

Submission to the Productivity Commission inquiry into Immigration Settings

Introduction

This document is the submission by Te Whare Wānanga o Waitaha | the University of Canterbury (UC) to the inquiry by Te Kōmihana Whai Hua o Aotearoa | the New Zealand Productivity Commission into what immigration policy settings would best facilitate New Zealand's long-term economic growth and promote the wellbeing of New Zealanders. This submission is UC's response to both the initial Issues Paper of June 2021, plus the Preliminary Findings and Recommendations paper of November 2021.

The interest of UC in immigration policy settings is based on the following:

1. International students make up a sizeable and valued part of the University community, across a range of subjects and from foundation up to doctoral level. Although numbers have dropped due to the pandemic, they are expected to rebuild over the coming years, with this being guided by a refreshed UC Internationalisation Strategy to enhance diversity by recruiting from a wider range of countries and regions.
2. The University employs a large number of highly educated and skilled people, with many academic staff recognised as global leaders in their fields. Compared to other New Zealand universities, UC has one of the highest proportions of international staff, and these staff are critical to our teaching and research programmes, providing specialist expertise and a more global outlook for our students and research. The ability to employ and support such people is of critical concern to UC.
3. UC contributes to the growth of the New Zealand workforce and the productivity of the New Zealand economy through our delivery of education and ensuing provision of graduates into the workforce. In this regard, our delivery plans are linked with immigration settings, with New Zealand's workforce needs being met by a mix of locally-trained graduates and migrants. UC is interested in the ability of international students to work in New Zealand, particularly in Ōtautahi Canterbury, both whilst studying and after graduation, to support themselves as well as to contribute to our regional economy and communities.
4. Linked to the above points, UC has a number of key relationships with overseas partner institutions and research organisations, and is also working cooperatively with other Ōtautahi-based organisations to grow the international connections of our region in an integrated way. These relationships and our communities guide UC's

internationalisation goals, and reflect a broader focus in addition to our specific organisational concerns and interests relating directly to students and staff.

Thus UC has a vested interest in immigration settings and how they impact the University, our communities, and the regional economy, and this guides the comments and recommendations below.

We note that ChristchurchNZ and the Canterbury Employers Chamber of Commerce have made submissions to the inquiry and UC generally supports the recommendations made by these groups. UC also endorses the joint universities submission which as dated 17 December and prepared or endorsed by Auckland University of Technology, Lincoln University, Waikato University, Otago University, Victoria University of Wellington and UC.

Role of the Treaty of Waitangi

The preliminary findings report recommended the following action:

The Treaty interest should be reflected in immigration policy and institutions. The Treaty was developed and signed in response to immigration, and directly refers to immigration. The Crown also has a duty to actively protect Māori interests.¹

UC fully supports this recommendation; the more detailed option to include Treaty considerations in a Government Policy Statement on immigration; and that such policy should be developed in partnership with Māori. This includes at a more localised (iwi and hāpu) level, to best align with iwi aspirations and account for regional characteristics.

A more integrated and transparent immigration policy

The preliminary findings report noted that “immigration policy does not undergo the same level of transparency, public scrutiny or robust policy assessment requirements as other public policies,” and that immigration policy is somewhat disconnected from other policy areas, including education and training.² The recommendations include the production of a Government Policy Statement on immigration, with example objectives to use immigration to grow innovation ecosystems and targeting growth in particular industries, such as health.³ A further finding was:

Currently, there are no consistent feedback mechanisms to link skills shortages evident in the immigration system to potential responses in the education and training system. A lack of feedback mechanisms limits the ability of the education system to meet employer needs and may weaken accountabilities on employers to train and develop local workers.⁴

UC supports a more systematic approach to immigration policy development as proposed by the Commission. It is recommended this is increasingly integrated with education policy, particularly how particular areas are prioritised for

¹ Preliminary Findings and Recommendations report, p. 2

² Preliminary Findings and Recommendations report, p. 2

³ Preliminary Findings and Recommendations report, p. 2

⁴ Preliminary Findings and Recommendations report, p. 27

education funding and how overall funding volumes are set. The New Zealand tertiary education system has the capability to produce graduates with most of the skills needed in the New Zealand workforce, and this should be the foundation for New Zealand’s medium and long-term skill development, with immigration focussed on what the Commission describes as an ability to “unlock complementarities and specialisation”⁵ and to meet pressing short-term needs until the education system can adapt to deliver them.

Work rights for international students and graduates

In the initial issues paper, there were five questions posed specifically relating to international students, focussing on work rights during and after study (Questions 24-28). In the preliminary findings document, the key recommendation relating to this area appeared to be:

*The Ministry of Business, Innovation and Employment should develop and publish an evaluation programme for major visa categories, to assess their net benefits. Uncapped visa categories and those that offer open work rights, such as the various bilateral working holidaymaker schemes and student work visas, should be priorities for evaluation.*⁶

UC believes the current schemes for student and post-study work rights (PSWR) are generally functioning well, and should not be significantly modified. Minor alterations could include increased recognition and determinations based on regional differences. The 2018 International Strategy has already brought about a transition to a largely higher value student approach, including how PSWR are operating.

International education is a key export of Canterbury, and PSWR are an important part of the offer to compete in the global marketplace for international students. Canada and the UK are two key competitors that have communicated favourable PSWR and also the continued ability to apply for visas during COVID (and recognition of online learning towards PSWR). Any negative changes to PSWR, even the suggestion of changes, jeopardises our ability to attract international students in the future.

It is noted that PSWR are not principally about migration. They are an important part of embedding learning and providing students with valuable knowledge for their future careers. That work experience in New Zealand provides cultural insight and applied knowledge that allows students to take even greater learnings with them.

The current PSWR provides international students an opportunity to get a return on their investment by allowing them to build on what they’ve already learnt in New Zealand in a New Zealand employment context. For some students, with the loans they take to fund their studies it is important to be able to initially work in New Zealand post study to pay back those loans. The higher wages they earn in New Zealand immediately post-graduation are significantly more than their home country, and with their earnings they then have flexibility to return home, or go elsewhere if there isn’t work they are required for in New Zealand.

⁵ Preliminary Findings and Recommendations report, p. 24

⁶ Preliminary Findings and Recommendations report, p. 46

International graduates also add to the cultural knowledge and diversity in a NZ workplace. They can deliver many benefits including international links to overseas contacts, innovation and critical skills that fill gaps which can't be met by local workers. We also acknowledge that diversity enhances productivity and innovation. Therefore, every part of the workforce can benefit from international student participation. A Canadian study showed that a 1% increase in diversity, results in a 2.4% increase in revenue and 0.5% increase in productivity.

Further to the data presented in the Issues Paper⁷, it is clear that the majority of international students ultimately leave New Zealand, with some research indicating nearly three quarters of International Students having left the country within 10 years. There is evidence that those students that do depart provide great value to New Zealand both whilst here and once departed. Our alumni include senior decision makers around the world in areas such as politics, government, civil society, academia, journalism and business. Accordingly, these alumni are respected members of their communities and well placed to promote New Zealand as a country that makes an important global impact through its high-quality education and research, while also being a highly reputable country with which to engage with across a range of sectors.

This reinforces that while employability for New Zealand skills shortages is an area where international education plays a role, it should not be the sole focus. Universities will need to ensure that students have the knowledge and specific competencies required to meet global labour market needs. And working both during and on completion of studies for a period of time are a very important part of the educational journey. Putting into practice theoretical understanding through work integrated learning, internships, part time employment and then a graduate role is an increasingly important part of the learning journey as employers want "job ready" candidates.

A possible change to consider is to incorporate a regional element in how work rights are managed, recognising regional differences. Christchurch, Canterbury and the South Island have different market drivers than Auckland and Wellington for example. This is also relevant to the Commission's interest in managing volume pressures and "absorptive capacity", with elements such as housing costs, unemployment rates and labour needs, and the availability of health and education services differing across the country.

Possible restrictions on student and graduate employment

The issues paper posed several questions around the rights of international students to work in New Zealand (Q25), whether they should be given preference for residence (Q26) and restrictions based on fields of study (Q27 and Q28).

UC believes the current system of three years PSWR for degree level qualifications has been working well for employers and students, and recommend it should continue. There is no compelling reason at this point to suggest that further special preference for residence is required, as the current system already allows for those with high need and high demand to be considered appropriately.

UC does not believe there should be sector or occupation-based restrictions on student and graduate employment. Our egalitarian society is an important part of

⁷ Issues Paper, p.26.

students selecting to come to New Zealand, and this may be impacted if students' employment options are limited based on country of origin or subject and level of educational attainment. Additionally, to suggest, for example, that a student with a higher qualification can't say take a lower paid job such as an Uber driver is a somewhat heavy-handed approach when we may not be appraised of the full circumstances of health, financial needs, personal interests and other commitments of the student/graduate.

Over 80% of international students do work whilst studying and maintain a balance in life and learning the working culture is important. This is aside from the obvious financial reasons why students work.

All tertiary institutes in New Zealand have an obligation under the new [Education \(Pastoral Care of Tertiary and International Learners\) Code of Practice 2021](#) to support the wellbeing of international students. This includes, but is not confined to, supporting students to make sure that they have the necessities of life such as food and accommodation. As a result, UC has an obligation to support students to have a good balance of paid employment and studying that will ensure academic success. This is a key protection for both the student and society to avoid the downsides of low paid employment while studying.

Promotion of international education within New Zealand

In recent Social Licence research completed for Education NZ by The Research Agency, when prompted to think about international students more than three quarters of the New Zealand population agreed that they contribute to New Zealand in various ways. Such as supporting local businesses, supporting the New Zealand economy and economic growth, as well as bringing diverse perspectives to New Zealand classrooms, lecture theatres and wider society. Also, when prompted to consider it, there is a sense of pride as to how the sector can contribute to New Zealand's reputation on the world stage.

The benefits of international education may exist in the minds of these supportive individuals, however the benefits are not often seen or heard in day-to-day conversation. This lack of socially observable support is a key limitation for social licence of the international education sector. By increasing the prominence of international education both diversity and discrimination issues can be countered.

As an approach, the \$5 Billion (2018) total size of the economic contribution of the sector was found in the research to capture people's attention, opening the door to a further narrative about societal benefits (such as adding cultural diversity, forming friendships and supporting local volunteering initiatives) as well as educational benefits (such as the opportunity for Kiwi students to learn about other cultures and languages as well as future opportunities to live and study overseas)

Trade and diplomatic collaboration and linkages are also enhanced through international education. Further, it is a sector that contributes to the reciprocal development of cultural competence – both for the international students choosing to study here and the Kiwis who interact with them in the nations' classrooms and lecture theatres, and across the wider community.

Although such considerations may sit outside the scope of the Commission's inquiry, there are broader positive impacts from international education that do contribute to both economic growth and the wellbeing of New Zealanders. **The communication of such**

benefits in the Commission’s findings would provide a rounded perspective on international education.

Linkage with Regional Development

Through the development of Greater Christchurch 2050, several areas were identified that international education can support, notably increasing the diversity of our population and accounting for our aging population by increasing the numbers of younger residents.

The impacts of the pandemic and severe drop in international student numbers have provided tangible evidence of the contribution international education and the presence of international students make to Ōtautahi. In the last ‘normal’ year, 2019, there were 13,439 students in the region, supporting approximately 5,800 jobs. The pandemic has seen these fall drastically, with ensuing impacts on the diversity of the population and economic contribution.

Employment of international academic staff

The University recruits globally for its specialist academic roles in order to maintain our academic credibility and boost our global rankings. Some fields of research discipline are so narrow, there are only a handful of suitable candidates globally, and international hires are often required to bring the required research and teaching capability to the roles. These staff contribute greatly to the New Zealand science community and provide students with a more global perspective during their study.

The preliminary report describes the need to establish an innovation ecosystem and attract international ‘high impact’ innovators, with many academics able to contribute to such an environment.⁸ However, another finding in the report was that:

New Zealand is unusual in giving permanent residence visa holders an indefinite right to return, even if they have re-migrated elsewhere in the world. Other countries either require residents to return at regular points or remain in the country for specified periods if they wish to retain or renew their permanent residence visa.⁹

It is noted that with many of our academic staff, it is healthy for both an individual career and knowledge transfer perspective that people can travel and work globally, often for extended periods of time. Retaining ties and options to New Zealand, through an open visa and right to return and work, lifts the likelihood and ease for these highly-skilled and sought-after people to return in the future. **It is recommended that permanent residents retain the indefinite right to return.**

It is also noted that under current settings and policies which place preference on recruitment of New Zealand residents, it is often difficult for our international hires to be granted permanent roles, and may have to re-apply for roles during their employment with UC. It is recommended that for highly-skilled roles, such as academics, policies should be designed in a way that allows international staff to be hired on a longer-term, permanent basis, to avoid undue stress and disruption.

⁸ Preliminary Findings and Recommendations report, p. 44

⁹ Preliminary Findings and Recommendations report, p. 51

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