



ENGLISH LANGUAGE SECTOR

STRATEGIC ROADMAP

Final Summary

CONTENTS

Foreword	02
Overview.....	03
Purpose	04
Destination 2025	05
Strategic themes	07
Strategic choices: <i>Markets</i>	08
Strategic choices: <i>Products & Pathways</i>	13
Strategic choices: <i>Resourcing</i>	17
Strategic choices: <i>Capability & Leadership</i>	20
Strategic choices: <i>Partnership</i>	23
Priority choices.....	27
Next steps	28
Acknowledgements.....	30

Disclaimer: The views and opinions expressed in this document are solely those of the author and/or the contributors and do not necessarily represent the views of Education New Zealand.

Gate	Departures	Time
A2	AUCKLAND	09:45
B2	DUBAI	10:15
B1	GENEVA	10:50
C2	NEW YORK	11:00
A2	HONG KONG	11:20
B2	SEOUL	11:45
A1	KUALA LUMPUR	12:00
B3	LONDON	12:25



FOREWORD

The Leadership Statement for International Education was released in September 2011 – setting targets that include doubling the economic value of international education to \$5 billion by 2025.

The Leadership Statement outlined proposed actions for achieving this target, based on trends and predictions at that time. We all know that the international education market has changed – emerging student markets, the increasingly important role of technology, new competitors and products, and different expectations about how and when learning and assessment will take place. Commentators agree that this pace of change will continue.

There is also agreement that globally the number of students seeking an international education experience by 2025 will be in the region of 8 to 9 million and that there are many opportunities to grow and succeed if our education packages are flexible and able to continue to meet student expectations. This is at the heart of the roadmaps process. How does each segment of the industry need to position itself to respond to new opportunities and challenges and what is the industry's view of success in 2025?

“The next step is to ensure that this industry view is reflected in government and industry planning documents....”

I've been heartened by the way the industry has embraced the roadmaps development process. Each sector's roadmap process has been led by a respected person from that sector and over 400 industry participants have directly had input into this product: either through workshops, interviews or questionnaires.

The next step is to ensure that this industry view is reflected in government and industry planning documents to provide a meaningful way ahead for individuals, businesses and agencies. I look forward to working with you all to make this happen.



Grant McPherson
Chief Executive
Education New Zealand



OVERVIEW — HOW THIS ROADMAP WAS DEVELOPED

The development of a roadmap for the English language sector of New Zealand's international education industry has been facilitated by Education New Zealand as part of developing an overarching international education industry roadmap.

The process for developing an international education industry strategic roadmap commenced in early December 2013 and has involved a team of independent Project Managers working with key sector advisors and international education providers to produce a roadmap for their respective sectors via:

- > 10 sector-based roadmap development workshops held in Auckland, Wellington and Christchurch with over 370 industry participants
- > 117 in-depth interviews with key industry participants

- > Analysis of nearly 220 opportunities for industry growth
- > 7 regional 'test drive' workshops held in Auckland, Hamilton, Wellington, Christchurch, and Dunedin with over 200 industry participants

This sector roadmap should be read in conjunction with the following related sector documents:

1. English Language Sector Discussion Paper
2. English Language Sector Roadmap Workshop Outcomes & Key Themes
3. English Language Sector Interview Summary
4. Innovation Café Discussion Paper
5. Innovation Café Workshop Outcomes & Key Themes



PURPOSE

This roadmap has been developed by the English Language sector of New Zealand's international education industry to guide its future growth and success towards 2025.

The roadmap contains a number of 'strategic choices' and 'specific actions' which have been identified as key enablers of future success.

It is important that the strategic choices contained in the roadmaps are seen as just that – *choices*. They may only be relevant to some providers, either individually or as groups, or in conjunction with government or the private sector.

DESTINATION 2025

		CURRENT	2025 SCENARIO 1	2025 SCENARIO 2
PARTICIPATION	Number of international education providers	50	45	65
ENROLMENT	Students	16,429	19,643	33,058
	Average students per ELP	329	437	509
VALUE	Tuition fee income	\$36m	\$54m	\$102m
	Tuition fees per student	\$2,173	\$2,756	\$3,098
	EVA	\$316m	\$479m	\$813m

DESTINATION 2025

– THE NUMBERS EXPLAINED

Scenario 1 assumes:

- > An annual student growth rate of 1.5% from 2013
- > A compound annual fee increase of 2% from 2013
- > An inflation rate of 2% from 2013
- > The EVA is the sum of tuition fee revenue and living costs per student
- > The 2013 “tuition per student” was sourced from the Economic Impact of International Education 2012/13 report (EVA). It is based on the total annual tuition income generated for that sector and divided by the number of students in that sector.
- > The 2013 living cost per student was sourced from the EVA. This value was derived from surveying students for 12 months and determining their annualised living cost while studying New Zealand. It included costs such as accommodation, utilities, books and other costs associated with living in New Zealand. Based on the results from the survey, an average living cost per student (in each sector) was estimated in the EVA.

Scenario 2 assumes:

- > An annual student growth rate of 6.0% from 2013
- > A compound annual fee increase of 3% from 2013
- > An inflation rate of 2% from 2013
- > The EVA is the sum of tuition fee revenue and living costs per student
- > The 2013 “tuition per student” was sourced from the Economic Impact of International Education 2012/13 report (EVA). It is based on the total annual tuition income generated for that sector and divided by the number of students in that sector.
- > The 2013 living cost per student was sourced from the EVA. This value was derived from surveying students for 12 months and determining their annualised living cost while studying New Zealand. It included costs such as accommodation, utilities, books and other costs associated with living in New Zealand. Based on the results from the survey, an average living cost per student (in each sector) was estimated in the EVA.

INDUSTRY ROADMAP STRATEGIC THEMES

Markets

Products and
Pathways

Resourcing

Capability
and
Leadership

Partnership

MARKETS OVERVIEW

To achieve transformational economic growth, we will continue to leverage the New Zealand country brand, our quality in-market relationships and the full value of our alumni and business networks.

We will tell the New Zealand Education Story to a larger audience within highly targeted segments and a more diversified range of markets.

We will use market intelligence to better understand the needs of the customer and utilise digital channels to reach our defined audience.

STRATEGIC CHOICES — MARKETS

1

Build on existing markets while developing new markets

2

Strengthen the brand around studying English in New Zealand, and align with the ThinkNew brand

3

Partner with the Tourism Industry

4

Increase attractiveness of study pathways

5

Maximise benefits from alumni relationships

6

Strengthen reputation of New Zealand for high quality education

7

Retain focus on current high margin operations

8

Become responsive and agile

MARKETS

	STRATEGIC CHOICES	SPECIFIC ACTIONS	DURATION (YEARS)		
			0 - 3	3 - 5	5 - 10
1	Build on existing markets while developing new markets	Enable growth from existing markets by simultaneously: improving marketing, raising the profile of New Zealand, and removing barriers to entry	Government	Government	Government
		Take a balanced approach to developing multi-sector markets and English language only markets with strong growth potential	Sector	Sector	Government
		Develop niche and emerging markets to provide diversification and sustainable growth	Sector	Sector	Sector
2	Strengthen the brand around studying English in New Zealand, and align with the ThinkNew brand	Develop a brand for English language education in New Zealand as a high-value product	Sector		
		Develop more ELS-specific marketing collateral	Government		
		Leverage off the strong positioning of New Zealand secondary school education	Sector	Sector	
3	Partner with the Tourism Industry	Align activities in key markets with the Tourism Industry	Sector	Government	Government

KEY RESPONSIBILITY

- Sector
- Sector and Government
- Government

MARKETS

		DURATION (YEARS)		
STRATEGIC CHOICES	SPECIFIC ACTIONS	0 - 3	3 - 5	5 - 10
4 Increase attractiveness of study pathways	Engage with University, ITP and PTE sectors to contribute to successful positioning and marketing of these products, and to facilitate students' entry into further study	■	■	
	Support rebranding of ITP sector	■	■	
	Support initiatives to commercialise the university sector, for the benefit of both university and English language sectors	■	■	
	Support improvements to the recognition and transferability of New Zealand secondary and tertiary qualifications	■	■	■
5 Maximise benefits from alumni relationships	Develop a mechanism for tracking students from beginning to end of pathway, retaining contact with alumni, and engaging alumni as ambassadors	■	■	■
6 Strengthen reputation of New Zealand for high quality education	Continue to focus on tying commercial advantages to low risk providers, while improving processes for identifying and eliminating high risk providers	■	■	

KEY RESPONSIBILITY

- Sector
- Sector and Government
- Government

MARKETS

STRATEGIC CHOICES	SPECIFIC ACTIONS	DURATION (YEARS)		
		0 - 3	3 - 5	5 - 10
7 Retain focus on current high margin operations	Encourage providers to deliver high value products and discourage raising commission levels to gain competitive advantage	Light Grey	Light Grey	Red
	Continue to lobby against the Export Education Levy and GST on tuition fees	Light Grey	Light Grey	Red
8 Become responsive and agile	Improve timeliness of enrolment statistics release and access to market intelligence for the English language sector, tracking demographic and economic changes to identify new potential markets, risks, and competitor activity	Dark Grey	White	White
	Keep pace with and in front of competitors' policies, especially Australia, in order to position ourselves favourably in key markets, e.g. risk assessment of source countries	Dark Grey	Dark Grey	White
	Lobby INZ to adjust policy settings in line with market shifts	Dark Grey	White	White

KEY RESPONSIBILITY

- Sector
- Sector and Government
- Government

PRODUCTS AND PATHWAYS OVERVIEW

To achieve transformational economic growth, high quality, niche education products will be developed that meet the future needs of global students in fields where we have competitive advantage.

Delivery will be more diversified, including the use of blended learning. The industry needs to strengthen pathways within the education system and adjust policy settings to facilitate pathways to further connect education, employment and residency.

Concurrently, the quality of student experience will be enhanced by standardising best practice, and standardising English language entry and exit points between sectors.

STRATEGIC CHOICES – PRODUCTS AND PATHWAYS

1

Align visa settings to facilitate product development and marketing

2

Align study outcomes with students' needs

3

Harness online opportunities

4

Establish English language entry requirements for New Zealand secondary schools

5

Consolidate position as a destination-based language travel market

6

Continue to develop niche products

7

Enhance the student experience

PRODUCTS AND PATHWAYS

	STRATEGIC CHOICES	SPECIFIC ACTIONS	DURATION (YEARS)		
			0 - 3	3 - 5	5 - 10
1	Align visa settings to facilitate product development and marketing	Work with INZ to introduce pathway visas to facilitate cross-sector collaboration and marketing, and to attract more students to New Zealand for pathway education	Government	Government	Government
		Work with INZ to develop an understanding and acknowledgement of 'English language study only' as a genuine study objective for students from markets such as China and Vietnam, in order to harness this growth opportunity	Government	Government	Government
2	Align study outcomes with students' needs	Develop programmes with strong academic and/or professional outcomes	Sector and Government		
		Contribute to the development of an industry mechanism to track achievement of academic pathway outcomes	Sector and Government	Sector and Government	
3	Harness online opportunities	Develop online mechanisms to extend the student engagement cycle	Sector and Government	Government	Government
		Blend technology-driven delivery with traditional delivery in order to reinforce our position as a market leader	Sector and Government	Sector and Government	Government
4	Establish English language entry requirements for New Zealand secondary schools	Contribute to the development of standardised EL entry criteria for New Zealand secondary schools	Sector and Government		
		Introduce industry-standard pathway programmes from ELP's into secondary schools	Sector and Government		

KEY RESPONSIBILITY

Sector
 Sector and Government
 Government

PRODUCTS AND PATHWAYS

		DURATION (YEARS)		
STRATEGIC CHOICES	SPECIFIC ACTIONS	0 - 3	3 - 5	5 - 10
5 Consolidate position as a destination-based language travel market	Build brand for English language education in New Zealand around the destination and the student experience	■	■	■
	Contribute to market-specific English language campaigns in English language markets e.g. Japan, Brazil	■	■	■
6 Continue to develop niche products	Engage with mainstream education providers to develop programmes for 'second tier' academic pathway students, recognising that New Zealand is not often the #1 destination choice for these students	■		
	Focus on securing opportunities for training ESOL teachers on- and off-shore	■		
	Define goals and opportunities for offshore delivery and contribute to the development of an industry mechanism which will facilitate access to offshore delivery	■		
7 Enhance the student experience	Encourage efforts to improve internet connectivity and cost, including within homestays, in order to achieve world-class standards	■	■	■
	Increase opportunities for international students to interact with the local community	■	■	■
	Contribute to an improved airport welcome service for international students	■	■	■
	Encourage efforts to improve public transport services for international students	■	■	■
	Focus on ongoing improvement to student services and satisfaction	■	■	■
	Ensure the student voice is incorporated into strategic planning for the industry	■	■	■

KEY RESPONSIBILITY

Sector
 Sector and Government
 Government

RESOURCING OVERVIEW

To achieve transformational economic growth, funds currently directed to meet compliance costs need to be freed up to invest in marketing and the improvement of delivery.

By evolving current business models and working collaboratively, high quality providers (individually or in clusters) will have access to capital (pooled funds, ENZ funding, private capital) for investment in product development, infrastructure and market development.

At a national level, funds need to be invested in areas that will best support the marketing efforts of individual institutions and consortiums.

STRATEGIC CHOICES — RESOURCING

1 Reduce the impact of compliance costs

2 Evolve business models to maximise growth

3 Support the development of national flagship institutions

4 Increase market development resources

RESOURCING

	STRATEGIC CHOICES	SPECIFIC ACTIONS	DURATION (YEARS)		
			0 - 3	3 - 5	5 - 10
1	Reduce the impact of compliance costs	Reward low-risk providers with lower compliance costs	Government	Government	
		Work with NZQA to recognise English New Zealand membership as meeting quality requirements	Sector	Sector and Government	
		Simplify Student Fee Protection requirements	Government	Sector and Government	
		Remove the Export Education Levy	Government	Sector and Government	
2	Evolve business models to maximise growth	Support business owners to collaborate and explore different business models in order to maximise growth in capacity and profitability	Sector	Sector	Sector
3	Support the development of national flagship institutions	Raise awareness of the positive impact on the English language sector from investment into high profile tertiary institutions	Sector	Sector and Government	Sector and Government
4	Increase market development resources	Make resources and funding available to facilitate collaborative marketing and product development	Government		
		Appoint further ENZ staff in key markets to facilitate growth e.g. Colombia	Government		

KEY RESPONSIBILITY

Sector
 Sector and Government
 Government

CAPABILITY AND LEADERSHIP OVERVIEW

To achieve transformational economic growth, industry leadership will need to be better informed about the commercial health of the sector, in order to make more informed decisions.

The sector will engage in a succession planning process by investing in recruitment and professional development of high quality staff.

There will be an evolution of culture and development of expertise within institutional leaders and partnering government agencies to encourage entrepreneurial thinking and action.

STRATEGIC CHOICES – CAPABILITY AND LEADERSHIP

1 Encourage sustainable and profitable growth

2 Increase industry experience and commercial focus of government agencies

3 Engender an entrepreneurial culture within institutional leadership

4 Manage the balance between growth and regulation more effectively

CAPABILITY AND LEADERSHIP

		DURATION (YEARS)		
STRATEGIC CHOICES	SPECIFIC ACTIONS	0 - 3	3 - 5	5 - 10
1 Encourage sustainable and profitable growth	Conduct a sector-wide/owned financial benchmarking exercise to enable governance to make informed commercial decisions	Light Blue	Light Blue	Light Blue
	Establish sector-wide commercial KPI's	Light Blue	Light Blue	Light Blue
	Monitor financial health of sector to assess profitability and areas for intervention	Light Blue	Light Blue	Light Blue
2 Increase industry experience and commercial focus of government agencies	Assist ENZ, NZQA and INZ to recruit staff with experience in English language sector development	Dark Blue		
3 Engender an entrepreneurial culture within institutional leadership	Facilitate networking and collaboration across industries	Light Blue	Light Blue	Light Blue
	Provide access to targeted professional development for governance and senior management	Light Blue	Light Blue	Light Blue
4 Manage the balance between growth and regulation more effectively	Support the establishment of a Minister for International Education	Dark Blue	Dark Blue	
	Support the development of KPI's for INZ and NZQA that refer to enabling market growth	Dark Blue		

KEY RESPONSIBILITY

Sector
 Sector and Government
 Government

PARTNERSHIP OVERVIEW

To achieve transformational economic growth, we have to deliver a greater level of cohesiveness within the industry, government and sector partners.

By using a range of collaborative models between providers – locally, regionally and nationally – we will benefit from increased scale, capacity, and efficiencies.

Our approach to the international marketplace will be as a joined up ‘NZ Inc.’ team, while still retaining our individual freedom and independence.

Regulatory bodies will take more of a partnership approach in terms of growing the industry.

STRATEGIC CHOICES — PARTNERSHIP

1

Increase collaboration and integration within and between industry and government

2

Improve agent relationship management

3

Develop a strategic partnership with tourism industry

4

Align regulatory processes with the commercial requirements of the sector

5

Increase successful collaboration with Education Services & Products sector

PARTNERSHIP

STRATEGIC CHOICES	SPECIFIC ACTIONS	DURATION (YEARS)		
		0 - 3	3 - 5	5 - 10
1 Increase collaboration and integration within and between industry and government	Drive the establishment of a cross-sector working group to improve collaboration around pathway development, cooperative marketing and other cross-sector issues	■	■	■
	Engage with secondary and university sectors to encourage a more commercially ambitious and cooperative approach	■	■	■
	Engage with INZ to develop pathway visas	■	■	■
	Initiate and strengthen cross-sector or same-sector marketing initiatives	■	■	■
	Align Education New Zealand and English New Zealand marketing strategy	■	■	■
	Ensure that all key partners are aware of the value of international education and the English language travel market	■	■	■
2 Improve agent relationship management	Develop an agent strategy for the English language sector	■		
	Drive the development of an industry strategy to support agents, aligned with the English language sector agent strategy	■		
3 Develop a strategic partnership with tourism industry	Align strategy with Tourism sector in markets of common interest and share relevant data	■	■	■

KEY RESPONSIBILITY

- Sector
- Sector and Government
- Government

PARTNERSHIP

	STRATEGIC CHOICES	SPECIFIC ACTIONS	DURATION (YEARS)		
			0 - 3	3 - 5	5 - 10
4	Align regulatory processes with the commercial requirements of the sector	Work with NZQA to redevelop the EER process to more effectively discern between high risk and low risk international providers	Government		
		Continue to develop NZQA and INZ incentive system for providers with “trusted-partner” status	Sector and Government		
5	Increase successful collaboration with Educational Services & Products sector management	Facilitate engagement between EdTech and ELP’s via startup weekends, taking projects beyond the concept into building and validation stage	Sector	Sector	Sector
		Provide support for developing projects	Sector	Sector	Sector
		Identify and remove barriers to the growth of EdTech ventures such as repatriation of funds, licensing of IP, copyright issues	Sector and Government	Sector and Government	Sector

KEY RESPONSIBILITY

Sector
 Sector and Government
 Government

PRIORITY CHOICES

- Build on existing markets while developing new markets

Markets



- Align visa settings to facilitate product development and marketing

Products & Pathways



- Consolidate position as a destination-based language travel market

Products & Pathways



- Enhance student experience

Products & Pathways



- Develop strategic partnership with tourism industry

Partnership



- Align regulatory processes with the commercial requirements of the sector

Partnership



- Increase collaboration and integration within and between industry and government

Partnership



SUPPORTING YOUR JOURNEY TO SUCCESS IN 2025...

A roadmaps analogy was used throughout this process because it was always going to be about the journey *as well* as the destination. While these documents are final drafts, it's far from over. ENZ will support industry to start the journey by:

1. Working with providers, peak bodies, sector groups, regional bodies and other key stakeholders to widely communicate the sector and industry roadmaps and their key features.
2. Working with each sector to develop a joint work plan that will identify what the highest priority roadmap projects are and who (industry, ENZ, or jointly) will take responsibility for leading them.
3. Working with each sector to develop the detail of how each priority sector-focused project will be approached, what costs and benefits can be delivered, and when it can be delivered.
4. Facilitating the establishment of a cross-sector project steering group to lead a collaborative approach to high priority roadmap projects where they require a multi-sector or pan-industry approach, including the identification of best practice across sectors.
5. Working alongside each sector and the cross-sector project steering group to appropriately support the implementation of the agreed high priority roadmap projects for 2014/15.

YOU'RE IN THE DRIVING SEAT NOW

To create the kind of future mapped out in the roadmap we seek your commitment to starting the journey and leading the way by:

1. Working with your colleagues, stakeholders, other providers, and peak body or sector groups to widely communicate the sector and industry roadmaps and their key features.
2. Working with other providers in your sector to develop a joint work plan that will identify what the highest priority roadmap projects are and who (industry, ENZ, or jointly) will take responsibility for leading them.
3. Working with your sector to develop the detail of how each priority project will be approached, what costs and benefits can be delivered, and when it can be delivered.
4. Working alongside other providers in your sector to support the implementation of agreed high priority roadmap projects for 2014/15.
5. Adopting the changes in your School, institution or company that are part of making the journey to 2025.

“Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for. We are the change that we seek.” Barack Obama

ACKNOWLEDGEMENTS

Education New Zealand would like to thank all those who contributed to the development of this strategic roadmap for the PTE sector, including workshop attendees and the following institutions and individuals:

Programme Manager: Alasdair MacLeod, Growth Solutionz

Project Manager: Tim Mahren Brown, CEO & Director, The Campbell Institute

Advisory Committee: Darren Conway, Chair, English New Zealand

Nick Arnott, General Manager, Unique New Zealand

Grant Hubbard, Marketing Director, University of Otago Language Centre and Foundation Year

Adrian Sallis, Business Development Director, Vital English

Interview Participants: University of Otago Language Centre and Foundation Year, Auckland English Academy, Dominion English Schools, CPIT, DynaSpeak, Unique New Zealand, CCEL College of English, Kaplan International College Auckland, AIS St Helens, Mt Maunganui Language Centre, LearnKo, Vital English, The University of Auckland English, Language Academy, Kiwi English Academy, Southern Lakes English College, Academic Colleges Group, Crown Institute of Studies, Eyles and Associates Ltd

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