



# Schools International Education Business Association of New Zealand

School Executive Officers Conference  
Rotorua – July 2018



## In the next hour we will...

- Consider: is hosting international students business or education?
- Get an overview of the industry
- Explore internationalization of our schools
- Discuss collaboration between business managers and international staff
- Have time for questions and answers



## My background

- 1975 - IRD, Retail, Sales, Business Owner
- 1989 - BBS – Accountancy, IRD
- 1997 - Diploma of Teaching - NZ, Nigeria, South Korea, China, Cambodia
- 2011 - International Manager
- 2015 - SIEBA



## Fee Paying International Students

Business Management or Education?



## Global trends

- Student mobility rose from 1.4m in 1990 to 5.2m in 2014
- Increasing standards of living is fueling demand for education
- Key English speaking destinations report year on year growth
- Traditional sending countries are gaining market share as education destinations
- International education options desirable for upper middle income earners



## The New Zealand context

- 120,000 International student enrolments in 2016
- 30,000 Increase in international students between 2014 and 2016
- \$1.5b total tuition fee revenue
- \$3.0b secondary revenues as a result of international enrolments
- Export education is 4<sup>th</sup> largest export earner for NZ
- Goal is \$5b by 2025



## International students

- International education is a significant industry globally
- Host countries benefit from foreign students in both the short and long term



## Schools play a key role

- 18% share of the total market
- 19,000 International student enrolments
- \$270m tuition fee revenues
- \$650m total GDP contribution



## Consider this...

- 20 FTEs generate \$280k in tuition revenues. Include accommodation and other value adds and the value to a school community is in excess of \$550k.

*As a Business Manager, how big a part would you want to play in maximising the return to your school from this opportunity?*



## Fee Paying International Students

Business Management or Education Program?



## Education – a changing landscape

- Tomorrow's schools are under review
- NCEA is under review
- How schools operate is under review
- Growing focus on global competencies



## Paying for education

- Free education is a constitutional right
- Financing education is a challenge for successive governments
- Revenues from international enrolments present a unique opportunity to go beyond regular financing of your school and provide funds for school advancement.
- Business management is essential to make the most of this opportunity.



## International education strategy

- Blueprint for 2018 -2030
- Excellent education and experiences
- Sustainable growth
- Global citizens

*Sustainability for the school sector hinges on how well we internationalize our schools*



## Internationalizing our schools

- Foreign languages
- Outbound programs
- Cultural competencies
- Academic recognition
- Inbound students

*Internationalization is beyond the scope of international staff and business managers but it will not happen without us.*



## Collaboration

- With each other
- With related organizations
- With related stakeholders in our schools

*Organizations are coming together to talk about how to improve education and internationalize.*



## Collaboration

- School business managers and International staff are working towards the same goal – *school advancement*
- Business competency for international staff is a goal for SIEBA





## Profile of an international manager

- The majority are educators
- Vast range of models from part time to full time
- No provision within the collective agreements and remuneration varies widely
- Concerning employment practices
- No support from MoE for either footprint or capability
- For most, hours worked exceed the hours paid
- International travel is high risk – largely unmitigated
- Compliance burden is high
- Professional isolation is a feature of the role



## The many hats of international operations

- Strategic planning
- Marketing
- International travel and recruitment
- Staff management
- Agent management
- Budgeting and financial performance
- Pastoral care and academic progress
- Compliance and self review
- Accommodation services
- Crisis management



## In the last 6 months...

- 17 year old gives birth in homestay bathroom
- 15 year old becomes ill and is on life-support for 3 weeks
- 16 year old is charged with rape and attempts to leave the country
- Host father is charged with sexual misconduct on an international student
- As agent is charged with sexual violation of an international student
- Two 15 year olds bus to Auckland for a weekend
- Two short term students shoot up a home stay with a BB gun



## Compliance

- Code of Practice
- 7 from 10 outcomes focus on commerce;
  - Marketing, agents, contracts, immigration, withdrawal & closures, grievances, disputes
- Self-review is at the heart of compliance
- Contracts now define the rights and responsibilities of students and schools
- Increased risk to schools from low levels of compliance
- Disputes and grievances by students are on the rise



## How can schools make better use of their business management expertise?

- Strategy
- Finance
- Products
- Staffing
- Resources
- Marketing & Promotion



## Strategy

- Assist with strategic planning
- Ensure strategic plans are linked to the goals and objectives of the school



## Finance

- Assist in setting financial goals and formulating the budget
- Advise on investment and return
- Assist in measuring financial performance
- Adopt a business v program approach to budgeting
  - Program = costs are use of funds
  - Business = costs are an input to generating income



## Products

- Assist to determine the capacity of your school
- Discuss which products your school will offer
- Assist with pricing



## Staffing

- Assist to develop role descriptions and person specifications for international staff
- Oversee compliance with employment law
- Advocate for appropriate remuneration
- Consider staffing needs as student numbers change



## Resourcing

- Consider resourcing from a business perspective
- Technology is critical
- Communication and response times are everything



## Marketing & Promotion

- Assist finding suppliers of collateral
- Assist in managing contracted agents – strong agent relationships are valuable
- View agency commissions as a valid cost of recruitment
- Maintain a customer focus



## SIEBA

- Business information
- Growth opportunities
- Professional development
- Advisory services and resources
- Advocacy



# Questions and Answers