



Education New Zealand Briefing

Title:	Education New Zealand quarterly report from 1 October to 31 December 2018		
Date:	27 February 2019	Priority:	Medium
Security level:	In Confidence	ENZ ID no:	1819-115

RECEIVED
 27 FEB 2019
 Off. of Hon. Hipkins

Action sought

Addressee:	Action sought:	Deadline:
Minister of Education	<p>Note the attached Education New Zealand quarterly report for 1 October to 31 December 2018.</p> <p>Agree that this briefing is proactively released as part of the March 2019 release.</p>	

Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1 st contact
Grant McPherson	Chief Executive	[Redacted]	[Redacted]	
Angela Meredith	Accountability Manager	[Redacted]	[Redacted]	x

The following departments/agencies have seen this report

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

Minister's office to complete

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 Withdrawn

Comments:

Proactively released

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Recommendations

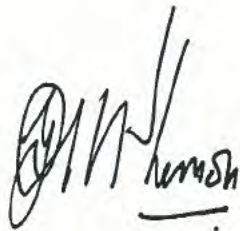
Education New Zealand recommends that you

- a. **note** the attached Education New Zealand quarterly report for 1 October to 31 December 2018

Noted

- b. **agree** that this briefing is proactively released as part of the March 2019 release

Agree / Disagree



Grant McPherson
Chief Executive
Education New Zealand



Hon Chris Hipkins
Minister of Education

11/3/19

Proactively released

Purpose

1. Education New Zealand's (ENZ's) quarterly report for 1 October to 31 December 2018 is attached for your information.

Background

2. The quarterly report provides the first quarter progress report against the intentions stated in ENZ's *Statement of Intent 2018-2022* and *Statement of Performance Expectations 2018/19* and your Letter of Expectations 2018/19.
3. Progress is reported under ENZ's four strategic priorities and ENZ's work to develop its capability to support those priorities. ENZ's strategic priorities are:
 - **Lead international education thinking:** Lead the future thinking of the international education industry and collaborate with other agencies to give effect to the government's goals for international education
 - **Promote New Zealand's quality education:** Capture the hearts and minds of international students and their families by delivering consistent story-telling around New Zealand's distinctive education experience
 - **Grow sustainable international education:** Encourage innovation and diversification to ensure the long-term, sustainable growth of international education
 - **Develop global citizens:** Bring people together from all parts of the globe to share ideas, skills and knowledge, and in doing so enable New Zealanders to feel at home in the world and the world to feel at home in New Zealand.
4. ENZ's monitoring agencies, the Ministry of Education and Ministry of Business, Innovation and Employment, have reviewed the quarterly report.
5. ENZ's Board Chair reviewed the quarterly report and authorised providing it to you.

Proactive release

6. ENZ intends to proactively release this briefing as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Quarterly Report

Education New Zealand

1 October to 31 December 2018

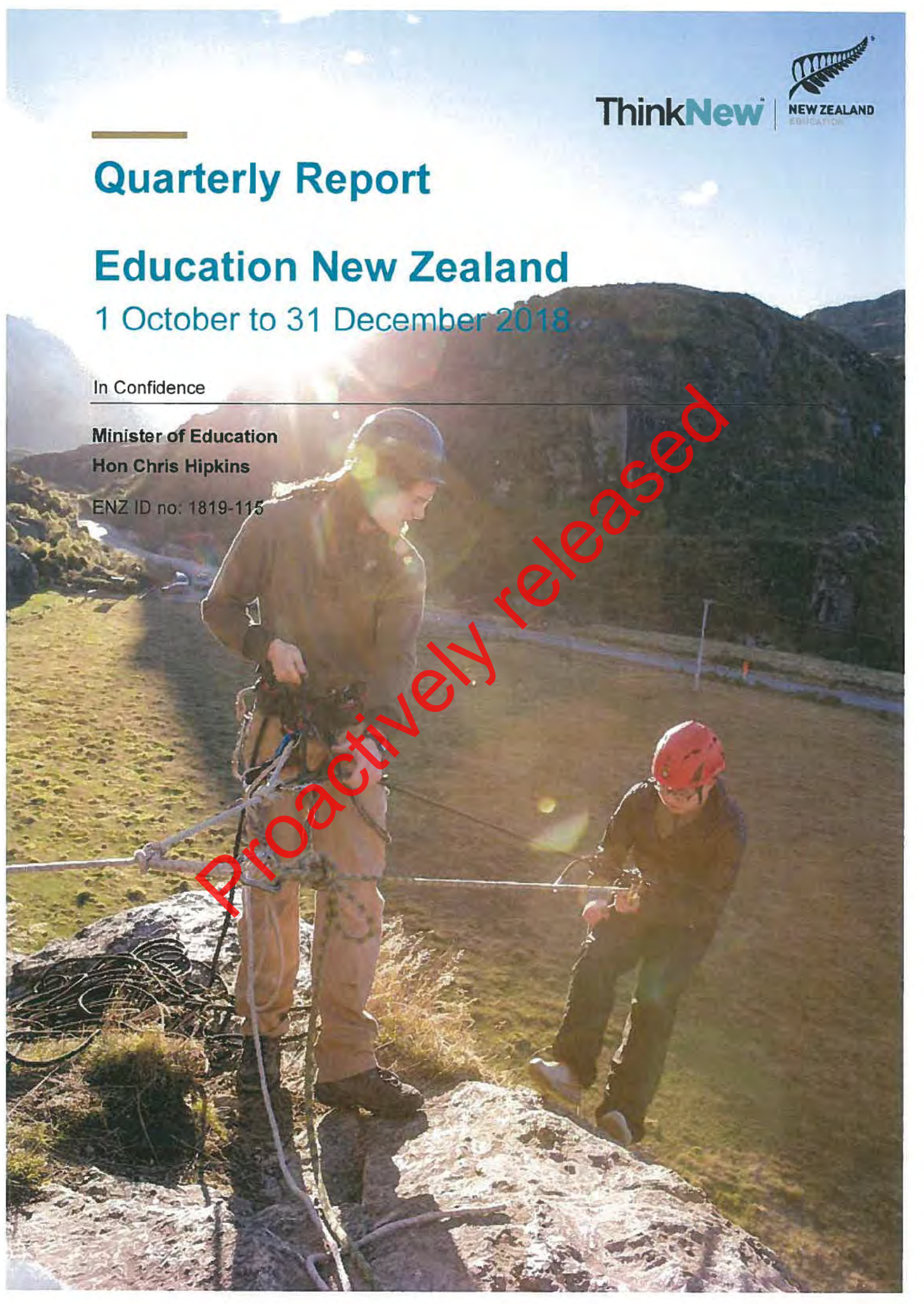
In Confidence

Minister of Education

Hon Chris Hipkins

ENZ ID no: 1819-115

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Executive summary

This quarterly report covers the period 1 October – 3 December 2018¹. This is the second quarterly report against Education New Zealand's (ENZ's) *Statement of Intent 2018-2022*, *Statement of Performance Expectations 2018/19* and *Letter of Expectations for 2018/19*.

Education agencies, including ENZ, developed a plan to implement the International Education Strategy. ENZ also facilitated international education sector workshops to begin identifying short and long-term industry priorities under the Strategy.

ENZ ran Future Proof 2.0, a global marketing campaign which focused on the quality of New Zealand's teachers and learning environment. The campaign generated 54,000 referrals where users clicked through to a New Zealand institution.

Following the 1 November 2018 launch of the new ENZ Recognised Agency programme, 386 education agencies gained Recognised Agency status.

ENZ's Wechat MyStudyNZ mini-programme went live in the China market and Kantar TNS undertook research to understand the different factors impacting the Chinese first-time student visa decrease. ENZ updated industry representatives about the decrease and shared ENZ's plan to turn this around.

36 New Zealand schools were selected to participate in the 2019 New Zealand Schools Scholarships for Vietnam promotion.

ENZ continued to develop the digital platform to improve the availability of clear, timely and customer-focused information to international students. Phase one of the platform will be soft launched in March 2019.

ENZ implemented a new organisational structure which will help us achieve the expectations that the International Education Strategy sets out.

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¹ This report includes calendar year and financial year information. A calendar year is shown as a single year, such as 2018, while dates such as 2018/19 refer to a financial year.

Impact measures

	Target 2018/19	2017/18 Full Year Result	2018/19 second Quarter Result	On track	Comment
The economic value from New Zealand's international education sector.	2020: Increase	\$5.1 billion		●	Measured biennially. An estimated 2018 value will be available in mid-2019 after the 2018 enrolment data is finalised.
The percentage of prospective students in priority markets who rank New Zealand in the top three preferred countries.	2021/22: Increase	15%		●	Survey will be completed in Q3 with the results available in Q4.
The number of international students enrolled to study outside Auckland.	2018: Increase	49,414		●	2018 full year enrolment data will be available in mid-2019.
The economic value per international student.	2020: Increase	\$39,290		●	Measured biennially. An estimated 2018 value will be available in mid-2019 after the 2018 enrolment data is finalised.
The proportion of international students who were satisfied or very satisfied with their overall experience.	≥ 85%	Revised measure		●	Research agency appointed with survey design and development underway. The results will be available in Q4.
Awareness of the contribution of international education to New Zealand.	2021/22: Increase	63%		●	Research to be undertaken in Q4.

Key: ✓ met, or on track to achieve full year target

✗ not met

● not measured, or not currently on track to achieve full year target

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Performance measures

	2018/19 Target	2017/18 Full Year Result	2018/19 Second Quarter Result	On track	Comment
Percentage of users that agree ENZ's services and support have added value.	≥ 75%	71%		●	Users will be surveyed in Q3 or Q4.
Percentage of users satisfied with the information and intelligence provided by ENZ.	Overall rating = good or higher	87% of industry users rated ENZ's information and intelligence as 'good' or higher		●	Users will be surveyed in Q3 or Q4.
Number of key messages about the benefits to New Zealand from international education delivered through third parties.	≥ 150	198	91	✓	
Percentage of Active Visits on ENZ's studyinnewzealand.govt.nz website.	≥ 70%	76%	75%	✓	
Number of registrations to ENZ's Student Membership Programme through studyinnewzealand.govt.nz website.	80-100,000	83,512	59,414	✓	
Percentage of Prime Minister's Scholarship recipients who report making 5 or more professional/business connections during their time on scholarship.	Establish baseline	New measure in 2018/19	60%	✓	ENZ will work with recipients on strategies to increase the connections being made.
Percentage of Prime Minister's Scholarship recipients who report making 5 or more academic connections during their time on scholarship.	Establish baseline	New measure in 2018/19	64%	✓	ENZ will work with recipients on strategies to increase the connections being made.
Percentage of Prime Minister's Scholarship recipients who record that the scholarship has benefited their future career aspirations.					
<ul style="list-style-type: none"> • Asia • Latin America 	95%	96%	98%	✓	
	95%	98%	100%	✓	

Key: ✓ met, or on track to achieve full year target

* not met

● not measured, or not currently on track to achieve full year target

Activity indicators

	2018/19 activity standard	2017/18 Full Year activity	2018/19 Second Quarter activity
Number of referrals to institutional websites from ENZ's studyinnewzealand.govt.nz website.	120,000	166,887	17,252
Usage of IntelliLab.	Establish baseline	New activity in 2018/19	1,709 to 12 December 2018
Usage of the Brand Lab.	25,000 downloads	15,081	18,838 downloads since May 2017
Usage of the Skills Lab.	400 registered users	476 registered users	514 registered users
Number of new and existing Prime Minister's Scholarships funded.			
• Asia	300-350	253	375
• Latin America	100-150	72	120
Number of new and existing New Zealand International Doctoral Research Scholarships funded.	10-20	28	25

Key: ✓ met, or on track to achieve full year target

x not met

not measured, or not currently on track to achieve full year target

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Organisational capability

	2018/19 Target	2017/18 Full Year Result	2018/19 Second Quarter Result	On track	Comment
Ratio of administration expenses to core operating expenses.	13-18%	15%	15.27%	✓	
Core unplanned turnover.	< 11%	9.9%	8.9%	✓	
Employee engagement.	Top quartile of the staff engagement index for the public sector	Top quartile of the staff engagement index for the public sector		●	To be measured in Q4.
Identify and actively manage a targeted portfolio of markets that drives current opportunities and creates future market positions:					The CAPs are now being reviewed monthly, with an annual assessment of the plans.
<ul style="list-style-type: none"> Country Activity Plans (CAPs) document business activity and investment for each 'promote' and 'explore' market 	100%	100%	100%	✓	
<ul style="list-style-type: none"> Country team reviews completed three times per year 	100%	100%	100%	✓	

Key: ✓ met, or on track to achieve full year target

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Proactively released

Financial performance to 31 December 2018

STATEMENT OF FINANCIAL PERFORMANCE	As at 31 December		
	Actual 2018/19	Budget 2018/19	Actual 2017/18
\$000s			
Operating Revenue			
Revenue from the Crown - operating	13,816	13,816	13,904
Revenue from the Crown - EEL	1,633	1,633	1,633
Other revenue	1,290	1,127	2,055
Total operating revenue	16,739	16,576	17,592
Scholarship Revenue			
Revenue from the Crown - scholarships	2,275	2,275	2,275
Total scholarship revenue	2,275	2,275	2,275
Operating Expenditure			
Personnel costs	5,998	5,792	5,886
Other expenses	9,438	10,872	11,428
Depreciation & amortisation expenses	185	172	194
Total operating expenditure	15,621	16,836	17,508
Scholarship expenditure			
Scholarship expenses	1,962	1,574	794
Total scholarship expenditure	1,962	1,574	794
Net surplus	1,431	441	1,565

STATEMENT OF FINANCIAL POSITION	As at 31 December		
	Actual 2018/19	Budget 2018/19	Actual 2017/18
\$000s			
Assets			
Total current assets	6,248	6,772	6,593
Total non-current assets	434	300	491
Total assets	6,682	7,072	7,084
Liabilities			
Total current liabilities	2,770	3,900	2,974
Total non-current liabilities	87	-	87
Total liabilities	2,857	3,900	3,061
Net assets	3,825	3,172	4,024

International Education Programmes year-to-date expenditure was \$1.2m behind budget for various reasons including timing delays around regional activity plan impact projects, co-funding proposals, digital marketing campaign activity and some strategic initiative projects. ENZ expects this expenditure will be caught up and is still on track to record a nil net surplus for the full year.

Lead international education thinking

International Education Strategy

Along with other education agencies, ENZ contributed to the development of a detailed plan to implement the International Education Strategy and a range of measures for monitoring progress. ENZ's activities identified in the plan included implementing the ENZ Recognised Agency Programme, launching the first phase of a student experience digital platform in 2019 and continuing working with EdTech New Zealand, the Publishers Association of New Zealand and the Government-to-Government Partnerships office to identify opportunities to deliver education offshore and online. A summary of the plan was provided to International Education Ministers in December.

ENZ facilitated five subsector workshops and a pan-sector workshop to begin to identify short and long-term industry priorities under the Strategy. The Peak Body Forum were presented with the initial outcomes on 6 December where they agreed to take a governance role for pan-sector collaborative projects moving forward. ENZ will engage with each of the subsectors to progress conversations regarding their specific areas of focus.

Review of Vocational Education

ENZ provided feedback to the Ministry of Education (MoE) on the draft Review of Vocational Education Cabinet paper. In early 2019 ENZ worked with MoE on a fact sheet for international education to support the public consultation.

Promote New Zealand's quality education

Future Proof 2.0 campaign

ENZ ran a global marketing campaign, [Future Proof 2.0](#), following a successful Future Proof 1.0 campaign in 2017/18. Future Proof 2.0 focused on the quality of New Zealand's teachers and learning environment. It aimed to raise awareness of the high quality of New Zealand education, which research suggests is not fully appreciated in many of ENZ's target markets and is one of the three reasons for New Zealand's number one ranking².

To support the campaign, ENZ's [Brand Lab](#) provided education providers with campaign assets and advice on how to leverage the campaign for their own promotional activity via ENZ's website.

The campaign resulted in 14,000 leads generated for the ENZ student database and 54,000 referrals where users clicked through to a New Zealand institution. There was high interest in Bachelor's and Master's degree study, but there was also an increase in interest in secondary school study. The top countries (for website traffic) were India, Vietnam, Brazil, Thailand and the Philippines.

Mortal Engines

ENZ is part of a New Zealand Screen Production Grant Partnership with the New Zealand Film Commission, MRC Studios and Hungry City Limited relating to the film *Mortal Engines*. ENZ leveraged the New Zealand Film Commission's New Zealand Screen Showcase Week to promote the film, by hosting a panel discussion of the director and producers/writers which was attended by

² New Zealand was ranked number one in the Economist Intelligence Unit's Worldwide Educating for the Future Index

university officials, study abroad providers and advisors, education counsellors, college editors and former United States international students to New Zealand.

ENZ also started its Mortal Engines campaign with teaser videos and the launch of the campaign landing page on the studyinnewzealand website. The campaign follows the story of New Zealand-educated graduates who worked on the movie. The videos were shared widely and generated a lot of positive conversations with our target audience. ENZ's social media achieved an 11.8% engagement rate which is almost double the industry benchmark.

The next stage of ENZ's Mortal Engines campaign will send interested leads through to ENZ's student database and send targeted emails to students in the database targeted emails about design disciplines, courses related to filmmaking and a spotlight on New Zealand's regions.

ENZ Recognised Agency programme

The new ENZ Recognised Agency (ENZRA) programme was launched on 1 November. The programme aims to support high quality, top performing agents and agencies who work effectively with students coming to New Zealand. On a yearly basis, agencies will need to meet following three core standards to gain or retain Recognised Agency status:

- meeting a points target and minimum visa approval rate
- meeting core conduct requirements
- undertaking training as required.

There are now 386 Recognised Agencies globally.

Grow sustainable international education

China

ENZ continued to implement its China action plan which was developed to address the decline in Chinese first-time student visas. During the quarter, ENZ's Wechat MyStudyNZ mini-programme went live and ENZ gained Chinese regulatory approval to set up the www.studyinnewzealand.cn website. Kantar TNS was commissioned to conduct qualitative research to understand the different factors impacting on the decrease in Chinese first-time student visas, with the research results being finalised.

ENZ also updated China and New Zealand based industry representatives on the declining first-time student visas and to share plans and align strategies to help turn this around.

The 6th Sino – New Zealand Model Vocational Education Forum was held in Auckland with Chinese and New Zealand vocational education professionals attending. The theme of the forum was "The Entrepreneurial Institute". The forum focused on what New Zealand and Chinese vocational education institutions are doing, and are planning to do, to foster innovation and enterprise within both countries' future workforces. ENZ Chief Executive Grant McPherson opened the forum and commented on the importance of "people to people" linkages in international education.

The first Sino-New Zealand Vocational Education Model Programme Teacher Training base was opened at Qingdao Technical College, one of the leading Chinese technical and vocational education and training institutions and a long-time partner of New Zealand institutes of technology

and polytechnics. The training base will enable more Chinese vocational teachers to learn New Zealand approaches to curriculum design and teaching.

Vietnam

ENZ and Schools International Education Business Association (SIEBA) developed a joint market development strategy for Vietnam, including a 2019-2020 implementation plan. The plan focuses on three key themes:

- scholarships and pricing (including significant sector co-investment)
- agent channel development
- in-market activities with a focus on building school to school partnerships.

An ENZ/SIEBA panel selected 36 schools to participate with \$250,000 in scholarships to be offered through the 2019 New Zealand Schools Scholarships for Vietnam promotion. The initiative will drive regional diversification, with 67% of the 36 scholarships available for study outside Auckland (44% of school students currently study outside of Auckland). The scholarships will be launched in early 2019 to coincide with ENZ's in-market events.

Develop global citizens

Student Experience digital platform

ENZ continued to develop a digital platform, NauMai NZ, to improve the availability of clear, timely and customer-focused information to international students while they are on their study journey (from pre-arrival to post-study). To support the platform's development, ENZ started to engage with an industry stakeholder group, with participants from across the international education sector, about this project. The website will complement resources and initiatives delivered by education providers.

The first phase, which will provide pre-emptive information during the pre-arrival and arrival stages of their journey, will be soft launched in March 2019.

Telling the story of international education

ENZ worked with 1 News to get the \$5.1 billion economic valuation of international education into the national news. Minister Hipkins' release was picked up widely including by Indian Weekender, NZ City, Live News and Voxy.

We offered metro and regional media pre-prepared case studies, highlighting the broader contribution of international education to the relevant region and worked with our regional partners to leverage the Regional Economic Impact reports. Regional coverage included two stories (one on the front page) in the Otago Daily Times, a story and video in the Bay of Plenty Times, two stories in the Rotorua Daily Post, a story in the Taranaki Daily News, a story on NewstalkZB, and a story in the Manawatu Standard.

Develop ENZ's capability

ENZ's organisational redesign

Staff were consulted on a proposed redesign of ENZ's organisational structure and this is in the process of being implemented. The new structure is intended to help ENZ achieve the expectations set out in the International Education Strategy and to encourage greater coordination,

alignment and integration of ENZ's activities. Changes include a reduction in Leadership Team membership but with greater staff and project management support at tier three.

Māori Strategy

ENZ is developing He Rautaki Māori which has three key objectives:

- develop and foster the use of te reo and kaupapa Māori me ōna tikanga for ENZ staff
- work towards identifying a Māori name for ENZ that encompasses our vision and principles
- weave te reo Māori into ENZ's purpose of taking New Zealand's education experiences to the world for enduring economic, social and cultural benefits.

As part of the development process, staff explored ENZ's 'ways of working' through Māori kupu and kaupapa.

New ENZ intranet

ENZ launched its new intranet *Ipu* was launched. The new intranet will become ENZ's central communications hub for staff to access 'live' ENZ news, corporate information, work systems and resources.

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