'Background Briefing to International Education Statistics'

Education New Zealand: **Background Briefing paper 11/04**

1. INTRODUCTION

'How many international students are there in New Zealand?' It's a good question, and one that Education New Zealand frequently gets asked.

Education New Zealand gathers statistics from a number of sources, and circulates them to the industry on a regular basis. However, with all statistics, it is important to appreciate exactly what is being counted, also how and when the counting is done.

This Background Briefing note explains where Education New Zealand sources statistics from, and what it is that is being counted.

2. IMMIGRATION DATA

The most up to date (and frequently updated) data comes from New Zealand Immigration Service (NZIS), and counts the number of valid student visas/permits currently held. Currently (as at 1/11/04) there are 84,358 valid student visa/permits.

However, not all holders of student visas/permits are fee paying students. A significant number (such as children of a parent holding a work visa) are actually treated as domestic students, and are not paying full international student fees. Also, a holder of a student visa/permit may not necessarily be in New Zealand. There is a small overlap before they arrive, and possibly when they leave, depending on the expiry of the permit.

There is also a significant group of fee paying students that are not captured by this data. These are students that are in New Zealand for a study course of 3 months or under, and who may be on a tourist visa, or in fact not require a visa. A significant number of language students fit this category.

Visitor arrival card data can help with short stay students, but there is a considerable difference in the methodology inherent with this data (for example, one is entered by immigration staff, and the other by the visitor themselves).

Other very useful data from NZIS relates to the number of new and renewed student visas/permits. This is helpful in comparing the rate of new applications and approvals. However, because the market is undergoing continuous change, historical comparisons of this data (as with all data) must be treated with caution.

NZIS data is broken down by nationality and sector. This makes it very comprehensive, with the theoretical ability to isolate source nations and regional/sector distribution (although students are mobile within New Zealand).

However, it is head count data, and as such does not give good information on equivalent full time students (EFTS).

3. MINISTRY OF EDUCATION DATA

The Ministry of Education, via the Export Education Levy management process, captures comprehensive data on student numbers, both head count and EFTS. This data set is updated three times a year, and corresponds to the levy payment periods. Because it is essentially taxation data, it is very reliable, and captures only fee paying students. It also captures short course students. Education New Zealand recently released the latest data from this source, including a comparison with the corresponding period from the year before.

However, this data has no information about country of origin, or of geographic spread within New Zealand. Because of the former, there are limits in correlating this data set with the NZIS data. There is also no information currently supplied on the schools sector, because their levy payment arrangements are different to the tertiary and private sector.

The Ministry of Education also capture very comprehensive data on all students from all institutions that have Government funded EFTS. This includes schools, tertiary institutions and private training establishments (PTEs). The data that Education New Zealand uses from this source is collected in July, and becomes available in batches towards the end of the year. (The number of international students in the schools sector in the year ended July 2004, 14,477, was released about a month ago).
This data provides a comprehensive breakdown on point-in-time headcount by countries of origin, but of course does not capture data from the private English language schools, or from state owned, but stand alone institutions (such as a number of university-owned institutions that have a sole international student role). Because it is only annual, and because of the time lag between collection and publication, this data does not give the 'rolling picture' that the NZIS data provides (and of course is not counting the same thing).

4. STATISTICS NEW ZEALAND DATA

Plugging the gap in private sector institution data is the Statistics New Zealand annual census of English language schools. This data is collected annually for the year to the end of March (the figure was 50,594 in 2004). Once again, this is cumulative head count data. Because the institutional database differs between the Ministry of Education and Statistics New Zealand, and definitions also differ, the figures provided by each are not directly comparable.

5. FREQUENCY OF RELEASE

The annual student count prepared by Education New Zealand uses a combination of Statistics New Zealand data for English language and Ministry of Education July data for other sectors. This data set is used to ensure consistency with other years, and directly comparable information is held back to 1997. However, due to the length of time before this data comes to hand, and the fact that it is only annual, Education

New Zealand frequently releases data from the other sources for the convenience of institutions and other interested stakeholders.

Overall, during 2005, Education New Zealand anticipates releasing NZIS data to industry on a monthly basis, Levy based data on a tri-annual basis, and annual data as soon as it has come to hand.

Each time data is released, the information that goes with it explains exactly what the data is, and to what (if any) data it can be compared. The sources will almost always be one of those noted above.

6. FORECASTING AND PREDICTIONS

Note that all data is of necessity historic. It tells what has occurred, NOT what may occur in future. However, it is extremely useful in telling us what the situation is at any given point, and how that may compare with historic data.

Forecasting, trending and prediction are fascinating arts. Education New Zealand very rarely make predictions as to what will happen based on available data. We do not do this because at this time there are no scientifically valid predictive models available to us. Simple extrapolation based on historic data does not factor in source market change/development analysis. For example, based on data during the 1990s, no-one could have predicted the growth in the Chinese market (which occurred because of changed market conditions here and in China). The markets both here and abroad are in a continual state of evolution relating to demand, policy and product.

Of course, there is much speculation on future trends. It is just that, speculation. The current data sets available have not been developed with prediction as a core purpose. Because they can not be cross-referenced, due to the differences noted above, it is difficult to draw valid conclusions based on the use of multiple source data.

7. INTERNATIONAL COMPETITOR DATA

Education New Zealand also circulates available information on international student numbers in competitor countries. This data almost always never directly corresponds to our own internal information. Every country has different definitions and statistical collection mechanisms. Generally, immigration data is a useful source, but of course all countries have vastly different immigration requirements across different markets. Tertiary data is sometimes accessible, whilst reliable data on international private English language student numbers is extremely difficult to source. However, on the basis that any information is useful, any numerical data that is available is distributed to industry.

Caution must also be taken with international market prediction models. IDP Australia data is often quoted in relation to global forecasted demand. However, this demand prediction model relates to tertiary under and post graduate study, using local definitions of tertiary. It does not relate to English language, secondary school, or vocational demand.

8. ECONOMIC ANALYSIS

Each year, Education New Zealand estimates the direct foreign exchange earnings from international fee paying students. This estimate is done using the annual data set mentioned in (5) above.

The earnings are calculated by applying a ratio number to the average fees charged by sector. The ratio allows for accommodation, living expenses, other course related costs and other direct expenses (internal travel, entertainment etc). This ratio was developed during 2000 by Infometrics, working to an Education New Zealand/Asia 2000 contract. The Education New Zealand economic data is not overall economic impact data, it is an analysis of the monetary inflow, not subsequent reticulation. Nor does it take into account inferential tourism (such as a student's parents coming to visit whilst the student is here studying) or other tangential benefits (word of mouth tourism, trade post study etc)

The Ministry of Foreign Affairs and Trade also develop economic effect statistics for international education. This is done using different methodology and base data to Education New Zealand. Finally, a number of regions in New Zealand have also prepared their own economic impact statistics. These are usually done on an ad-hoc basis, and also may use different methodology and base data.

9. FUTURE INITIATIVES

Education New Zealand has taken a lead in convening two meetings of the key stats gathering agencies and other interested parties during 2004. The purpose of these meetings has been so that all parties can gain an appreciation as to exactly what, when and how data relating to international students is being collected.

As a result of this initiative, the various agencies have a much better knowledge of the overall data pool, and will be refining and developing their own data collection. As gaps are identified, work can be done to fill them in the future.

Education New Zealand will also look to update the economic model, taking advantage of improved data flows.

10. CONCLUSION

There is an old saying: 'There are lies, damn lies, and statistics'. Education New Zealand will continue to take the lead in ensuring that the most relevant and timely statistics are available to industry – but remember that the statistics can only tell us what actually is or has been, not what might come, nor what we might want to come! They are facts, not opinions, speculations, or conjecture.

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