

INTERNATIONALIZATION STRATEGIES



NEW ZEALAND may have a tiny population of only 4.3 million, but it has established itself on the map of popular regions for international students to pursue their degrees. The government of New Zealand is behind the push to internationalize—it established Education New Zealand in 2011, a governmental agency charged with working with the education industry to promote the quality of the New Zealand education system and New Zealand's expertise in providing education and training products offshore. Education New Zealand, in collaboration with its industry partners, is tasked with growing the economic value of New Zealand's international education industry to achieve the government's target of doubling its current value of \$2.5 billion (in New Zealand currency) by 2025. In addition, other government goals for international education to be met by 2025 include doubling the number of international postgraduate students to 20,000, increasing the transition rate from study to residence for international graduates, increasing the number of offshore international students from 3,000 to 10,000, and increase New Zealanders' skills and knowledge to operate effectively across cultures.¹

The international student population in New Zealand has increased dramatically in the last 15 years. The number of international students studying in New Zealand grew rapidly from 8,210 international tertiary students in 2000 to 40,854 in 2011, according to UNESCO data. It subsequently ran into strong headwinds of a toughening market for international students at different educational levels before rebounding strongly from 2013 to 2014.

International enrollments declined from 2011 to 2013, with a varied picture by source country and by the sectors within New Zealand receiving students. But in 2013 the number rebounded strongly from 97,107 international students enrolled at a New Zealand education provider at all levels of education, to 110,198 international students, a 13 percent year-on-year increase and a 10-year high that was helped in part by strong increases in recruitment of Chinese and Indian students, according to data from Education New Zealand.

Much of that enrollment growth reflected growth in institutes of technology and polytechnics and private training establishments (largely vocational training), rather than the university sector, which had more modest 3 percent year-on-year enrollment growth from 2013 to 2014. Some analysis firms, such as ICEF (and its publication *ICEFMonitor*), attribute the growth to improved visa processing and improved international education branding.

New Zealand is an Anglophone country with a disproportionate number of universities for its small population that has transformed its higher education sector into a major export industry.

EDITOR'S NOTE: *This article is fourth in an occasional series on international student recruitment strategies in select countries.*

An aerial photograph of a New Zealand coastline. The water is a vibrant turquoise, transitioning to a deep blue. Several islands and peninsulas are visible, covered in lush green vegetation. The sky is a clear, bright blue. The overall scene is serene and scenic.

NEW ZEALAND

SMALL
COUNTRY

BIG

Destination

BY DAVID TOBENKIN



“The number of first-time students coming to New Zealand is at record levels, demonstrating New Zealand is gaining a profile and momentum in the global international education marketplace as a quality study destination,” says Education New Zealand Chief Executive Grant McPherson.



Grant McPherson

“The launch and promotion of New Zealand’s ‘Think New’ education brand in 2013 and the delivery of the brand through global marketing campaigns during 2014 has been a key catalyst for the rise in awareness and active consideration of New Zealand

by international students. I am optimistic that growth will continue. Our Think New brand is continuing to build momentum, and the latest student visa data for August year-to-date shows that total student visas are up 10 percent and first-time student visas are up 11 percent.”

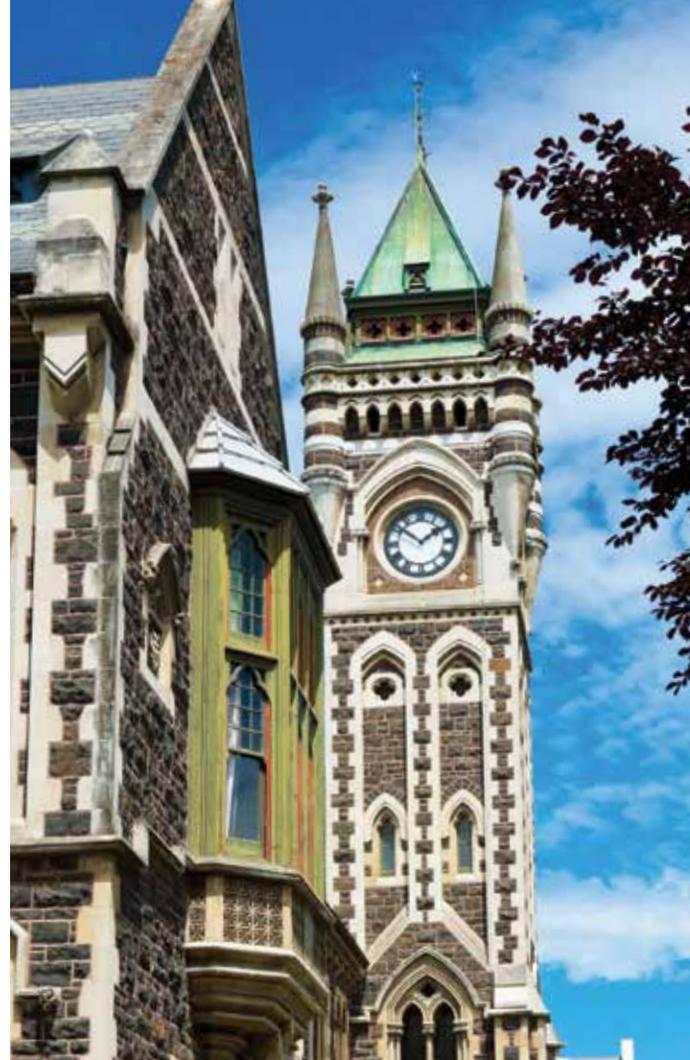
University of
Otago Registry
Building with
clocktower,
Dunedin, New
Zealand

Still, McPherson balances that assessment with acknowledgment that there are areas in the New Zealand international student program that remain to be addressed. “There are challenges that we and the industry have to manage,” McPherson says. “These include the diversity and sustainability of growth. It is risky for New Zealand to remain strongly reliant on just one or two countries. The future focus for [Education New Zealand] is to ensure sustainable and targeted growth for all sectors.”

Other challenges concern growing competition. “The last few years have been challenging for many with increasing competition, changing technologies, and the flow-on effects of the global financial crisis,” says McPherson. “A proliferation of new Asian and European education institutions, course options, and regional education hubs in or close to some of New Zealand’s traditional markets for international students meant there was less impetus for students to search further abroad.”

And a new challenge may be whether more rigorous English-language proficiency testing requirements could pose a challenge to the acceptance of some non-native English speakers as international students.

While international students have always had to meet English-language entry requirements to receive an offer of place from their New Zealand education provider for a student visa, under rules in effect through September 2015, education providers who had met certain criteria could assess the English proficiency of international students through internal tests.



However, a national rule change that came into effect in October 2015 means that international students from countries with a student visa approval rate of less than 80 percent will have to sit for an internationally recognized English language test to demonstrate clearly that they have the level of English required to study successfully in New Zealand.

Long-Term Goals

In 2011 the New Zealand government set a variety of goals in its Leadership Statement for International Education for the subsequent 15-year period, including doubling the annual economic value of international education to \$5 billion, through increasing international enrollments in higher education institutions, private providers, and schools; increasing the number of international students enrolled in providers offshore from 3,000 to 10,000; and doubling the number of international postgraduate students (particularly in programs in addition to those at the PhD level), from 10,000 to 20,000. Education New Zealand was created soon thereafter to assist in realizing those goals.

“Those are certainly aspirational goals that would be achievable through increased enrollments at the postgraduate level and development of acceptable pathway programs offered in collaboration with private partners, individual universities, and/or New Zealand universities

UPPER LEFT: EDUCATION NEW ZEALAND. TOP: DMITRY NAUMOV/SHUTTERSTOCK

as a group,” says Derek McCormack, vice-chancellor of the Auckland University of Technology (AUT) and chairman of the international policy committee of Universities New Zealand, which represents the eight New Zealand universities. “The sector would also benefit from improved immigration policies and from more international marketing.”



Derek McCormack

Top priorities for Education New Zealand documented in its *Statement of Intent 2013–16* include new and more sophisticated market prioritization, a new suite of support services for the industry, new ways of communicating with the market, and a new brand. It has also been working across the New Zealand government to put in place new policy settings to increase New Zealand’s attractiveness to international students, such as those concerning immigration and qualification recognition.

Among steps already taken are the redesign and launch of the “Think New” education brand in November 2013. It is being used in all of Education New Zealand’s student marketing campaigns, public relations activities, digital activities, events, and fairs to target students who are looking at studying overseas. The Think New brand highlights what makes New Zealand a unique and distinctive study destination and an online toolkit—The Brand Lab—was also created to make the brand materials easy to access—thereby increasing their use and impact.

Other recent achievements include running a four-week brand engagement campaign called “A Day in the Life” that focused on engaging with prospective students through social media, running two student competitions in key South and Southeast Asia (SSEA) countries to raise awareness of New Zealand, conducting virtual fairs in Latin America and the United States, and hosting key education media in New Zealand.

“A Progress Update on the Leadership Statement for International Education” outlined the key changes made across government agencies since 2011 related to immigration. Specific immigration initiatives underway since 2013 include: the roll out of a new IT system and a change to how student visa applications are lodged and processed, which is expected to be complete by the end of 2015; the establishment of an Industry Partnership Pilot to enable selected education providers to nominate offshore student visa applications for streamlined, priority application processing by issuing them a nomination letter for inclusion

with their visa application; and changes to work rights in December 2013 that allow more English-language students studying at high-quality providers to work part-time, provide full-time work rights during all scheduled holidays to international students who take a course of one academic year or more, and give unlimited work rights to international PhD and master’s-level research students.

Confronting the Challenges

New Zealand has a number of competitive disadvantages. The first is the geographic challenge of being a small country located in a remote corner of the world and operating in the shadow of its nearby and much larger neighbor, Australia, a fellow Anglophone country that is one of the largest destination markets for international students. Given New Zealand’s small size, branding and such exposure are critical to remaining competitive in the race for international students, says AUT’s McCormack.

On the other hand, there are advantages to being small, McPherson says.

“Being small has shaped several of our unique and distinctive national attributes which are highlighted in our marketing materials,” McPherson says. “Our place in the world has required a focus on innovation and creativity—valuable skills for learning and life—and our close networks and communities makes meeting influential people, standing out from the crowd, and making a big impact in your chosen field a real possibility in New Zealand. Our education system is also increasingly international in character, driven by a well-travelled population of students, teaching staff, and researchers and technology, trade, and migration.

International students at Victoria University of Wellington in New Zealand





As noted, increased competition globally for international students is another challenge.

“There has been intensifying competition for international students around the world,” says Rob Rabel, pro-vice chancellor for international engagement at Victoria Uni-



Rob Rabel

versity of Wellington. “The sleeping giant of the U.S. is waking up and not just resting on the laurels of its natural attractions. Australia is the most successful player in the international education game and has always been our strongest competitor where we are located. Its economy is bigger and students from Asia are attracted to its larger cities.

Also, more international students are going to other parts of Europe and countries like Canada. Source markets like Singapore, Malaysia, and China are also starting to be destinations.”

Currency exchange rates have also had a pernicious effect upon attracting international students, Rabel says. “It’s partly a matter of affordability,” Rabel says. “New Zealand numbers for the university sector have been flat for several years and lower than during the beginning-of-the-century big boom. That reflects in part that the New Zealand dollar has been very strong in recent years—as high as 88 cents [to the U.S. dollar], compared to 40 to 50 cents during the 2001–05 international student boom period. That has changed dramatically over the past year with a drop to 62 cents, which augurs well for growth in international enrollments.”

Given such challenges and the limited resources of a small country like New Zealand, prioritizing source markets that will give the biggest return on international student recruiting efforts and investments is key, McPherson says.

Education New Zealand recently divided up the international target regions into three categories of countries. The first group is termed Rebalance Markets and includes New Zealand’s largest source markets—China and India, which are the source of nearly 40 percent of New Zealand’s international students—and a number of mature markets: Chile, Malaysia, Germany, and South Korea. Education New Zealand explains that in China and India the focus is on retaining current growth in Chinese and Indian student numbers while rebalancing its recruiting efforts to focus on future value and sustainability. Education New Zealand says it is assessing the position of Chile, Malaysia, Germa-

ny, and South Korea, and will, over time, adjust resources accordingly. The second group is Promote Markets: the United States, Indonesia, Brazil, Japan, Thailand, Vietnam, and Saudi Arabia. In Promote Markets, Education New Zealand is stepping up targeted marketing activity for growth in the short to medium term. The third group, Explore Markets, refers to Pakistan, the Philippines, and Colombia. In Explore Markets Education New Zealand is primarily using research and intelligence-gathering to assess prospects for long-term growth.

New Zealand has also removed some regulations that have reduced the competitiveness of its higher education institutions for international students, Rabel says. “One of our disadvantages has been that we have had limited numbers of one-year professional master’s programs due to regulatory issues,” Rabel adds. “That issue has been addressed. Now we can offer master’s programs of that length, which are very popular in Australia and the UK. That will be an important part of our efforts to reach our international student target.”

University Strategies

Auckland University of Technology (AUT) is one of the few New Zealand universities whose international student numbers have steadily grown in recent years, with equivalent full-time students growing from 2,506 in 2012 to 2,599 in 2013 to 2,660 in 2014.

“The success that AUT has had in recruiting international students comes from the hard-working and dedicated staff that we have at the senior strategic level as well as our tactical efforts on the ground level,” AUT’s McCormack says. “Our staff have been key in developing AUT’s reputation of providing excellent teaching and research, building and maintaining relationships with overseas agencies, facilitating programs that are relevant to market demand and producing graduates who are highly desirable in the employment market. AUT has introduced English-language pathways to undergraduate and post-graduate programs through the AUT English Language School, which provide seamless transfer to academic study. This is an attractive option for students as it provides an alternative to the standard English language tests, IELTS and TOEFL, and better prepares students for academic study.”

Rabel says many New Zealand universities have focused on dual partnership programs with the Association of Southeast Asian Nations (ASEAN) and China higher education bodies. One such partnership involving Victoria University of Wellington is a small joint campus with the Vietnamese University of Economics, established in Ho Chi Min City 10 years ago. “It’s a significant flagship



Students at Victoria University of Wellington

for us there and we also have many other relationships there with Vietnamese institutions,” Rabel says. “We do very well in obtaining students sponsored by the New Zealand or Vietnamese governments and we also provide scholarships for a few hundred students a year. Some programs feature students spending part of the time there and part of the time in New Zealand. Right now we have about 300 Vietnamese students here, 120 to 150 of whom are through partnership programs.”

“With Vietnam, we are always trying to talk to new partners,” Rabel says. “One thing with partner programs is that you need to have a range of them if they are to have serious impact for you, which also helps spread the risk. We are now expanding from Vietnam and trying to develop programs in Indonesia and Malaysia, where we are the lead university in a program in accounting with two other New Zealand universities. There are 300 students in that program in Malaysia, which is funded by the Malaysian government, 150 of whom transferred to New Zealand this year as part of a four-year program.”

International students have already reached numbers where they are “critical” for the finances of some institutions, including Victoria University of Wellington, Rabel says. Victoria University of Wellington charges international students \$23,000 to \$26,000 dollars a year for undergraduates, compared with \$4,000 to \$6,000 for domestic students.

“New Zealand universities are all public institutions, with constrained budget allocations for students,” Rabel says. “We can’t hike fees for domestic students more than 4 percent per year and our domestic revenue from teach-

ing is restricted. The international area is the one area where we are not restricted. So there is a strong incentive to attract international students and use their fees to fund a range of operations.”

On the other hand, by law since 2005, New Zealand higher education institutions are required to charge domestic and international PhD students the same rate, which Rabel says has had a positive effect on international student recruitment at that level.

“It shows the importance of relative price in driving recruitment of international students,” Rabel notes. “We had 50 international PhDs [at Victoria University of Wellington] in 2005; now there are 500. The PhD tuition regime has enabled New Zealand to attract high-quality students to us. Some stay as academics while others return to their home countries where they will remain networked with our researchers. In terms of value, many see us as a good place to send students: we have well-ranked universities, PhD opportunities, and their money will go farther. The PhD level is the one area where our international student level is proportionally higher than Australia, which wasn’t the case before the domestic fee was introduced.” **IE**

DAVID TOBENKIN is a freelance journalist based in the Washington, D.C. area. His last article for *IE* was “On the Rise” about Canada’s international recruitment strategies, which appeared in the May/June 2015 issue.

ENDNOTES

¹ Education New Zealand, “Leadership Statement for International Education,” September 20, 2011, accessed November 11, 2015, http://enz.govt.nz/sites/public_files/Leadership%20Statement%20for%20International%20Education.pdf.