



Australian National Training Authority

The Business Case for the
Repositioning of Vocational
Education and Training

KPMG Risk Advisory Services
April 2004

This report contains 23 pages
ANTA-04 VETReport Final.doc

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Disclaimer

In accordance with KPMG policy, we are obliged to advise that neither KPMG nor any member, employee undertakes responsibility in any way to any organization other than ANTA in respect of information set out in this submission. This includes any errors or omissions arising through negligence or other cause. The report relies on the data provided by ANTA and the Quay / Emery Vincent Design / Advertisers' Design Group consortium. While the data provided has been reviewed for reasonableness it was not required within the terms of reference to perform an audit for accuracy and completeness.

1 Background

Vocational Education and Training (VET) is focused around job related training or 'education and training for work'. From a client perspective, VET can be described as a set of services providing¹:

- Work related education and training;
- Nationally agreed standards for skills and skill sets; and
- Nationally recognised qualifications – certificates and advanced diplomas – that are endorsed by industry and business and accredited by government.

Recent education branding and positioning research conducted by the Australian National Training Authority (ANTA) has indicated that there is a low level of awareness and understanding of VET amongst students, teachers/counsellors, parents and employers.

ANTA is due to report to the Ministerial Council (MINCO) in June 2004 on the proposal developed by Quay / Emery Vincent Design /Advertising Designers' Group (QEA) consortium for the repositioning and branding of the VET system². In support of the need to move forward with the repositioning of VET:

- MINCO (June 2003) agreed to 'develop a strategy for branding and promoting nationally recognised training and qualifications linked to industry skill needs and jobs for consideration by MINCO in November 2003. (Agenda Item 6);
- MINCO (June 2003) endorsed in principle of the National Strategy for VET 2004-2010, Strategy 3 of which relates to branding, and is to "Improve the value, brand language, and image of vocational education and training and public recognition of its employment outcomes"; and
- Annual National Priorities (2003 and 2004) for VET include to: "Strengthen and promote the image and role of vocational education and training in Australia. Including in relation to employment and VET's role in supporting innovation in business and industry".

KPMG were commissioned on 1 April 2004 to provide additional business information to assist MINCO make an effective decision on the national repositioning and branding of VET in June 2004 this year. The information is to include an outline of the total and annual costs for implementing this proposal, advice on the value for money of implementing this project and options for obtaining the necessary funds. Relevant examples of sector repositioning and the costs of not proceeding with the proposal are also to be included.

¹ VET Branding, Draft Report/2, Quay Connections, May 2003

² Repositioning VET, QUAY/EVD/ADG Consortium, September 2003

2 Perspectives on VET repositioning

As part of the analysis of the business case for repositioning VET, consultations were conducted with ANTA, the Department of Education, Science and Training (DEST) and State and Territory Training Authorities (STA), a number of VET Planning Working Group (VPWG), training providers, industry bodies, the consortium responsible for developing the Repositioning VET proposal (QAE) and with independent marketing and branding experts.

In general there was a wide variation in both understanding of and support for the proposal. Many stakeholders were not sure why it was needed, the value it was trying to provide, associated costs, and how it will deliver its intended value. While there was strong agreement that VET is not well understood, there was no clear agreement on the interventions or approaches that should be undertaken.

Key questions raised were:

- Is it desirable or appropriate to reposition a system as diverse and segmented as VET, or should the focus be on building relationships between training providers and consumers?
- Is it important to address some of the structural complexities of the VET system prior to the development of any awareness building repositioning of VET?
- Is it more important to focus on improving the system's capacity to meet the current high levels of training demand rather than create further demand?

Additionally there is a wide range of interpretations of what "branding" and "repositioning" entail, and whether either or both are required. The last question is the easiest to address. By definition³:

- *Positioning*—is the act of designing an organisation's offering and image so that it can occupy a meaningful and distinct position in the target consumers' minds; and
- *Branding*—is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one provider or a group of providers and to differentiate them from those of other market participants.

Using these definitions, there was strong agreement amongst those consulted as to the need to improve the positioning of VET. The need for the national branding at this stage was questioned however, particularly if it was simply a logo-based marketing campaign without any repositioning activities. It is KPMG's understanding that the Repositioning VET proposal is intended to include both positioning and branding activities.

³ Adapted from Philip Kotler, 9th Edition, 1997 – Marketing Management – Analysis, Planning, Implementation and Control - Prentice Hall.

3 The case for repositioning

The research leading to the Repositioning VET proposal indicates that there is currently:

- Strong attachment to jobs rather than careers or aspirational employment pathways;
- Strong attachment to training (perceived as production) rather than education (perceived as knowledge) or high level skills;
- Perceptions of low status attached to qualifications and employment outcomes (VET doesn't lead to the best work opportunities); and
- Confusion about what's in the VET sector and where VET fits in the overall education system (how it is differentiated).

Lack of awareness is also a key preliminary finding in the current risk assessment of New Apprenticeships⁴. This has identified “the risk that consumers do not have a clear understanding of the New Apprenticeships scheme”, with a range of consequences including apprentices and trainees being contracted into inappropriate training options, and “traditional trade” apprentices not identifying with or being attracted into the New Apprenticeships scheme.

The objectives of repositioning are to:

- Create a stronger attachment to careers (more aspirational), career skills and pathways but without losing direct links to jobs and/or;
- Create recognition for the market value of VET qualifications including those at higher levels to improve perceptions of status; and
- Claim a unique place in the market that is credible, can be substantiated by assets and that is not currently occupied by other education sectors.

In summary, the purpose of repositioning is to increase the awareness and understanding of the VET system as offering a valued and viable education choice. While no specific targets have been established to date, there are a number of potential benefits resulting from increased awareness. These include:

- Increased enrolments, especially where valued and funded by industry—This is in line with the MINCO's decision to brand and promote nationally recognised training and qualifications linked to industry skill needs and jobs;

⁴ Independent Risk Assessment of the Impact of New Apprenticeships policy on the VET system, Preliminary report on key findings to the NTQC Working Group, KPMG, April 2004

- Economies of scale in marketing and promotional budgets—This includes potential costs savings through removing duplicate marketing and promotion activities, and obtaining improved pricing structures through adopting larger national programs;
- Reduced costs from incorrect training choices—This includes the potentially avoidable costs of stopping or changing education and training choices made both within VET and between the VET and Higher Education sectors; and
- Improved workforce skills and productivity—Existing research suggests that there are strong cause–effect links between better training and increased skills and improved productivity.

Some of these benefits accrue directly back to the VET system, some to the broader education sector and others to the nation as a whole. As a consequence, a key step in further decision-making on the proposal is to determine the appropriate policy objectives framework within which to measure and prioritise these benefits. In order to assist this, example costs and benefits are further quantified below.

4 Costs

The broad components of the repositioning program proposed by the consortium are:

- 1 Internal communication and repositioning;
- 2 Development of messages and program materials;
- 3 External rollout; and
- 4 Review and evaluation.

Cost estimates provided by the consortium assume a three-year program involving both repositioning and branding and indicate a range of annualised costs from \$1.3m to \$3.8m depending on the level of program undertaken, namely:

- Baseline—a national-only campaign;
- Partial (or segmented)—pilot adoption based on a priority target market; and
- Full adoption—blanket targeting of all jurisdictions and markets.

Independent expert opinion sought indicated that the cost estimates provided are reasonable based on industry experience and the current level of detail provided in the repositioning proposal. It was noted, however, that the estimates appear to be heavily weighted in expenditure on design, set-up and evaluation components when compared with media/implementation expenditure. While the estimates are considered sufficient for the

current purpose of assessing the scale of investment that would be required, more accurate project costs will need to be developed.

In response to the strong questioning amongst stakeholders of the need for rebranding, the consortium was asked to provide indicative costs for repositioning without the branding component, and for repositioning using existing branding. The costs are tabulated in Table 1 below:

TABLE 1

<i>Options</i>	Repositioning with new brand	Repositioning with existing brand	Repositioning Only
<i>Timeframe</i>	(3 Years)	(5 Years)	(10 Years)
Total Costs			
Full Adoption	\$11,480,000	\$14,680,000	\$28,265,000
Partial	\$7,445,000	\$9,117,000	\$17,712,500
Baseline	\$3,952,000	\$4,992,000	\$10,277,500
Do Nothing	-	-	-
Annualised Costs			
Full Adoption	\$3,826,667	\$2,936,000	\$2,826,500
Partial	\$2,481,667	\$1,823,400	\$1,771,250
Baseline	\$1,317,333	\$998,400	\$1,027,750
Do Nothing	-	-	-

The underlying rationale by the consortium for the cost estimates is that repositioning with existing branding will take longer (5 years) than it would with new branding (3 years); and that repositioning without any branding component will take much longer (10 years) based on the need to re-run / reinforce the program three times. (Refer *Appendix D* for further details on the projections in Table 1).

Independent opinion sought on these options agreed that repositioning with existing branding, or without branding, would require greater levels of effort to achieve the desired results. However, rather than adopt extended timeframes, it was recommended that a more intensive effort be applied over a three-year program. The ten-year program, in particular, was considered to be excessively long, expensive and unlikely to be successful.

It was also suggested that the risks inherent in the three approaches should be assessed, namely:

- Repositioning with a new brand has the potential to dilute and/or add further confusion (considered to be a medium risk option);
- Repositioning with existing branding may not be able to fully address any existing negative associations (considered to be the lowest risk option); and

- Repositioning without branding requires significant intensity of communication effort with less guarantee of success (considered to be a medium-to-high risk option).

Based on the above financial and risk assessments, the most likely options for consideration are the first two—repositioning with new or existing branding. While the consultations conducted as part of the review suggest that repositioning with existing branding is preferred as a medium-cost-low-risk option, ANTA strongly believes that new branding is critical to achieve the desired repositioning. It is recommended that this be tested through a more detailed analysis of the market research which led to the repositioning proposal.

5 Benefits

Accurate quantification of benefits is difficult due to the lack of baseline data around current awareness levels and any associated cost impacts on the VET sector, and also the different state and national levels at which benefits may accrue.

Notwithstanding this, the following analysis indicates that only relatively small outcomes or improvements are required to offset the estimated costs. For simplicity we have assumed a partial (or segmented) adoption of repositioning with existing branding, involving annualised costs of approximately \$1.8m.

- Increased enrolments, especially where valued and funded by industry—\$1.8m represents approximately 160,000 profile funded Student Contact Hours (SCH). If industry currently funds approximately 104m fee-for-service SCH, this means that the repositioning program costs would be offset if the increased awareness resulted in an increase of as little as 0.15% in fee-for-service enrolments.
- Economies of scale in marketing and promotional budgets—industry norms suggest that marketing and promotional spend in the public sector is in the order of 1% of annual budget (6% for the private sector). Based on this assumption and an annual budget of \$3.7 billion, government expenditure on VET marketing and promotion is approximately \$37m. Repositioning program costs of \$1.8m would be offset if as little as 5% of each current individual marketing budget involved materials and activities that could be undertaken nationally.

Additional benefits that should be considered include:

- Reduced costs from inappropriate training choices—the Business Council of Australia (BCA) released research in 2003 showing that Australia risked creating an underclass comprising an increasing number of young Australians who drop out of school early. The BCA's "The Cost of Dropping Out" report⁵ called for more intensive efforts by governments to tackle the problem which could cost the Australian economy \$2 billion a year in lost productivity as well as higher welfare and other social costs.

⁵ The Cost of Dropping Out: The Economic Impact Of Early School Leaving, BCA, January 2003

- Improved workforce skills and productivity—a training investment review prepared for ANTA indicates that training has a significant impact in workplace performance, either by increasing productivity or by reducing production costs, and impacts positively on other dimensions of operations such as absenteeism⁶.

6 Opportunity costs of not proceeding

While there is insufficient data regarding cost impacts associated with the current positioning of VET to quantify opportunity costs of not proceeding, it is evident that there would be continued lack of general awareness about VET, continued market confusion about VET, and inconsistency across providers or jurisdictions in marketing and promotional activities.

In addition, any net benefits resulting from the areas discussed in the last section would also be forgone. There is also the risk that the VET client market may be eroded by other education providers.

7 Risks

The stakeholders consulted identified a number of key risks associated with the repositioning proposal. These are outlined below together with a potential risk mitigation strategy.

- Any resultant increase in enrolments would be for profile funded training and place further stress on current high demand levels in this area;

risk mitigation—incorporate specific targets around profile and fee-for-service targets into the repositioning program;

- The repositioning program could dilute and/or add further confusion to existing strong relationships at STA, TAFE Institute and Registered Training Organisation (RTO) levels; and

risk mitigation—adopt the proposed endorsed or umbrella approach, whereby the national repositioning focuses on associating existing local marketing and promotional approaches with a national “stamp of value”;

- A focus on repositioning alone would exacerbate rather than simplify current structural and procedural complexities in the VET system;

risk mitigation—link the repositioning program as an integral component of other existing or planned system reviews and reforms.

⁶ Return To Enterprises On Training Investment - Rod McDonald & Jacqui Fyffe, Australian National Training Authority

8 Options for funding

It is important at the outset to note that repositioning programs are not usually justified on purely financial terms. They are often considered as strategic initiatives to achieve sustained success and growth, and normally an important pre-requisite to other organisational objectives.

Repositioning expenditure is usually considered part of operating costs of an organisation and is normally linked to increases in revenue, or may be recovered through pricing structures.

In the case of VET, there appears to be little opportunity for direct contributions from non-government sources such as training providers, industry and students/parents, apart from changes to funding (ie. pricing) levels for Student Contact Hours (SCH). Direct budget contributions from State and Territory Training Authorities (STA) are also considered unlikely, except potentially for a re-allocation of a proportion of existing marketing and promotion budgets into a shared national marketing budget. While this would result in a relatively small decrease in state marketing budgets (around 5%), economies of scale available from national materials and activities should be able to offset any such decrease.

The repositioning program could also be funded, at least initially, as a national project by ANTA and/or DEST. This could be considered as seed funding to encourage the uptake of national approaches, and linked to targeted improvements over time in return on marketing and promotional expenditure⁷. Phasing in of state contributions could then also be combined with a review of national and state marketing and promotion budgets.

⁷ Refer 'Elevating a national identity to a national brand' - Peter Laurensen, www.Allaboutbranding.com, for a similar seed funding rationale

9 Conclusion

Branding and promoting nationally recognised training and qualifications is an issue that has concerned the VET sector in recent years. There is strong recognition of the lack of community awareness and understanding of VET and widespread support for the need to reposition VET as a valuable and viable choice. To date, however, there has been no clear agreement on most effective way to achieve this objective.

In assisting MINCO make an effective decision on national repositioning and branding of VET in June 2004 this year, the following key findings are noted:

- 1 Strategic alignment—The repositioning program should be seen as enabling rather than as a substitute for other necessary and important structural simplification to VET processes and systems. It should be an integral part of strategic planning for the positioning of VET and sustaining its future growth and should be linked to other major system reviews underway or being planned.
- 2 Change management—Acceptance by stakeholders involved will be a key success factor in the repositioning program. Critical for this acceptance is that the repositioning program complements rather than replaces existing relationships at state and territory levels. In particular, it should not dilute or add confusion to existing brands and local relationships and should focus on valuing VET's unique position alongside, rather than in competition with, other education sectors. It is KPMG's understanding that these principles underpin the repositioning program as proposed.
- 3 Financial considerations—The indicative costs provided have been validated as reasonable estimates for a repositioning program such as has been proposed. The approach with the greatest level of support from State and Territory Authorities is to target a specific industry or client segment using existing VET branding—this is estimated to cost in the order of \$1.8m per year over a period of up to 5 years (ie. total cost of \$9.0m). ANTA on the other hand strongly supports the full adoption option of repositioning with a new brand—this is estimated to cost in the order of \$3.8m over 3 years (ie. total cost of \$11.4m). A significant proportion of either investment is considered to be recoverable from a combination of increased fee-for-service enrolments and economies of scale in existing marketing and promotional expenditure.
- 4 Investment priorities—It has not been possible within the terms of reference of this review to compare and prioritise the estimated expenditure on repositioning against other VET initiatives. Further, costs associated with the current lack of awareness of VET have not been able to be measured. It is important therefore that clear objectives and goals be established to guide the repositioning program.

A VET

What is VET?

VET can be described as job related training or 'education and training for work'. It exists to develop and recognise the competencies or skills of learners. From a client perspective, VET could be described as a set of services providing:

- Work related education and training;
- Nationally agreed standards for skills and skill sets; and
- Nationally recognised qualifications – certificates and advanced diplomas – that are endorsed by industry and business and accredited by government.

VET is currently offered throughout Australia at school, work, TAFE institutes⁸, private registered training providers or in some cases even universities.

The VET system is an important part of Australia's education system. It plays an important role in providing and updating the skills of the Australian workforce, with at least 31 per cent of the Australian workforce holding VET qualifications (ABS 2003 forecast).

Over 2.1 million client enrolled in publicly funded and/or provided VET programs in 2001. It represents 10.6% of the \$40.5 billion revenue generated in the education sector in Australia (ABS 2003 forecast). The target population for VET is people aged 15–64 years.

On the basis of income reported by publicly-funded training providers, total VET revenue amounts to over \$4 billion per year. In 2000, 24 per cent of this revenue was sourced from the Commonwealth, 53 per cent from State and Territory governments, and 20 per cent from other sources such as fee-for-service income and student fees (NCVER 2001b). A further 3 per cent is sourced indirectly from government. In addition, industry spends an estimated \$4 billion each year on work-related training (ABS 1997).⁹

Who currently funds VET?

Total expenditure on VET by governments, employers and individuals was an estimated \$8.5 billion in 1998 — equivalent to approximately 1.5 per cent of gross domestic product. Enterprises contributed an estimated 45 per cent of funding, with governments and individuals contributing an estimated 44 per cent and 11 per cent respectively (ANTA 2000)¹⁰.

⁸ TAFE Institutes exist in all states and territories except the Northern Territory.

⁹ Public funding for VET in Australia, 1997 to 2000, Louise Watson, University of Canberra

¹⁰ Report on Government Services 2001 - VET - Allen Consulting Group

Government recurrent expenditure on VET excludes fee-for-service revenue, ancillary trading revenue, other operating revenue and revenue from Commonwealth specific purpose funds.

How is current VET funding allocated?

An Allen Consulting Group study identified that the majority of government VET funds are allocated to major public providers based on the planned activity of State and Territory training authorities.

Competitive tendering was introduced in the early 1990s to allocate \$21 million of additional Commonwealth funds to public and private providers (HRSCEET 1998)¹¹. Commonwealth, State and Territory ministers agreed on the pursuit of a more effective training market, as a key objective of the national vocational education and training system. This approach was reflected in the Australian National Training Authority (ANTA) Agreement. In line with this objective, States and Territories have made greater use of competitive funding arrangements, which have increased the provision of publicly funded training by other providers, including private training providers. Processes used to allocate funds on a competitive basis include:

- **Competitive tendering** — where public and private providers compete for funding contracts from State and Territory training authorities (based on one or more selection criteria) in response to government offers (tenders);
- **User choice** — where the employer and apprentice/trainee choose a registered training provider and negotiate key aspects of their training. Public funds flow to that provider; and
- **Preferred supplier arrangements** — an extension of competitive tendering, where a contract is awarded to a provider (chosen by the tender process) to provide training on a longer-term basis.

An estimated \$441 million of public VET funding was allocated on a competitive basis in 2000 (including user choice arrangements) (ANTA 2000). There were 1566 registered training providers accessing public funds in 1999, with 937 registered training providers chosen under contestable funding arrangements.¹²

The degree of competition in the tendering process varies across jurisdictions. Some funds are potentially available to both public and private providers (open competitive tendering) whereas some tendering is restricted to either public or private providers (limited competitive tendering). Similarly, the potential for competition, in terms of the size of the market of potential providers, also varies across jurisdictions.¹³

¹¹ Report on Government Services 2001 - VET - Allen Consulting Group

¹² Op Cit

¹³ Op Cit

B Appendix—Consultation list

Peter Wilson; Mary Dickie	Quay/EVD/ADG Consortium	7-Apr
Nick Evans	Tas	8-Apr
Megan Lilley	AIG	14-Apr
Phil Clarke	VIC	14-Apr
Tim Smith	ACPET	15-Apr
Sandra Golding; Pam Deakin	QLD	15-Apr
Peter Hack	NSW	15-Apr
Gill Fergie	ACT	15-Apr
Jacqueline King	ACTU	16-Apr
Richard Strickland	WA	16-Apr
Brenda Elferink, VET Planning Working Group; Jayne Gray, Director Media and Marketing Services Branch	NT	16-Apr
Janina Gawler	ANTA	19-Apr
Susanne Shultz	SA	19-Apr
Kris Newton; Margaret Fanning	TAFE Directors Australia	20-Apr
Rebecca Cross	DEST	20-Apr
Kareena Arthy	ANTA	20-Apr
Maria Tarrant	BCA	21-Apr
Steve Balzary	ACCI	21-Apr

C Appendix—References

- VET COMMNET Group correspondence and Minutes to Meetings Sept-Oct 2003
- Repositioning VET – Positioning strategy framework –Quay/EVD/ADG - Sept 2003;
- Training for the future: A collaboration with Industry –ANTA discussion paper – Sept 2003;
- The Research Forum, VET Branding Issues: Focus Groups with Young People, Parents , Guidance Counsellors, and Employers – A research report prepared by Quay Connection and ANTA – Dr Fadil PEDIC, Samantha Siva;
- Draft Report on VET Branding – Quay Connections – May 2003
- Summary Report on Education branding and position research - report prepared for Quay by Environmetrics - Oct 2003
- It Pays to Stay Campaign- Stage 3 Process Evaluation – Final Report prepared for ANTA by Urbis Keys Young Oct 2003
- Summary Report - Education branding and position research prepared for Quay by Environmetrics - October 2003
- Skilling Australia Forum, Gold Cost 2003 website:
http://www.skillingaustralia.com/skill%5Faust%5Fforum/01_papers/pres_papers.htm
- Return To Enterprises On Training Investment - Rod McDonald & Jacqui Fyffe, Australian National Training Authority
- Employment Services Unit, Deakin University (1997). Training Culture in Australia. A Review of National and International Literature and Research. Final Report. Melbourne: Employment Services Unit, Deakin University.
- Bassi, L J & van Buren, M E (1998). The 1998 State of the Industry Report, Training & Development. Jan 1998, pp 21 – 43.
- Blandy, R (1999). Enterprise Returns to an Investment in Training. Draft report in preparation.
- The Cost Of Dropping Out: The Economic Impact Of Early School Leaving –BCA, January 2003

D Appendix—Detailed cashflow projections

All calculations are in \$000 and based on costs estimates provided by the QEA consortium.

Full adoption

Project Annual Cashflows		Type of Expenses	Full Adoption Approach										
External Activities			y1	y2	y3	y4	y5	y6	y7	y8	y9	y10	total
1	Stakeholder and internal communication program												
	Repositioning with New Brand (3 Years)		\$680	\$390	\$260								\$1,330
	Stakeholder strategy developed for 3 year period	Recurrent	\$50	\$30	\$20								\$100
	Implementation plan for first year program	Set-up	\$30										\$30
	Stakeholder program rolled out	Recurrent	\$600	\$360	\$240								\$1,200
	Repositioning using existing brand (5 yrs)		\$680	\$390	\$260								\$1,330
	Stakeholder strategy developed for 3 year period	Recurrent	\$50	\$30	\$20								\$100
	Implementation plan for first year program	Set-up	\$30										\$30
	Stakeholder program rolled out	Recurrent	\$600	\$360	\$240								\$1,200
	Repositioning only (10 yrs)		\$680	\$390	\$260								\$1,330
	Stakeholder strategy developed for 10 year period	Recurrent	\$50	\$30	\$20								\$100
	Implementation plan for first year program	Set-up	\$30										\$30
	Stakeholder program rolled out	Recurrent	\$600	\$360	\$240								\$1,200
2	Concepts to design/campaign ready materials												
	Repositioning with New Brand (3 Years)		\$800	\$360	\$240								\$1,400
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Repositioning using existing brand (5 yrs)		\$800	\$360	\$240								\$1,400
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
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	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Repositioning only (10 yrs)		\$380	\$60	\$40								\$480
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
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	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										\$25
	Concepts developed into variety of applications for target a	Recurrent	\$300	\$180	\$120								\$600
	Image bank development	Set-up	\$65										\$65
	Brand guidelines	Recurrent	\$30	\$18	\$12								\$60
	Brand style guide - design and production	Recurrent	\$170	\$102	\$68								\$340
	(one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$60										\$60
	Application testing with core target audiences	Recurrent	\$100	\$60	\$40								\$200
	Refinement of positioning messages and brand concepts	Set-up	\$25										

Partial adoption

Project Annual Cashflows	External Activities	Type of Expenses	Partial Approach											
			y1	y2	y3	y4	y5	y6	y7	y8	y9	y10	total	
1	Stakeholder and internal communication program													
	Repositioning with New Brand (3 Years)		\$525	\$300	\$200									\$1,025
	Stakeholder strategy developed for 3 year period	Recurrent	\$50	\$30	\$20									\$100
	Implementation plan for first year program	Set-up	\$25											\$25
	Stakeholder program rolled out	Recurrent	\$450	\$270	\$180									\$900
	Repositioning using existing brand (5 yrs)		\$525	\$300										\$825
	Stakeholder strategy developed for 3 year period	Recurrent	\$50	\$30										\$80
	Implementation plan for first year program	Set-up	\$25											\$25
	Stakeholder program rolled out	Recurrent	\$450	\$270										\$720
	Repositioning only (10 yrs)		\$525	\$300										\$825
	Stakeholder strategy developed for 10 year period	Recurrent	\$50	\$30										\$80
	Implementation plan for first year program	Set-up	\$25											\$25
	Stakeholder program rolled out	Recurrent	\$450	\$270										\$720
2	Concepts to design/campaign ready materials													
	Repositioning with New Brand (3 Years)		\$470	\$192	\$128									\$790
	Concepts developed into variety of applications for target	Recurrent	\$150	\$90	\$60									\$300
	Image bank development	Set-up	\$40											\$40
	Brand guidelines	Recurrent	\$20	\$12	\$8									\$40
	Brand style guide - design and production (one off licence fee for internet application)	Recurrent	\$100	\$60	\$40									\$200
	Development of core communication and messages	Set-up	\$50											\$50
	Application testing with core target audiences	Set-up	\$45											\$45
	Refinement of positioning messages and brand concepts	Recurrent	\$50	\$30	\$20									\$100
		Set-up	\$15											\$15
	Repositioning using existing brand (5 yrs)		\$470	\$192										\$662
	Concepts developed into variety of applications for target	Recurrent	\$150	\$90										\$240
	Image bank development	Set-up	\$40											\$40
	Brand guidelines	Recurrent	\$20	\$12										\$32
	Brand style guide - design and production (one off licence fee for internet application)	Recurrent	\$100	\$60										\$160
	Development of core communication and messages	Set-up	\$50											\$50
	Application testing with core target audiences	Set-up	\$45											\$45
	Refinement of positioning messages and brand concepts	Recurrent	\$50	\$30										\$80
		Set-up	\$15											\$15
	Repositioning only (10 yrs)		\$265	\$30										\$295
	Concepts developed into variety of applications for target	Recurrent												
	Image bank development	Set-up												
	Brand guidelines	Recurrent												
	Brand style guide - design and production (one off licence fee for internet application)	Recurrent												\$50
	Development of core communication and messages	Set-up												\$135
	Application testing with core target audiences	Recurrent												\$80
	Refinement of positioning messages	Set-up												\$30
3	External campaign development and implementation													
	Repositioning with New Brand (3 Years)		\$2,580	\$1,500	\$1,000									\$5,080
	Campaign strategy development - 3 year scope	Set-up	\$55											\$55
	Implementation plan for first year of activity	Set-up	\$25											\$25
	Campaign rollout and management	Recurrent	\$2,500	\$1,500	\$1,000									\$5,000
	Repositioning using existing brand (5 yrs)		\$2,580	\$1,500	\$1,000	\$1,000	\$1,000							\$7,080
	Campaign strategy development - 5 year scope	Set-up	\$55											\$55
	Implementation plan for first year of activity	Set-up	\$25											\$25
	Campaign rollout and management	Recurrent	\$2,500	\$1,500	\$1,000	\$1,000	\$1,000							\$7,000
	Repositioning only (10 yrs)		\$2,663	\$1,500	\$960	\$2,500	\$1,500	\$960	\$2,500	\$1,500	\$960	\$1,000		\$16,043
	Campaign strategy development - 10 year scope	Set-up	\$138											\$138
	Implementation plan for first year of activity	Set-up	\$25											\$25
	Campaign rollout and management	Recurrent	\$2,500	\$1,500	\$960	\$2,500	\$1,500	\$960	\$2,500	\$1,500	\$960	\$1,000		\$15,880
4	Evaluation and review													
	Repositioning with New Brand (3 Years)		\$300	\$150	\$100									\$550
	Evaluation program development	Set-up	\$50											\$50
	Evaluation, testing and review implementation year one	Recurrent	\$250	\$150	\$100									\$500
	Repositioning using existing brand (5 yrs)		\$300	\$150	\$100									\$550
	Evaluation program development	Set-up	\$50											\$50
	Evaluation, testing and review implementation year one	Recurrent	\$250	\$150	\$100									\$500
	Repositioning only (10 yrs)		\$300	\$150	\$100									\$550
	Evaluation program development	Set-up	\$50											\$50
	Evaluation, testing and review implementation year one	Recurrent	\$250	\$150	\$100									\$500
	Other Activities													
	Repositioning with New Brand (3 Years)		\$3,875	\$2,142	\$1,428									\$7,445
	Repositioning using existing brand (5 yrs)		\$3,875	\$2,142	\$1,100	\$1,000	\$1,000							\$9,117
	Repositioning only (10 yrs)		\$3,753	\$1,980	\$1,060	\$2,500	\$1,500	\$960	\$2,500	\$1,500	\$960	\$1,000		\$17,713

Baseline

		Type of Expenses	Baseline										
Project Annual Cashflows			y1	y2	y3	y4	y5	y6	y7	y8	y9	y10	total
External Activities													
1	Stakeholder and internal communication program												
	Repositioning with New Brand (3 Years)		\$195	\$108	\$72								\$375
	Stakeholder strategy developed for 3 year period	Recurrent	\$30	\$18	\$12								\$60
	Implementation plan for first year program	Set-up	\$15										\$15
	Stakeholder program rolled out	Recurrent	\$150	\$90	\$60								\$300
	Repositioning using existing brand (5 yrs)		\$195	\$108									\$303
	Stakeholder strategy developed for 3 year period	Recurrent	\$30	\$18									\$48
	Implementation plan for first year program	Set-up	\$15										\$15
	Stakeholder program rolled out	Recurrent	\$150	\$90									\$240
	Repositioning only (10 yrs)		\$195	\$108									\$303
	Stakeholder strategy developed for 10 year period	Recurrent	\$30	\$18									\$48
	Implementation plan for first year program	Set-up	\$15										\$15
	Stakeholder program rolled out	Recurrent	\$150	\$90									\$240
2	Concepts to design/campaign ready materials												
	Repositioning with New Brand (3 Years)		\$207	\$87	\$58								\$352
	Concepts developed into variety of applications for target e	Recurrent	\$60	\$36	\$24								\$120
	Image bank development	Set-up	\$25										\$25
	Brand guidelines	Recurrent	\$10	\$6	\$4								\$20
	Brand style guide - design and production (one off licence fee for internet application)	Set-up	\$50	\$30	\$20								\$100
	Development of core communication and messages	Set-up	\$30										\$30
	Application testing with core target audiences	Recurrent	\$25	\$15	\$10								\$50
	Refinement of positioning messages and brand concepts	Set-up	\$7										\$7
	Repositioning using existing brand (5 yrs)		\$207	\$87									\$294
	Concepts developed into variety of applications for target e	Recurrent	\$60	\$36									\$96
	Image bank development	Set-up	\$25										\$25
	Brand guidelines	Recurrent	\$10	\$6									\$16
	Brand style guide - design and production (one off licence fee for internet application)	Set-up	\$50	\$30									\$80
	Development of core communication and messages	Set-up	\$30										\$30
	Application testing with core target audiences	Recurrent	\$25	\$15									\$40
	Refinement of positioning messages and brand concepts	Set-up	\$7										\$7
	Repositioning only (10 yrs)		\$112	\$15									\$127
	Concepts developed into variety of applications for target e	Recurrent											
	Image bank development	Set-up											
	Brand guidelines	Recurrent											
	Brand style guide - design and production (one off licence fee for internet application)	Set-up	\$50										\$50
	Development of core communication and messages	Set-up	\$30										\$30
	Application testing with core target audiences	Recurrent	\$25	\$15									\$40
	Refinement of positioning messages	Set-up	\$7										\$7
3	External campaign development and implementation												
	Repositioning with New Brand (3 Years)		\$1,550	\$900	\$600								\$3,050
	Campaign strategy development - 3 year scope	Set-up	\$35										\$35
	Implementation plan for first year of activity	Set-up	\$15										\$15
	Campaign rollout and management	Recurrent	\$1,500	\$900	\$600								\$3,000
	Repositioning using existing brand (5 yrs)		\$1,550	\$900	\$600	\$600	\$600						\$4,250
	Campaign strategy development - 5 year scope	Set-up	\$35										\$35
	Implementation plan for first year of activity	Set-up	\$15										\$15
	Campaign rollout and management	Recurrent	\$1,500	\$900	\$600	\$600	\$600						\$4,200
	Repositioning only (10 yrs)		\$1,603	\$900	\$600	\$1,500	\$900	\$600	\$1,500	\$900	\$600	\$600	\$9,703
	Campaign strategy development - 10 year scope	Set-up	\$88										\$88
	Implementation plan for first year of activity	Set-up	\$15										\$15
	Campaign rollout and management	Recurrent	\$1,500	\$900	\$600	\$1,500	\$900	\$600	\$1,500	\$900	\$600	\$600	\$9,600
4	Evaluation and review												
	Repositioning with New Brand (3 Years)		\$100	\$45	\$30								\$175
	Evaluation program development	Set-up	\$25										\$25
	Evaluation, testing and review implementation year one	Recurrent	\$75	\$45	\$30								\$150
	Repositioning using existing brand (5 yrs)		\$100	\$45									\$145
	Evaluation program development	Set-up	\$25										\$25
	Evaluation, testing and review implementation year one	Recurrent	\$75	\$45									\$120
	Repositioning only (10 yrs)		\$100	\$45									\$145
	Evaluation program development	Set-up	\$25										\$25
	Evaluation, testing and review implementation year one	Recurrent	\$75	\$45									\$120
	Other Activities												
	Repositioning with New Brand (3 Years)		\$2,052	\$1,140	\$760								\$3,952
	Repositioning using existing brand (5 yrs)		\$2,052	\$1,140	\$600	\$600	\$600						\$4,992
	Repositioning only (10 yrs)		\$2,010	\$1,068	\$600	\$1,500	\$900	\$600	\$1,500	\$900	\$600	\$600	\$10,278

E Appendix—Case Studies

The following are extracts and summaries of two case studies that have repositioned and branded national education sectors.

The New Zealand Education Sector Experience¹⁴

Background

To date, the national brand for New Zealand education – **The New World Class. Educated in New Zealand** – is progressing strongly. Many institutions, including most universities and polytechnics, are brand licensees and the brand is featured on an ever-expanding array of repositioning materials and communications. These appear both in international markets and New Zealand.

Under-pinning this performance are two fundamental elements – a governance and management structure that works and sufficient, dedicated funds to stay focused on doing a thorough, professional job.

The team

The first action taken for the education brand project was to convene a repositioning network of key stakeholders who had an interest in seeing more international students study in New Zealand. The network includes government agencies and private sector players. The role of the network has never been to manage the project by committee. Rather, it provides stakeholder feedback, advice and a two-way communication channel between stakeholder constituencies and the project team.

A subset of the network – Education NZ, Trade NZ and Tourism NZ – comprise a management group that oversees the project team on an operational level. This structure successfully established a mandate for the project team to get on with their tasks. The key stages in the elevation of the New Zealand education sectors' national identity to national brand status have been the following:

The activities

A number of steps were actioned to ensure the project was successful:

- **Preparation** - Defining the team, securing sufficient funding.
- **Distillation** - Understanding the players, understanding the target audience, forming the brand strategy.
- **Interpretation** - Conception and design, translation into branded repositioning tools.
- **Internalisation** - Responding to limitations, focusing on the players, dealing with “post honeymoon” niggles, inclusiveness versus exclusiveness, putting the systems in place, coaching the players.
- **Projection** – Communication, remembering the supporters.

¹⁴ Adapted from ‘Elevating a national identity to a national brand’- Peter Laurenson, Allaboutbranding.com.
Refer also mynzed.com website

Securing sufficient funds

The funds - \$3.5 million over 4 years - were obtained from Central Government on the merits of the founding industry repositioning strategy for the project. Although there are expectations for escalating industry contributions as the brand proves its worth to stakeholders, the funds were dedicated to the task of conceiving, building and promoting a national education brand. Although \$3.5 million is insignificant in international media terms, because a player focused strategy is employed, there are sufficient dedicated funds to really do the job thoroughly and professionally, avoiding the need to spend large chunks of time and energy hunting down the next dollar.

AEI - Australian Education and Training Experience¹⁵

Background

In December 2002 the Hon. Dr Brendan Nelson, Minister for Education, Science and Training released the new brand for Australian education and training.

The brand is the result of a comprehensive research project managed by AEI and guided by a body of industry representatives. The project addressed perceptions of Australian education and training and identified a brand position that is attractive to students and differentiates Australian education and training from its major competitors.

The logo and visual language of the brand were tested extensively on international students from a wide range of countries and all education sectors. The results of this testing were positive, with the brand being well received by the students.

Current Reach

Institutions and organisations involved in Australian education and training have been given the opportunity to benefit from the brand through use of the logo, graphic elements and messages in their own promotional materials. The Study in Australia brand can now be seen by international students in countries around the world as a result of the use of the brand by Australian institutions and organisations, and through Australian Government promotions across AEI's offshore network.

More than 100 education and training institutions and organisations in Australia are now using the Study in Australia brand in their international repositioning communication efforts.

The following images are examples of how the brand is being used by institutions and organisations:

- Study Queensland
- University of Ballarat
- Macquarie University
- Gordon Institute of TAFE
- Northern Territory University (soon to be Charles Darwin University)

Australian Government Offshore

AEI's offshore network has produced a range of promotional materials for various purposes. The following images are examples of how the brand is being used overseas:

- Malaysia – Outdoor Display

¹⁵ Adapted from <http://www.aei.dest.gov.au>.

- Singapore – Education Exhibition
- Taiwan – Subway Advertisement Brazil – Education Fair
- Indonesia – Promotional Brochure
- Korea – Subway Advertisement
- Hong Kong – Trade Expo

Australian Government Onshore

AEI's National Office in Australia has produced a range of promotional materials in the brand, which have been distributed around the world for use in Australian Education Centre's, student fairs, exhibitions, seminars and more. The following are examples of the logo and promotional materials.

- Variations on the logo
- Examples of brochure pages
- Examples of promotional materials

The brand has also been applied to the official Australian Government website for international students, www.studyinaustralia.gov.au The site has experienced a steady increase to visits since its launch, reaching almost 100,000 visits during the month of September 2003 from students in countries around the world.