

20 April 2018

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Dear ██████████ *Withheld under s9(2)(a)*

I refer to your official information request received by Education New Zealand (ENZ) on 21 March 2018. This response relates to your amended request, agreed on 9 April 2018 as follows:

All written advice from Education New Zealand to Ministers between 1 January 2017 and the present regarding quality assurance of education providers, and/or EER process, and/or changes to Rule 18, in relation to the India and China student markets.

The following table summarises our decision on the release of the six papers within the scope of your request that are held by ENZ.

Title	Decision on release
Aide memoire: New Zealand's international education industry	Released in full.
Aide memoire: Meeting with the High Commissioner of India to New Zealand	Released in full.
Briefing: Meeting with the High Commissioner of India to New Zealand	Released with one redaction under s9(2)(g)(i) of the Official Information Act to maintain the effective conduct of public affairs through the free and frank expression of opinions.
India student market issues	Released with redaction under s9(2)(a) of the Official Information Act to protect the privacy of natural persons.
Agencies responsible for international education	Released with redaction under s9(2)(a) of the Official Information Act to protect the privacy of natural persons.
Student visa numbers and additional information about the Indian market	Released with redaction under s9(2)(a) of the Official Information Act to protect the privacy of natural persons.

It is noted that paragraph 14 of the briefing titled 'Meeting with the High Commissioner of India to New Zealand' states that NZQA *met* with 40 education providers. It should have said that NZQA *wrote* to 40 education providers.

In preparing this information release, ENZ has considered the public interest considerations in section 9(1) of the Official Information Act.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602. If you wish to discuss this decision with us, please feel free to contact Angela Meredith, Accountability Manager on [REDACTED] or angela.meredith@enz.govt.nz

Withheld under s9(2)(a)

Please note, Education New Zealand now proactively publishes OIA responses. Your name and contact details will be removed from this response before it is published on our website.

Yours sincerely,



John Goulter
General Manager, Stakeholders and Communications
Education New Zealand

Education New Zealand Aide Memoire

Title:	New Zealand's international education industry		
Date:	13 December 2017	ENZ ID no:	1718-058

Purpose

1. This aide memoire outlines the New Zealand international education industry and seeks your agreement to forward it to the Ministers of Finance, Economic Development, Immigration and Regional Economic Development.

Background

2. International education is the movement of people and resources across national borders for education purposes. It includes both activity within New Zealand (education delivered to students from overseas) and activity outside New Zealand (education products/services delivered overseas and New Zealanders studying overseas). It is also about ensuring New Zealanders become global citizens with the international capabilities (skills, knowledge and attitudes) to effectively engage with the world.

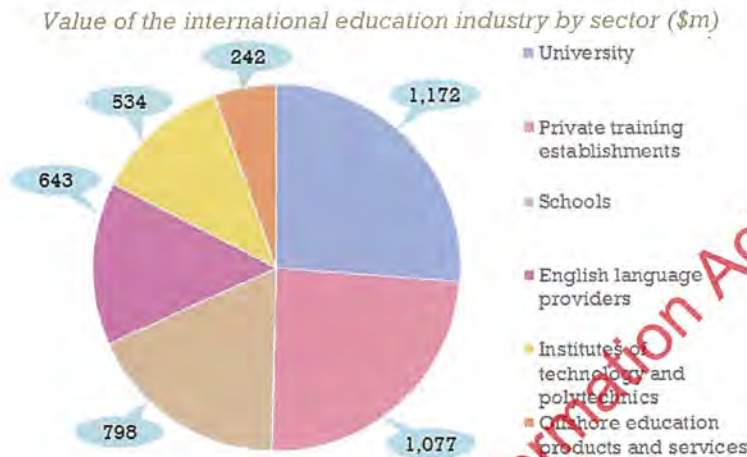
The New Zealand international education industry

3. The success of New Zealand's export industries is crucial to New Zealand's growth – international education is New Zealand's fourth largest export industry and second largest service export (tourism is larger). The New Zealand international education industry is made up of over 800 education providers and businesses, supporting 33,000 jobs across New Zealand.
4. International education is a complex industry that is made up of six sectors which deliver social, cultural, educational and economic benefits to New Zealand, (domestic and international) students and communities. It generates export revenue, connects New Zealand with the rest of the world and helps New Zealanders have the skills, attitudes and knowledge to live and work in a globalised world.
5. The six sectors are the university, private training establishment, institutes of technology and polytechnics, English language, schools and offshore education products and services sectors.
6. Education New Zealand (ENZ) was established as a crown entity in 2011 to bring leadership and coherence to New Zealand's international education industry by supporting the industry to deliver on the Government's priorities for international education.

The industry's value

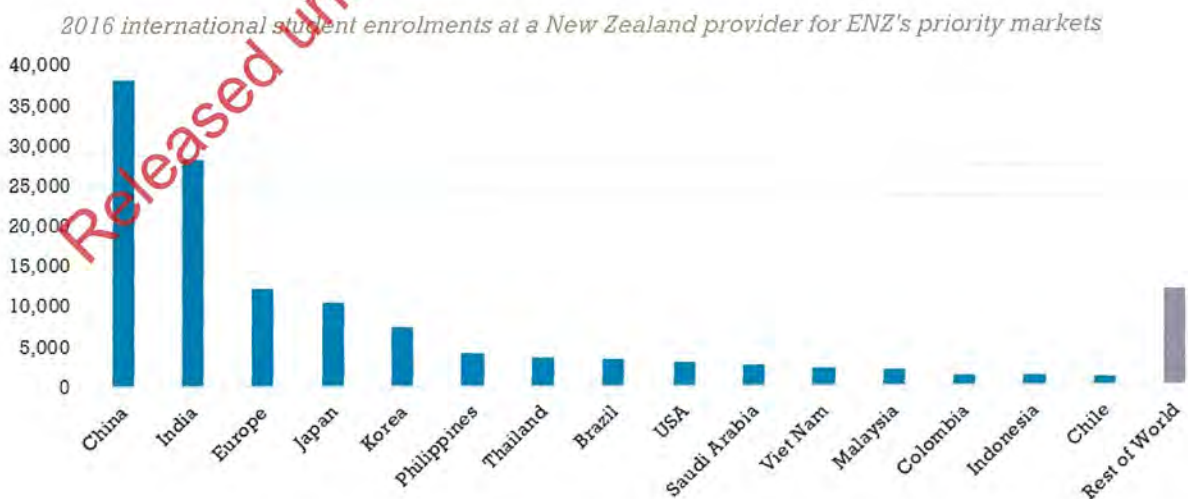
7. International education in New Zealand has grown substantially in the last few years as it has recovered from the impacts of the global financial crisis and the Canterbury earthquakes. The number of international students studying with New Zealand providers increased by 25% since 2010, reaching nearly 132,000 in 2016. Over 4,000 were

studying at PhD level. International education contributes an estimated \$4.5 billion, comprising \$4.23 billion (of which \$1.08 billion is tuition fees) through student attraction and \$242 million export of programmes and services, to GDP in 2016 (up from \$2.85 billion in 2014).



New Zealand's international student markets

- Students from over 170 countries studied with New Zealand providers in 2016. Over half of New Zealand's international students come from China and India. The current reliance on two key markets for onshore student enrolments is a risk to the industry's sustainability, and the need for market diversification is understood by government agencies and the industry. ENZ prioritises markets which are currently important to the industry while focusing its promotional efforts to increase the number of international students coming from countries other than China and India and to gain the best value for New Zealand.



- Following a number of issues from rapid growth in the Indian market a market correction is underway. Entry settings for international students and provider compliance have been tightened up considerably over the last 18 months. More stringent English language

testing, tightening of immigration compliance and increased monitoring and quality assurance of providers by regulatory agencies have significantly reduced the number of Indian students enrolled in the private training establishment sector.

Regional development

10. Regional growth of the industry has been uneven. Nearly two thirds of student enrolments and subsequent export earnings are concentrated in Auckland. The constraints of education provider capacity, particularly in schools and for post-graduate student supervision, may also limit the growth of the industry.
11. Other regions have an opportunity to increase activity in the international education industry and a number of regional economic strategies have an explicit focus on international education. These regions have the potential and capacity for growth and can provide positive and differentiated experiences for both international and New Zealand students. There are also some impediments to growing international education in these regions:
 - the role of the local economic development agencies who do not always understand the value of international education to their region
 - infrastructure constraints, such as limited availability of accommodation and schools being at their capacity limits
 - inability to scale up and benefit from economies of scale
 - getting to the region with most international students arriving into New Zealand at Auckland International Airport and incurring additional travel costs to go to another region.
12. ENZ works collaboratively with local and regional governments, economic development agencies, and education provider clusters or organisations to grow, support and advocate for international education in 15 metro and regional centres.



International education and the New Zealand labour market

13. To support a sustainable international education industry, the complex interaction between international education and the labour market needs to be managed. The government's regulatory settings need to maintain an appropriate balance between enabling New Zealand providers to attract international students, while managing labour market impacts, education quality issues, and risks to the Crown:
- To be internationally competitive, the Government's regulatory settings (including immigration settings) need to maintain an appropriate balance between enabling New Zealand providers to attract international students and managing labour market impacts and education quality issues.
 - The opportunity to work both during and after study can be an important factor in some students' choice of study destination. Changes to the immigration and regulatory settings which influence student numbers could have a significant financial impact on some education providers (including some publically-owned institutions) and reduce overall earnings for New Zealand.
14. Students from different countries can have different drivers for deciding on an international education. For example, Indian and Filipino students are primarily migration driven while Chinese students are focused on education quality, qualifications and gaining work experience to enable them to have better opportunities when they return home to China. Overall the majority of young international graduates leave New Zealand.

Developing a draft International Education Strategy for New Zealand

15. ENZ and the Ministry of Education have been developing an aspirational draft International Education Strategy for the New Zealand government to ensure international education is based on high quality education provision, robust immigration settings, ensuring good outcomes for students, providers and New Zealand
16. The draft Strategy reflects the key issues and challenges for the industry, and sets broad goals for international education up to 2025, encompassing the economic, social, educational and cultural benefits of international education in New Zealand. The draft Strategy aligns with strategies and directions in related areas, including tourism, the export sector, research and innovation, and foreign affairs and trade.
17. ENZ looks forward to updating ministers regularly on the progress of the industry.

Recommendations

Education New Zealand recommends that you

- a. **note** that international education is New Zealand's fourth largest export industry valued at \$4.5 billion, supporting 33,000 jobs across New Zealand
- b. **agree** to forward this aide memoire to the Ministers of Finance, Economic Development, Immigration and Regional Economic Development

Noted

Agree / Disagree



Grant McPherson
Chief Executive
Education New Zealand

Hon Chris Hipkins
Minister of Education

___/___/___

Released under the Official Information Act 1982

Education New Zealand Aide Memoire

Title:	Meeting with the High Commissioner of India to New Zealand
Date:	8 March 2017
ENZ ID no:	1617-197

Purpose

1. This update is in addition to the briefing provided to you on 1 March 2017 in preparation for your meeting with His Excellency Mr Sanjiv Kohli, the High Commissioner of India to New Zealand on 9 March. It follows a subsequent update provided to India Joint Action Group (IJAG) officials with information relevant to your upcoming meeting.

Background

2. On 2 March 2017, the Immigration New Zealand (INZ) Mumbai Operations Manager provided an update to IJAG agencies on the changing situation in India. While recent student visa application volumes show a reduction in the number of students applying to study in New Zealand, a corresponding increase in approval rates reflect the positive and necessary impact of a number of regulatory measures and engagement undertaken by New Zealand government agencies, particularly over the last 12 months. All figures below compare the first six months of the 2016/17 financial year with the same period in 2015/16.
3. Total India market volumes are down, however it should be noted that current volume still remains above the pre-Rule 18 volume in 2013/2014. This is the volume measure that INZ recommends be the benchmark (as the loosening of Rule 18 created a bubble of volumes, which have reduced since the Rule was tightened again in October 2015).
4. The overall quality of student visa applicants has increased which is reflected in higher approval rates. While visa approval rates are normally always higher in December – February, the overall approval rates are higher now than in the last few years – 71% in January 2017 compared to 66% in January 2016 and 59% in January 2015.
5. Volumes for applications at private tertiary establishments (PTEs) are down 62%, and approval rates are approximately 34%. While this may place some PTEs dependent on recruiting Indian students at some risk, it is indicative of a change in focus within the market, and has led to several PTEs considering removing courses at Levels 5-6 altogether. It has also ensured that providers are increasingly cautious in their approach to recruitment strategies within the Indian market.
6. Application volumes at institutes of technology and polytechnics (ITPs) are down approximately 14%, however good gains have been seen in ITP approval rates which means while INZ is receiving less applications, more of those received are being approved. The approval rate for ITP applications in India is 61%.
7. INZ has noticed that the numbers of agents being used by providers across the ITP and PTE sectors has dropped significantly, a positive move since letters were issued to 40

providers reminding them of their obligations and responsibilities for the behaviour of the agents they use under the code of conduct.

8. In contrast with the drop in applications in PTEs and ITPs, university application numbers are up around 30-35%, with a 94% approval rate. This is a positive move towards the Government's desired goal to move the Indian market up the quality and value chain, seeking students pursuing higher level qualifications across the PTE, ITP and university sectors.
9. Numbers of confirmed fraud cases have decreased, but they are still present, and INZ Mumbai continues to maintain a high level of vigilance in areas of potential high risk as false and misleading information continues to be frequently encountered.

Recommendations

We recommend that you

- a. **note** updated information is provided for your meeting on 9 March with the High Commissioner of India to New Zealand

NOTED



John Goulter
General Manager Stakeholders and Communications
Manager's Group

Hon Paul Goldsmith
Minister for Tertiary Education, Skills and Employment

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Education New Zealand Briefing

Title:	Meeting with the High Commissioner of India to New Zealand
Date:	1 March 2017
Priority:	High
Security level:	Restricted
ENZ ID no:	1617-176

Action sought

Addressee:	Action sought:	Deadline:
Minister for Tertiary Education, Skills and Employment	There are no recommendations.	9 March 2017
Enclosure:	No	Round robin: No

Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1st contact:
John Goulter	General Manager – Stakeholders and Communications	04 917 0536	Withheld under s9(2)(a) of the OIA	
Angela Meredith	Accountability Manager	Withheld under s9(2)(a) of the OIA		

The following departments/agencies have seen this report

<input type="checkbox"/> ERO	<input checked="" type="checkbox"/> MBIE	<input checked="" type="checkbox"/> MFaT	<input type="checkbox"/> MoH	<input checked="" type="checkbox"/> MoE	<input type="checkbox"/> MSD
<input checked="" 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:

Purpose

1. His Excellency Mr Sanjiv Kohli, the High Commissioner of India to New Zealand (the High Commissioner) will be meeting with you to discuss recent issues within the international education sector which have affected Indian students in particular. The meeting is on Thursday 9 March 2017.
2. The meeting was recommended by the India Joint Action Group (IJAG) and the invitation was transferred to you from Hon Steven Joyce as he was unable to meet with the High Commissioner before handing over his portfolio.
3. Attendees at the meeting will be:
 - Mr Sanjiv Kohli, High Commissioner of India to New Zealand. His biography is attached at Appendix 1
 - Mr Sandeep Sood, Head of Chancery, Indian High Commission
4. We understand the High Commissioner wishes to:
 - introduce himself to you
 - discuss the recent issues within the Indian student market
 - discuss the New Zealand Government's actions to address these issues
 - convey the Indian Government's perspective on the issues
 - brief you on any actions the Indian government may be looking to take in India
 - Explore positive initiatives with New Zealand, such as Indian government scholarships.

Suggested talking points

5. You may wish to offer the following comments.

Former Prime Minister's visit to India in October 2016

- The New Zealand – India relationship is in a very positive space. The former Prime Minister, Rt Hon John Key, had an excellent visit to India in October 2016, which delivered real dividends to the New Zealand – India relationship. A range of high-level announcements are being implemented.

The recent Indian deportation cases seeking sanctuary in the Unitarian Church, Ponsonby

- New Zealand values Indian students and has fair immigration processes.
- The former students seeking sanctuary in the Unitarian Church submitted fraudulent information with their original student visa applications. They are all now represented by lawyer Alistair McClymont.
- The former students had their cases reviewed internally prior to their Ministerial appeals. These appeals were considered by delegated decision makers within Immigration New Zealand.

Future engagement with the New Zealand Government and agencies

- Agencies will arrange for you to meet with some private training establishments and institutes of technology and polytechnics to gain an industry perspective.

Background

Indian international education market issues

6. India is an important student market for New Zealand, valued at over \$650 million. It is New Zealand's second largest source of international students, experiencing growth of 143% over the last three years.
7. This significant growth was the result of a targeted marketing campaign, New Zealand government policy to grow services trade by an average of 20% per year, and the development of quality products for the market by education providers across all sectors. New Zealand's study to work policies are very attractive to Indian students. Growth was also driven by a 2013 amendment to English language evidential requirements for study (Rule 18), which provided more options for students to prove their English language ability. Rule 18 was tightened up in October 2015.
8. While all education sectors experienced an increase in Indian student enrolments in 2015, a significant proportion of the rapid growth was driven by increases in students enrolling with private training establishments and institutes of technology and polytechnics in Level 5-7 diploma programmes studying management and food/hospitality programmes.
9. The growth stabilised in January to August 2016 when there were 24,747 Indian students enrolled with New Zealand providers. This was a 6% increase compared to the same period in 2015. In January to August 2016, 67% of Indian students studied at private training establishments, 26% at institutes of technology and polytechnics, 6% at universities and 1% at schools.

	2012	2013	2014	2015	2016
Schools	54	51	51	65	104
Private training establishments	5,880	5,986	11,094	16,745	16,547
Institutes of technology and polytechnics	2,529	2,525	3,279	5,351	6,548
Universities	1,280	1,218	1,219	1,286	1,548
Total	9,743	9,780	15,643	23,447	24,747

Visa fraud and deportation notices

10. Student visa fraud is an issue that affects New Zealand and competitor countries, such as Australia, Canada, the United Kingdom and the United States. Fraud is often associated with financial documents.
11. INZ has introduced increasingly robust treatment guidelines to address fraud. This contributed to an offshore decline rate for Indian student visa applications of 54% in 2016. Increased detection (and the subsequent increase in visa application decline rates) has given the market a clear indication of the effectiveness of INZ's approach to fraud.

Exploitation and student wellbeing

20. The large majority of international students are satisfied with their New Zealand experience. However some community groups and education providers, as well as the Human Rights Commission, raised concerns with the International Education Senior Officials Group (IESOG) agencies about a range of wellbeing issues affecting international students in New Zealand. These included crime (by students and against students), sub-standard accommodation, pressure from debt servicing, and mental and physical welfare.
21. The Ministry of Education (MoE) is leading work on an International Student Wellbeing Strategy, with input from stakeholders and agencies. The draft strategy focuses efforts on ensuring that “international students feel welcome, safe and well, obtain a high quality education and are valued for their contribution to New Zealand.” This is supported by underpinning outcomes for four priority areas: economic wellbeing, quality education, health and safety, and inclusion.
22. Education New Zealand (ENZ) now has a Director of Student Experience in Auckland, who is working with ATEED, New Zealand Police and stakeholder groups to test the proposal for a student ‘Hub’, and to provide support for the New Zealand Police International Student Ambassador programme. A range of ENZ-led activities are underway to support social inclusion.

Establishment and purpose of IJAG

23. In June 2016, IESOG addressed issues that had been identified in the India student market. The issues identified by individual agencies through their respective roles in international education were:
- quality assurance within providers
 - fraud submitted in student visa applications
 - high visa decline rate
 - labour market exploitation of international students
 - safety and wellbeing of international students
 - risks for the bilateral and political relationship
 - recalibration of target market in India.
24. IESOG agencies established IJAG as a joint agency working group to develop and deliver a whole-of-system approach to managing risks associated with the market, to preserve and protect New Zealand’s reputation, and to take advantage of India’s international education opportunities in a sustainable way.
25. IJAG has provided a clear channel of communication between agencies in response to issues in the India market. IJAG has been valuable in co-ordinating agencies’ responses to issues, developing a cross-agency work plan and considering the various regulatory levers and policy settings in a holistic way.

- understanding the High Commissioner's view on the situation, which understandably has a focus on ensuring prospective students are well-informed and equipped to understand the risks involved in using agents and some providers.

30. Withheld under s9(2)(g)(i) of the OIA

31. The High Commissioner is keen to explore ways to encourage more positive initiatives between the New Zealand and Indian governments. At the January 2017 meeting with senior officials, the High Commissioner mentioned that he would be interested in investigating an Indian government scholarship programme for Indian students to attend New Zealand institutions.

32. At the same meeting, agencies agreed to send risk indicator information to the High Commissioner to include on the High Commissions website for prospective students. This information has been compiled and sent, and is now on the website.

Effect of government actions to date

33. Total Student Visas approved for Indian students in 2016 were down 21% compared to 2015, and there were 41% fewer First Time Visas.

34. Whilst a substantial decrease compared to the previous year, the decline in student visas from India reflects two factors – the reinstatement of tighter English language requirements in 2015 and increased scrutiny by Immigration New Zealand (INZ) of visa applications through 2016. Indian monetisation policy change in 2016 which withdrew selected higher value rupee notes from circulation has also had an impact. Applications peaked before the introduction of the English language rule change in October 2015 and declined when the rule change was introduced.

35. Because of the time lag between students applying for visas and commencing their study, the 21% decline in Indian Total Student Visas in 2016 is yet to manifest in a decline of actual international student numbers. A reduction in international student enrolments will likely be seen in the first trimester of the 2017 academic year.

English language settings

36. It is important to ensure that students coming to study in New Zealand are bona fide and genuinely meet all requirements to ensure their educational success and wellbeing, and New Zealand maintains its reputation as a high quality education destination.

37. NZQA has set English language entry requirements for international students enrolling with non-university tertiary education providers in New Zealand.

38. Under these requirements, education providers must ensure that they have evidence that an international student's level of English proficiency is appropriate for their level of study before they are enrolled.

Appendix One: Biography of His Excellency Mr Sanjiv Kohli, High Commissioner of India to New Zealand



Mr Sanjiv Kohli joined the Indian Foreign Service in 1988 after a brief stint with the Indian Railways. He is a graduate in Electronics and Telecom Engineering from Punjab Engineering College Chandigarh.

Mr Kohli has served in Indian Missions in Egypt, Saudi Arabia, Oman, Russia and Qatar. He also served in the Ministry of External Affairs in New Delhi in various positions.

Released under the Official Information Act 1982



Education New Zealand Briefing

Title:	India student market issues
Date:	20 January 2017
Priority:	Low
Security level:	Unclassified
ENZ ID no:	1617-161



Action sought

Addressee:	Action sought:	Deadline:
Minister for Tertiary Education, Skills and Employment	Note the issues identified in the India international student market in 2016 that are being managed by agencies.	
Enclosure:	No	Round robin: No

Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1 st contact:
John Goulter	General Manager Stakeholder and Communications	04 917 0536	Withheld under s9(2)(g) of the OIA	

The following departments/agencies have seen this report

<input type="checkbox"/> ERO	<input checked="" type="checkbox"/> MBIE	<input type="checkbox"/> MFaT	<input type="checkbox"/> MoH	<input checked="" type="checkbox"/> MoE	<input type="checkbox"/> MSD
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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:

Purpose

1. This briefing provides you with background on the issues that arose in the India student market during 2016, and the actions taken by agencies to address these.

Background

2. India is an important student market for New Zealand, valued at over \$650 million. It is New Zealand's second largest source of international students, experiencing growth of 143% over the last three years.
3. This significant growth was the result of a targeted marketing campaign, New Zealand government policy to grow services trade by an average of 20% per year and attract and retain skilled migrants from India, and the development of products for the market by education providers across all sectors. Growth was also driven by a 2013 amendment to English language evidential requirements for study (Rule 18), which provided more options for students to prove their English language ability. Rule 18 was tightened up in October 2015.
4. India is now New Zealand's sixth largest services market with export education doubling in value since 2011.
5. In 2015, more Indian nationals applied to study in New Zealand than any other nationality. The overall volume of Indian students applying to study in New Zealand exceeded China for the first time. However, a high decline rate for Indian student visa applications meant that overall visa approvals were lower than for Chinese students.
6. While all education sectors experienced an increase in Indian student enrolments in 2015, a significant proportion of the rapid growth was driven by increases in students enrolling with private training establishments (PTEs) and institutes of technology and polytechnics (ITPs) in level 5-7 diploma programmes studying management and food/hospitality programmes. In 2016, of the 28,271 student visas processed globally for Indian nationals, 61% were to attend PTEs, 28% were to attend ITPs, 5% were to attend universities and the remaining 6% to attend schools.¹
7. In June 2016, the International Education Senior Officials Group (IESOG) addressed issues that had been identified in the India student market. IESOG brings together all of the agencies involved in international education: Education New Zealand (ENZ), Immigration New Zealand (INZ), Ministry for Business, Innovation and Employment (MBIE), Ministry of Education (MoE), the New Zealand Qualifications Authority (NZQA), the Tertiary Education Commission (TEC) and the Ministry of Foreign Affairs and Trade (MFAT).
8. The issues identified by individual agencies through their respective roles in international education were:

¹ Note that one individual may have made more than one visa application. These figures are applications processed globally, not necessarily approved.

Rules face a range of interventions. In 2015/16 NZQA took 42 statutory interventions. These included issuing compliance notices, imposing conditions, withdrawing consent to assess or accreditation, or cancelling registration. NZQA has undertaken 14 statutory interventions for the first six months of 2016/17.

17. INZ works with NZQA on providers of mutual interest, and also conducts site visits to education providers to gather information and intelligence concerning the immigration behaviour of students or providers. Between July and December 2016, INZ conducted 103 of these visits.

Fraud submitted in student visa applications

18. Student visa fraud is an issue that affects all of New Zealand's competitors in international education. English-speaking destination countries, including Australia, Canada, the United Kingdom and the United States, have all detected recruitment of non-genuine students by agents, and the use of falsified financial documentation.
19. In early 2016, INZ identified widespread fraud involving evidentiary documents associated with student visa applications from India. This type of fraud contributes to risks such as student indebtedness, non-compliance with work rights conditions and potential vulnerability to labour market exploitation.
20. In 2016, 702 cases of fraud relating to visa applications for Indian students to study in New Zealand were confirmed. This is not indicative of the extent of the fraud in the market. The majority of applications that INZ declines in this market contain suspected fraud, however where applications can be declined under generic instructions (for example, non-declaration of information), INZ uses those provisions and does not need to prove that fraud exists.
21. INZ has introduced increasingly robust treatment guidelines to address fraud. This has seen the market realise that if fraud is going to be submitted, then it will likely be found. As a result of New Zealand's response to the fraud, the number of cases found has been falling since mid-2016. In December 2016 there were six causes of fraud confirmed.
22. Most of this fraud identified by INZ was driven and enabled by a large network of lower quality, unlicensed student agents servicing the New Zealand student market, with the worst agents using fraud in over 70% of the student applications they submitted. However, INZ is confident that most students are aware of the fraud submitted on their behalf. INZ's exploration has found that generally, fraudulent documentation is submitted with the knowledge and consent of the applicant, who pays an extra fee for these "extra" services. Additionally, students do sign the declaration on the form, stating that all information and documents are true and correct.

Visa decline rate

23. India has a high decline rate for student visas. The decline rate for Indian student visa applications offshore was 54% for the 2016 calendar year.

34. MBIE's Labour Inspectorate and INZ have begun development of a work programme to identify and prosecute employers who are specifically targeting Indian students for exploitation.

Safety and wellbeing of international students

35. The large majority of international students are satisfied with their New Zealand experience, however some community groups and education providers, as well as the Human Rights Commission, raised concerns with IESOG agencies about a range of wellbeing issues affecting international students in New Zealand. These included crime (by students and against students), sub-standard accommodation, pressure from debt servicing, and mental and physical welfare.
36. The revised Code which came into effect in July 2016 emphasises the importance of safety and well-being for students. In order to enrol international students, New Zealand education providers must be signatories to the Code and NZQA, as the Code Administrator, can require providers to rectify breaches or take poor performing providers out of the international student market much more swiftly.
37. MoE is leading work on an International Student Wellbeing Strategy, with input from stakeholders and agencies. The draft strategy focuses efforts on ensuring that "international students feel welcome, safe and well, obtain a high quality education and are valued for their contribution to New Zealand." This is supported by underpinning outcomes for four priority areas: economic wellbeing, quality education, health and safety, and inclusion.
38. ENZ now has a Director of Student Experience in Auckland, who is working with ATEED, NZ Police and stakeholder groups to test the proposal for a student 'Hub', and to provide support for the NZ Police International Student Ambassador programme. A range of ENZ-led activities are underway to support social inclusion.
39. NZQA has strengthened its Code team with the inclusion of new roles and the consolidation of functions, including the establishment of a dedicated Auckland based role focusing on support for international students.

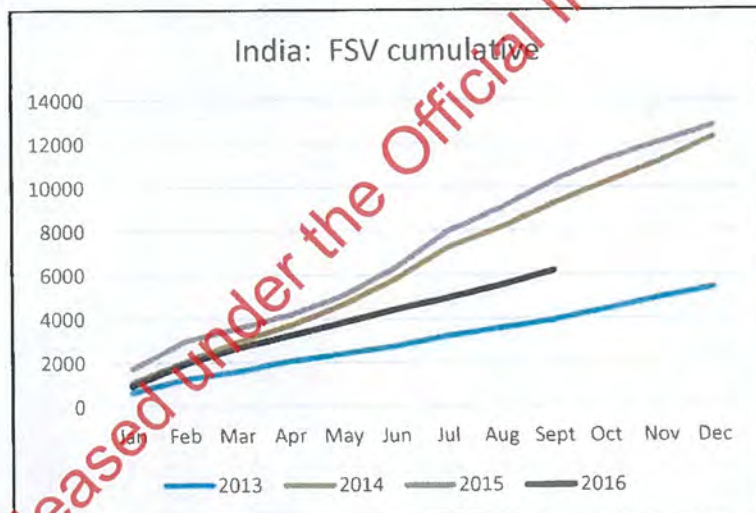
Risks for the bilateral and political relationship

40. Negative student experience puts New Zealand's reputation at risk and can damage bilateral relationships. The economic risk is also significant.
41. MFAT, in coordination with INZ, ENZ and NZQA, proactively briefed Indian Government representatives in Wellington and New Delhi about issues relating to Indian students throughout the second half of 2016.
42. The Indian High Commissioner and IJAG agencies committed to quarterly meetings and information sharing on progress and updates on the India student market. Initial information from IJAG agencies including letters to code signatories and providers of concern and previous deportation figures have been provided to the Indian High Commissioner.

48. Whilst a substantial decrease compared to the previous year, the decline in student visas from India reflects two factors – the reinstatement of tighter English language requirements in 2015 and increased scrutiny by INZ of visa applications through 2016. Applications peaked before the introduction of the English language rule change in October 2015 and declined when the rule change was introduced. Over the first six months of 2016 approximately half of student visa applications from India were declined because they did not pass financial scrutiny.

49. Because of the time lag between students applying for visas and commencing their study, the decline in Indian student visas in 2016 is yet to manifest in actual student numbers. A reduction in student volumes will likely be seen in the first trimester of the 2017 academic year.

FSV cumulative	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	636	1,253	1,585	2,072	2,385	2,745	3,196	3,550	3,914	4,428	4,927	5,377
2014	1,074	2,041	2,900	3,676	4,607	5,795	7,231	8,129	9,225	10,237	11,155	12,262
2015	1,709	2,973	3,544	4,153	5,020	6,308	7,967	9,005	10,283	11,264	12,032	12,782
2016	953	1,947	2,657	3,222	3,804	4,409	4,921	5,503	6,178	6,617		



50. The overall decline in FSV was made up of a 58% decrease for the PTE sector and a 20% decrease for the ITP sector. This will have a dramatic impact on ITP and PTE student numbers, particularly those with heavy reliance on the India market.

51. ENZ sees this as a necessary adjustment while marketing activity is recalibrated with the targeted recruitment of higher value, lower risk students. Despite the overall decline in Indian student visa numbers in 2016, the universities sector experienced strong growth in the Indian market during the same period, with FSV up 17%.

Education New Zealand Briefing

Title:	Agencies responsible for international education
Date:	20 January 2017
Priority:	Low
Security level:	Unclassified
ENZ ID no:	1617-153

Action sought

Addressee:	Action sought:	Deadline:
Minister for Tertiary Education, Skills and Employment	<p>Note the agencies responsible for international education are co-ordinating papers on the information you have requested.</p> <p>Note the overview of international education agencies and the attached key 'quick facts' on the international education industry in New Zealand.</p>	
Enclosure:	Yes	Round robin: No

Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1 st contact:
John Goulter	General Manager Stakeholder and Communications	04 917 0536		Withheld under section 9(2)(a) of the OIA

The following departments/agencies have seen this report

<input type="checkbox"/> ERO	<input checked="" type="checkbox"/> MBIE	<input type="checkbox"/> MFaT	<input type="checkbox"/> MoH	<input checked="" type="checkbox"/> MoE	<input type="checkbox"/> MSD
<input checked="" type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input checked="" 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:

Purpose

1. The purpose of this briefing is to provide you with an overview of the roles and responsibilities of the various agencies involved in international education.
2. To provide you with some context on the current state of the international education industry, key 'quick facts' are attached in an appendix to this paper. These are drawn from data collected from the various agencies.

Background

3. The International Education Senior Officials Group (IESOG) brings together all of the agencies involved in international education to progress a joint work programme. IESOG agencies include Education New Zealand, Ministry of Education, Ministry of Business, Innovation and Employment, Tertiary Education Commission, New Zealand Qualifications Authority, and Ministry of Foreign Affairs and Trade. The specific role, responsibility and area of expertise of each IESOG agency is outlined in the following section.
4. IESOG reports to you and the Minister of Immigration, providing joined up advice on policies and work that will have an impact on international education.
5. In the coming weeks, IESOG agencies will provide you with a range of papers on international education issues you have requested information about. Some of these will be provided by individual agencies and others will require cross-agency input. To clarify areas of responsibility and expected timelines, a table of these papers is provided as an appendix.

International education agencies overview

Education New Zealand

6. Education New Zealand (ENZ) is the government's international education marketing and business development agency, and is charged with leading the international education industry in New Zealand.
7. ENZ works together with other agencies to support you in your role as the lead Minister for international education.

Ministry of Education

8. The Ministry of Education (MoE) is the government's lead policy advisor on education, covering early childhood, primary and secondary schooling, and tertiary education.
9. The Ministry's main areas of focus in international education are:
 - leading strategic policy and legislative and regulatory change required to achieve the government's goals for international education
 - working with other agencies to ensure the quality of provision in international education at a strategic and policy level
 - policy analysis and advice on developing international capabilities for New Zealand students across the secondary and tertiary sectors.

20. NZQA is responsible for administering the Education (Pastoral Care of International Students) Code of Practice 2016. The Code is the key regulation that guides the care of international students. Education providers in New Zealand must be signatories to the Code to enrol international students. NZQA also sets the rules to protect student fees in New Zealand.

Ministry of Foreign Affairs and Trade

21. The Ministry of Foreign Affairs and Trade (MFAT) supports the international education sector by promoting increased market access and better commercial conditions for New Zealand businesses around the world. This includes influencing the rules and non-tariff barriers that overseas governments apply to the offshore provision of education services through government-to-government relations and trade agreements.

22. International education contributes to New Zealand's diplomatic and trade relations with other countries. MFAT manages these relations on the government's behalf.

23. MFAT also manages the New Zealand Aid Programme, which includes New Zealand's largest scholarship programme for international students from developing countries to study in New Zealand, as well as supporting basic education programmes in developing countries particularly in the Pacific.

Education Review Office

24. The Education Review Office (ERO) is responsible for evaluating and reporting on the quality of education in schools and early learning services. This includes the provision for international students within schools on behalf of the Code Administrator, NZQA.

25. The figure below illustrates the IESOG agencies' respective roles.



Appendix One: International education briefing papers requested

All papers listed in this table will be circulated to IESOG for agency comment.

Paper	Agency Responsible	Expected timeframe
International education value	ENZ lead with input from MoE.	20 January 2017
India student market issues	ENZ, with input from MBIE and NZQA.	20 January 2017
Immigration settings and international education	ENZ lead with input from MBIE and NZQA	20 January 2017
Developing the International Education Strategy	ENZ/MoE joint lead	20 January 2017
Tertiary system risk and information sharing	NZQA	31 January 2017
Export Education Levy	MoE	31 January 2017
Pastoral care and international student wellbeing	MoE lead, with NZQA input.	31 January 2017

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Quick facts about international education in New Zealand 2015 and 2016



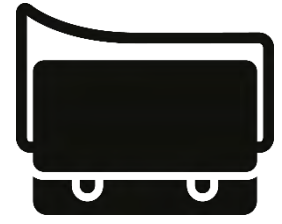
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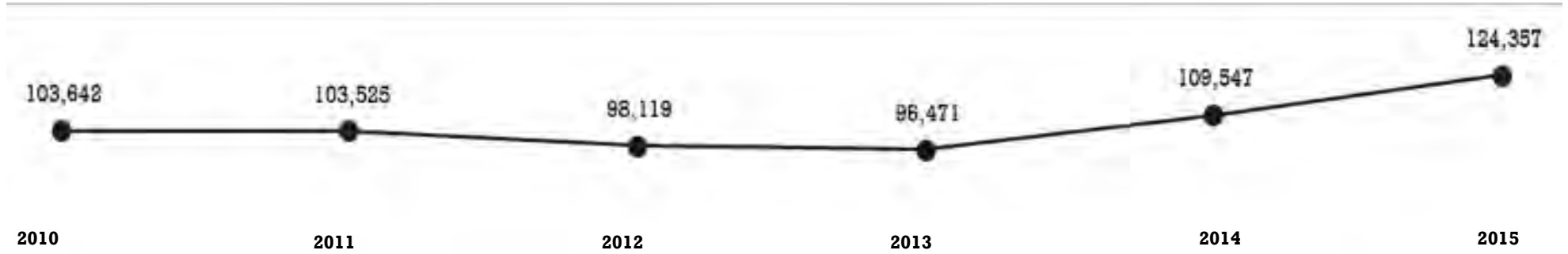


Expenditure by international students supports
32,000 jobs

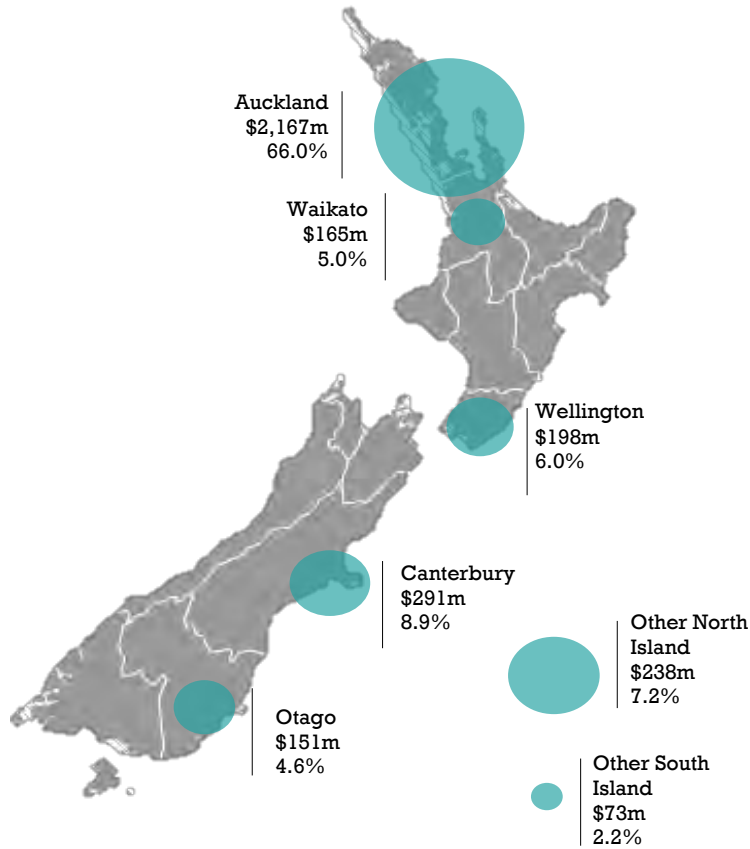


70% of international student visa holders can work in New Zealand

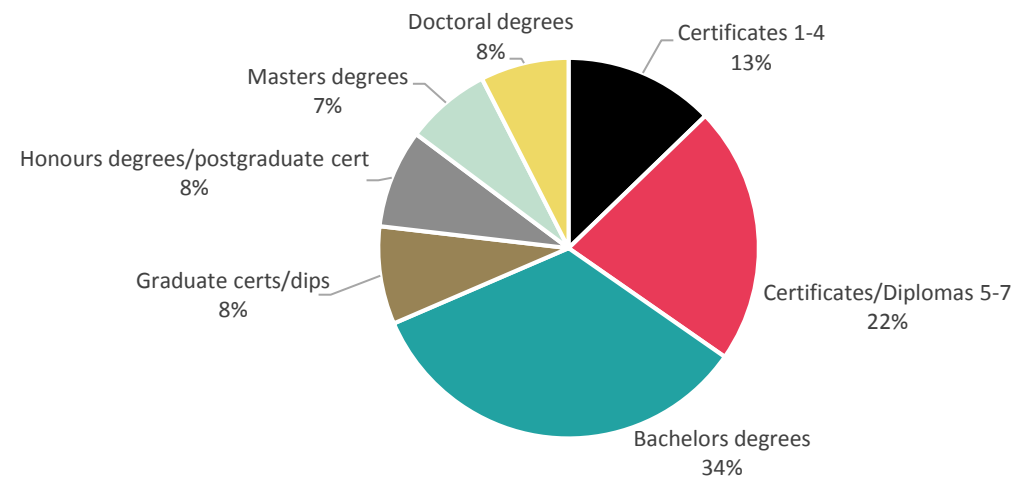
Number of international students, 2010-2015



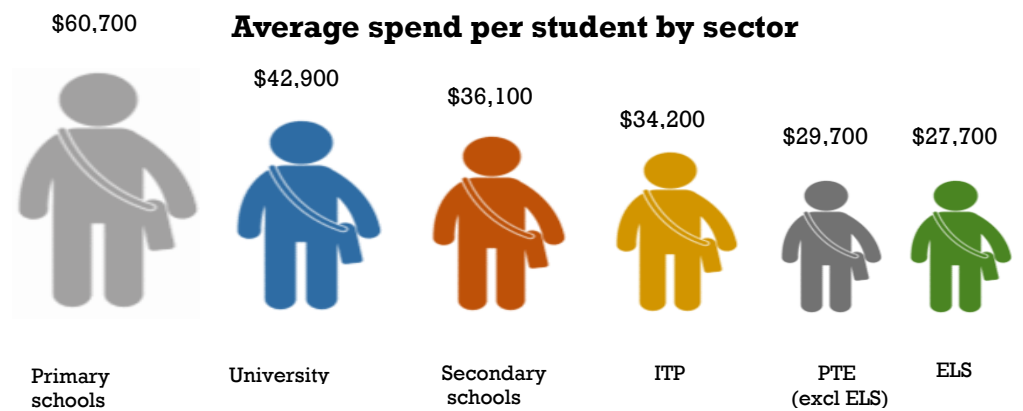
Contribution by NZ region



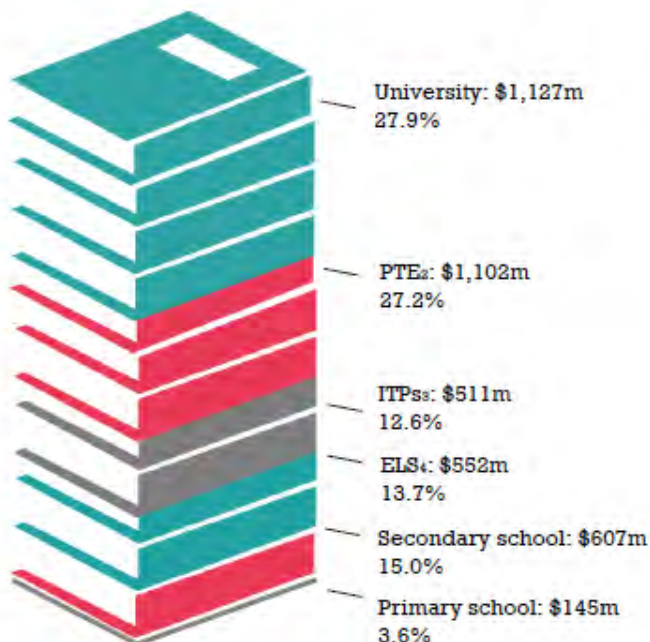
International student enrolments by level



Average spend per student by sector



Contribution by sector: value and proportion of total (added value + tax)



Top 15 markets: proportion of enrolments



50% of international students come from China and India

Developed by Education New Zealand.

This infographic includes data on full-fee-paying, NZ Aid, PhD, foreign research postgraduate and exchange students. It combines the data sources from the Ministry of Education: the Export Education Levy and Single Data Return (SDR) data. Offshore students are included if classified as offshore in the SDR. Link to data source: student numbers (www.educationcounts.govt.nz).

Education New Zealand Briefing

Title:	Student visa numbers and additional information about the Indian market
Date:	9 March 2017
Priority:	High
Security level:	In Confidence
ENZ ID no:	1617-201

Action sought

Addressee:	Action sought:	Deadline:
Minister of Immigration Minister for Tertiary Education, Skills and Employment	Note the suggested talking points for the Minister for Tertiary Education, Skills and Employment about recent improvements in the Indian market for the Cabinet meeting on Monday 13 March 2017	
Enclosure:	Yes	Round robin: No

Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1 st contact:
John Goulter	General Manager Stakeholders and Communications	04 917 0536	Withheld under s9(2)(a) of the OIA	
Andy Warden	Engagement Manager	04 917 0539		

The following departments/agencies have seen this report

<input type="checkbox"/> ERO	<input checked="" type="checkbox"/> MBIE	<input checked="" type="checkbox"/> MFaT	<input type="checkbox"/> MoH	<input checked="" type="checkbox"/> MoE	<input type="checkbox"/> MSD
<input checked="" type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input checked="" 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:

Purpose

1. This briefing provides the Minister for Tertiary Education, Skills and Employment with suggested talking points about recent improvements in the Indian market for the Cabinet meeting on Monday 13 March 2017. The information comes from recent visa application data (see appendix 1) that shows a decline in Indian applications at private training establishments (PTEs) and institutes of technology and polytechnics (ITPs) and a rise in applications for universities. While this does put pressure on some PTEs and ITPs it is consistent with the government's strategy to increase quality within the market and reduce risk.

Suggested talking points

- The work by Immigration New Zealand (INZ) and the New Zealand Qualifications Authority in engaging with providers of concern and reminding them of their obligations under the Code of Practice for the Pastoral Care of International Students (the Code) along with changes made to the New Zealand Residence Programme, is now showing the desired effect in the India market.
- In the 2017 calendar year to date more first time Indian students have been approved to study at New Zealand universities than private training establishments. Overall Indian first time student visas (FSVs) approved have declined by 18% compared to the same period last year.
- However, the latest FSV data across all markets shows an increase in the 2017 calendar year by 8%. This data shows increases across several key emerging markets, particularly the USA (+242), China (+167), Brazil (+122), Viet Nam (+120) and Chile (+93). These increases are a positive sign that market diversification efforts are taking effect, offsetting the current pressure within the PTE and ITP sectors from the decrease in Indian applications.
- INZ have reported that the number of agents being used by many providers has decreased significantly, ensuring better managed and higher quality applications from prospective students.
- While this pressure on PTEs and ITPs within the Indian market is likely to continue, the recent decrease in applications is consistent with the "course correction" required to ensure a sustainable level of growth within the market overall. ENZ's views is that current actions are addressing concerns about the quality and sustainability of the market appropriately, and care will have to be taken that any future steps do not undermine growth of the wider market, particularly in the ITP sector.

Background information

2. On 2 March 2017, the INZ Mumbai Operations Manager provided an update to IJAG agencies on the changing situation in India. While recent student visa application volumes show a reduction in the number of students applying to study in New Zealand, a corresponding increase in approval rates reflect the positive and necessary impact of a number of regulatory measures and engagement undertaken by New Zealand government agencies, particularly over the last 12 months. All figures below compare the first six months of the 2016/17 financial year with the same period in 2015/16.
3. Total India market volumes are down, however it should be noted that current volume still remains above the pre-Rule 18 volume in 2013/14. This is the volume measure that INZ

Appendix One: Visa Dashboard - February 2017

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Visa Dashboard - February 2017

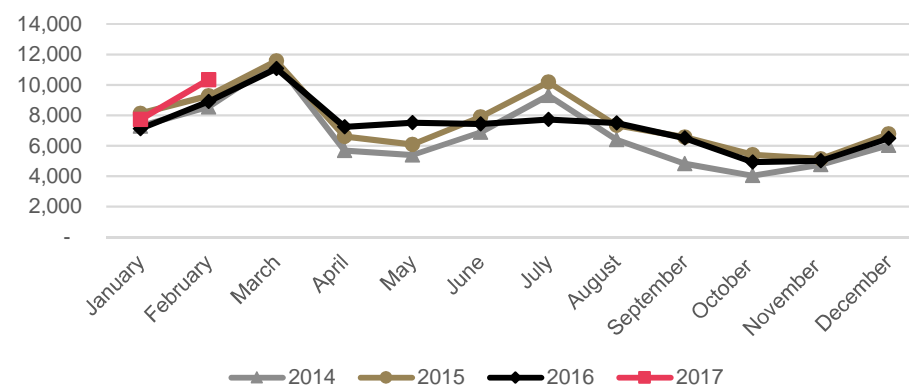


18,058 total student visas (TSV) year to date (YTD), up 13% (+2,033) on 2016. **8,246** first-time student visas (FSV), up 8% (+576) on YTD 2016. **9,812** returning student visas (RSV), up 17% (+1,457) on YTD 2016.

Overview

- All student visas are up 8-17% from YTD 2016.
- TSV for China up 19% (+1,015). However there are positive signs of growing market diversification.
- The universities sector is up (+925, +16%) compared to the YTD 2016. India's FSV are up +53% (+131).
- The PTE sector is flat compared to YTD 2016, despite a significant decrease in Indian FSV

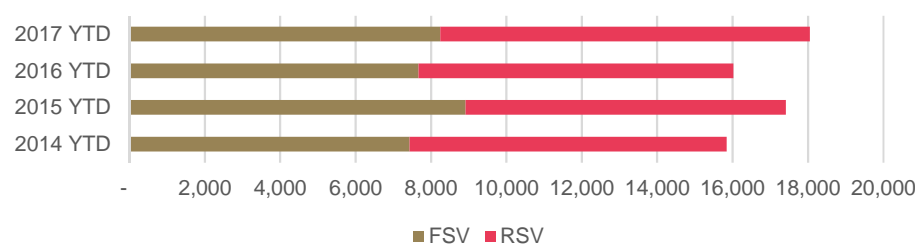
TSV issued in 2014-2017



- Key contributors to the TSV increase were China (+19%, +1,015), the USA (+37%, +244), Viet Nam (+47%, +131), Brazil (+39%, +148) and Chile (+108, +121%).

- Saudi Arabia continued to decrease (-43%, -92) compared to YTD 2016.

Total RSV and TSV YTD 2014-2017



- FSV increases were in the universities and schools sectors, and were driven by the USA (+42%, +242), China (+13%, +167), Viet Nam (+132%, +120), Brazil (+36%, +122) and Chile (+111%, +93) markets.

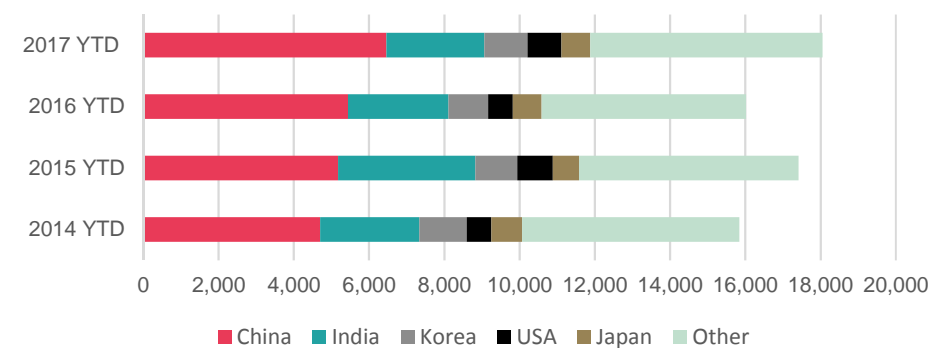
- RSV increases were in all sectors, and were driven by the China (+20%, +848) and India (+40%, +284) markets.

Markets

- China had increases for all markets compared to the YTD 2016. Schools showed the highest growth (+32%, +300).

- Most of the increase for the China market was RSV (+20%, +848) rather than FSV (+13%, +167).

TSV by market

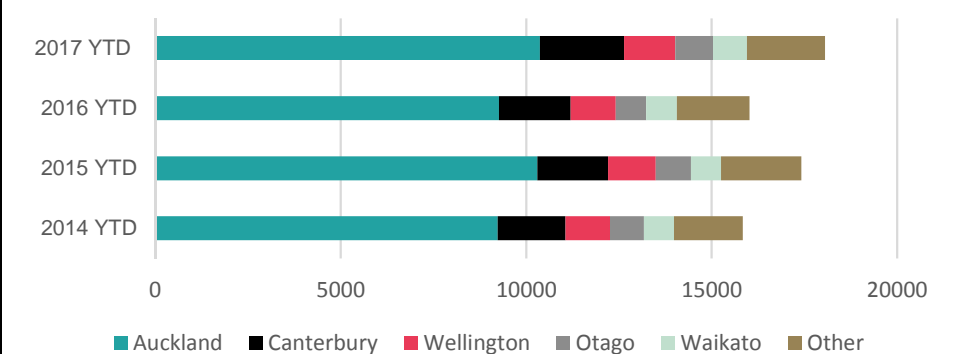


Regions

- RSV increased for the Auckland (+814, +16%) and Canterbury (+302, +28%) regions.

- FSV increased for the Otago (+160, +38%), Wellington (+99, +15%) and Waikato (+78, 20%) regions.

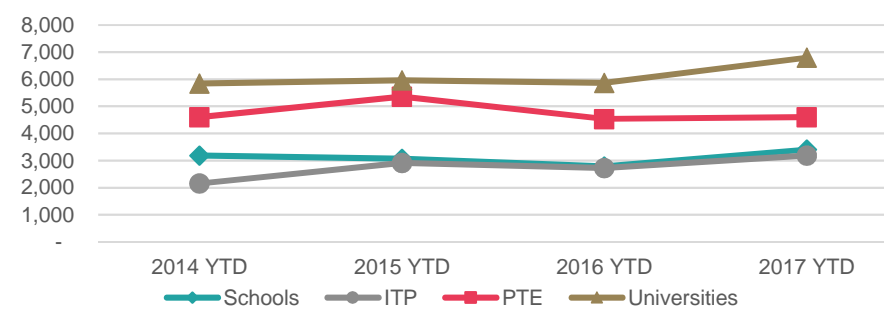
TSV by region



Sectors

- The universities sector grew by 16% (+925) compared to the YTD 2016. This growth came from increased FSV for India (+53%, +131) and the USA (+41%, +224) and increased RSV for China (+13% +270).

TSV by sector YTD 2014-2017



- The schools sector grew by 22% (+618) compared to the YTD 2016. This growth came from TSV for secondary schools for China(+28%, +248), Brazil (+67%, +78), and Chile(+756%, +68).

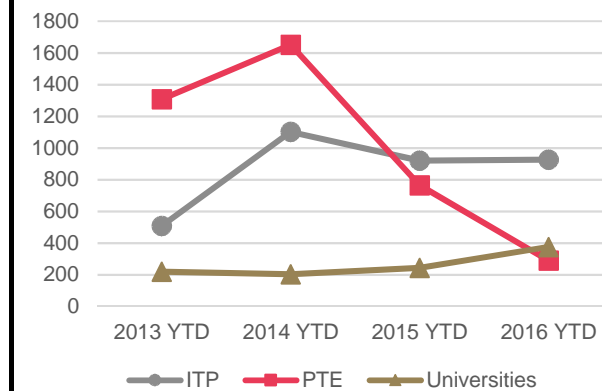
- ITP sector TSV increased by 17% compared to the YTD 2016. This increased RSV from China (+222, +36%) and India (+160, +79%) were the main contributors.

- PTE sector TSV stayed largely static (2% increase) compared to the YTD 2016. Increased RSV for China (+154, 18%) and India (+98,

A closer look at India

- TSV are stable, declining by 2% (-61) compared to the YTD 2016. FSV for India for the YTD 2016 declined by 18% (-345) compared to the YTD 2016, while RSV have increased (+40%, +284).

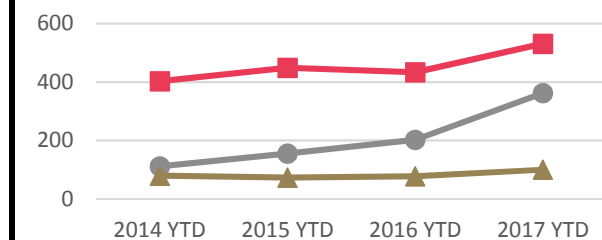
FSV for the tertiary sector for India



- FSV trends for India have mainly been driven by the PTE sector, which decreased by 62% (-475) in the YTD compared to the YTD 2016. However, there was an increase in RSV for the PTE sector (+23%, +98).

- Universities FSV have grown by 53% (+131) for the YTD compared to the YTD 2016, and exceed PTE FSV for the YTD 2017.

RSV for the tertiary sector for India



- The ITP sector was stable from the YTD 2016 to the YTD for FSV, but showed a 79% (+160) increase in RSV.

1. Student visas only capture students who enter New Zealand with a student visa. These students are mostly those who are planning to study for more than three months. Students who undertake a course less than three months in duration are not required to enter on a student visa. Students who do choose to enter on a visitor visa (usually from visa-free nationalities) are not captured in this dashboard. Working Holiday Visas also allow students to study for up to six months. Those who enter New Zealand on a working holiday visa who plan on taking up this option are also not included in this dashboard. These factors will impact the PTE (including English Language Schools) numbers. 2. There is a potential delay of up to three months between students having their visas approved and their actual entry into New Zealand. Therefore the figures shown here may not necessarily represent the actual number of students currently in New Zealand. 3. This