MINISTRY OF EDUCATION NEW ZEALAND

Te Tāhuhu o te Mātauranga Aotearoa

PROSPECTS FOR INTERNATIONAL STUDENT ENROLMENTS IN NEW ZEALAND: PROFILES OF 13 SOURCE COUNTRIES

8 September 2011

International Division
Ministry of Education

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Introduction

This report attempts to identify the most likely prospects for increasing international student enrolments in New Zealand, based on a concise and consistent methodology for assessing potential demand from source countries. The collated comparisons are intended to assist future planning for promotional campaigns.

The data used for each country is from multinational agencies (including the United Nations, the International Monetary Fund, and the Organisation for Economic Co-operation and Development), on the following indicators of demand for international education.

- the level of enrolments of international students from each country in New Zealand, and the available and relevant comparative figures for Australia
- the past level of enrolments in tertiary education programmes in each country
- relative performance in the PISA 2009 study administered by the OECD
- the level of Gross Domestic Product (GDP) per capita in each population, and projections for growth
- the current proportion and projection of 15-24 year olds, relative to the total population, and estimates for change to 2025 (using the 'medium variant' of population projections).

While these measures can help to guide estimates for the potential for growth in student enrolments from developing nations, they are less useful in terms of projecting possible interest from *developed* countries. The factors of demand which influence students from these markets are reported to be New Zealand's attributes of quality and cost-effective English language education, safety, and lifestyle experiences. A key research source for this view is the 'International Student Barometer' prepared by the International Graduate Insight Group[1]. The Ministry of Education has also undertaken extensive surveys of international students in 2003 and 2007, and the findings of these studies are readily available through the Ministry's website (www.minedu.govt.nz/international).

New Zealand education provision is also less costly, when compared to the other 'main English speaking destination countries' of Australia, the United Kingdom, the USA, and Canada. This was a key finding of research undertaken by Deloitte New Zealand in 2007 and updated in 2009[2].

Sources

Data from the following sources is used to illuminate the likely potential of each source country, in terms of attracting students to New Zealand education providers. The countries are ordered in terms of their respective numbers of international enrolments in New Zealand for 2010.

Enrolments in New Zealand

The calendar year information on international fee-paying enrolments with New Zealand education providers is recorded as part of the Export Education Levy (EEL), which has been administered by the Ministry of Education since January 2003. The EEL is paid by all providers which enrol international fee-paying students.

[1],[2] These studies are available on the website of Education New Zealand, www.educationnz.govt.nz

Information on the national origins of enrolments has been collected from January 2006.

The summary EEL data for the 2003 to 2010 calendar years is on the Education Counts website http://www.educationcounts.govt.nz/statistics/international_education

Enrolments in Australia

A primary source for information on enrolments of overseas students with Australian higher education institutions is the Department of Education, Employment, and Workplace Relations (DEEWR). The website for this Australian Government department is www.deewr.gov.au.

Statistics on overall enrolments of international students with all Australian education providers can be obtained from Australian Education International (AEI). The website for this agency is www.aei.gov.au. AEI is now part of the Australian Trade Commission (Austrade).

Domestic Tertiary Enrolments

The United Nations Educational, Scientific and Cultural Organization (UNESCO) gathers annual statistics from its member nations on educational enrolments, including at the tertiary level. The website for UNESCO is www.unesco.org.

Programme for International Student Assessment (PISA)

The Organisation for Economic Co-operation and Development (OECD) administers the PISA study. This research assessed the comparative scholastic performance of school students in 65 countries, including OECD and non-OECD members. The OECD website is www.oecd.org.

Income trends

The International Monetary Fund (IMF) prepares detailed projections on the likely rises in Gross Domestic Product for many countries, including on a population (per capita) basis. This information is available through the World Economic Outlook statistics for April 2011. The website of the IMF is www.imf.org.

In this report, the charts for per-capita GDP use a standard scale of $0 - $60,000. This is in order to indicate that, while several countries are enjoying significant levels of per-capita growth, they remain *considerably* poorer than the developed source nations (notably Germany and Japan). A consistent scale has not been used for the respective charts on tertiary enrolments and population, because this would make the respective bars either insignificant or grossly disproportionate.

Demographic trends

The United Nations Population Division prepares detailed projections on the likely demographics of member nations. The relevant data on the 15-24 aged population is included in this report, based on the 'medium variant' for global demographic projections. The source website is http://www.un.org/esa/population/

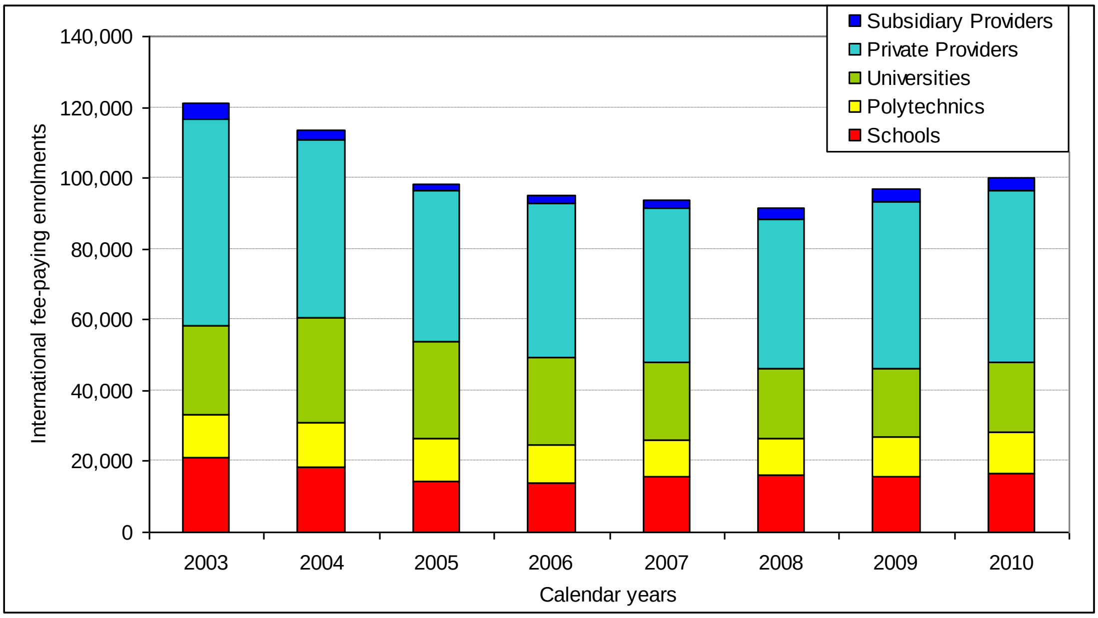
Overall enrolment trends

In the 2010 calendar year there was a 3% increase in enrolments of international fee-paying students to nearly 100,000, following from the 6% growth in enrolments recorded in 2009. The main beneficiaries of this growth were private providers, schools and polytechnics/institutes of technology.

International student enrolments by provider groups	2004	2005	2006	2007	2008	2009	2010
Schools	18,311	14,447	13,934	15,512	16,015	15,898	16,486
Polytechnics/Institutes of Technology	12,599	11,965	10,721	10,625	10,586	10,994	11,740
Universities	29,821	27,640	24,540	21,748	19,562	19,424	19,678
Private Providers	50,324	42,372	43,888	43,435	42,329	46,991	48,491
Subsidiary Providers	2,500	1,843	2,211	2,618	2,900	3,671	3,485
Totals	**113,555**	**98,267**	**95,294**	**93,938**	**91,392**	**96,978**	**99,880**
Annual % change	*-6%*	*-13%*	*-3%*	*-1%*	*-3%*	*6%*	*3%*

Source:
Export Education Levy database for the full calendar year for schools, public tertiary education institutions, and private providers (described as 'SDR' and 'non-SDR' private training establishments). The latter category *includes* English language schools.
Public Tertiary Education Institutions are the 8 universities and 20 polytechnics/institutes of technology. Subsidiary providers are the English-language training affiliates of the universities and some high schools.

Enrolments of international students in New Zealand, by provider groups



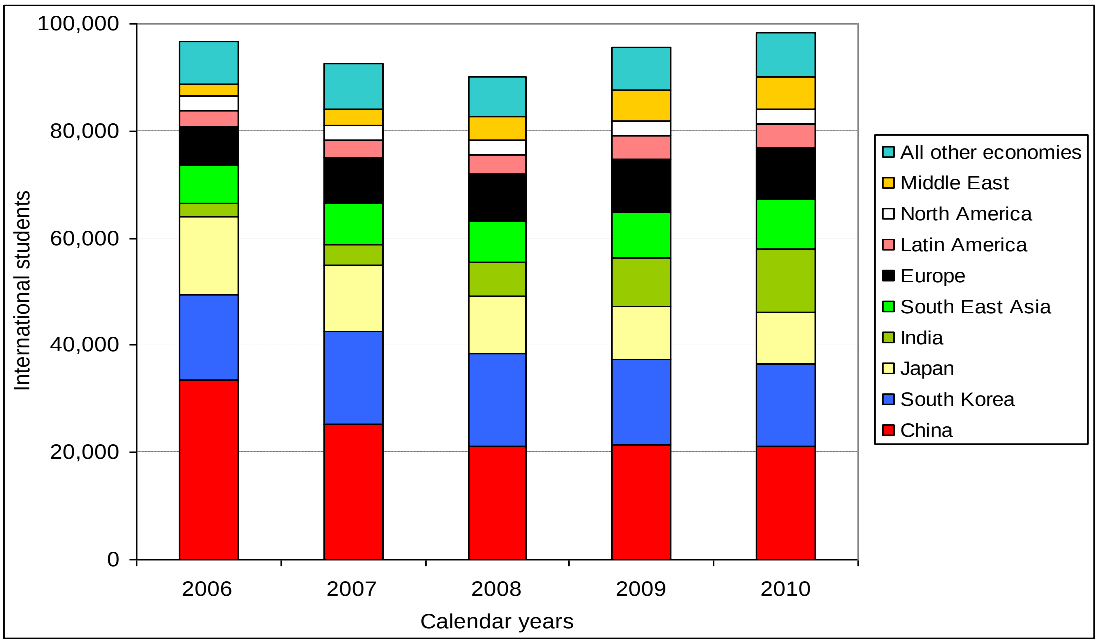
The information on enrolments can be disaggregated by the reported origins of the students. From 2006 the Export Education Levy system has requested information from providers on the nationalities of their students. The total figures are slightly different because this data counts students, not enrolments (that is, some students enrol more than once with different providers).

The key trends evident over the five years since 2006 have been the falls in enrolments of Chinese and Japanese students. These trends have been counterbalanced by rapid rises in students from India and the Middle East, and to a lesser extent from Europe, Latin America and South East Asia.

International students by origin	2006	2007	2008	2009	2010	*% change, 2006 - 2010*
China	33,649	25,216	21,080	21,327	21,258	*-37%*
South Korea	15,930	17,500	17,331	16,070	15,282	*-4%*
Japan	14,299	12,325	10,755	9,761	9,745	*-32%*
India	2,599	3,855	6,348	9,252	11,597	*346%*
South East Asia	7,216	7,660	7,662	8,535	9,328	*29%*
Europe	7,139	8,536	8,832	9,857	9,747	*37%*
Latin America	2,968	3,226	3,514	4,222	4,404	*48%*
North America	2,746	2,751	2,704	2,737	2,742	*0%*
Middle East	2,113	3,022	4,463	5,920	5,953	*182%*
All other	7,924	8,411	7,393	7,843	8,418	*6%*
Totals	**96,583**	**92,502**	**90,082**	**95,524**	**98,474**	*2%*

China includes the Hong Kong SAR. *South East Asia* is Thailand, Malaysia, Vietnam, Cambodia, Singapore, Philippines, & Indonesia. *Europe* is Germany, France, Spain, Switzerland, Czech Republic, United Kingdom, Russia, & Italy. *Latin America* is Brazil, Chile, Colombia & Mexico. *North America* is a total for the USA & Canada. *Middle East* is Saudi Arabia, Oman, and the United Arab Emirates.

Enrolments of international students, by origin



The following sections on each source country include an initial chart providing a summary breakdown of the relevant EEL data on international students. Particular figures may differ slightly from the totals stated in the table above, due to some differences in recording of the provider groups in which students were reported to be enrolled.

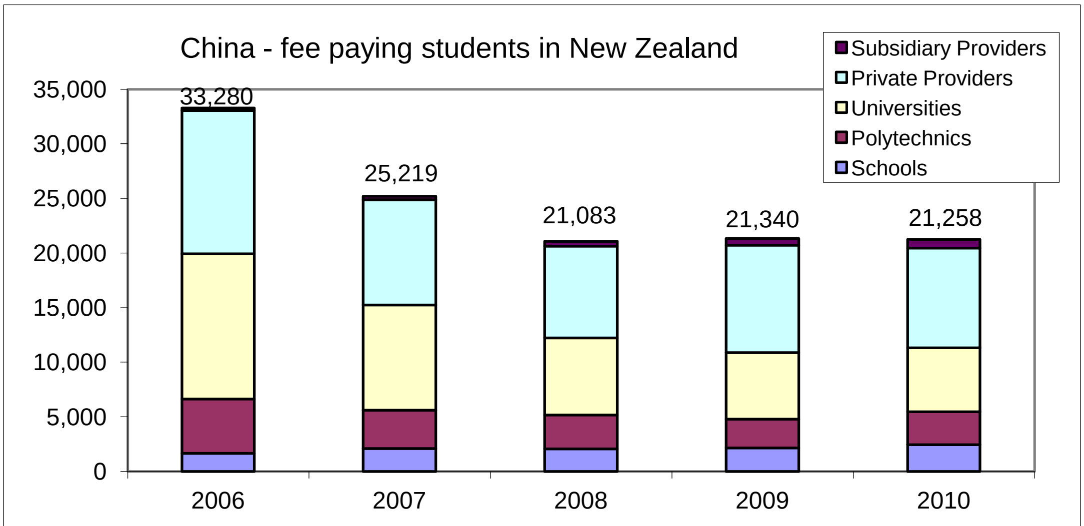
China

Key conclusion

China is the single most important source country for New Zealand education providers. Rising trends in per-capita incomes and tertiary participation levels indicate that there are prospects to significantly expand enrolments from China.

Enrolment trends

China was the most important source country of students for New Zealand providers in 2010. Most Chinese students were enrolled with private providers (predominantly English language schools) and the universities. Overall enrolments decreased by 36% from 2006 to 2010, though have stabilised since 2008. In Australia, overall enrolments of Chinese students rose 71% from 2006 to 2009.



Source: Export Education Levy, Ministry of Education

Australia	Higher Education Institutions	*% change*	All Education Providers	*% change*
2006	53,322		90,287	
2009	78,181	*47%*	154,777	*71%*
Sources:	DEEWR		AEI	

Domestic tertiary enrolments

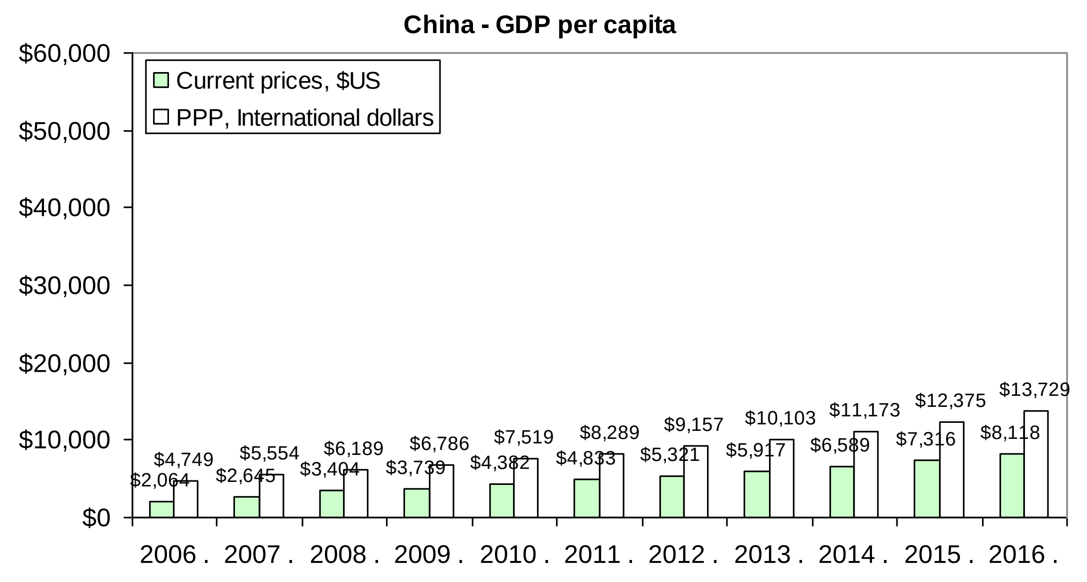
Tertiary enrolments in China rapidly increased from 1999 to 2009, and the available data up until 2009 indicated that 25% of the tertiary-age population were enrolled in tertiary programmes. This indicates there should be scope to attract more Chinese students to education opportunities in New Zealand.

Source: UNESCO

Scholarships
A scholarship programme for a small number of Chinese doctoral (PhD) students was established as part of the New Zealand-China Free Trade Agreement in 2008.

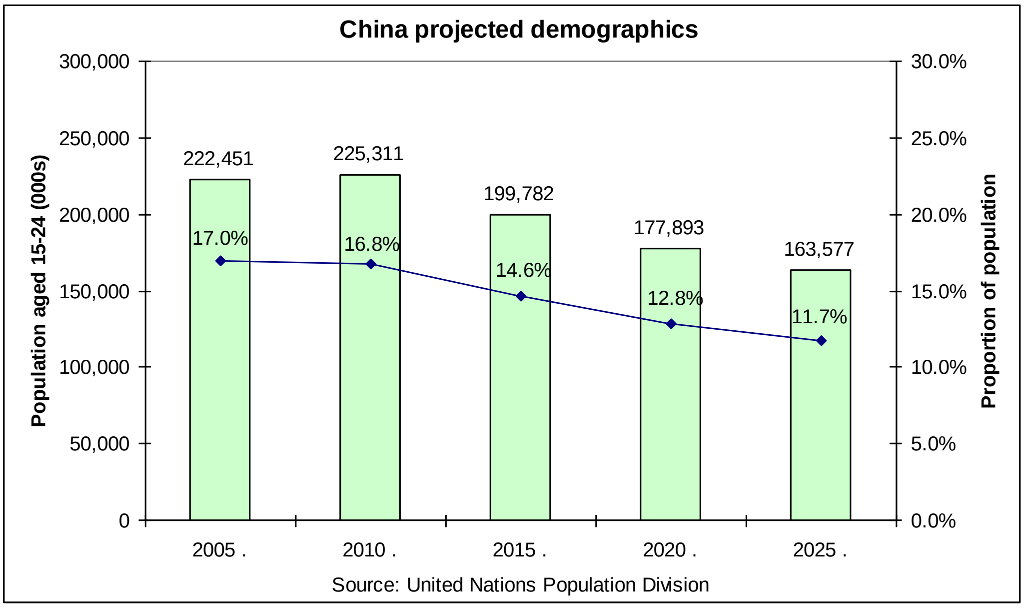
PISA results
China participated in the 2009 PISA study, through a group of schools located in Shanghai. These schools had the highest scores for reading (556), mathematics (600), and science (575).

Income trends
The economic prospects for China are projected to show a continued rapid improvement, with significant increases in per-capita Gross Domestic Product (GDP) and in terms of Purchasing Power Parity (PPP), at least until 2016.



Source: IMF World Economic Outlook, April 2011

Demographic trends
The numbers of 15-24 year olds in the population of China are projected to fall substantially from 2010 to 2025. This indicates there will be a diminishing – though still extremely large - pool of young people open to tertiary education options.



Source: United Nations Population Division

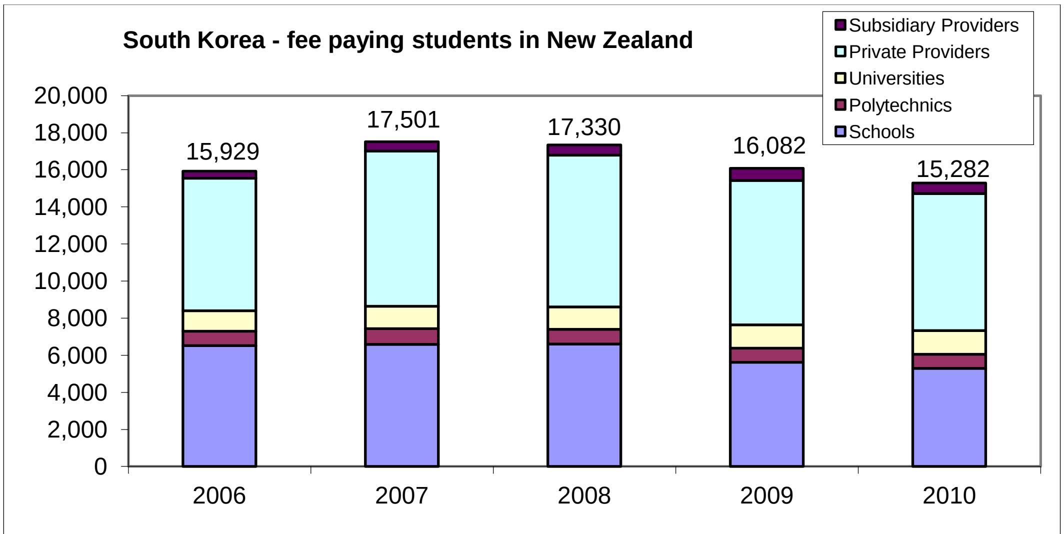
South Korea

Key conclusion

The Republic of Korea (South Korea) is an important source country for New Zealand schools and private providers. Enrolment levels have been broadly stable since 2006. A comparison with enrolment levels in Australia indicates that there may be good prospects to expand enrolments from South Korea.

Enrolment trends

South Korea was the 2nd largest source country of students for New Zealand providers in 2010. Most Korean students were enrolled with private providers and schools. Overall enrolments decreased by 4% from 2006 to 2010. In Australia, total enrolments of South Korean students rose by 14% from 2006 to 2009, and there was particular growth in enrolments with higher education institutions.

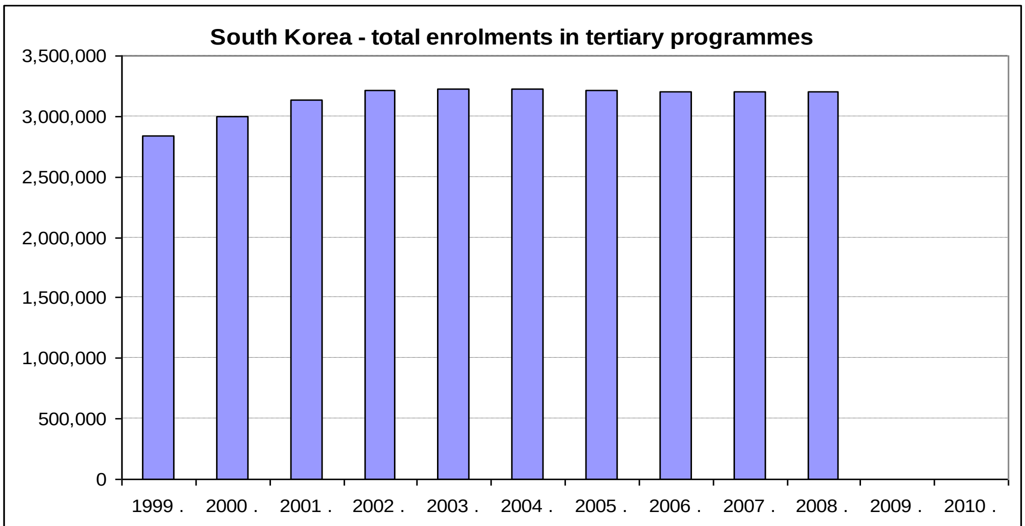


Source: Export Education Levy, Ministry of Education

Australia	Higher Education Institutions	*% change*	All Education Providers	*% change*
2006	4,727		31,257	
2009	6,909	*46%*	35,708	*14%*
Sources:	DEEWR		AEI	

Domestic tertiary enrolments

Tertiary enrolments in South Korea remained steady at a relatively high level from 2002 to 2008, and there are indications of a slight declining trend from 2005.



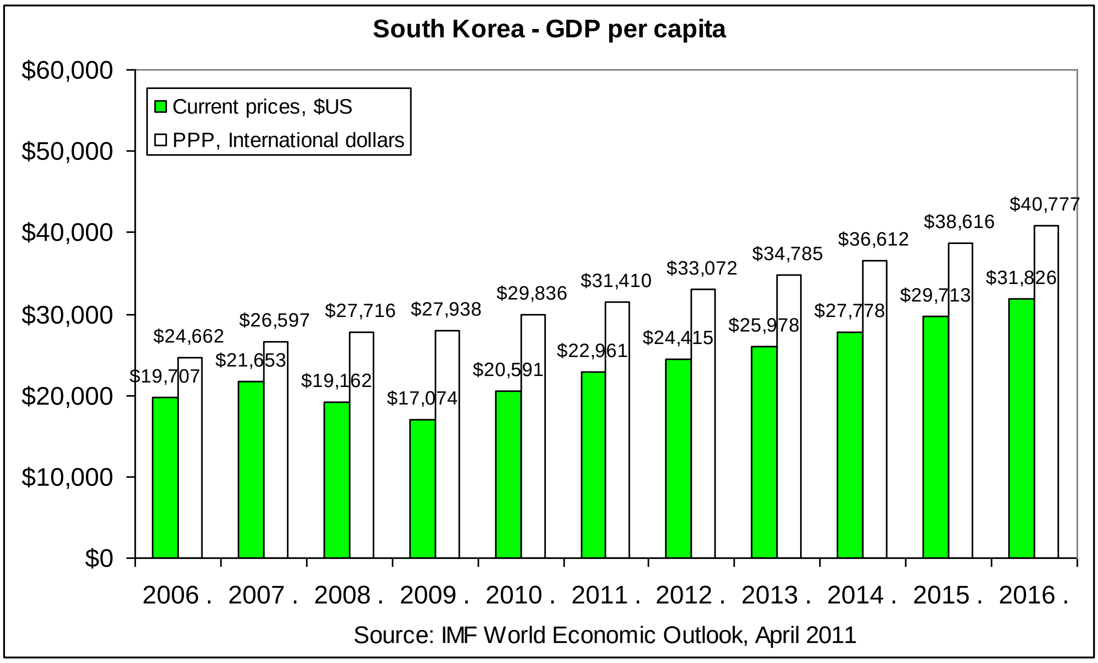
Source: UNESCO

PISA results

South Korea participated in the 2009 PISA study. The country's mean results for reading (539), mathematics (546) and science (538) were all significantly above the OECD average (source: OECD).

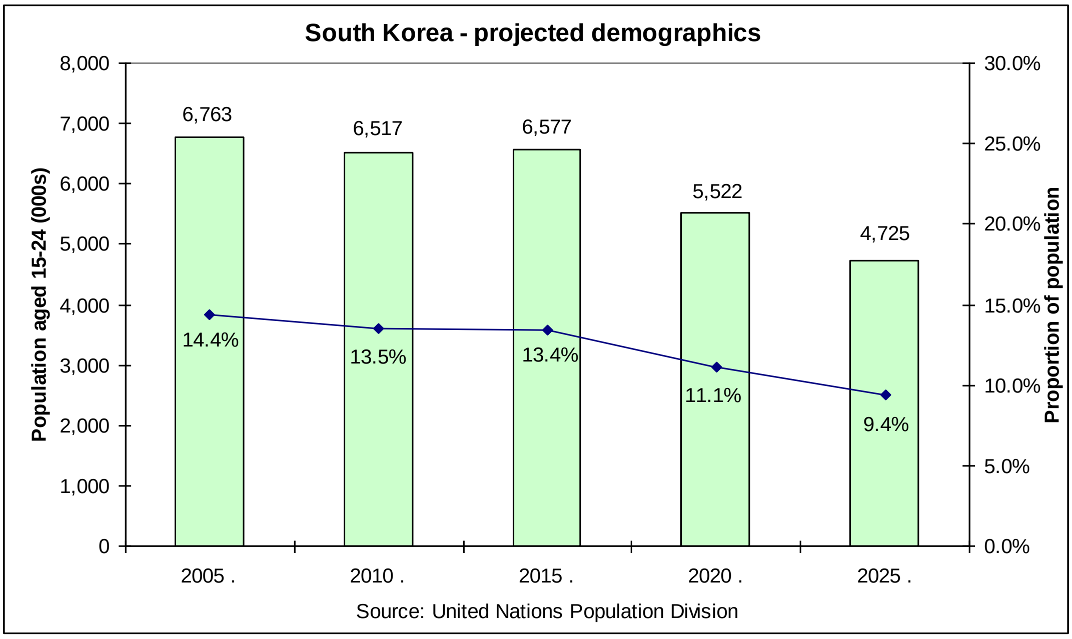
Income trends

The economic prospects for South Korea are projected to show a steady rise in per-capita Gross Domestic Product (GDP) from 2010, following the recession recorded in 2008 and 2009.



Demographic trends

The numbers of 15-24 year olds in the population of South Korea are projected to fall significantly from 2015. This indicates there will be a smaller pool of young people open to tertiary education options.



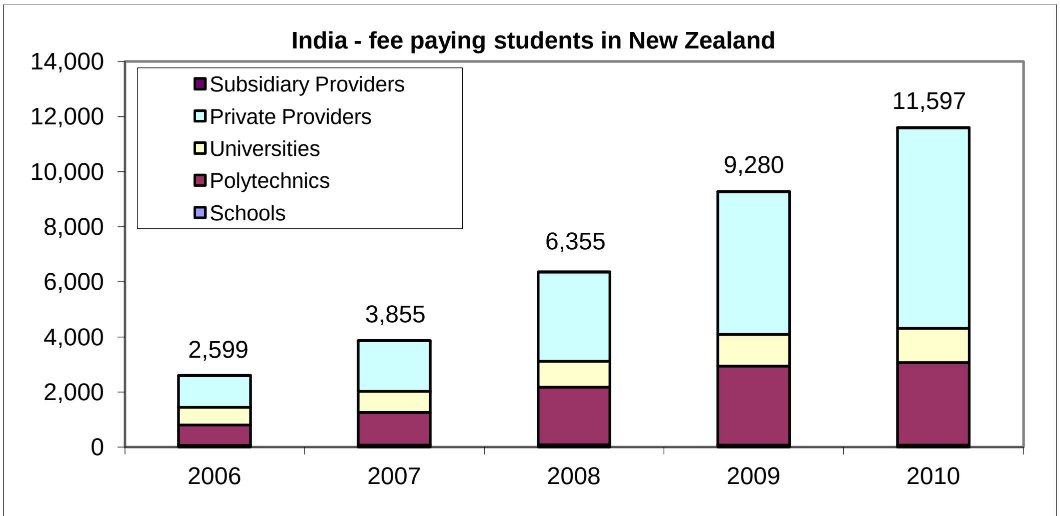
India

Key conclusion

India is an increasingly important market for New Zealand education providers, particularly those which provide vocational education services. Enrolment levels have rapidly increased since 2006. Demographic trends and domestic tertiary education participation levels indicate that there are very strong prospects to further expand enrolments from this source, if desired.

Enrolment trends

India was the 3rd largest source country of students for New Zealand providers in 2010, and is particularly important for polytechnics and private providers. Student enrolments rose by an overall 346% from 2006 to 2010. High levels of overall growth were also recorded in Australia from 2006 to 2009, on a considerably greater scale – with the exception of Australian higher education institutions.

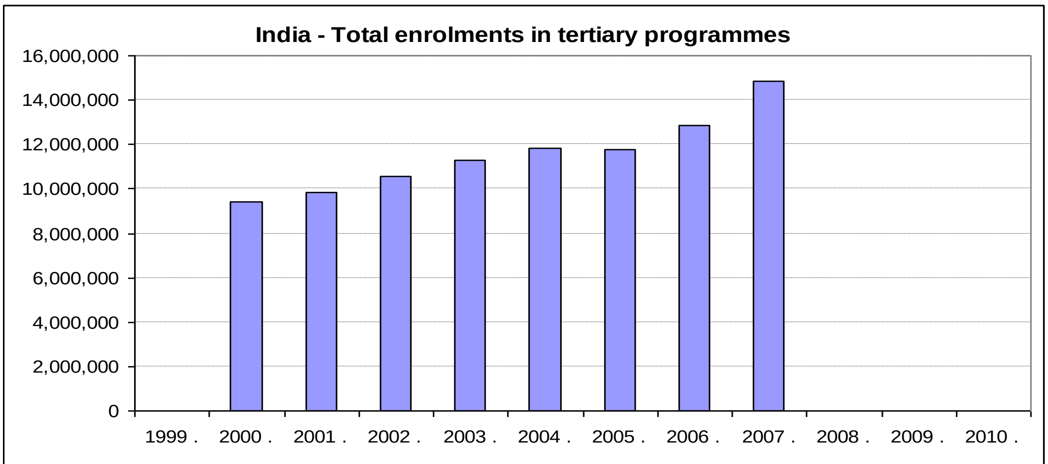


Source: Export Education Levy, Ministry of Education

Australia	Higher Education Institutions	*% change*	All Education Providers	*% change*
2006	23,051		39,166	
2009	27,837	*21%*	120,913	*209%.*
Sources:	DEEWR		AEI	

Domestic tertiary enrolments

Tertiary enrolments in India have steadily increased since 2000, and the available data up until 2007 indicated that 13% of the tertiary-age population were enrolled in tertiary programmes. This relatively low proportion supports an assumption that participation rates will grow as per-capita incomes rise.



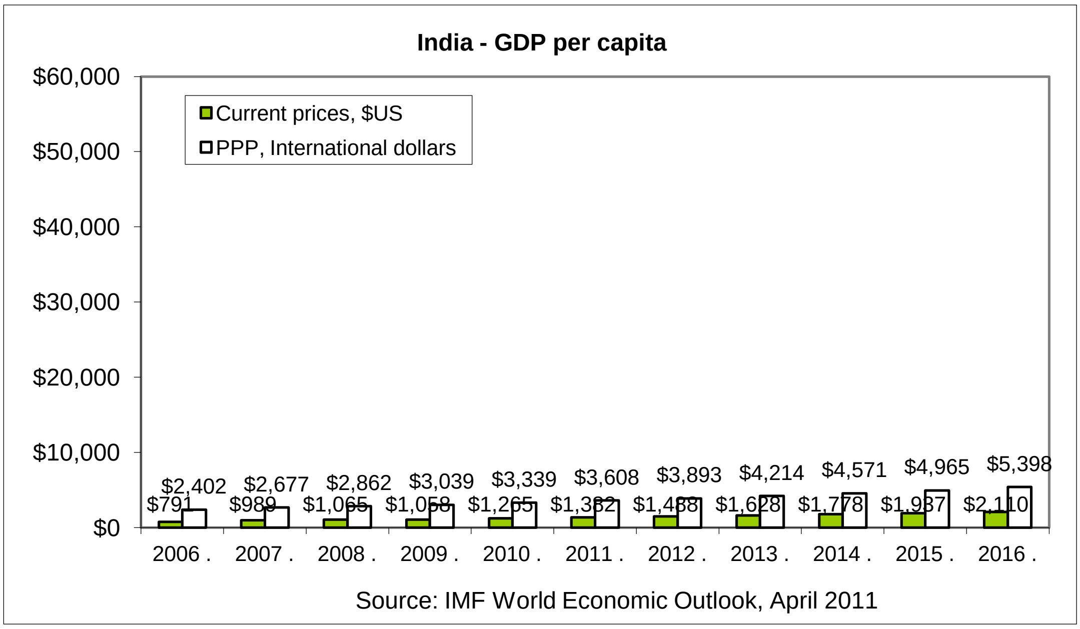
Source: UNESCO

PISA results

India did not participate in the PISA 2009 study run by the OECD.

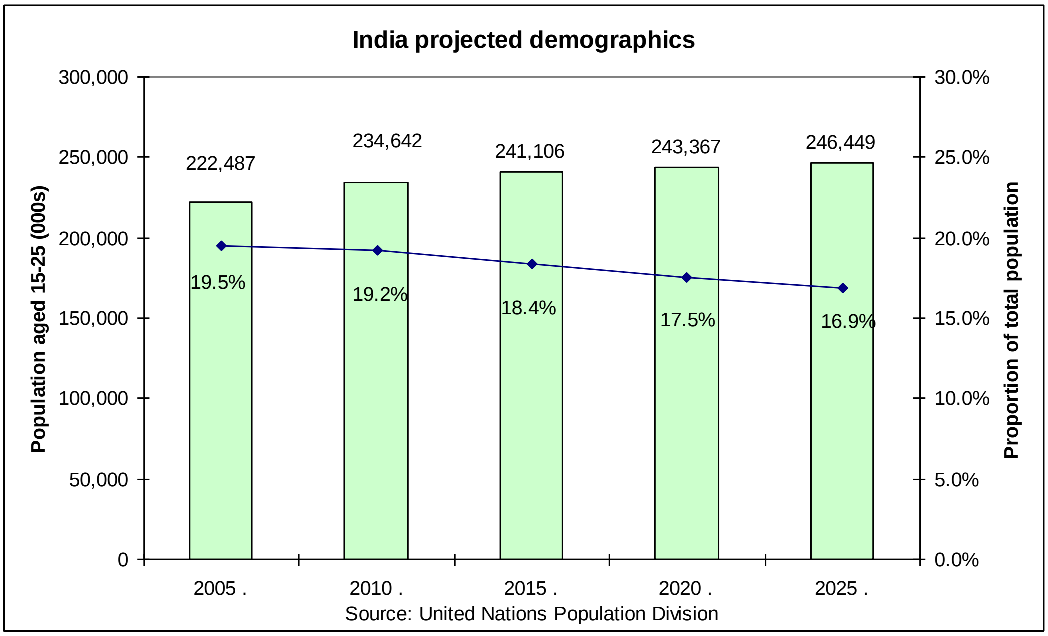
Income trends

The economic prospects for India appear include projected rises in per-capita income under both current prices and in terms of purchasing-power parity (PPP).



Demographic trends

There is expected to be a gradual increase in the numbers of 15-24 year olds in the population, although the proportion of the population will decline somewhat. The size of the prime tertiary-education aged population will remain the highest in the world.



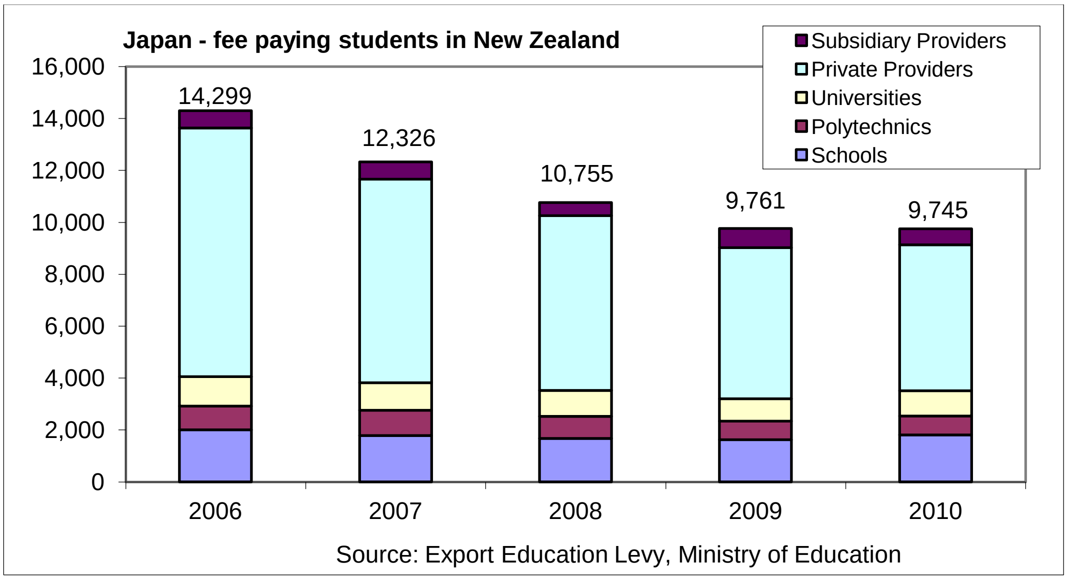
Japan

Key conclusion

Japan is an important source country for New Zealand private providers and universities. Enrolment levels have steadily decreased since 2006, and domestic demographic trends and tertiary education participation levels indicate that there are very limited prospects to expand enrolments from Japan.

Enrolment trends

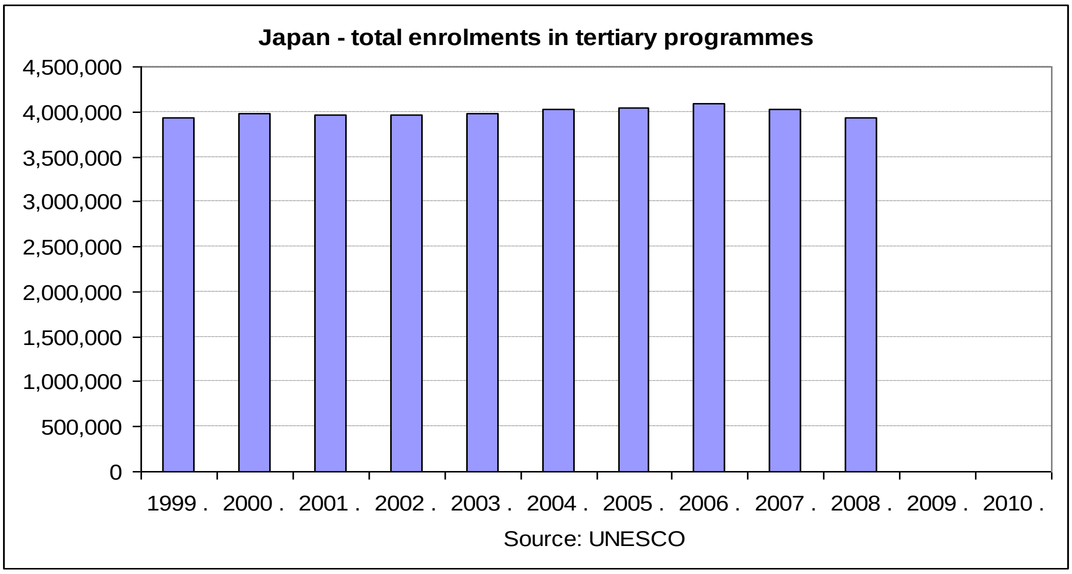
Japan was the 4th largest source country of students for New Zealand providers in 2010. Most Japanese students were enrolled with private providers. Overall enrolments decreased by 32% from 2006 to 2010.



In Australia in 2009, there were 3,348 students from Japan enrolled with Australian higher education institutions. This was a 27% decrease from the 4,559 students enrolled in 2006 (source: DEEWR).

Domestic tertiary enrolments

Tertiary enrolments in Japan remained broadly steady from 1999 to 2008, and the available data up until 2008 indicated that 58% of the tertiary-age population were enrolled in tertiary programmes. This indicates there is limited scope to attract more Japanese students to tertiary education in New Zealand.

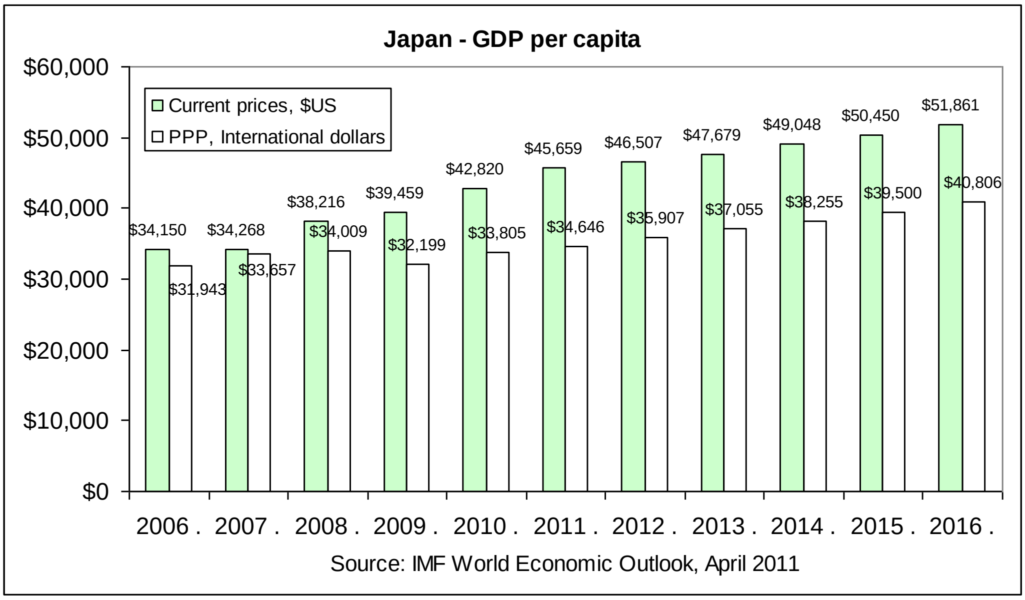


PISA results

Japan participated in the 2009 PISA study. The country's mean results for reading (520), mathematics (529) and science (539) were all significantly above the OECD average (source: OECD).

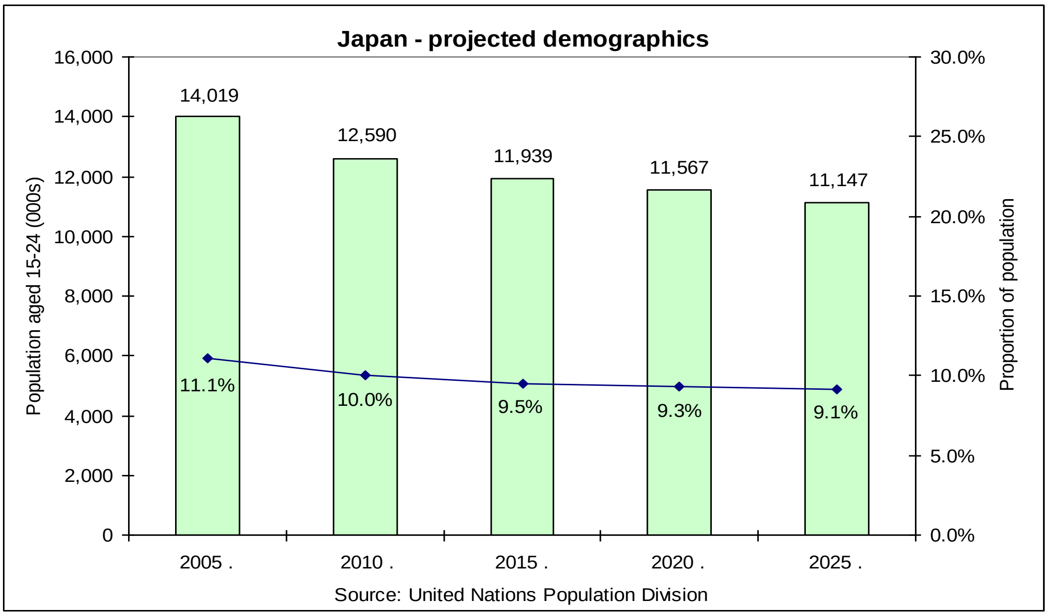
Income trends

The economic prospects for Japan are projected to show a slow but continued rise in per-capita Gross Domestic Product (GDP) from 2010. The lower Purchasing-Power-Parity (PPP) figures reflect the relatively high cost of living in Japan.



Demographic trends

The numbers of 15-24 year olds in the population of Japan are projected to continue falling, at least until 2025. This indicates there will be a smaller pool of young people open to tertiary education options.



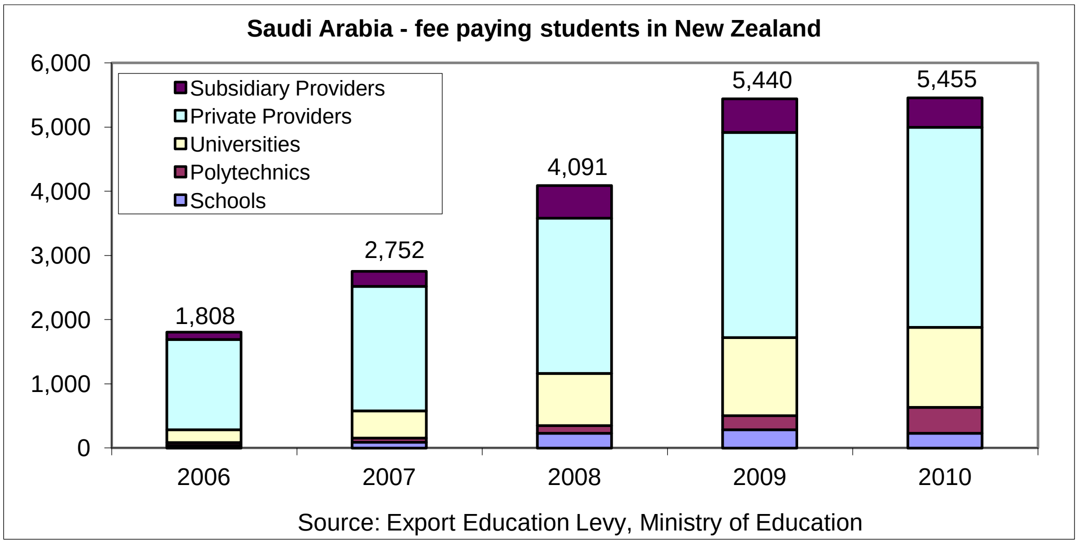
Kingdom of Saudi Arabia

Key conclusion

The Kingdom of Saudi Arabia (Saudi Arabia) is an increasingly important source country for New Zealand private providers and universities. Enrolment levels have risen rapidly since 2006. The trends in domestic demographics and per-capita incomes indicate strong prospects to attract more Saudi students.

Enrolment trends

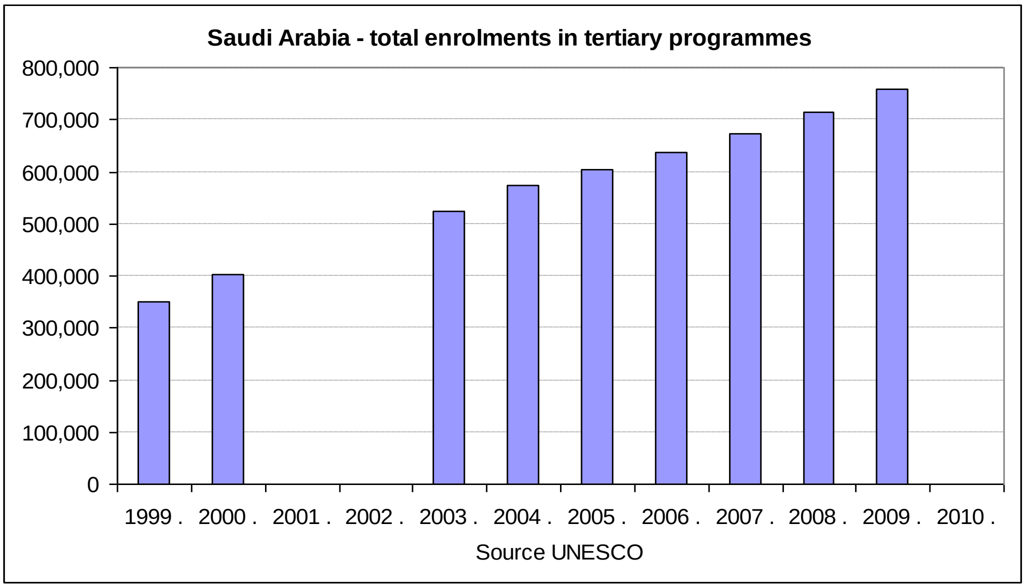
Saudi Arabia was the 5th largest source country of students for New Zealand providers in 2010. Most Saudi students were enrolled with private providers, followed by the universities. Overall enrolments increased by 202% from 2006 to 2010.



In Australia in 2009, there were 3,785 students from Saudi Arabia enrolled with Australian higher education institutions. This was a 372% increase from the 801 students enrolled in 2006 (source: DEEWR).

Domestic tertiary enrolments

Tertiary enrolments in Saudi Arabia have steadily increased from 1999 to 2009, and the available data for 2009 indicated that 33% of the tertiary-age population were enrolled in tertiary programmes.



Scholarships

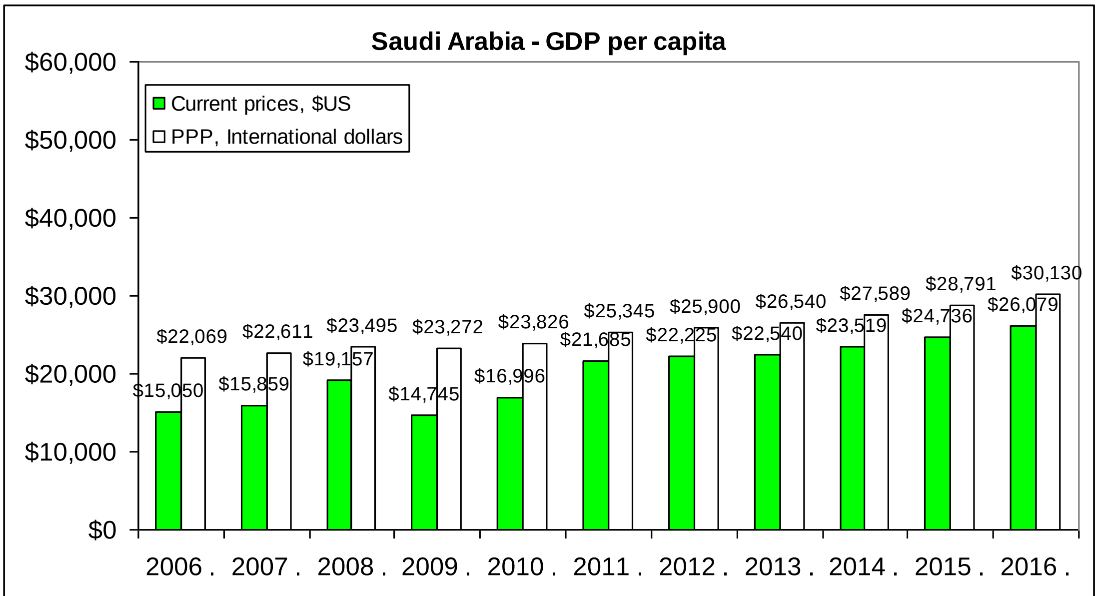
Many Saudi students in New Zealand and in other countries are supported through the King Abdullah Scholarships Program (www.mohe.gov.sa), which is funded by the Saudi government.

PISA results

Saudi Arabia did not participate in the 2009 PISA study.

Income trends

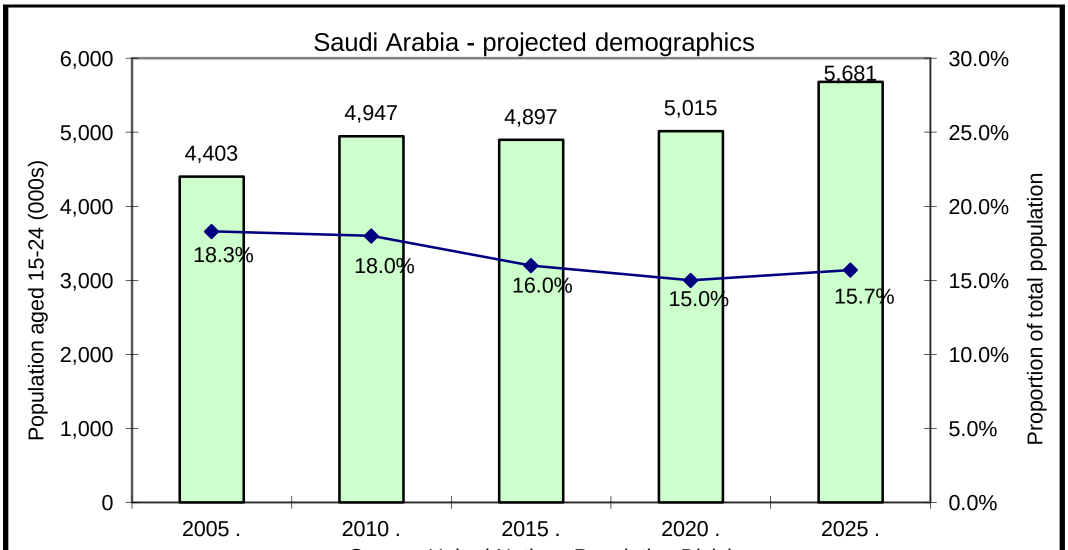
The economic prospects for Saudi Arabia are projected to show a steady rise in per-capita Gross Domestic Product (GDP) from 2011, following the recession recorded in 2009 and 2010.



Source: IMF World Economic Outlook, April 2011

Demographic trends

The numbers of 15-24 year olds in the population of Saudi Arabia are projected to rise significantly until at least 2025. This indicates there will be a substantially larger pool of young people open to tertiary education options.



Source: United Nations Population Division

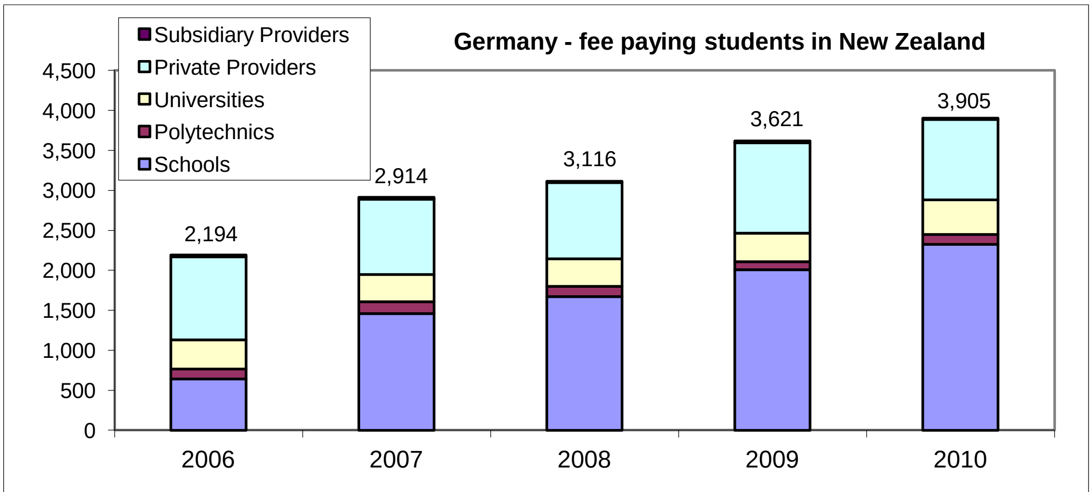
Germany

Key conclusion

Germany is an important source country for New Zealand schools and private providers. Enrolment levels have risen steadily since 2006. While the trends in domestic demographics may indicate limited prospects to attract significantly more German students, the high levels of income indicate a continued opportunity to market New Zealand education as a 'safe lifestyle experience' in Germany.

Enrolment trends

Germany was the 6th largest source country of students for New Zealand providers in 2010. Most German students were enrolled with schools, or with private providers. Overall enrolments increased by 78% from 2006 to 2010.

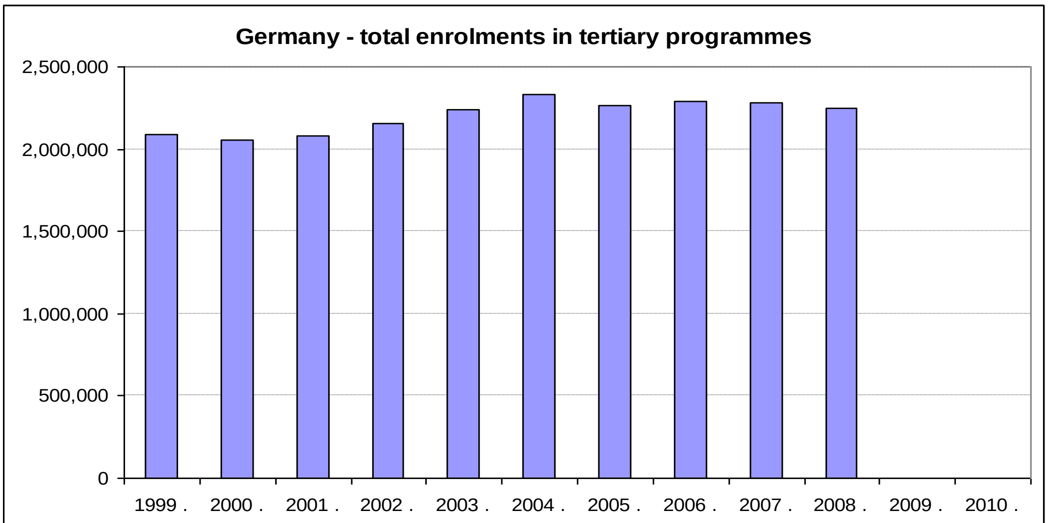


Source: Export Education Levy, Ministry of Education

In Australia in 2009, there were 3,480 students from Germany enrolled with Australian higher education institutions. This was a 22% increase from the 2,864 students enrolled in 2006 (source: DEEWR).

Domestic tertiary enrolments

Tertiary enrolments in Germany have generally stabilised from 1999 to 2008, and the available data for 2008 indicated that 46% of the tertiary-age population was enrolled in tertiary programmes.



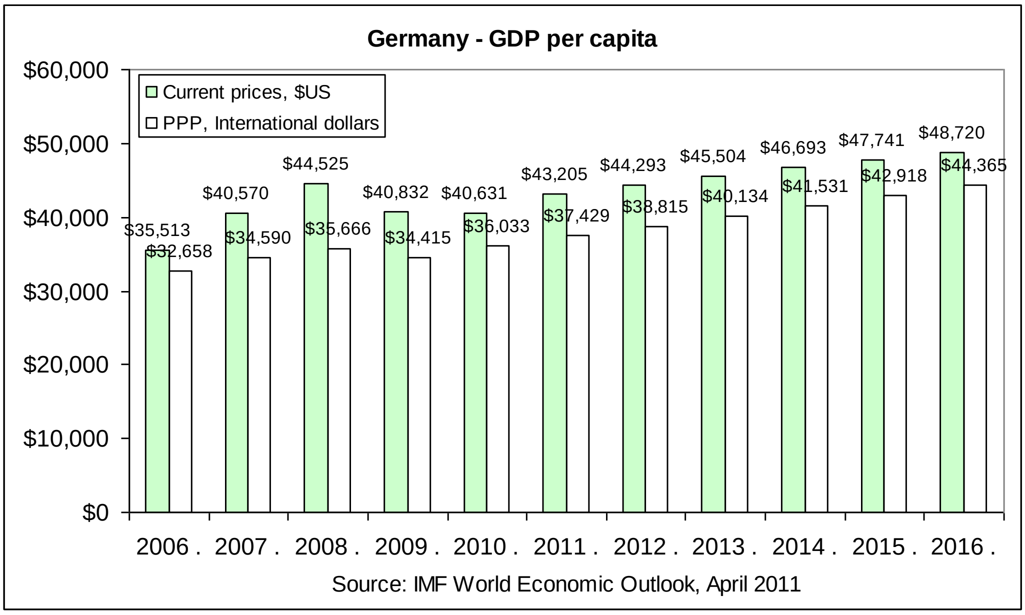
Source: UNESCO

PISA results

Germany participated in the 2009 PISA study. The country's mean result for reading (497) was not significantly different from the OECD average, whereas the mean results for mathematics (513) and science (520) were significantly above the OECD average (source: OECD).

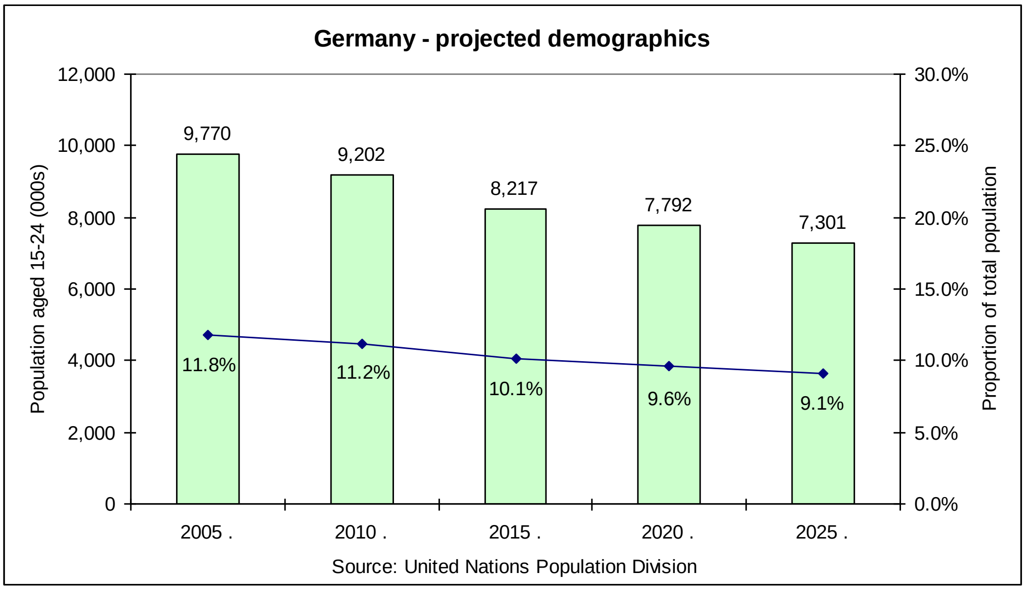
Income trends

The economic prospects for Germany are projected to show a slow but steady rise in per-capita Gross Domestic Product (GDP) from 2010, following the recession recorded in 2009. The lower Purchasing-Power-Parity (PPP) figures reflect the relatively high cost of living in Germany.



Demographic trends

The numbers of 15-24 year olds in the population of Germany are projected to continue falling significantly. This indicates there will be a smaller pool of young people open to tertiary education options.



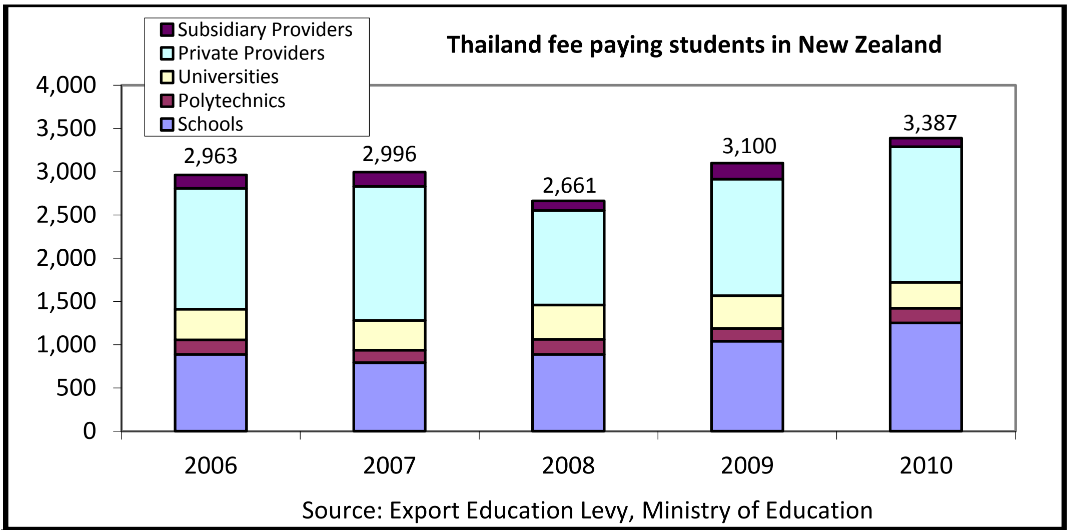
Thailand

Key conclusion

Thailand is an important and mature market for New Zealand providers. Enrolment levels have been relatively stable since 2006, and domestic demographic trends and tertiary education participation levels indicate there may be limited prospects to expand this market.

Enrolment trends

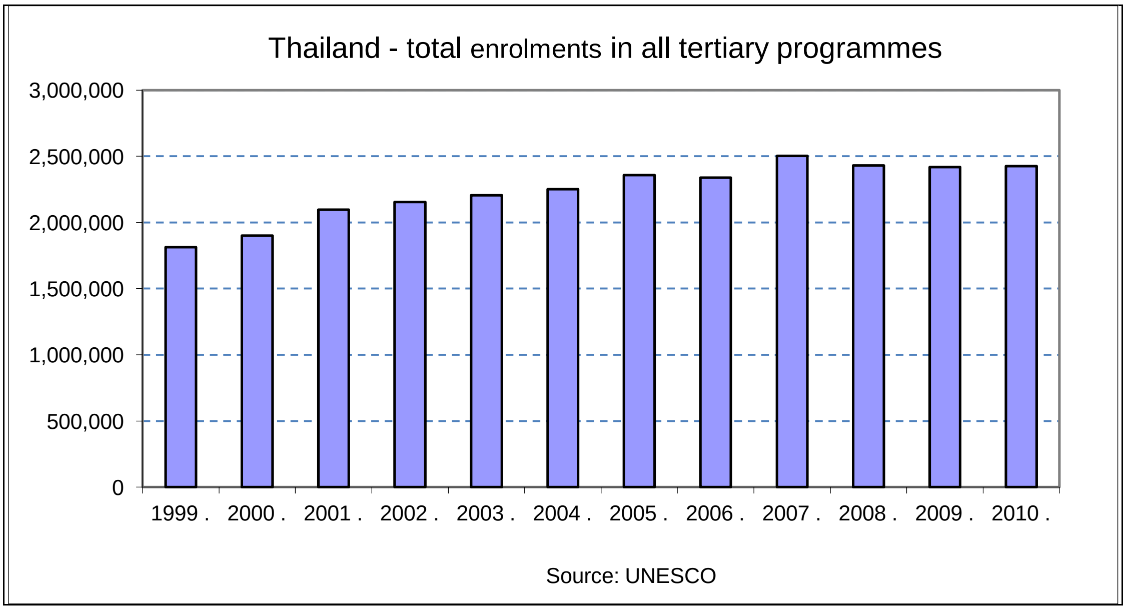
Thailand was the 7th largest source country of students for New Zealand providers in 2010, and is particularly important for schools and private providers (i.e. English language schools). Enrolments rose by an overall 14% from 2006 to 2010. Enrolments of Thai students with Australian higher education institutions declined by 7% from 2006 to 2009, in contrast with the 48% rise in Thai enrolments overall.



Australia	Higher Education Institutions	*% change*	All Education Providers	*% change*
2006	4,982		17,889	
2009	4,649	*-7%*	26,460	*48%*
Sources:	DEEWR		AEI	

Domestic tertiary enrolments

Tertiary enrolments in Thailand have stabilised since 2007, and data for 2010 indicated that 45% of the tertiary-age population were enrolled in tertiary programmes.

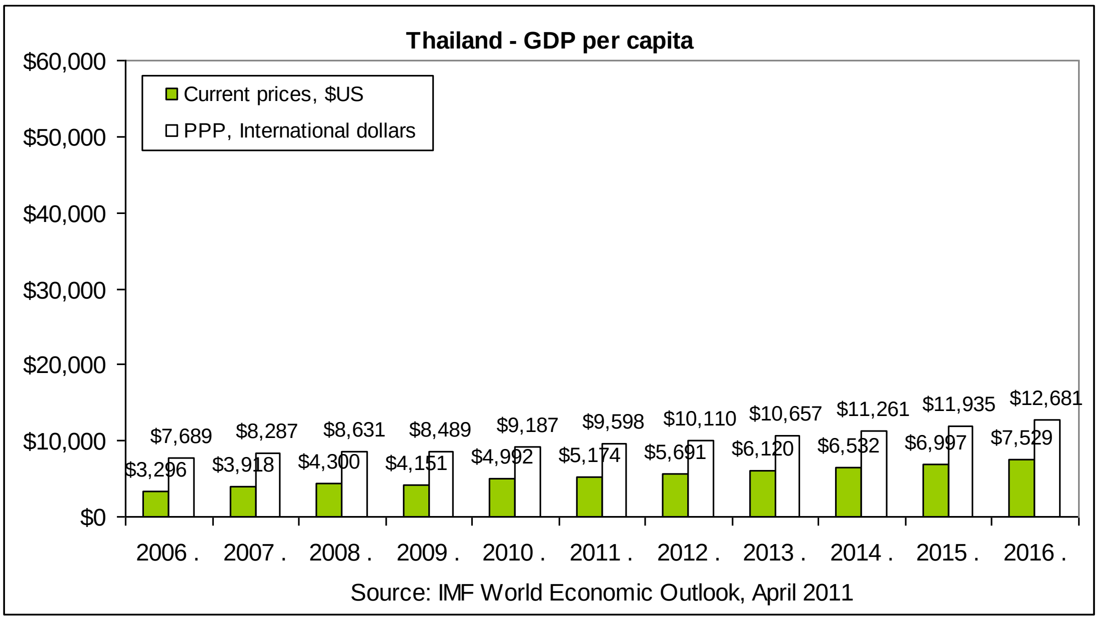


PISA results

Thailand participated in the 2009 PISA study. The country's mean results for reading (421), mathematics (419) and science (425) were all significantly below the OECD average (source: OECD).

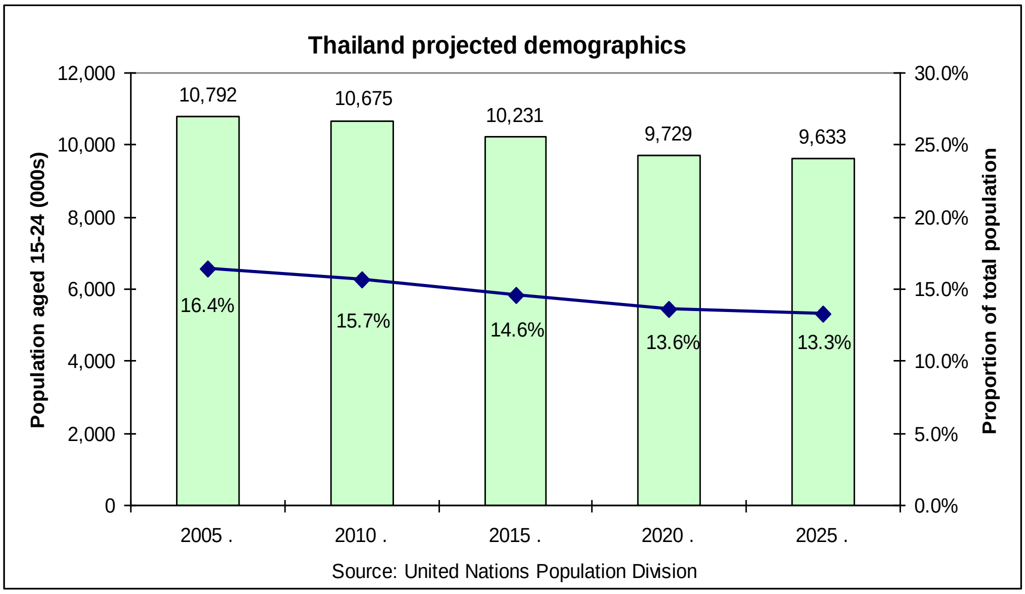
Income trends

The economic prospects for this medium-income country are projected to improve, following the recession recorded in 2009, with rises in per-capita Gross Domestic Product (GDP) from 2010.



Demographic trends

There is expected to be a continued decline in the numbers and proportion of 15-24 year olds in the population, consistent with the usual character of a demographic transition as experienced by other developing nations.



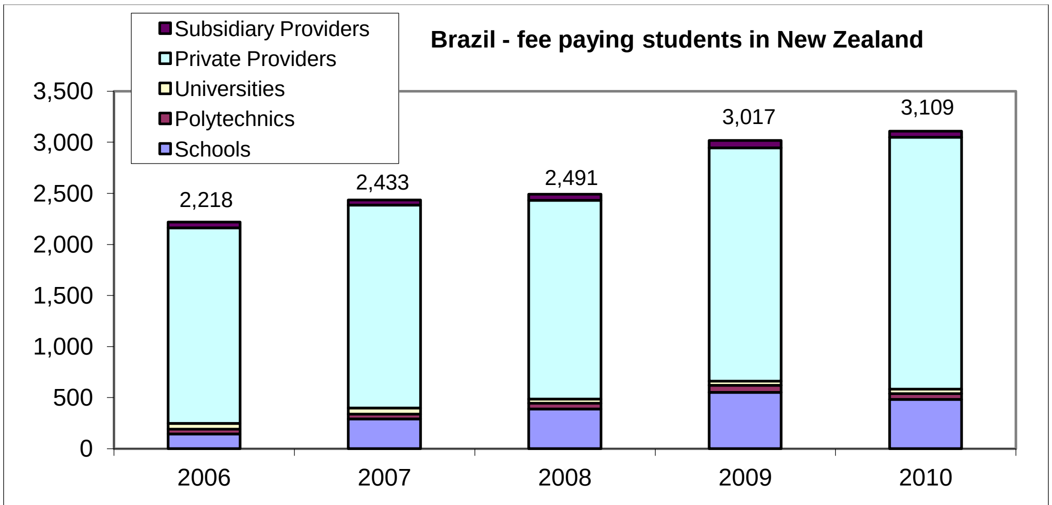
Brazil

Key conclusion

Brazil is an important market for New Zealand private education providers. Enrolment levels have steadily increased since 2006, and domestic demographic trends and tertiary education participation levels indicate that there are strong prospects to expand enrolments from this country.

Enrolment trends

Brazil was the 8th largest source country of students for New Zealand providers in 2010, and is particularly important for private providers (i.e. English language schools). Enrolments rose by an overall 40% from 2006 to 2010. In Australia, overall enrolments of Brazilian students rose by 72% from 2006 to 2009. Relatively few Brazilian students are enrolled with Australian universities.

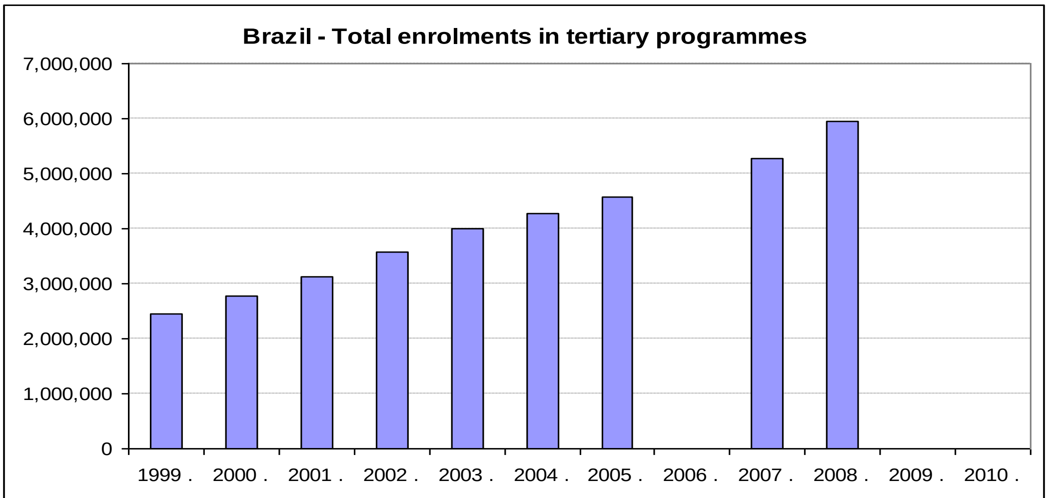


Source: Export Education Levy, Ministry of Education

Australia	Higher Education Institutions	% change	All Education Providers	% change
2006	430		10,190	
2009	716	*67%*	17,529	*72%*
Sources:	DEEWR		AEI	

Domestic tertiary enrolments

Tertiary enrolments in Brazil have steadily increased since 1999, and data for 2008 indicated that 34% of the tertiary-age population were enrolled in tertiary programmes. This proportion supports an assumption that tertiary-participation rates will continue to grow as per-capita incomes rise.



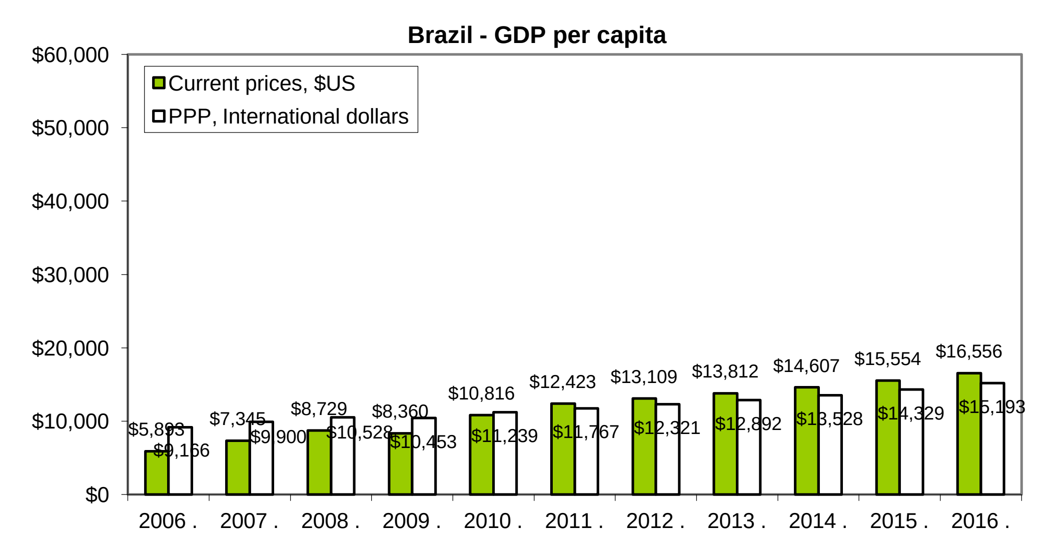
Source: UNESCO

PISA results

Brazil participated in the 2009 PISA study. The country's mean results for reading (412), mathematics (386) and science (405) were all significantly below the OECD average (source: OECD).

Income trends

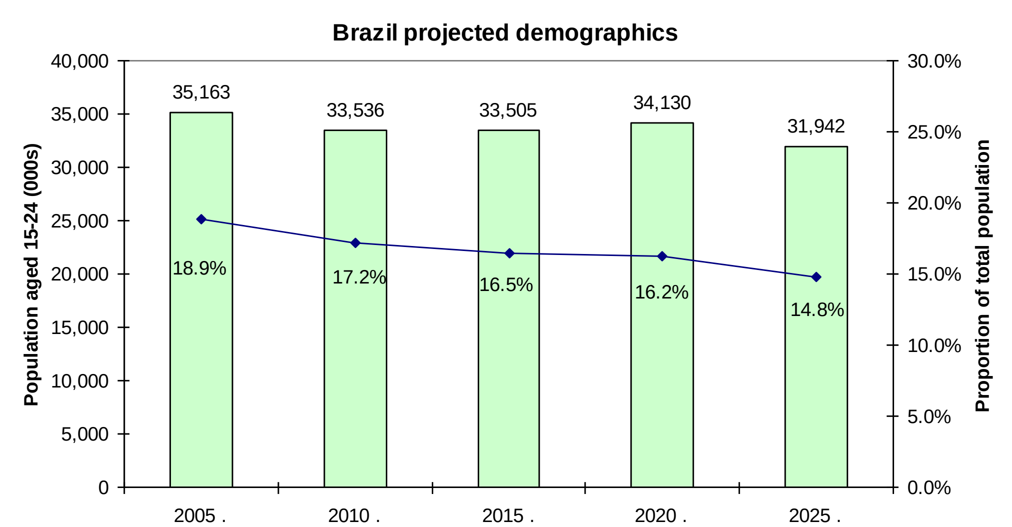
The economic prospects for this medium-income country are projected to improve, following the mild recession recorded in 2009, with rises in per-capita Gross Domestic Product (GDP) from 2010. Notably, GDP per capita in $US current prices is projected to rise above the respective purchasing-power-parity (PPP) figures, reflecting both the increased international value of the Brazilian currency and rising levels of domestic inflation.



Source: IMF World Economic Outlook, April 2011

Demographic trends

There is expected to be a gradual decline in the numbers and proportion of 15-24 year olds in the population, with the exception of a notable 'spike' in numbers by 2020. However, the size of the prime tertiary-education aged population will remain relatively high.



Source: United Nations Population Division

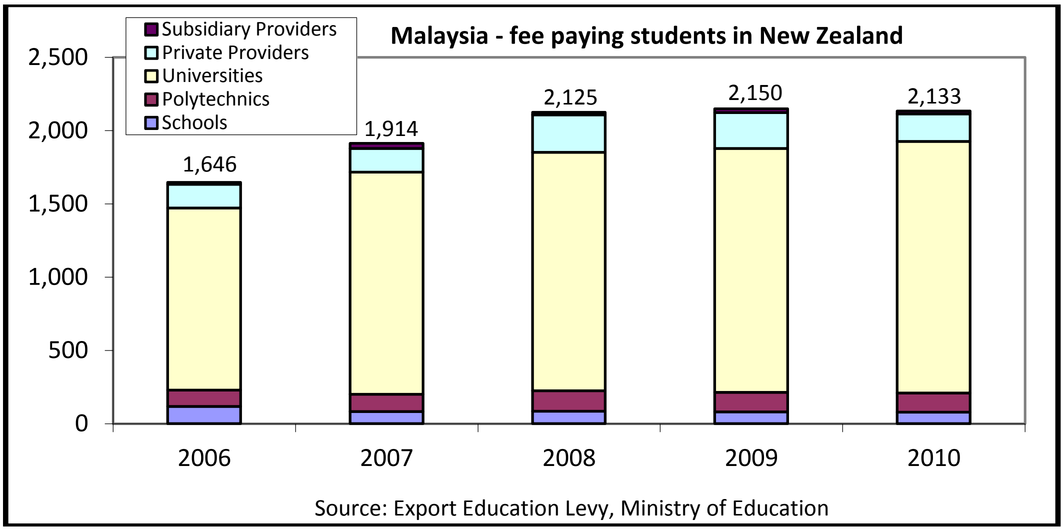
Malaysia

Key conclusion

Malaysia is an important source country for New Zealand universities. Enrolment levels have modestly increased since 2006, and domestic demographic trends and tertiary education participation levels indicate that there are prospects to significantly expand enrolments from Malaysia.

Enrolment trends

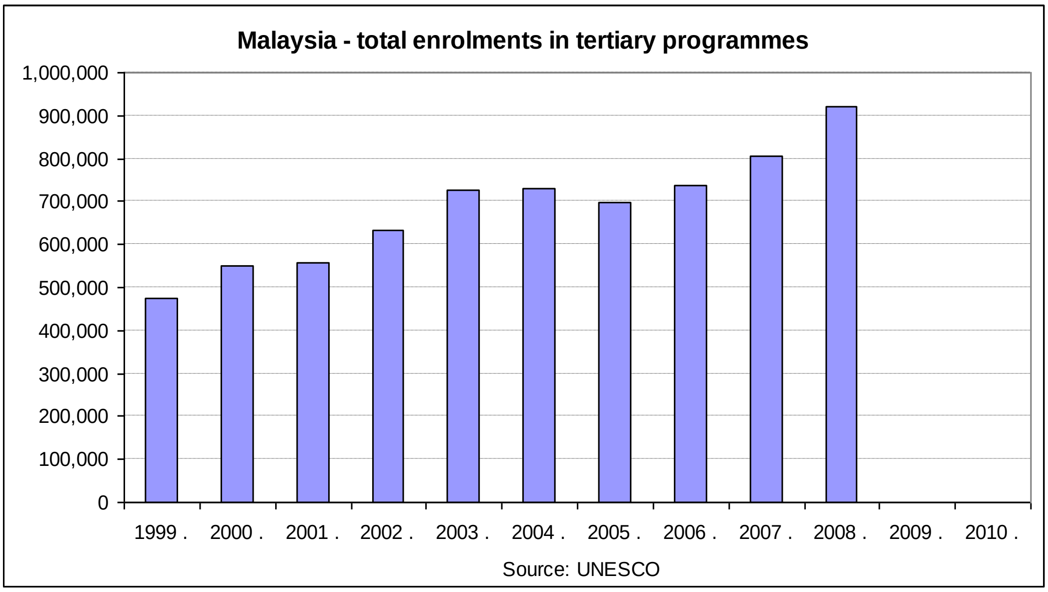
Malaysia was the 10th largest source country of students for New Zealand providers in 2010. Most Malaysian students were enrolled with the universities. Overall enrolments increased by 30% from 2006 to 2010.



In Australia in 2009, there were 33,218 students from Malaysia enrolled with Australian higher education institutions. This was a 16% increase over the 28,521 students enrolled in 2006 (source: DEEWR).

Domestic tertiary enrolments

Tertiary enrolments in Malaysia steadily increased since 1999 to 2008, and the available data up until 2008 indicated that 36% of the tertiary-age population were enrolled in tertiary programmes. This indicates there should be scope to attract significantly more Malaysian students to tertiary education opportunities in New Zealand.

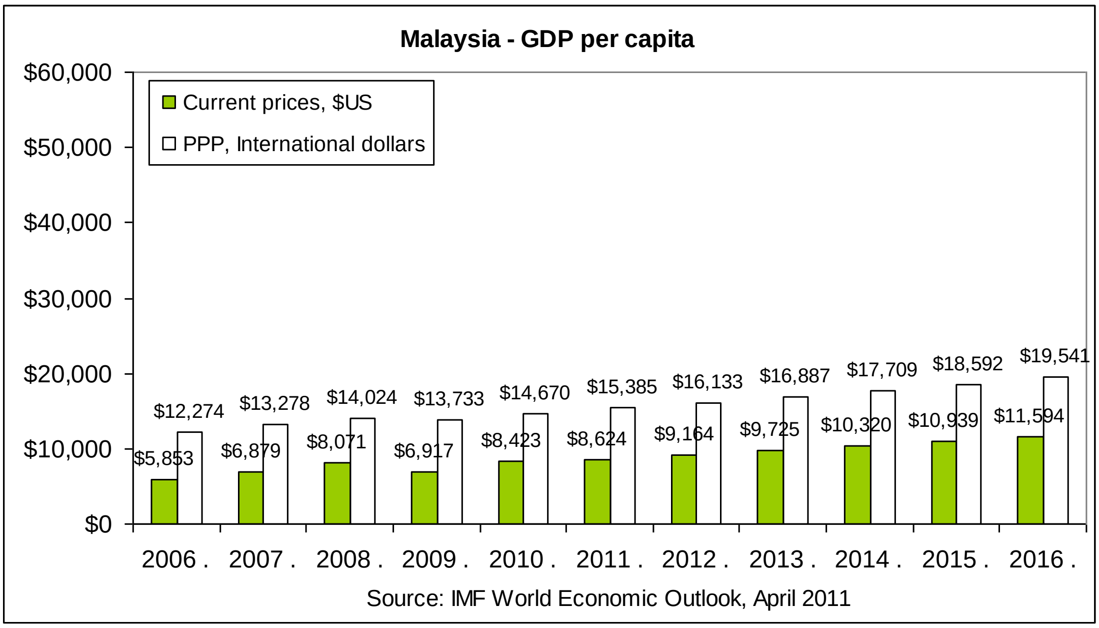


PISA results

Malaysia did not participate in the 2009 PISA study.

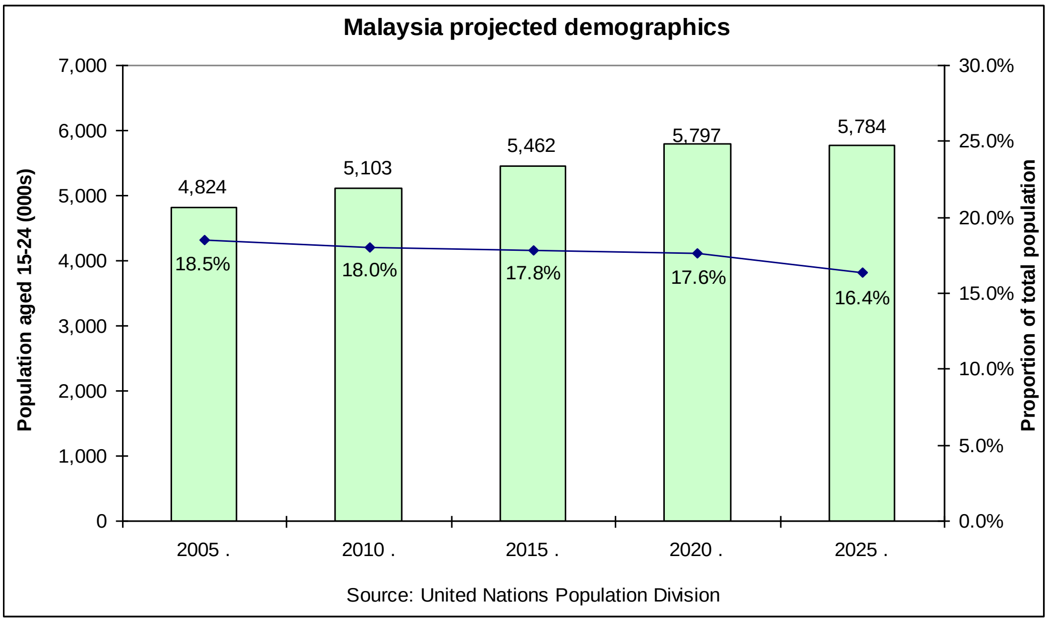
Income trends

The economic prospects for Malaysia are projected to show a steady improvement after the 2009 recession, with significant increases in per-capita Gross Domestic Product (GDP) from 2010.



Demographic trends

The numbers of 15-24 year olds in the population of Malaysia are projected to continue rising at least until 2025. This indicates there will be an expanding pool of young people open to tertiary education options.



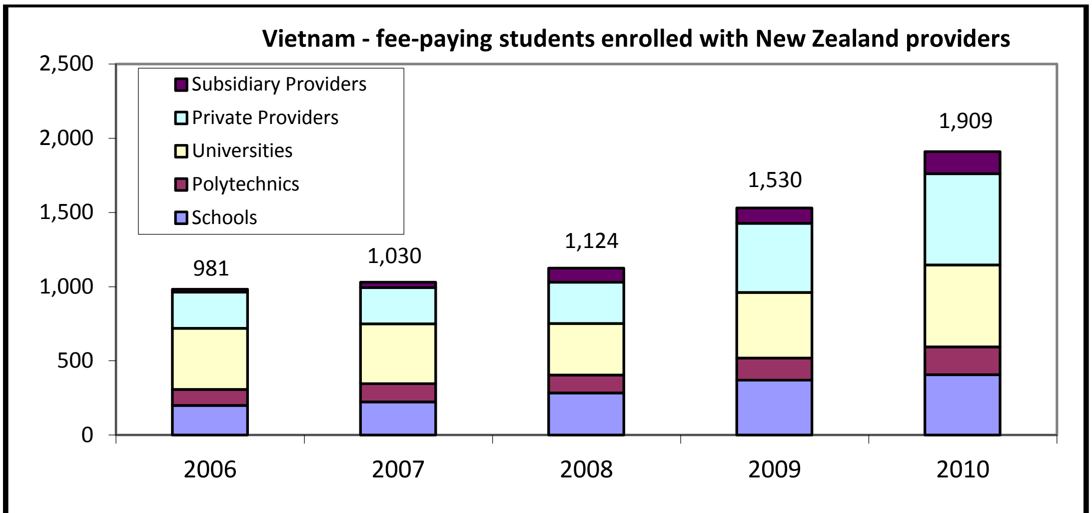
Vietnam

Key conclusion

The projected growth in per-capita incomes in Vietnam, together with the large cohort of young people in prime education age, is expected to lead to an increased ability to afford education services in New Zealand. Vietnam is likely to be an expanding market for New Zealand education providers.

Enrolment trends

Vietnam has been a growing source market for New Zealand education providers, with 94% growth in student numbers recorded since 2006. Student enrolments are broadly spread across provider groups. In 2010, Vietnam was New Zealand's 12th largest source country for international students. Enrolments of Vietnamese students with Australian higher education institutions grew by 128% from 2006 to 2009.

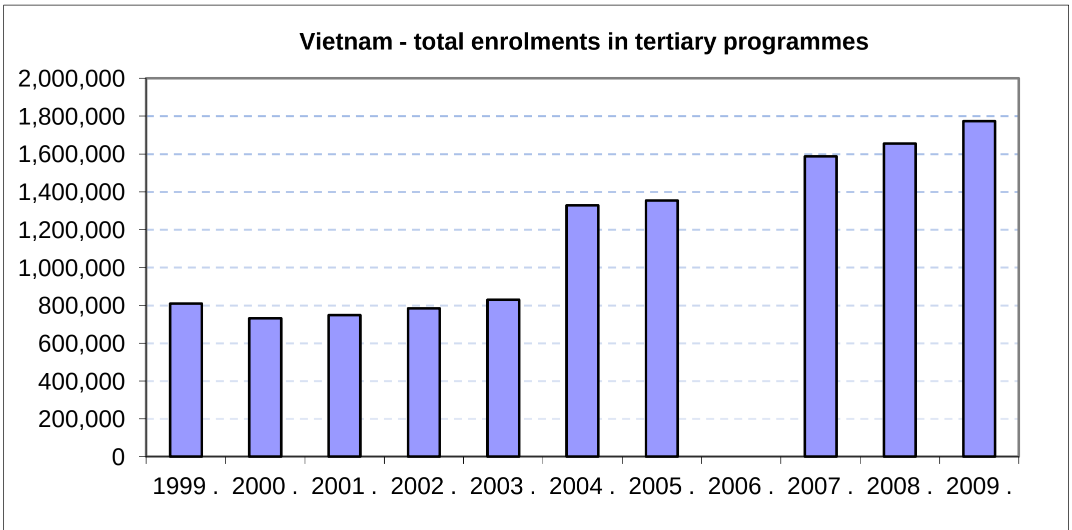


Source: Export Education Levy, Ministry of Education

Australia	Higher Education Institutions	*% change*	All Education Providers	*% change*
2006	5,736		n.a.	
2009	13,117	*128%*	23,775	*n.a.*
Sources:	DEEWR		AEI	

Domestic tertiary enrolments

There has been strong growth in domestic tertiary enrolments in Vietnam, and data for 2001 indicated that just under 10% of the tertiary-age population were enrolled in tertiary programmes (no more recent data is currently available). This relatively low proportion supports an assumption that tertiary-participation rates will grow markedly as per-capita incomes rise.



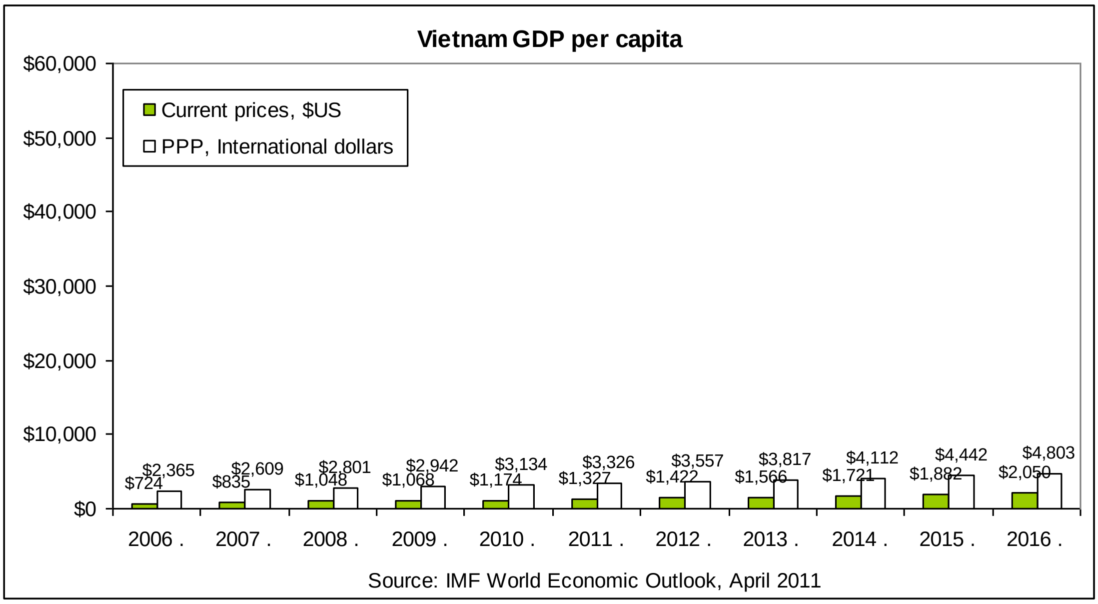
Source: UNESCO

PISA results

Vietnam did not participate in the PISA 2009 study run by the OECD.

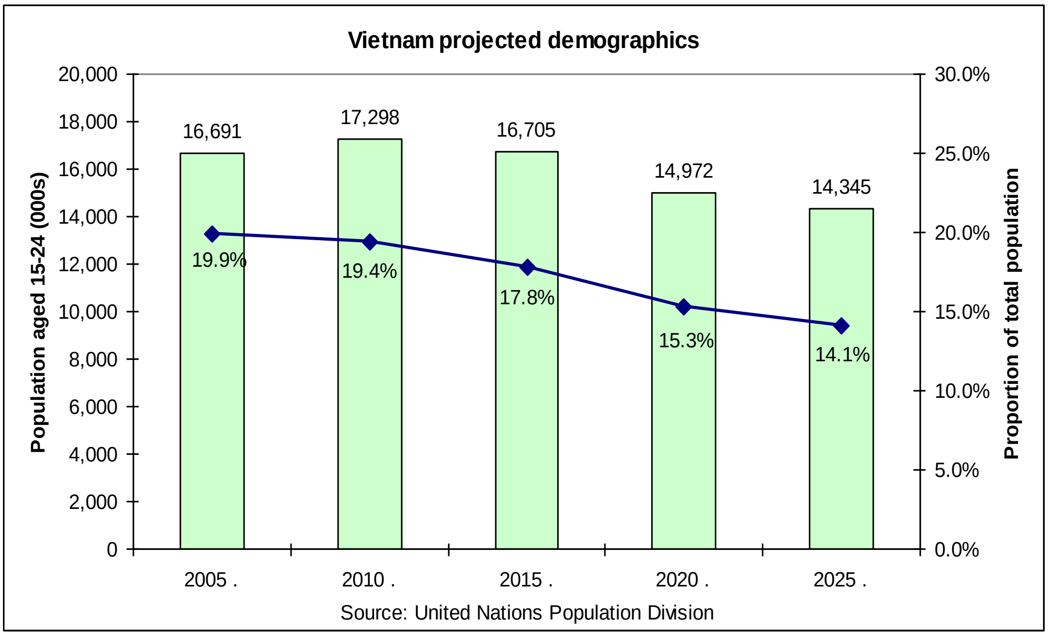
Income trends

The economic prospects for Vietnam appear solid, with projected rises in per-capita income under both current prices (in $US) and in terms of purchasing-power parity (PPP, international dollars).



Demographic trends

The total numbers and proportion of the educationally-important 15-24 age group are expected to decline to 2025. However, the size of the youthful population will remain amongst the highest in the South-East Asia group of nations.



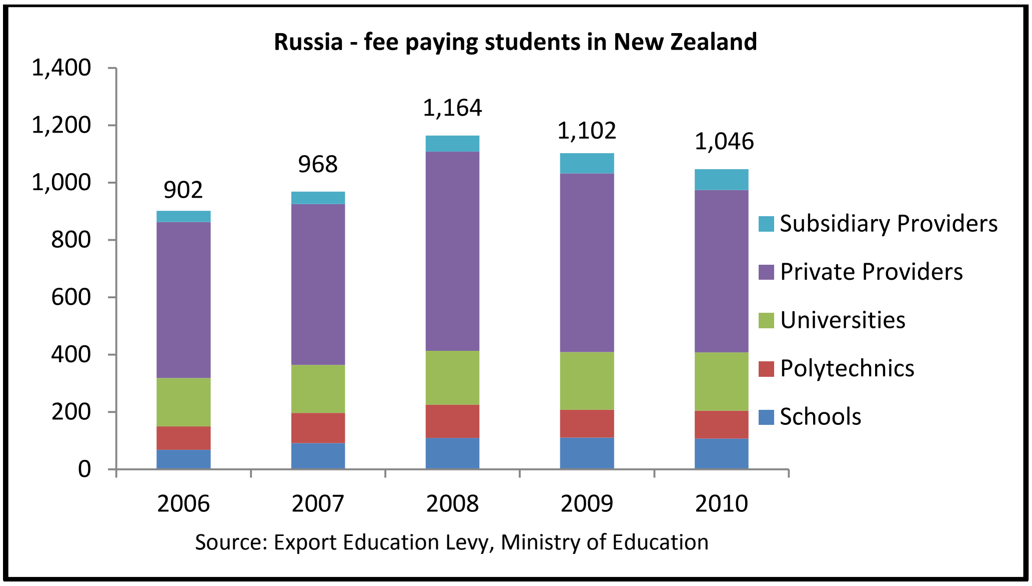
Russian Federation

Key conclusion

The Russian Federation (Russia) is another small market for New Zealand providers. Enrolment levels have modestly increased since 2006, although domestic demographic trends and tertiary education participation levels indicate that there are limited prospects to further expand enrolments. The relatively poor performance in schooling education levels (shown by the PISA study) indicates there may be opportunities to attract more Russian students to enrol with New Zealand providers.

Enrolment trends

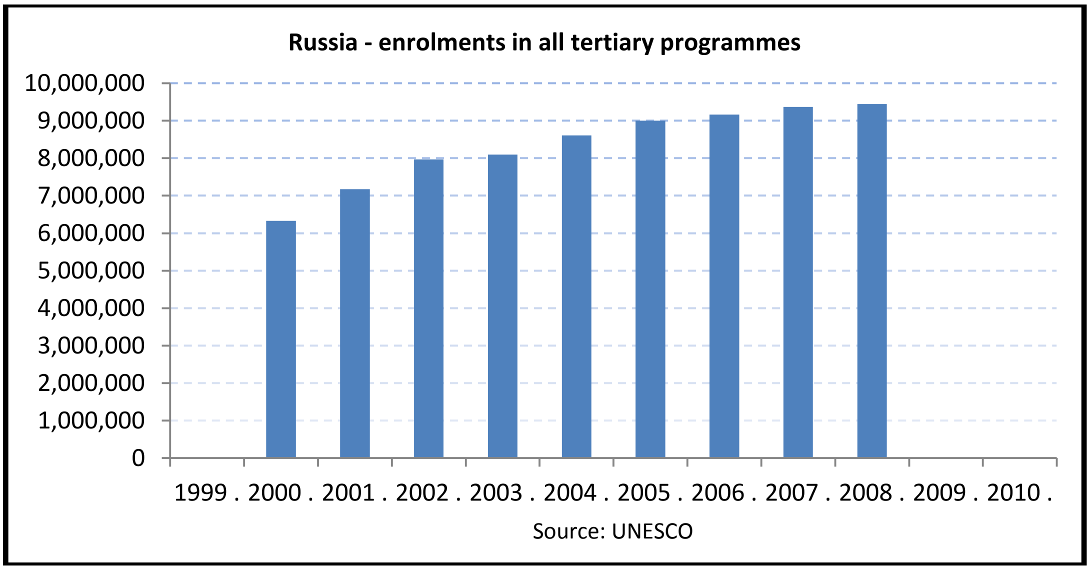
Russia was the 17th largest source country of students for New Zealand providers in 2010. Most Russian students were enrolled with private providers and the universities. Overall enrolments rose by 16% from 2006 to 2010. Australia recorded a relatively modest level of enrolments.



In Australia in 2009, there were 789 students from Russia enrolled with Australian higher education institutions. This was a 68% increase over the 471 students enrolled in 2006 (source: DEEWR).

Domestic tertiary enrolments

There has been significant growth in domestic tertiary enrolments in Russia, and data for 2008 indicated that 77% of the tertiary-age population were enrolled in tertiary programmes.



PISA results

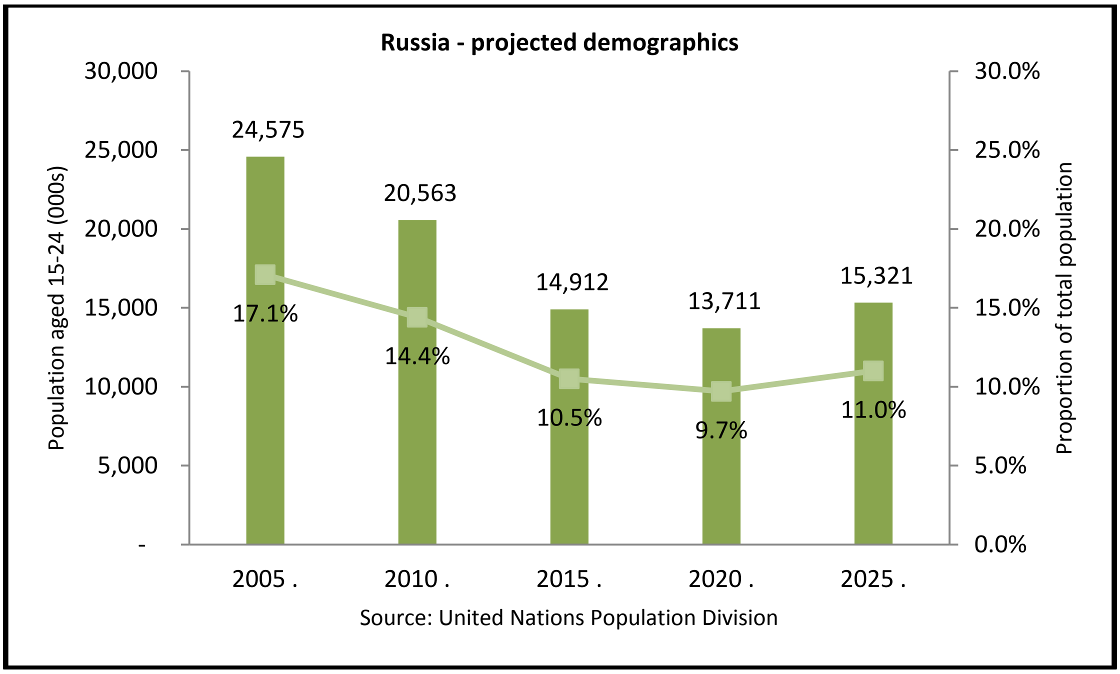
Russia participated in the 2009 PISA study. The country's mean results for reading (459), mathematics (468) and science (478) were all significantly below the OECD average (source: OECD).

Income trends

The economic prospects for Russia include significant rises in per-capita income under both current prices (in $US) and in terms of purchasing-power parity (PPP, international dollars).

Demographic trends

The numbers of 15-24 year olds in the population of Russia are projected to fall substantially, at least until 2025. This indicates there will be a smaller pool of young people open to tertiary education options.



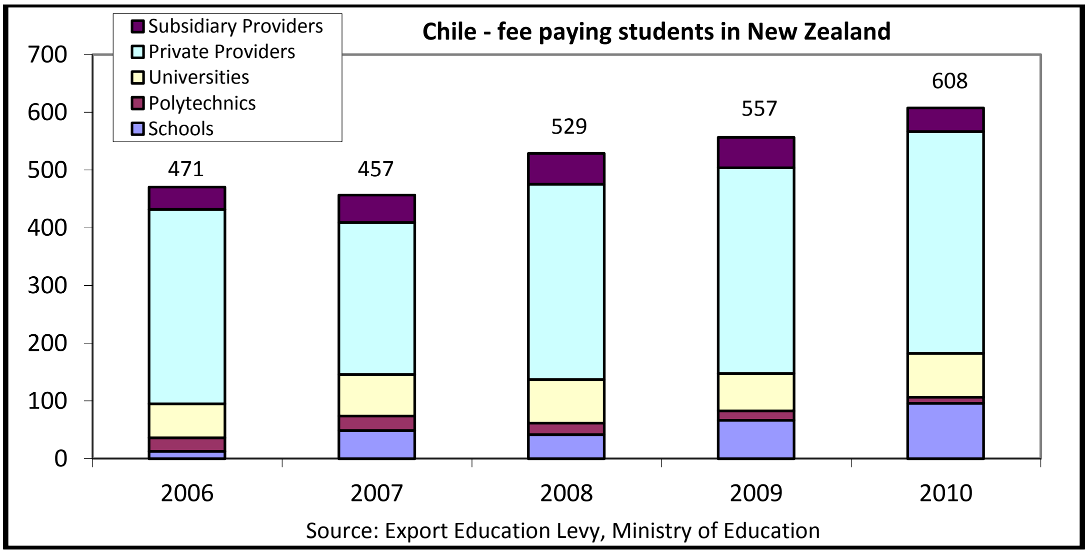
Chile

Key conclusion

Chile is currently a small market for New Zealand providers. Enrolment levels have grown steadily since 2007, and domestic demographic trends and tertiary education participation levels indicate that there may be limited prospects to significantly expand enrolments. However, the relatively poor performance in schooling education levels (shown by the PISA study) indicates there should be opportunities to attract more Chilean students to enrol with New Zealand providers.

Enrolment trends

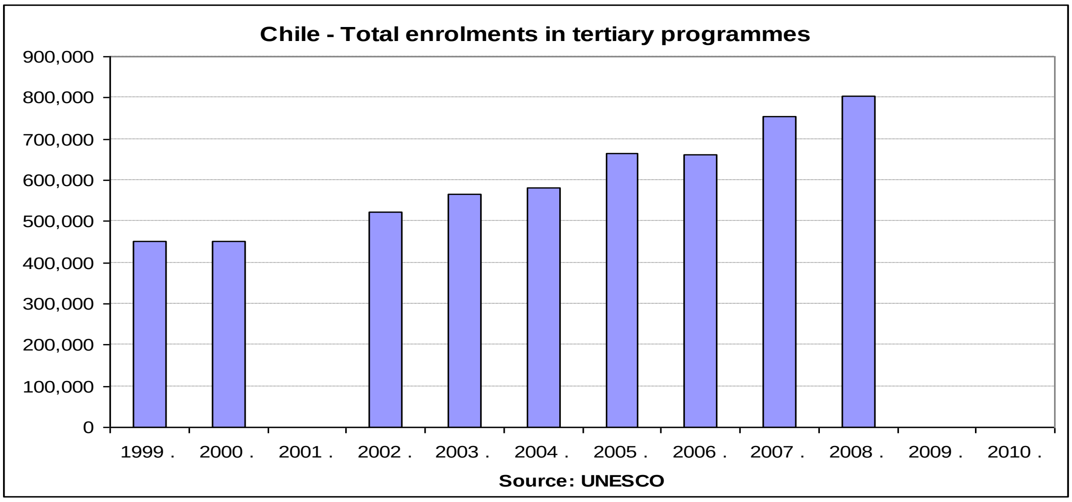
Chile was the 20th largest source country of students for New Zealand providers in 2010. Most Chilean students were enrolled with private English language schools. Overall enrolments rose by 29% from 2006 to 2010.



In Australia in 2009, there were 360 students from Chile enrolled with Australian higher education institutions. This was a 167% increase over the 135 students enrolled in 2006 (source: DEEWR).

Domestic tertiary enrolments

Tertiary enrolments in Chile have steadily increased since 2002, and the available data up until 2008 indicated that 55% of the tertiary-age population were enrolled in tertiary programmes. This relatively high proportion indicates there may be limited scope to attract significantly more Chilean students to tertiary education opportunities in New Zealand.



PISA results

Chile participated in the 2009 PISA study. The country's mean results for reading (449), mathematics (421) and science (447) were all significantly below the OECD average (source: OECD).

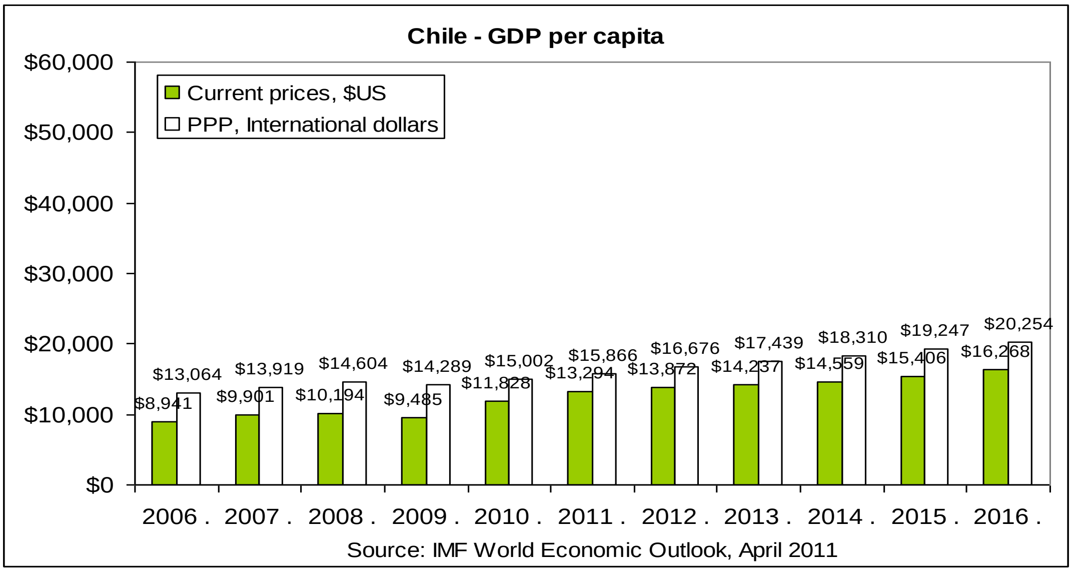
Scholarships

New Zealand is a partner country for the "Becas Chile" scholarships programme under a bilateral agreement signed in 2008. The scheme provides for postgraduate scholarships to New Zealand universities, and technical level scholarships to Institutes of Technology.

At present, there are around 20 postgraduate and 7 technical students studying in New Zealand, with more students expected over subsequent years.

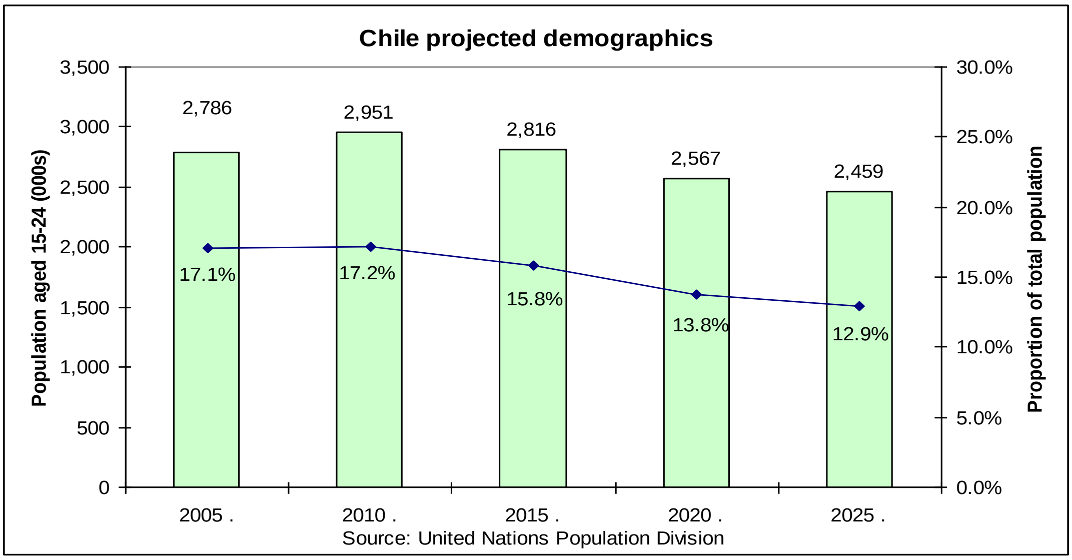
Income trends

The economic prospects for Chile are projected to continue to rise to a relatively high level, following the mild recession recorded in 2009, with increases in per-capita Gross Domestic Product (GDP) from 2010.



Demographic trends

The numbers and proportion of 15-24 year olds in the population is expected to have peaked in 2010, with a gradual decline in subsequent years. This is consistent with the demographic transition experiences of other higher-income countries.



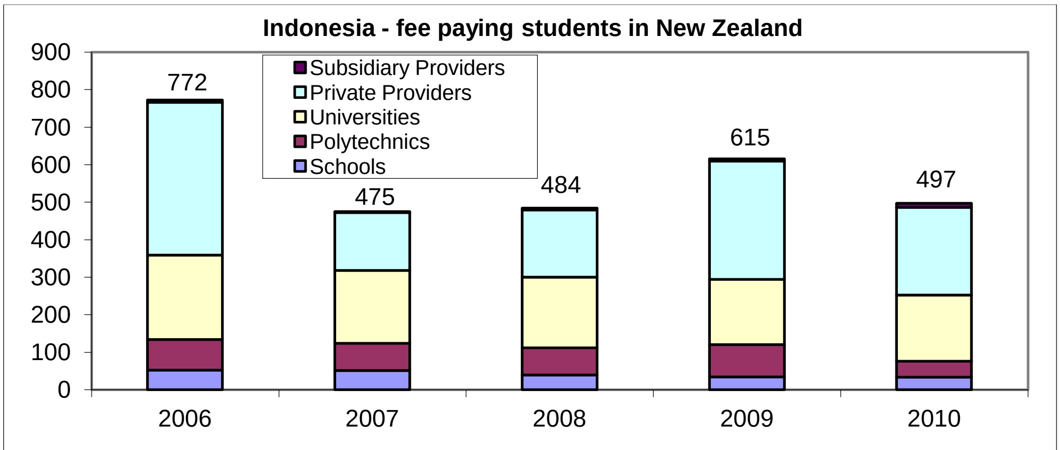
Indonesia

Key conclusion

Indonesia is a small market for New Zealand providers. Enrolment levels have declined since 2006, although domestic demographic trends and tertiary education participation levels indicate that there are prospects to expand enrolments significantly. The relatively poor performance in schooling education levels (shown by the PISA study) also indicates there may be opportunities to attract more Indonesian students to enrol with New Zealand providers.

Enrolment trends

Indonesia was the 21st largest source country of students for New Zealand providers in 2010. Most Indonesian students were enrolled with private providers and the universities. Overall enrolments declined by 36% from 2006 to 2010. Australia recorded relatively modest growth in enrolments of Indonesian students from 2006 to 2009, with most enrolments in higher education institutions.

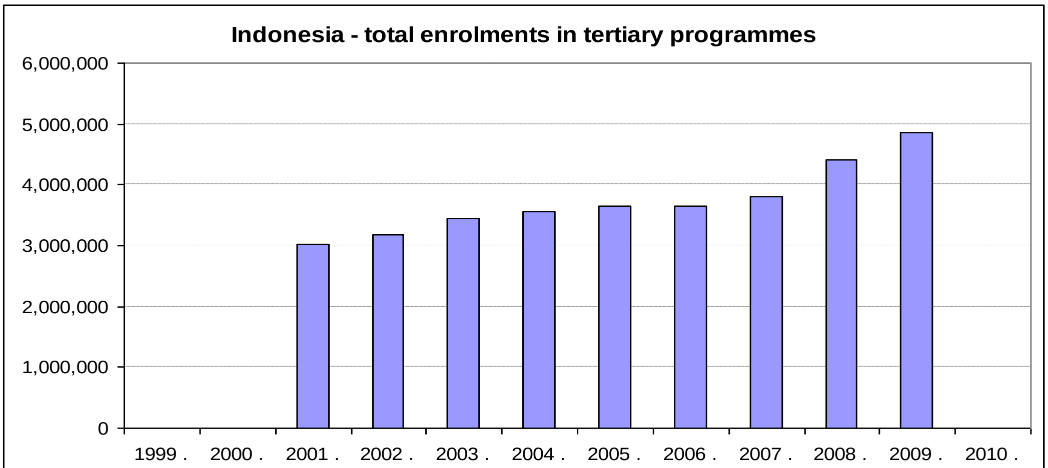


Source: Export Education Levy, Ministry of Education

Australia	Higher Education Institutions	*% change*	All Education Providers	*% change*
2006	10,631		15,038	
2009	12,040	*13%*	17,867	*19%*
Sources:	DEEWR		AEI	

Domestic tertiary enrolments

Tertiary enrolments in Indonesia have generally increased since 2001, and the available data up until 2009 indicated that 24% of the tertiary-age population were enrolled in tertiary programmes. This relatively low proportion indicates there should be scope to attract significantly more Indonesian students to tertiary education opportunities in New Zealand.



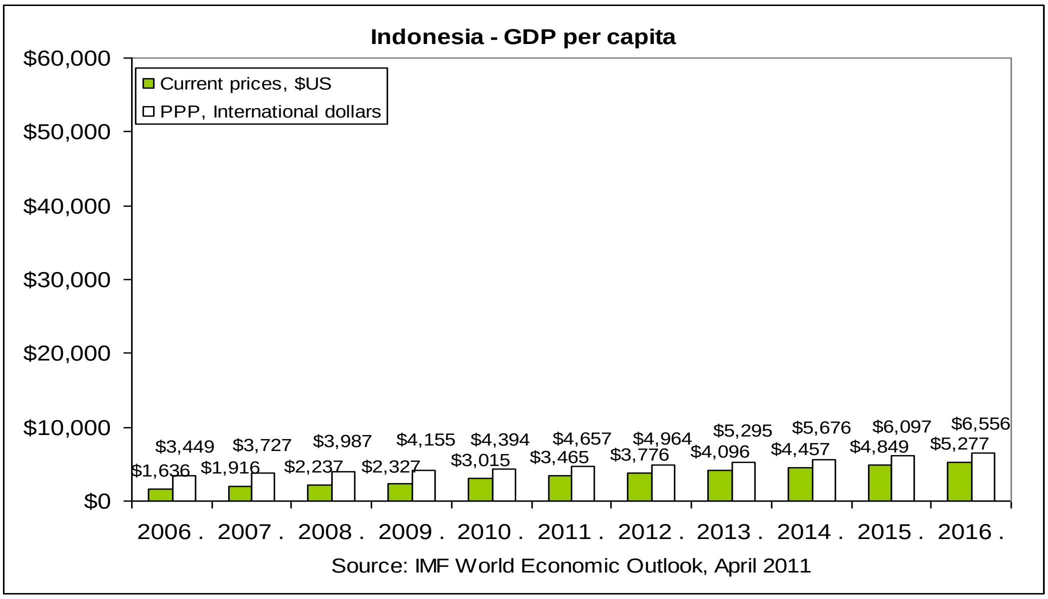
Source: UNESCO

PISA results

Indonesia participated in the 2009 PISA study. The country's mean results for reading (402), mathematics (371) and science (383) were all significantly below the OECD average (source: OECD).

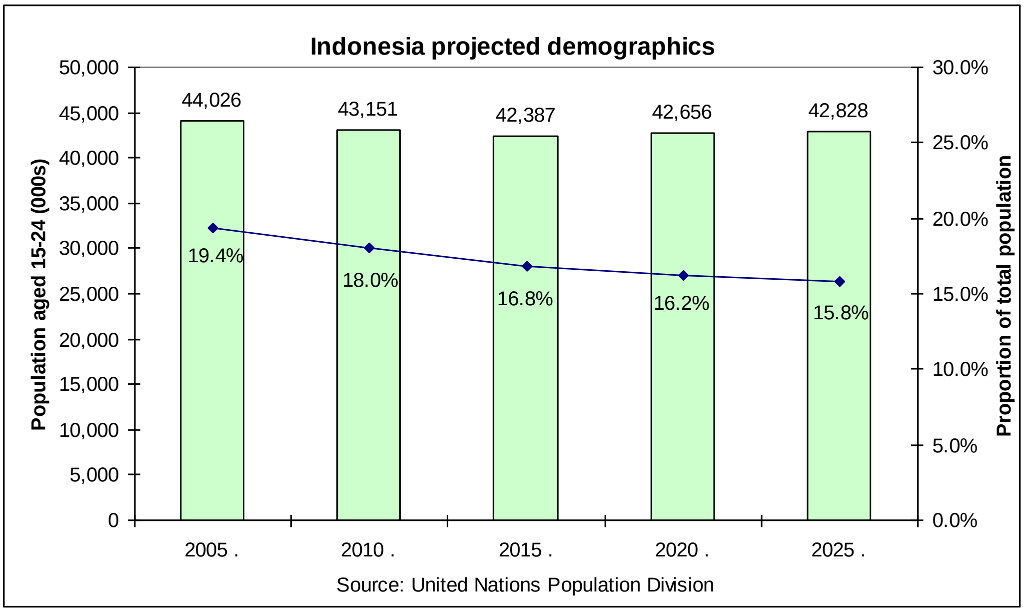
Income trends

The economic prospects for Indonesia are projected to continue improving, with significant increases in per-capita Gross Domestic Product (GDP) from 2010.



Demographic trends

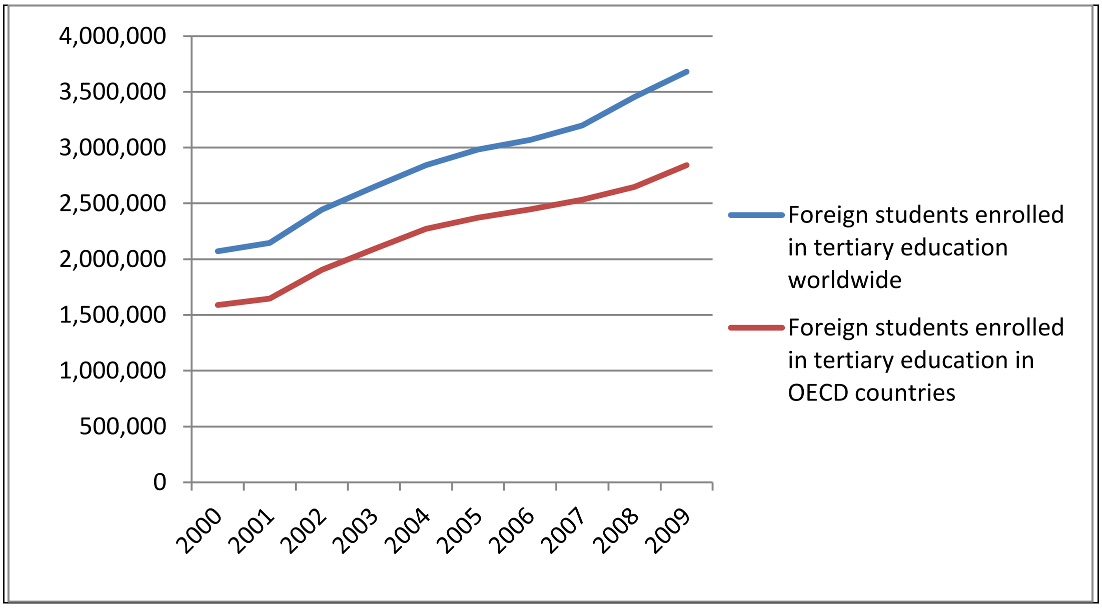
The numbers and proportion of 15-24 year olds in the population of Indonesia peaked in 2005, with a gradual decline in numbers forecast until 2020. The size of this prime tertiary-education aged group will remain at a relatively high level.



Appendix: Projections for growth in New Zealand international education

Taking a global view, Organisation for Economic Co-operation and Development (OECD) data indicates that the number of mobile or international students is rising rapidly. In 2009 the global number of mobile students enrolled in tertiary education rose to 3.68 million, from 3.45 million in 2008. There has been a marked spike over the past decade, with the global number of mobile students rising by 78% since 2000. International students enrolled in tertiary education in OECD countries rose 79%, from 1.59 million in 2000 to 2.84 million in 2009.

Global growth in international education, 2000 to 2009



Source: Education at a Glance 2011: OECD Indicators (www.oecd.org)

The international student population is projected to continue to grow rapidly over at least the next decade. Projections prepared by the British Council, Universities UK, and IDP Australia, assumed 6% annual growth to 2020 in international tertiary enrolments, in the 'main English speaking destination countries' of the USA, the United Kingdom, Australia, Canada and New Zealand[3]. New Zealand has attracted a small but significant slice of the market for international tertiary education (about 2%).

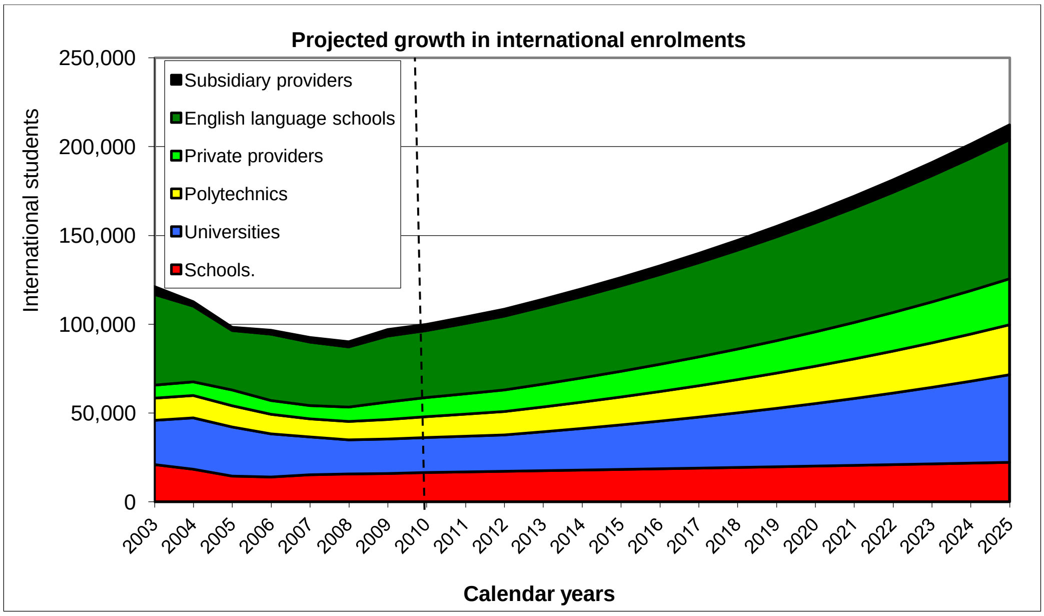
Growth in the potential economic benefit to New Zealand from international education assumes that New Zealand is successful in expanding its level of provision, and in attracting a proportional share of the growth in international student demand. The following projections for increased international enrolments, and economic value-add, in New Zealand are based on 2010 data from the Export Education Levy, and the findings of a 2008 study of the economic value-add (EVA) from international education[4].

Projections for international student enrolments to 2025 for the public tertiary education institutions (universities and polytechnics) assume initial growth of 2% from 2010 to 2012, and 7% from 2013 to 2025. Projections for annual student growth in

[3] "Vision 2020: Forecasting international student mobility – a UK perspective" British Council, 2004
[4] "The Economic Impact of Export Education" Education New Zealand and the Ministry of Education, 30 June 2008

schools are 2% to 2025, and 5% for private English language schools. The potential growth in fee-paying enrolments for each provider group would therefore be:

International enrolments and EVA by provider group	2010 (actual enrolments)	2007/08 (estimated EVA, $m)	2025 (projected enrolments)	2025 (projected EVA, $m)
Schools	16,486	$417	*22,000*	*$608*
Universities	19,678	$670	*50,000*	*$1,552*
Polytechnics	11,740	$209	*28,000*	*$578*
Private providers	10,803	$217	*26,000*	*$513*
English language	37,688	$491	*78,000*	*$1,143*
Subsidiary providers	3,485	n.a.	*8,000*	*$122*
Offshore services	n.a.	$70	*n.a.*	*$505*
Total	**99,880**	**$2,074**	***212,000***	***$5,022***



The consequent projected growth in economic value-add for each provider group, as a result of their international education activities, is illustrated in the next chart.