

Minutes of the Promotions and Marketing Reference Group (PRG) Meeting

Wednesday 19th July 2006

Boardroom, Education New Zealand, Level 6, 138 The Terrace

Attendees:

Bruce Graham, representing Universities
Tricia Reade, representing Institutes of Technology and Polytechnics in New Zealand
Ian Stockwell, representing New Zealand Trade and Enterprise
Robert Stevens and Stuart Boag, representing Education New Zealand
Paul Millar representing New Zealand Immigration Service
Frances Woolcott representing APPEL
Pat Rutherford, representing Private Secondary Schools
Ron Noordijk, representing Public Secondary Schools

Meeting Report:

Kathy Phillips, Education New Zealand

Apologies:

Meryl Jupp, Tourism New Zealand
Brett Parker, Ministry of Education

Chair:

Robert Stevens

1. Welcome

Rob Stevens welcomed the members

2. Confirmation of the Minutes of Last Meeting.

Rob gave overview of action points from previous meeting:

- NZQA fee increase information available for circulation
- Ron and Rob have discussed the communication to the school sectors – ENZ looking at student to come in and ring every school in the country to obtain specific/up to date contact details.
- Research group doing think-piece on currency fluctuations etc as raised at previous meeting. Included will be looking at NZ market competitiveness; inferential tourism. ToR's being prepared to go back to the group in August.
- Brand audit presentations – report on workshops on the table for the group to review

Minutes confirmed as correct.

Sector Updates

Frances – English Language

People feeling ok in the industry at the moment – currently a number of small groups attending ELS from a variety of areas. However no major improvements in numbers yet. During the first part of the year there was perceived growth, but if you taking the small visiting groups out numbers have flattened out again. The exchange rate has not improved things. There is an issue in regard to ELS 'under the radar' – not members of English NZ or APPEL. NZQA need to get in and weed out these schools. Rob recommended Frances raise this at conference at one of the sessions NZQA are involved in. Frances expressed her concern at the consequences of these schools operating going two ways: continuing with dodgy practices of enrolling students but students not attending (with no intention to do so); or when the school recognises they are failing they start to reduce fees until they are no longer sustainable, another English language school picks up the students when the school goes under, without getting the fees. Would like DoL to become involved. Approx 20 students involved with each incident along these lines.

Paul advised he would like to know about these things – they can look into this outside of NZQA. If he can be advised of the institutions involved he can arrange border patrol to go in and check things out.

Bruce Graham – Universities

Bruce advised orientation took place last week – students still arriving. Generally applications appear to have levelled out, perhaps slightly above last year. More postgraduate than undergraduate. Seems to have been a rush in the last week of late arrivals. Is seeing the results of diversity – German numbers increasing, and students from the USA increasing at some other Universities also. There are a number of projects being worked on by the Universities at the moment – the Saudi project of 500 scholarship students being placed in NZ in 2007 being one of them. The English language and Foundation Studies programmes are struggling in the Universities - appears only to be AUT holding their own in this area. Bruce was in Australia last week, they seem to be doing well and not seeing the downturn (in regard to Chinese students) that NZ experiencing. Australian market doesn't appear to be as impacted by issues surrounding pastoral care that NZ is – NZ incidents are over-represented in the media. Bruce also mentioned the roadshow recently undertaken by Pat English, which was quite enlightening. Ian Stockwell could circulate information on this to the group. The question was posed as to whether there really is an issue with pastoral care or whether it is perception. Appears very much to be perception. The articles and statements by John Pickering and Isana are felt as being unreasonable, and it was suggested that it was perhaps time for this to be addressed.

Concern also was raised by Bruce and supported by the group, of the negative impact Ian Cameron's statements via Unicare could potentially have on the industry. This issue is being looked into separately by ENZ and the NZVCC International Policy Committee.

Ron Noordjik – Public Secondary Schools

Too early to know what is happening in regard to numbers in the sector, however Burnside have had their biggest mid year intake for awhile. Many schools are struggling, with some no longer taking international enrolments. Cannot predict how things might look for the year ahead – source countries have not varied, however timeframes have. A lot shorter notice in applying. Bruce and Frances felt this had been a trend over the past 5 years for their sectors. Ron commented that Auckland and Christchurch seem to be stronger regionally.

Those schools that enrolled year 9 students tended to be able to ride out the bumps better in that the students remained for a longer period of time, than those being enrolled at a later age. Some schools however do not have a choice in this.

Ron advised there is concern regarding papers from NZQA stating 29% of internal assessment moderations are faulty. Ian raised that there had been an issue in Thailand regarding NCEA confusion – students doing wrong papers and returning to their home country without the credits required to move forward. NZTE staff were going around agents and schools offshore to inform and provide clarification. Comment that it would be ideal for this to happen in NZ as well. Difficult to know how students are being counselled by agents etc – many take excellent academic subjects however this does not assist them in meeting the literacy credits that are important for future progress.

Prior to giving sector update, Tricia sought clarification from Bruce in regard to their increase in German postgrad students. Bruce confirmed these students are paying local fees, however can still claim EFTS. Still classed as international students/education. Tax payers do subsidise, however raises profile of NZ with students moving into Masters/PhD areas.

Stu returned to the issue of the enrolment times reducing, and the possible causes for that. Feedback from the group was that it can be behavioural of various nationalities; or sometimes students just wake up, decide they want to study (ELS for example), and with the accessibility of the internet send an email and expect it all to just happen. This rolls into pressure in regard to obtaining visas in time to study. Paul advised most visa officers will give a turnaround time with application – but it was important to keep in mind if students/families were visiting with the purpose of sourcing a school or to enrol, there could be complications whilst going through immigration, if it is stated at that time that they are in the country to study. Tricia acknowledged the timeframes in visa processing for India had shortened considerably from approx 1 month to 1 week turnaround. Paul confirmed there was a list of visa free countries on the web.

Tricia Reade – ITP's

At this stage, early days for reporting on how the sector is fairing. It's not looking good, and numbers are worse than some expected. Insurance issues ex Unicare a problem (negative communications). Need some good news stories out there and important for ITPs to make a concerted effort here. Considering asking ISANA to come to MIT and interview their students on how they find pastoral care services – the comments ISANA are making are based on historical research and things have changed. Tricia made the suggestion that perhaps the CoP monitoring unit should respond to the reports from ISANA/John Pickering. Rob confirmed that is a role of ENZ – the CoP's Offices role is narrowly focussed as an industry regulator, not an industry advocate.

Pat Rutherford – Independent Schools

The start of the semester has caused concern in regard to the industry. Some schools may not continue with enrolling international students – becomes too expensive with the compliance requirements etc based on the numbers enrolling. Schools only have around a \$3000 profit margin, not big enough to be viable. Schools continuing have to be committed to international education, not export education. Diversification opportunities limited for independent schools. Japan and Korea still prime markets. Pat raised the issue again of students and their families visiting on a 3 month visitor visa to see schools, finalise enrolments etc. Paul indicated if a family is visiting it should be ok, however if they express their intentions at the border there could be complications. They cannot remain on a visitor visa if they are going to a school – and a school cannot enrol them to study if they are on a

visitor visa. Comment was made that this does happen – technically it should not. The question was raised if policy could be changed so this is legal practice. Paul recommended a submission be made and he can try and get it into the policy mix. Ease of entry important for potential students. Paul and Pat to discuss further at a later stage.

Frances has noticed the massive increase of students from Brazil going to study ELS in Australia. Has a lot to do with the right to work. No movement at this stage on that issue in NZ – English language students still require a 5.5 IELTS + 6 months study before they can work. Paul confirmed the policy was being looked at.

Generic Marketing Paper

Stuart spoke to the group on the paper circulated prior to the meeting, providing a summary of the contents. The paper was opened for discussion. Frances complimented Education New Zealand on a very good, well written paper. Tricia had obtained a variety of feedback from the ITPs, with all contributors agreeing on 5 top markets. Rob advised he had spoken with Neil Scotts and Alan Koziaski in regard to the government contribution, with perhaps a view to a top up contribution. Outcome of this will be announced at conference by Dr Cullen.

Bruce raised the fact that international student numbers were dropping, therefore money received from the Levy was dropping. To maintain the current activity or to build on a govt top up would be required. Rob advised that this would be discussed further at a meeting Rob has with Dr Cullen on the 3 August.

There was general discussion surrounding the export education industry being the 4th top industry in NZ, and that it should be looked at and contributed to as favourably, for example, the film industry, and if other industries faced a downturn they would be supported. Rob to relay this feedback to govt. Frances spoke on behalf of the English language sector, that they don't want to beg for govt help, but that they haven't made a profit for 3 years. Rob confirmed he had been advocating on their behalf and would continue to advocate on their behalf, which Frances was happy with.

It was enforced by all that all sectors are under stress and duress, and that message needs to be moved forward. A motion was put forward by the group to empower Rob to indicate to Dr Cullen that the sector was under pressure, there are examples of the infrastructure breaking down, and support was needed. Cannot build or sustain the market unless specific funds are put in for generic marketing in selected markets. Moved by Bruce and seconded by Frances.

There was also some discussion surrounding the \$900 schools pay – they pay a 10%-20% levy where as other institutions pay 0.45%.

Rob confirmed he would feed back to the group after his meeting on the 3rd. Important for the group to realise specific detail may not be able to be passed on at that stage.

The paper was unanimously accepted by the group.

Market Selection Paper

Stu spoke to the market selection paper. Feedback had been received from the ITP, University and APPEL sectors. The secondary schools had received the documents at a later stage and had not as yet had the opportunity for feedback. Stu circulated a summary of the feedback received to date.

Frances requested a definition of 'generic'. APPEL group wouldn't mind the generic spend as long as it was truly generic, ie: a series of posters etc that all could use, that showed no preference for groups or institutions. Stu advised that due to the small amount of money available in the past for generic spending this couldn't freely be done, however now we have a larger generic pot, this certainly is an option, once markets are decided.

Clarification requested as some markets weren't showing on the grid provided in the paper. More detail could be provided on particular markets based on the discussion being held today – choices not limited to the information contained on the grid.

Prior to further discussion on the 5 markets to be decided for in-depth promotion, Ron expressed his disapproval of receiving the documentation 2 weeks after everyone else had, and requested his feeling that they were shown inadequate respect to be noted in the minutes. He raised a concern that the secondary school sector may look inefficient in not having yet provided feedback, and did not want this to be reflected when it was outside of their control.

Moving onto the paper discussions, it was acknowledged that no one market would appeal to all sectors. Bruce advised it could be taken as a given that the University sector see China and India as two key generic markets going forward – major markets for expansion.

Countries and related discussion points indicated below:

China (including Hong Kong):

- View expressed that if Chinese want to go somewhere they will, if they don't, they won't. Is there any point to marketing here? (FW)
- Can't afford to not be in this market. Still students coming, a lot of investment into this market to date. Must maintain a presence – is galloping ahead, and over a period of 2-3 years is at a stage that took Malaysia 10 years to get to. If we disengage from China will be impossible to get back in. (BG)
- Concern at mass entry as previously, and how could that be managed? Entrance criteria would be one way.
- Felt that China has something for all sectors.
- ITPs would like a survey done of which region most of the students come from – believe may only be around 4 regions – and marketing efforts could be focussed there. (TR)

Agreed China should be one of the 5 markets.

India:

- Nothing for secondary schools/ELS (RN/FW)
- Perhaps nothing yet – but may change with the growth of the market (BG)
- Would not be precluded for other sectors, however secondary schools would need a concerted push (RN)
- NZTE research indicated no market for schools here – some discussion around that. At this stage not much happening for them here, however NZ's profile and awareness of NZ is a lot higher now (IS)

Agreed India should be one of the 5 markets.

General discussion surrounding other elected markets, which consist of Korea, Indonesia, Vietnam, Thailand, USA, Germany, Kazakhstan (Kazakhstan as a potential, very new exploratory market). Scandinavia and Japan had been included earlier in the discussions however decided not to pursue (due to costs etc involved to make an impact in these areas). Russia mentioned as an emerging market however also deemed 'dodgy'. Central Eastern

Europe and South America mentioned as possible emerging markets however could be visa issues.

Ron raised the importance of needing to clarify the criteria for selecting the remaining markets – to support an already established market, for example Korea; or identify new markets to build on / use as a platform.

It was decided both would be considered (hence the inclusion of Kazakhstan as a consideration of an exploratory market).

Korea:

- Seen as big market, opportunities (RN)
- Institutions are already spending large sums of money on this market, questioned how much difference would \$250,000 make (FW)
- Where would marketing for Korea happen, as many students come via NZ agents (FW)
- Belief that Korea can't be ignored, is a cross-sector market (PR)
- Uni's also support Korea (BG)
- Already large numbers in secondary market. Agreed ELS (RN/FW)
- They appear to go to the bigger cities – need to see regional view. None coming to PN. (BG)

Consideration of Korea to be undertaken at a later stage, after further consultation by Reps with their sectors.

Indonesia:

Ian advised that NZTE had commissioned market research in Indonesia, the final report had been received and was being edited before distribution. The research company, Spire, had established that 31, 500 students went overseas for further study in 2005 with 33 to 34 % going to the USA, 18 to 19 % each to Australia, Malaysia and Singapore and 0.25 % to NZ. Ian undertook to send the report to PRG members. The Spire report, he said, highlighted the need for more promotional material to be in Bahasa Indonesian and that NZ institutions needed to work more closely with agents and participate in the education fairs held twice a year by the major agents. Singapore and Malaysia were increasingly active in the market. Spire had suggested that if NZ wanted to make a bigger impact it would have to spend in the vicinity of \$ 368,000 - Ian noted that the suggested areas for expenditure needed to be evaluated further. Bruce said that he thought Indonesia had unrealised potential and could not understand why it had not happened. Ian said the background reasons, for NZ institutions not devoting much attention to Indonesia included (i) the SE Asian economic crisis of 1997/98 which had impacted severely on Thailand and Indonesia, (ii) the impact the numbers of Chinese students had on NZ institutions meant that markets like Indonesia were of little interest and (iii) political instability and personal security issues in Indonesia in recent years. By contrast, Australian institutions had consistently marketed in Indonesia, despite the problems, and the numbers in Australia (16,000) is likely to reflect this. No strong views were presented either way by the group. Comment was made that there were two PACE fairs held in Jakarta each year with the next being in mid August. It was noted that Steve Jones, the newly appointed Immigration NZ Branch Manager in Jakarta, was very supportive of NZ education institutions as he had demonstrated in his previous posting in Moscow.

Action: Ian to send copies of the Spire report to PRG members
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Consideration of Indonesia to be undertaken at a later stage, after further consultation by Reps with their sector.

Vietnam:

- Important to have package or something to offer – cost driven market (TR)
- Seen overall as potential, cross sectoral emerging market

Agreed at this stage for Vietnam to be included as one of the 5 markets

USA:

- Massey has 100 students doing vet science. Not an emerging market but is certainly a market for the University sector (BG)
- Not ELS or Secondary market (RN/FW)

Consideration of USA to be undertaken at a later stage, after further consultation by Reps with their sector

Germany:

- Believed to be an emerging market for all sectors. Generic support important as Uni's currently trying to enter into this market on their own (BG)
- Already emerged for secondary sector (RN)

Consideration of Germany to be undertaken at a later stage, after further consultation by Reps with their sector

Thailand:

- Most of ITP's would be reluctant not to have Thailand as a market.

Consideration of Thailand to be undertaken at a later stage, after further consultation by Reps with their sector

Other points of note from discussions:

- Market outcomes from this meeting not set in concrete, but the earlier agreement can be obtained the better to enable moving forward. Draft to be presented at conference however a little late to be making decisions at that stage
- Selection of markets just the first stage in the process
- Refer back to market drivers in ENZ prepared papers when considering selection of markets

Outcome of market selection exercise:

China, India and Vietnam confirmed at this stage. Stuart to draft up a summary paper on outcome of meeting and how we got to this point, and the markets yet to be considered/selected. To distribute to the group for end of the week if possible.

Action: PRG to communicate with own sectors and feedback outcomes to Stuart

Update of other levy groups / Next meetings:

Kathy advised there were only 4 remaining projects to be completed for the 2005/06 year – 2 for PD and 2 research projects.

The levy groups had met during the last week in July, and 8 projects have been put forward for Research and 7 for Professional Development. ToR's to be drafted and circulated to the relevant levy groups for finalisation at meetings in August.

Meetings of all reference groups being brought into line with each other, likely to be held Dec, Feb and June with other meetings called on an as required basis.

Proposed dates put forward for PRG – minor changes to be made to accommodate governing body meetings and intakes. Proposed dates now:

Wednesday 6th December 2006

Tuesday 6th March 2007

Thursday 26th July

Action: PRG to confirm back to Kathy suitability of proposed dates

Other Business:

Frances raised the question regarding transferring Levy PD money into PRG. This proposal had been put forward by ENZ. MoE however wish to continue with PD, and sought to increase expenditure from \$288k in 2005/06 to \$430k in 2006/07. Following representations by ENZ, and then from MoE to Dr Cullen, funds allocated for PD were reduced back to remain at last years level of \$288k.

DOL Immigration Advisers Licensing Bill: Ian advised that the Select Committee would now be reporting back to Parliament on 13 September as against the earlier date of 13 June. The key concern was the proposal to remove the exemption from licensing, of offshore education agents. NZTE had ensured that ENZ's views, which were the same as NZTE's, in opposing the removal of the exemption, were accurately recorded in the paper going to Cabinet. Rob advised that ENZ had recently met with the Deputy Secretary for Labour, and had followed up with a written submission on the Immigration Advisers Licensing Bill.

10. Next Meeting

Unless otherwise advised Wednesday 6th December 2006. To be held at ENZ L6, 138 The Terrace, Wellington.

Meeting closed at 2.25pm.