

Education New Zealand Briefing

Title:	Relaunch of Education New Zealand Recognised Agent Programme		
Date:	14 March 2018	Priority:	Medium
Security level:	In Confidence	ENZ ID no:	1718-092

Action sought

Addressee:	Action sought:	Deadline:
Minister of Education	Note that the Education New Zealand Recognised Agent Programme will be relaunched in mid-2018.	
Minister of Immigration	Note that the Education New Zealand Recognised Agent Programme will place high expectations on Recognised Agents regarding their conduct and behaviour.	

Contact for telephone discussion (if required)

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		<i>Withheld under s9(2)(a)</i>		
Dan Smidt	Manager, Agents	[REDACTED]	[REDACTED]	x

The following departments/agencies have seen this report

<input type="checkbox"/> ERO	<input type="checkbox"/> MBIE	<input type="checkbox"/> MFaT	<input type="checkbox"/> MoE	<input type="checkbox"/> MoH	<input type="checkbox"/> MSD
<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury	<input type="checkbox"/>

Minister's office to complete

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined	<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by events	<input type="checkbox"/> See Minister's notes	<input type="checkbox"/> Withdrawn

Comments:

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Executive Summary

Following a period of review, Education New Zealand (ENZ) will relaunch the ENZ Recognised Agent (ENZRA) programme in mid-2018.

The ENZRA programme was launched in July 2014. After some negative feedback from stakeholders, the programme was put on hold with a review of the programme started in late 2015. Management consultancy MartinJenkins considered that ENZRA had the unintended perception that it was a quality assurance programme, which took ENZ beyond its organisational remit. Since then ENZ has considered its role regarding education agents.

The programme intends to contribute to the attraction of high value international students and enhance the international student experience. It will do this by identifying and providing increased and sustained support to quality education agents who are promoting and marketing New Zealand as an international study destination, and successfully placing students at New Zealand education providers.

ENZRA is not a regulatory programme. It however does seek to provide some direction and information for prospective international students, their parents, and education providers regarding what education agents can provide the best advice and information about New Zealand as a study destination.

The programme will be structured around three core objectives, reviewed on an annual basis, that education agents will need to meet to gain or retain Recognised Agent status. They are:

- a. obtaining sufficient points earned through placing students with New Zealand education providers
- b. meeting minimum standards regarding their conduct
- c. and fulfilling training requirements as mandated by ENZ.

ENZ will place high expectations on Recognised Agents in regard to their conduct and behaviour, and will look to exit Recognised Agents from the programme if they have been found to deliberately providing false or misleading information.

The programme intends to further incentivise agents to consider ENZ's core strategic objectives of "value over volume" and regional diversification when promoting New Zealand as a study destination.

The programme also intends to increase and enhance the 'value-proposition' for education agents who are Recognised Agents by providing them with increased support, training, local market intelligence, and bespoke marketing collateral.

Recommendations

Education New Zealand recommends that the Minister of Education and Minister of Immigration

- a. **note** that the Education New Zealand Recognised Agent Programme will be relaunched on 1 July 2018

Noted

Noted

- b. **note** that the Education New Zealand Recognised Agent Programme will place high expectations on Recognised Agents regarding their conduct and behaviour

Noted

Noted

Grant McPherson
Chief Executive
Education New Zealand

Hon Chris Hipkins
Minister of Education

___/___/___

Hon Iain Lees-Galloway
Minister of Immigration

___/___/___

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Purpose

1. The purpose of this briefing is to provide a summary of how the Education New Zealand Recognised Agent (ENZRA) programme will operate after it is relaunched in mid-2018.

Background

2. International education is a hugely competitive sector with the United Kingdom, United States, Australia and Canada traditionally holding more appeal to parents and students compared to New Zealand. There are a wide range of factors which influence choices including:
 - stronger and more established country brands
 - education heritage
 - perceptions around education quality and status gained by studying in a particular country and subsequent employment prospects
 - diaspora and family contacts
 - immigration settings (pathways to permanent migration)
3. Education New Zealand (ENZ) estimates 50%-65% of New Zealand's international students are recruited through agents.¹ Education agents are paid a percentage of course fees as a commission for recruiting students. Commissions paid to all agents in return for supplying international students is estimated to be \$55-\$67 million per year, this is money that is sent offshore and is not contributing to the New Zealand economy. ENZRA agents recruit around 7,500 international students a year contributing approximately \$225 million to New Zealand.
4. Surveys conducted by ENZ show that agents rank New Zealand as the sixth most attractive country destination worldwide, behind the United States, Canada, Australia, Germany and Ireland, though desirability does vary across different source countries. Given the influence agents have over students, and the crucial role agents play in supplying students to New Zealand education providers, New Zealand is seen as being more reliant on agents than other key competitor countries.
5. To secure student enrolments via their agents, education providers need to offer a competitive commission rate and possibly performance incentives.

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s9(2)(b)(i)

¹ ICEF Monitor (2014b) cited in Australian Productivity Commission (April 2015), International Education Services: Productivity Commission Research Paper.

²

Withheld under
s9(2)(ba)(i)

³

Withheld under s9(2)(ba)(i)

6. Since 2014 ENZ has provided a free online agent training programme to help agents learn about the benefits of studying in New Zealand, and to better understand New Zealand's education system. This reflects the importance of agents to the international education sector and the need for agents to have accurate information about the student experience in New Zealand.
7. ENZ is upgrading its online agent training programme to better reflect the evolution of learning styles since its initial release. The training will also take into account agent motivations and business practices will provide more specific information regarding their obligations when promoting New Zealand institutions, and more resources to market New Zealand as a study destination. The new online training programme will be available to all agents to access, not just Recognised Agents, and will be designed to be the primary communication channel to all agents, providing them with regular updates on the industry.

Education New Zealand Recognised Agent Programme

8. Following a review, ENZ will relaunch the ENZRA programme in mid-2018.
9. The ENZRA programme was launched in July 2014. In late 2015 the programme was reviewed by management consultancy MartinJenkins who considered that ENZRA should not continue due to the unintended perception that it was a quality assurance programme as it tried to be both a marketing tool and a quasi-regulator. This took ENZ beyond its organisational remit and abilities. As part of the review, ENZ considered its role regarding education agents, including the future of a branded high-value "recognised agent" programme.
10. During the review the ENZRA programme was put on hold and the list of Recognised Agents on ENZ's *Study in New Zealand* website remained largely static.
11. During 2016 significant changes in market dynamics took place, introducing new issues and priorities for agencies to jointly address which included an increased focus on student well-being and improving the quality of advice to international students. There had been an increased focus by ENZ, INZ and the New Zealand Qualifications Authority (NZQA) on addressing the negative impacts of the behaviours of some education agents on the quality perceptions of New Zealand's international education brand, and the provision of false or misleading documentation in applications to INZ for student visas.
12. The events during 2016, including attacks on international students and allegations of exploitation by employers, led to government agencies involved in international education to review New Zealand's approach to the welfare of international students. Student, community and education provider consultations and research were conducted which informed the development of the International Student Wellbeing Strategy, published in June 2017.
13. During the research for the International Student Wellbeing Strategy, it became clear that education agents play a critical part in the overall international student experience and their wellbeing. Provision of inadequate or misleading information can cause significant issues for students once they arrive in the country, including insufficient funds, lack of understanding of employment rights and incorrect expectations around life and study in New Zealand. Increasing interaction with Recognised Agents and the numbers of

international students who engage with them will assist in enhancing the student experience for many who want to study in New Zealand.

14. The 2017 International Student Barometer outlined that:
 - 64% of international students studying at an ITP or university in New Zealand had sought the assistance of an education agent,
 - agents were easily the most significant influencer when students are deciding which Institute of Technology and Polytechnic (ITP) to study at,
 - satisfaction with agents who promote New Zealand as a study destination is high (as would be expected from the cohort of students that were surveyed) but falls slightly below global benchmarks.
15. Whilst the impact and reputation of education agents varies country by country, they are a critical attraction mechanism for New Zealand education providers in many instances acting as their primary marketing channel. Agents therefore maintain a high level of impact in the successful promotion of New Zealand as an international study destination.
16. The review and relaunch of the ENZRA programme intends to contribute to the attraction of high-value international students and enhance the student experience. ENZRA will do this by providing increased and sustained support to quality education agents who are both promoting New Zealand as an international study destination and successfully placing students at New Zealand education providers.

Operation of the relaunched ENZRA programme

17. The status of Recognised Agents will be reviewed on an annual basis, with the review period running from 1 July to 30 June each year, with a tentative start date on 1 July 2018. To gain or retain Recognised Agent status agents will need to meet three core objectives: points, conduct and training.
18. A points-based earning system will measure agent output and better align education agent behaviour with ENZ's strategic objectives. Agents will earn points for every successful placement of a student at a New Zealand education provider, with increased points for students studying at higher levels.
19. Each agent will have a points target that they need to reach to successfully achieve the points objective. The targets vary from country to country depending on current approved student visa volumes and the desirability of New Zealand as a study destination in each country/region (See Appendix One).
20. Each agent will also need to meet a minimum benchmark in regards to their approval rate when making applications on behalf of a student to INZ. This will vary country by country in accordance with current INZ data.
21. ENZ will have high expectations regarding the behaviour and conduct of Recognised Agents. ENZ will expect that the primary concern of Recognised Agents will be the personal needs, academic aspirations and career objectives of the students they are counselling. They are also expected to provide full, relevant, and accurate information about studying and living in New Zealand to prospective students.

22. Recognised Agents will also be obliged to act ethically and in full accordance with the *London Statement of Principles*⁴. They will be contractually obligated to not conduct themselves in any way that is detrimental to the reputation of ENZ, education providers, or the New Zealand education sector. They are also required to take responsibility for the provision of any false, fraudulent or misrepresented documentation provided in the application for a student visa made to INZ, with the understanding that their status as a Recognised Agent is in jeopardy if they provide false or misleading information or their conduct falls short of ENZ's expectations.
23. Once ENZ's upgraded online Agent training programme is available to agents, Recognised Agents will also be obliged to undertake training courses and modules as directed by ENZ to maintain their Recognised Agent status.
24. ENZ expects that the number of Recognised Agents will initially decrease as the list of Recognised Agents has remained largely static. We expect the number of Recognised Agents to increase over time as we promote the benefits of the ENZRA programme to both agents and education providers.

Feedback on the proposed structure

25. The proposed structure of the new ENZRA programme has been shared amongst international education sector peak body groups. There is still some further discussion and review needed about the points allocation system and the points targets. Overall the peak body groups are generally comfortable with the focus on conduct and training.
26. The success of the programme is dependent on the international education sector's support. ENZ expects that some New Zealand education providers will have concerns with the proposed structure which sees fewer points earned for some students than others, even though the proposed structure intends to align to the government's focus on New Zealand's regional diversification and attracting high quality students. ENZ will work with its partners and engage with the sector to encourage sector buy-in and uptake of the programme.
27. ENZ has also socialised the proposed structure with other government agencies. They were generally supportive of using a points basis system. with the Ministry of Business, Innovation and Employment audit team not seeing any issues with it.

Benefits for Recognised Agents

28. Recognised Agents will be able to use a unique ENZ logo on their own marketing collateral. ENZ's research has indicated that this logo is perceived as having a strong cachet amongst many agents.
29. In addition, Recognised Agents will be listed on ENZ's *Study in New Zealand* website and will increasingly receive unique and bespoke value offerings. The offerings will include regular training and engagement with ENZ and INZ staff, opportunities to run events supported by ENZ, unique marketing collateral highlighting their Recognised

⁴ New Zealand is a signatory to the London Statement of Principles which promote best practice among education agents and consultant professions supporting international students.

Agent status and assistance with building and sustaining positive and fruitful relationships with New Zealand education providers.

Potential risks to the ENZRA programme

30. Education agents generally promote and have business relationships with providers across a range of countries. Given broad perceptions of New Zealand as a study destination, there is some risk that placing substantially high expectations on Recognised Agents will drive them away from promoting New Zealand if the burden to retain their status becomes too high in comparison to the perceived value of being in the ENZRA programme. This has been accounted for in the development of the programme, and it is not intended that education agents will need to fundamentally change their business practices in order to retain their Recognised Agent status.
31. There is some risk that the programme will be perceived as a regulatory device by external stakeholders. The ENZRA programme will not regulate education agents based outside of New Zealand. It is purely a mechanism to assist with the promotion and marketing of New Zealand by increasingly identifying and engaging with ethical agents who are already sending students to New Zealand. The ENZRA programme therefore sits separately, but broadly acts in coordination, with the regulatory work NZQA and INZ undertakes in regard to New Zealand's international education sector. INZ and NZQA provide extensive advice to New Zealand providers as to how to choose and engage with agents. ENZ's ongoing communication regarding the programme will emphasise and explain how the programme operates and what its intentions are.
32. Recognised Agent status will be reviewed on an annual basis. This will likely mean that a small group of agents will lose their status each year, while other education agents will gain Recognised Agent status. Those education agents that lose their status may be disincentivised to continue promoting New Zealand as a study destination or may express dissatisfaction with the way the programme operates. This is an accepted risk in order to maintain the integrity of the programme, and ensures the cohort of Recognised Agents is current and relevant.
33. The ENZRA programme itself will be fully reviewed two years from launch to ascertain impacts on agent behavior, student visa approval rates, and outcomes for students.
34. It is also recommended that wider regulatory settings around international education agents be reviewed in two years.

Implementation

35. There will be further consultation and socialisation with industry before the programme is launched, with an anticipated launch date of approximately mid-2018.
36. Any announcement regarding the relaunch of the ENZRA programme will likely be received with broad stakeholder interest, and with both hope regarding the enhanced value and assistance to be received, but also with some cynicism and regarding the efficacy of ENZ's general involvement with agents. ENZ expects the successful implementation of the programme will address this risk.

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Appendix One: Proposed points allocation and targets. These will be further amended following consultation with industry.

1. Current proposed points allocation for placement of student:

	POINTS
APPROVED VISA	
Successful placement	5
<i>In addition to five points for a successful placement, agents earn additional points per application:</i>	
LEVEL OF STUDY	
Primary school (Minimum two terms)	11
Secondary school (Minimum two terms)	9
Bachelor's degree (Level 7)	7
Postgraduate (Level 8-10)	6
Graduate Certificate/Diploma (Level 7)	5
Certificate/Diploma (Level 5 or 6)	4
Certificate (Level 4)	4
REGION OF STUDY	
Campus outside of Auckland region	3

2. Current proposed points targets by country/region:

COUNTRY/REGION	TARGET
Brazil	250
China	500
Chile	200
Colombia	250
Europe	250
India	500
Indonesia	250
Japan	250
Korea	250
Malaysia	200
Mexico	150
Philippines	250
Saudi Arabia	150
Thailand	200
United States	200
Vietnam	250
All other countries (non-CAP)	200