on the Ministry of Education's website, and will be made available through the media.

Building recognition of New Zealand education and qualifications

Raising New Zealand's profile overseas

Working in cooperation with sector marketing initiatives, a concerted effort will be made to raise New Zealand's international profile as a quality provider of education services. Given the importance which target markets attach to official sources of information, the Ministry of Education and NZQA have important roles in preparing authoritative information appropriate for use overseas on the nature of the New Zealand education and qualifications system, quality assurance, and the value/standing of our qualifications, including the new NCEA and our certificates, diplomas and degrees.

High quality resources on our education and qualification systems, of a comparable standard to those produced by our competitors, will be produced. This information will also be made available on the Internet and linked to relevant sites.

The Ministry of Education will work with NZQA and MFAT to progress work on the mutual recognition of qualifications, to build greater understanding with education officials overseas, and to progress trade negotiations.

The activity of NZQA in liaising and negotiating with counterpart qualification authorities in market countries around quality assurance and qualification recognition is acknowledged. This will be an important on-going role.

The Ministry of Education will continue to work with MFAT to pursue New Zealand's interests in multilateral and bilateral negotiations which seek to remove barriers and provide equitable frameworks for student mobility, portability of qualifications, and the provision of education services across borders.

Influencing policy and opinion-makers

An investment will be made in building strong relationships with educationalists and education policy-makers offshore. Modest funding from the strategy budget will be used to support speaking engagements and attendance at official occasions overseas by prominent New Zealand educationalists. The fund will also provide some assistance to bring key education policy and opinion-makers from target markets to New Zealand.

Strategy management and sector liaison

Further policy work

This report has highlighted a number of areas in which policy review and development could help in the management of growth of international student programmes onshore and offshore. Onshore, these include Ministry of Education policy around costing, property issues, TESOL, and teacher supply management. Issues belonging in the province of other agencies include policies and regulations around visas and regional development. Issues crossing the responsibilities and interests of agencies include those surrounding the relationship and consistency of various bilateral and multilateral agreements and arrangements affecting student mobility.

Issues affecting onshore, offshore and distance programmes include quality assurance and qualification recognition, and the development of e-learning (on which an advisory group will report later this year).

Offshore education is an important and growing phenomenon, both internationally and in New Zealand, and there is a need to give greater attention to the specific issues associated with the development of this type of export education provision. The Ministry is proposing to undertake further work in this area.

Finally, there is a need for dialogue and policy development on international education in New Zealand, as distinct from export education, which comprises a narrower activity and focus.

Collectively these comprise a large agenda of areas of work, some of which will be progressed through the initiatives outlined in this report, others of which remain to be addressed.

Strategy management and sector coordination

A successful approach to developing the export education sector requires a group or agency to be responsible for the management, coordination and championing of activities. The Ministry of Education through its International Unit will, at least initially, undertake this role, working closely with other agencies which have a stake in international education, liaising about, and where appropriate contributing to, further policy development.

While government and sector officials meet bilaterally and in larger groups from time to time around specific issues, there is no ongoing forum for coordinated action in support of export education. Discussions will be held to explore mechanisms to achieve this. Relevant agencies include the Ministry of Education, MFAT, MED (Ministry of Economic Development), NZIS, NZQA, ERO, Trade New Zealand and Industry New Zealand.

The sector

While the sector has been involved in consultation around initiatives outlined in this report and the parallel marketing strategy, activity in both areas has been initiated using government funding. This has occurred because government has recognised both:

- the potential of export education to contribute economically, educationally and in other ways to New Zealand
- the likelihood that concerted action and development might not occur without intervention, given the present structure and organisation of the sector.

While government funding has been appropriated in 2001/02 to provide initial support for the implementation of a range of export education initiatives, government ministers have indicated that in the future, the sector itself should provide funding and take ownership of an industry development strategy. Officials will engage with the sector through Education New Zealand in the second half of 2001 for the purpose of discussing pathways to achieving this outcome.

As provider groups making up the sector have drawn together in response to the initiatives supported by government they have seen positive results emerge. Continuing that spirit of cooperation will ensure the ongoing success of export education and the achievement of the benefits identified at the outset of this report.

Evaluation and success indicators

Effectiveness indicators are being developed for particular initiatives. Broad indicators for the strategy as a whole include:

- balanced national growth in student numbers
- growth in revenue absolutely and in terms of value relative to activity
- enhanced, successful participation by providers which are smaller, regional, more ethnically mixed, and/or reflect low SES communities
- quality of business planning and programme management in institutions
- educational and other impacts on domestic students
- enhanced teaching skills
- student, teacher and community satisfaction.

Progress in implementing the initiatives and any initial indications of change will be reported in 2002.

Commonly-used Acronyms

ERO Education Review Office

ESOL English for Speakers of Other Languages

GATS The General Agreement for Trade in Services

IT Information Technology

MED Ministry of Economic Development

NCEA National Certificate of Educational Achievement

MFAT Ministry of Foreign Affairs and Trade

NZIS New Zealand Immigration Service

NZQA New Zealand Qualifications Authority

NZVCC New Zealand Vice-Chancellors' Committee

ODA Overseas Development Assistance

PTE Private Training Establishment

SES Socio-economic Status

TAMU Tertiary Advisory and Monitoring Unit

TEAC Tertiary Education Advisory Commission

TESOL Teaching of English for Speakers of Other Languages

Selected Bibliography

Alvey, J.E. (ed) (1999) *Perspectives in the International Sale of Tertiary Education Services* Issues Paper No. 5, Palmerston North: Massey University, Centre for Public Policy Evaluation, Massey University.

Australian International Education Foundation (1998) *International Skills for Young Australians* Canberra: Department of Employment, Education, Training and Youth Affairs.

Back, K., Davis, D., Olsen, A. (1998) *Internationalisation and Tertiary Education Institutions in New Zealand*. Wellington: Ministry of Education.

Callan, H., (ed) *International Education: Towards a Critical Perspective*. EAIE Occasional Paper 12. Amsterdam: European Association of International Education.

Davis, D., Milne, C., & Olsen, A. (1999) *Becoming Internationally Competitive: The Value of International Experience for Australian Students*. IDP Education Australia.

Davis, D., Olsen, A., Bohm, A. (2000) *Transnational Education Providers, Partners and Policy: Challenges for Australian Institutions Offshore*. IDP Education Australia.

Department of Education, Training and Youth Affairs (2000) *Overseas Students Statistics 1999*. Australian Education International, Commonwealth of Australia.

DeWinter, U., (ed) (1996) *Internationalisation and Quality Assurance: Goals, Strategies and Instruments*. Occasional Paper 10. Amsterdam: European Association of International Education.

Findlay, C. (2000) *Measures Affecting Trade and Investment in Education Services in the Asia-Pacific Region*: A report to the APEC Group on Services 2000. Canberra: Asia Pacific Press, The Australian National University.

Higher Education Funding Council for England and Committee of Vice-Chancellors and Principals (2000) *The Business of Borderless Education: UK perspectives, Analysis and Recommendations*. London: CVCP.

Infometrics Consulting (2000) *Economics Impact Analysis of Foreign Fee-Paying Students*. Education International Marketing Network New Zealand.

Knight, J. (2000) *Progress and promise: The AUCC Report on Internationalisation at Canadian Universities*. Ottawa: Association of Universities and Colleges of Canada.

Knight J. & H. de Wit (Eds.) *Internationalisation of Higher Education in Asia Pacific Countries*. Amsterdam: EAIE/IDP.

Ministry of Education (2001) *Foreign Fee-Paying Students in New Zealand: Trends (2001)* Wellington: Export Education Policy Project, Ministry of Education.

Ministry of Education (2000) *Strengthening the Pastoral Care Framework for New Zealand's Education Export Industry*, Wellington: Ministry of Education.

OECD Media Relations (3-4 April 2001) "*Investing in Competencies for All Communiqué*". Meeting of the OECD Education Ministers, Paris.

Smith, G., Lambert, S., Knox, G., Morey, A., & Foster, C. (2000) *Looking Behind the Numbers: How International Students Evaluate their Australian Experience, a Survey of International Students who Finished a Course of Study in 1999*. Canberra: Department of Education, Training, and Youth Affairs.

Tertiary Education Advisory Commission (2001) *Shaping the System, Second Report of the Tertiary Education Advisory Commission*, Wellington.

The Conference Board of Canada (1999) *The Economic Implications of International Education for Canada and Nine Comparator Countries: A Comparison of International Education Activities and Economic Performance*. Ottawa: International Cultural Relations Bureau, Department of Foreign Affairs and International Trade.

"*Trade in Education Services: Benefits and Risks*" (2001) Background Paper prepared by the OECD Secretariat for the Meeting of the OECD Education Committee at Ministerial Level 2-4 April.

UNESCO (1999) '*99 UNESCO Statistical Yearbook* UNESCO Publishing & Bernan Press.

Ward, C. (2001) *The Impact of International Students on Domestic Students and Host Institutions – A Literature Review*. Wellington: Export Education Policy Project, Ministry of Education.