

Submission to the Productivity Commission inquiry: *Immigration – Fit for the Future*

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Thank you for the opportunity to provide feedback on the Productivity Commission's preliminary findings and recommendations arising from its review of New Zealand's immigration policy settings.

This submission relates specifically to the student and post-study visa categories, based on the preliminary findings of a research project that I am involved in, investigating how international university students decide where to study.

These findings are primarily from a survey completed by 151 international students enrolled at one of New Zealand's eight universities in 2021.

I note that despite recommending that the government not make any sudden changes to existing immigration volumes and conditions, the Productivity Commission's preliminary report states that if the government does wish to make immediate reductions, one option is to limit post-study work rights.

Based on the findings of the survey mentioned above, I would caution against making any changes to existing post-study work rights, at least not until a thorough evaluation of the net benefits of the student and post-study visa categories is undertaken in line with Recommendation 4 of the preliminary report.

I would also strongly recommend that if such a review is undertaken, it looks at the student and post-study visa categories together, because the findings of the survey suggest that any changes to the latter will have a significant impact on the former.

The primary evidence for these recommendations is that when respondents were asked to rank 26 factors and the influence these had on their decision to study in New Zealand on a scale of 1-7 (1 = not at all important, 7 = very important), the fifth most important factor was the "rules and regulations for visas after studies are over (such as ease of getting post-study temporary work visas)."

In total, 43% of respondents gave this factor a ranking of 6 or 7, and the mean score was 5. This suggests that any changes to post-study work rights could have a dramatic impact on student numbers, and the many economic and wider social benefits that flow from this, including the educational benefits associated with the presence of international students. It is also important to note that this would be on top of the already significant impact that the COVID-19 pandemic and the resulting closure of New Zealand's border has had on international student enrolments.

There is much more detail that I could go into, and I would be happy to do so once the full analysis has been completed, but the other main insight that I would like to provide at this stage is that it should not be assumed that just because post-study work rights are attractive to many international students, this is an indication they want to permanently migrate to New Zealand. Indeed, a “desire to permanently emigrate from home country to New Zealand” was ranked 6 or 7 by less than one-third (30%) of respondents. Moreover, when asked what their current intention is, a similar proportion (33%) of respondents answered that it was “to live in New Zealand as a permanent resident (i.e., to migrate to New Zealand).”

A far greater proportion (53%) answered that they wanted to complete their degree, “then investigate opportunities for further education or employment away from your home country, without yet considering permanent migration to New Zealand.” These students see post-study rights as important (50% of respondents who identified with this intention, ranked “rules and regulations for visas after studies are over” as 6 or 7), but not necessarily as a pathway to permanent migration. Rather, it seems that the ability to work in New Zealand for a period after graduation is seen by many as an important continuation of their studies, allowing them to gain valuable experience and skills before they decide what to do next, wherever this may be.

This insight has implications for Recommendation 5 of the preliminary report, that “the allowable volume of temporary migrant visas with potential residence pathways should be managed to be compatible with the number of residence visas on offer.”

I would strongly caution against attempting to do this with the student and post-study work visa categories. While these provide potential residence pathways, the above findings suggest that a large proportion of students holding these visas do not come with or hold the intention of pursuing this pathway. Therefore, aligning the number of student or post-study visas offered in any given year with the number of residence visas available would unnecessarily reduce the number of international students in New Zealand and the numerous benefits that they bring.

One final point that I would like to make relates to the option posed in the preliminary report that post-study work rights and residence pathways could be prioritised for “tertiary graduates who hold qualifications in fields of significance to New Zealand’s frontier firms.” Beyond what has already been mentioned in terms of the impact that any limiting of post-study work rights could have on international student numbers, to do this would also overlook the fact that international students bring with them important transferable skills that fill key gaps in the New Zealand labour market, regardless of their field of qualification or industry of employment. For example, a recent report by the Asia New Zealand Foundation, [Te Waipounamu and Asia: South Island Business Connections with Asia Now and in the Future](#), found that while Asian countries are very important to the success of South Island businesses, these businesses face common challenges in establishing trade links with Asia, including a lack of relevant language skills and detailed market knowledge. This is a critical skills

gap in terms of New Zealand's future economic growth, one that international students in a range of fields are ideally placed to fill when they graduate.