



Briefing Note: Meeting with QTI and ITENZ

To:	Hon Chris Hipkins, Minister of Education		
Date:	4 August 2021	Priority:	Medium
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Drafter:	Josh Pells Senior Policy Analyst	DDI:	N/A
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

This paper provides you with background information and suggested talking points for your meeting with executive members of Quality Tertiary Institutions (QTI) and the Independent Tertiary Education New Zealand (ITENZ).

Agree that this briefing will not be proactively released until you have met with QTI and ITENZ.

☒ **Agree** ☐ **Disagree**



Belinda Himiona
Group Manager, International Education
Te Ara Kaimanawa

04/08/2021



Hon Chris Hipkins
Minister of Education

5 / 8 / 2021

Background

1. On 5th August 2021, you are meeting with the following representatives from Quality Tertiary Institutions (QTI) and Independent Tertiary Education New Zealand (ITENZ):
 - Brijesh Sethi – Chairperson, QTI
 - Tommy Honey – Executive Director, QTI
 - Craig Musson – Chairperson, ITENZ
 - Wayne Dyer – Chief Executive, ITENZ.
2. All of them attended the International Education Forum in Auckland on 13 July 2021. Belinda Himiona from the Ministry of Education and Laura Simpson from Education New Zealand will support you at the meeting.
3. You received a jointly signed briefing letter from peak bodies including ITENZ and QTI on 11 February 2021 outlining their thoughts and concerns about the threats and opportunities facing Private Training Establishments (PTEs) and their concerns about the International Education Recovery Plan. ITENZ sent a follow up paper on 3 March 2021 outlining concerns about the Recovery Plan, future financial support for the PTE sector, and the need for clear messaging for the sector.
4. ITENZ and QTI has asked to discuss the following:
 - a. the continued and future impacts of Covid-19 on the sector
 - b. current border closure and future border plans/ expectations
 - c. your view on the place of PTEs in the new VET system and whether you would give a message of support to the sector
 - d. how PTEs and government can work together in a way that enables and supports innovation in the sector.
5. At your meeting, you may wish to:
 - a. acknowledge concerns of the PTE sector around the future direction of international education and how where/their sector fits in that future
 - b. thank them for attending the International Education Forum in Auckland
 - c. discuss the draft Policy Statement on Value currently out for consultation—and encourage them to make a submission
 - d. reiterate no direct financial support in the 2021/2022 financial year
 - e. identify areas where the government and their organizations can work together to support the recovery of the PTE sector.

Further information on key topics

Background on ITENZ and QTI

6. ITENZ is the largest private education provider peak body in New Zealand, representing 142 PTEs. They deliver tuition to international students and enrol over 7000 international students in 2019.
7. ITENZ institutions offer diverse tertiary education, ranging from small niche providers such as NZICPA Pilot Academy in Whanganui, Le Cordon Bleu Culinary School in Wellington, and EcoQuest Whakatūwai, Pōkeno to larger providers such as the Auckland Institute of Studies which offers a diverse range of diplomas and degrees.
8. QTI represents a further 12 PTEs across NZ. Most have stable domestic student numbers, offering foundation, certificate, degree, and postgraduate level qualifications. Institutions include the Media Design School and Whitecliffe College of Design in Auckland and IPU in Palmerston North.

Engagement with the sector

9. You requested initial advice on peak body engagements [METIS 1250772 refers]. On 21 May 2021 a letter to the International Education Peak Bodies was sent that indicated you would engage with peak body members including ITENZ and QTI on the recovery plan through the workshops and have since had individual and group meetings with Peak body members.
10. Future engagement with ITENZ and QTI may include:
 - a. other areas the sector and government can engage in to support sector recovery
 - b. creating clarity around what the PTE sector will look like in the future, and
 - c. how to collaborate to support innovation in the sector.

Sector risks

11. There is a risk of permanently losing strategically important unfunded PTEs (particularly if staff with specialist skills and expertise leave the sector). Some PTEs play an important role in the education pipeline by providing education services to short-term visitors to New Zealand and international students pathwaying to further study (e.g., through English language schools). Others contribute to their region's economic development and skill needs.
12. COVID-19 has highlighted the difficult situation facing the PTE international education sector. Some general observations about the sector include:
 - a. In 2019 there were 80 unfunded PTEs and 75 funded PTEs (who had international students). Many of these PTEs are financially reliant on international students
 - b. The PTE sector is generally more agile than other sectors, and PTEs are able to move into new programmes and to expand or reduce programmes quickly as demand changes. The largest cost for a PTE is staffing, with rent and leases also a significant cost.
 - c. Some PTEs' financial vulnerability to changes in the market.
 - d. Difficulty of smaller providers such as most of the PTE sector to transition to an online education model.

Update on student cohorts

13. As you are aware, the sector is awaiting the announcement of a third cohort of international students in addition to the 250 PhD and 1,000 degree level and above students.
14. While the PTE sector has not been allocated a specific number of places in the cohorts to date, some of the 1,000 degree students attend PTEs.
15. 9(2)(f)(iv)

PTE Future Focussed Programme - Seeding Innovation

16. Under the Future Focus Programme, ENZ offered ITENZ and QTI seed funding to develop and implement projects which would "encourage sectors to adopt new ways of working to mitigate the impacts of COVID-19 or similarly unprecedented events."
17. ITENZ are well under way with their "Stepping into international education" project which aims to help PTEs with managing, developing, and reviewing their international education programmes. The resources will include a range of practical templates and other resources to effectively manage international programmes. The toolkit is being developed

with input from its members.

18. QTI identified two innovation projects to progress. ENZ and QTI agreed to pause these projects until changes to international student work rights were confirmed, as the viability of those projects may be affected by such changes. ENZ is working with QTI to consider and brainstorm fresh ideas.

Proactively Released