



Submission to
Education New Zealand
on the
draft International Education Strategy for New Zealand

Date: 31 August 2017

TOURISM INDUSTRY AOTEAROA

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Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the draft International Education Strategy for New Zealand.

This submission is filed without prejudice to TIA's future position. Our ability to prepare a comprehensive submission responding to the consultation document relied on the provision by Education New Zealand of information relevant to the connection between the consultation document and the benefits that would accrue. If any information is provided at a later date, TIA reserve the right to comment further.

EXECUTIVE SUMMARY

1. TIA welcomes the acknowledgment of the alignment between international education and tourism. However, we consider that the International Education Strategy could benefit from a stronger demonstration of the connections between international education and the New Zealand tourism industry.
2. In particular, we feel a stronger relationship between Education New Zealand and TIA could be beneficial to both the international education sector and the tourism industry.
3. International students are one of the groups that make up the visiting driver profile in New Zealand. There is a role to play for the international education sector in being part of the wider government initiative aimed at reducing crashes caused by visiting drivers.
4. TIA supports the focus in the strategy on high quality – providing high quality courses, attracting high quality students and delivering high quality outcomes.
5. We strongly recommend for Education New Zealand to work closer with other government agencies such as Immigration NZ to make sure that different government policies are supporting each other.

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INTRODUCTION

6. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With over 1,500 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, as well as related tourism services.
7. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Chris Roberts.
8. Any enquiries relating to this paper should in the first instance be referred to Nienke van Dijken, TIA Policy Analyst at nienke.vandijken@tia.org.nz or by phone on 04 494 1842.

COMMENT

Tourism 2025

9. Tourism 2025 (www.tourism2025.org.nz), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry's focus is on growing value faster than volume.
10. The Tourism 2025 growth framework is based around five key themes which are Insight, Connectivity, Productivity, Visitor Experience and Target for Value. This growth framework has been reviewed ([Tourism 2025-two years on](#)) in 2016. While the five themes of the framework remain unchanged, the emphasis in some focus areas has shifted. One of the priorities for 2016 - 2018 that arose from the review is '**Leveraging tourism and education**' – Develop the relationship between the tourism and export education sectors to leverage reciprocal benefits for each sector.

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Our understanding of the issue

We understand that:

11. The Government is consulting on a draft strategy that sets out its proposed vision, goals and immediate priorities for international education through to 2025.
12. The vision is that international education will continue to contribute to a vibrant and prosperous New Zealand.
13. The draft strategy sets out the proposed actions the government will take to support a high quality and sustainable international education sector that delivers net benefits to New Zealand.

Previous Engagement

14. In 2013, Education New Zealand's Chief Executive played an active role in the development of the Tourism 2025 growth framework.
15. In December 2016, TIA provided feedback to Education New Zealand (Education NZ) on the first round of consultation on the International Education Strategy.

General

16. We are pleased with the high-level acknowledgment of the alignment between international education and tourism and welcome that the International Education Strategy has been developed to align with other related strategies including the Government's Tourism Strategy.
17. We believe there may be further opportunity within the draft strategy to strengthen the relationships between international education and the New Zealand tourism industry.
18. According to the website of Education NZ¹, an implementation plan will be developed later this year. As this is still being developed, it is difficult to comment on the detail

¹ Education New Zealand, *Draft International Education Strategy for New Zealand to 2025*, 30 June 2017 – as sourced on <https://enz.govt.nz/news-and-research/ed-news/strategy-consultation/>

of the strategy. We hope to have the opportunity to provide more feedback once the implementation plan with its specific goals, actions and activities have been developed.

International students' contribution to tourism

19. The United Nations World Tourism Organisation (UNWTO) specifies that international students staying for less than one year should be seen as a subset of travellers and their activity should be perceived as tourism activity.

20. The New Zealand Tourism Satellite Account (TSA) calculating the contribution that tourism makes to the New Zealand economy includes the expenditure by international students studying for less than 12 months. It comprises course fees, living costs, and airfares on resident airlines.

21. The latest TSA results (October 2016) show that in the year ended March 2016, expenditure by international student studying for less than 12 months was \$2.7 billion, an increase of 8.6% compared to the year before. Of the \$2.7 billion, \$871 million was on 'education services' with the balance (69%) on other tourism expenditure.

22. The \$2.7 billion in expenditure by international student studying for less than 12 months for the year ended March 2016 was 18.9% of total international visitor expenditure. International student expenditure has grown by 834%² since 1999. In contrast, total international tourism expenditure increased by 141%³.

23. International students also play an important role in attracting friends and relatives to visit New Zealand while they're studying here. While no recent data is available, in 2011 30% of Chinese students studying in New Zealand had family or friends from China visit them and 80% of these visits resulted in domestic travel. The same research indicated that the families of New Zealand's international students spend, on average, \$3,600 per visitor on tourism. This is significantly higher than the spend by the average international visitor. As could be read in the article by Grant McPherson

² Statistics New Zealand, *Tourism Satellite Account: 2016, The contribution made by tourism to the New Zealand economy*, October 2016, p 16

³ *ibid*

in the Dominion Post in 2016⁴, '*parents, grandparents and friends are frequently attracted here as well, seizing the opportunity to holiday and travel around New Zealand, taking in the sights and doing as much as they can while their loved one is here*'.

24. These figures clearly show the importance of international students to the tourism industry and the wider economy. It is a fast growing industry and they spend a lot of money while they are in New Zealand.
25. The support and assistance of Education NZ and tertiary institutions would contribute to maximising the tourism potential from this sector. Because of this importance, we would like to see a greater focus on tourism in the International Education Strategy.

International student wellbeing

26. TIA is a partner in the government's Safer Journeys for Visiting Drivers programme. We work alongside central and local government, industry associations and rental operators in support of this programme.
27. International visitors are involved in approximately 6% of serious and fatal accidents in New Zealand. For the last few years, the percentage of vehicle crashes involving international students has been fairly consistent at 13-14% of those involving international drivers.⁵
28. The data indicates international students from India and China have the highest rate of crashes, followed by German students. Only 8% of all crashes by international students are in a rental vehicle; the majority of crashes by international students (68%) are in vehicles owned by the driver or owned by e.g. friends of the driver. By region, Auckland has the highest proportion of international students involved in crashes (30%).⁶

⁴ Dominion Post, *The rise of international education*, May 31 2016 – as sourced from <http://www.stuff.co.nz/national/education/80534811/the-rise-of-international-education>

⁵ Ministry of Transport, *Overseas driver crashes 2017*, August 2017 – as sourced from <http://www.transport.govt.nz/assets/Uploads/Overseas-drivers2017-Aug17.pdf>

⁶ *ibid*

29. This indicates that international students are a risk group for car crashes in New Zealand. In TIA's opinion, there is a role for the tertiary sector to play in providing information to international students on what is different about driving in New Zealand. It may be appropriate for a section of the International Education Strategy to acknowledge a role in limiting this risk. This could fit in well with the strategy's Immediate Priority of 'Strengthening International Student Wellbeing'.

Focus on quality

30. TIA supports the strategy's commitment to offer international students a safe, authentic experience while studying with high quality education providers. This mirrors the tourism industry's commitment to deliver outstanding, high quality visitor experiences.

31. There needs to be a firm focus on providing high quality courses, attracting high quality students and delivering high quality outcomes. This quality imperative will allow international education to make the desired significant economic and social contribution to New Zealand.

Immigration settings

32. Under the section 'Sustainable growth', the strategy says *'the focus will be on better targeting and attracting those with qualifications needed and skills that complement the New Zealand labour market to stay and work in New Zealand'* and that the *'Government will ensure international education contributes to a highly skilled workforce in New Zealand'*. The tourism sector is in need of capable and well-trained staff, and TIA supports this focus to fill the gaps when there are no suitable New Zealanders available.

33. Earlier this year, the government proposed new rules that will make it harder for foreigners, including foreign graduates, to qualify for the Skilled Migrant visa category. This will make it harder for international graduates to stay and work in New Zealand after they finished their degree. These recent government immigration changes appear to be at odds with its commitment above to have international students stay and work in New Zealand.

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34. We support the goal of Sustainable Growth in the strategy, but are not convinced that the new immigration settings are aligned with this goal. We are also supportive of the Immediate Priority of 'Getting the rules right' and are very interested to see how this will be expressed in the Implementation Plan. We encourage Education NZ to work closely with other government agencies such as Immigration NZ to make sure that different government policies are supporting each other, instead of being counterproductive.

Regional development

35. Regional dispersal is strategically attractive for both tourism and international education and we are pleased to see the proposed strategic regional development approach for international education.

Industry plays key role

36. We are pleased to see that the strategy recognises that it requires all stakeholders – including government, schools, tertiary providers, businesses, researchers, educators, students and communities – to take responsibility and action to ensure international education continues to be a success story.

37. We would like to see this expressed in the implementation plan with clear and achievable actions.

Leveraging tourism and education

38. As noted, one of the priorities that came out of the Tourism 2025 review last year was 'leveraging tourism and education'.

39. It may be beneficial for more regular engagement between Education NZ and TIA. We feel a stronger relationship would be beneficial to both the international education sector and the tourism industry.

40. If both industries' key strategic documents express the desire and intent to work for mutual benefit, it will be more straightforward to undertake the practical actions needed to make that happen.

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FOLLOW-UP PROCESS

41. TIA wishes to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on tourism are adequately represented.

BACKGROUND

42. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

43. The tourism industry delivers the following value to New Zealand's economy:

- Tourism in New Zealand is a \$95 million per day and \$34.7 billion a year industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$55 million in economic activity every day
- The tourism industry directly and indirectly supports 13.2% of the total number of people employed in New Zealand. That means 332,322 people are working in the visitor economy.
- Tourism is one of New Zealand's biggest export industries, earning \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2016).

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