

Education New Zealand

Quarterly Report for 1 April to 30 June 2021

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Contents

Financial performance to 30 June 2021	3
ENZ's Impact, Performance and Organisational measures	6
Impact measures	6
Performance measures.....	7
Activity indicator.....	8
Organisational capability	9

Proactive release

Financial performance to 30 June 2021

STATEMENT OF FINANCIAL PERFORMANCE	For the 12 months to 30 June		
\$000s	Actual 2020/21	Budget 2020/21	Actual 2019/20
Operating Revenue			
Revenue from the Crown - Operating	29,428	27,248	28,179
Revenue from the Crown - EEL	3,266	3,265	3,265
Other revenue	321	1,350	2,597
Total operating revenue	33,015	31,863	34,040
Scholarship Revenue			
Revenue from the Crown - scholarships	127	4,050	2,050
Total scholarship revenue	127	4,050	2,050
Operating Expenditure			
Personnel costs	13,509	12,500	13,301
Other expenses	19,216	19,199	20,494
Depreciation & amortisation expenses	253	164	306
Total operating expenditure	32,978	31,863	34,101
Scholarship expenditure			
Scholarship expenses	178	4,050	1,625
Total scholarship expenditure	178	4,050	1,625
Net surplus / (deficit)	(14)	-	364

STATEMENT OF FINANCIAL POSITION	As at 30 June		
\$000s	Actual 2020/21	Budget 2020/21	Actual 2019/20
Assets			
Total current assets	7,004	5,998	7,738
Total non-current assets	354	450	559
Total assets	7,358	6,448	8,297
Liabilities			
Total current liabilities	4,266	4,000	5,241
Total non-current liabilities	294	-	244
Total liabilities	4,560	4,000	5,485
Net assets	2,798	2,448	2,812

STATEMENT OF CASH FLOW	For the 12 months to 30 June		
\$000s	Actual 2020/21	Budget 2020/21	Actual 2019/20
Cash flows from operating activities			
Receipts from the Crown	32,821	34,563	33,494
Receipts from Other revenue	319	1,250	2,335
Payments to suppliers, employees and IRD	(34,890)	(35,659)	(33,962)
Net cash flow from operating activities	(1,750)	154	1,867
Cash flow from investing activities			
	536	10	(157)
Net increase/(decrease) in cash	(1,214)	164	1,710
Cash at the beginning of the year	2,128	484	418
Cash at the end of the year	914	648	2,128

Summary

ENZ recorded a minor deficit of \$13,786 for the 12 months to 30 June 2021 and closed with Net assets (equity) of \$2.798m which was in line with the full year budget.

Operating Revenue

Actual Crown Revenue was \$2.180m higher than Budget because:

- International education strategic recovery plan funding of \$1.850m was received to progress the diversification of international education products and services.
- Ministry of Education contributed \$0.330m toward the International student hardship fund, which was set up in May 2020 and managed by ENZ.

Operating Expenditure

During 2020/21, ENZ made appropriate trade-offs and reprioritised its baseline funding. Marketing expenditure was reduced, in favour of financial support and innovation funding for sector peak bodies, regional investment, increased focus on social licence, professional development for the sector, support for students and the provision of data and market insights for Industry and other stakeholders. The major shifts in operating expenditure from 2019/20 to 2020/21 are outlined below.

Advertising, events, and fairs expenditure reduced by \$1.346m to \$4.602m because COVID-19 restrictions prevented any face-to-face events being held offshore. ENZ instead trialled some virtual student fairs and held two major virtual events – the Americas, Middle East and Europe Region Education Week and the New Zealand Partner Workshop Week.

ENZ paused marketing campaigns focused on student attraction and shifted to maintaining awareness and brand protection campaign activity. New brand research was conducted into understanding the impact of COVID-19 on international student perceptions of New Zealand.

ENZ increased its research, policy, and other advice expenditure by \$3.597m to \$9.801m because we commenced new initiatives designed to support the sector and regions:

- Exploration began into the development of a Unified Digital Learning Platform, ENZ moved the existing digital ecosystem beyond the current “Study in New Zealand” offering to a “Study with New Zealand” ecosystem, and ENZ launched new study options with United Kingdom-based qualifications provider University Consortium (NCUK) which was supported by a global New Zealand Education Pathways campaign. New funding of \$1.850m was received from the COVID-19 Response and Recovery Fund to undertake this activity.
- ENZ led activity to build social licence for international education in New Zealand.
- ENZ co-branded and subsidised the New Zealand Global Competence Certificate.
- Funding was provided for an online programme of events focused on student wellbeing and keeping students connected utilising [NauMai NZ](#) to provide advice and information on options and activities to keep international students in New Zealand engaged and connected over the summer period.
- Seed funding of \$1.250m was provided to regional economic development agencies to deliver a range of initiatives, including improving the long-term retention of students, student experience and building social licence at a regional level.
- Activity that was not taken forward from 2019/20 included the one-off Future Focus Programme which provided \$1.2 million to international education sub-sectors to help them innovate their offerings and ways of working in response to the impact of the pandemic.

Staff travel reduced by \$0.661m to \$0.225m because very limited international travel was undertaken, and domestic travel was reduced due to alert level restrictions in New Zealand.

Co-funding arrangements reduced by \$0.611m to \$0.270m because ENZ moved to a seed-funding approach. Seed funding enables the regions to plan multi-year programmes with more certainty.

Other operating expenses reduced by \$1.438m to \$3.664m because:

- Activity that was not taken forward from 2019/20 included the New Zealand International Education Conference which was scheduled for May 2020 but cancelled.
- A hardship fund for international students was set up and administered in May 2020 as a one-off initiative, and agent and media familiarisations did not go ahead due to travel restrictions.
- ENZ shifted investment into providing financial support for sector peak bodies, and regular professional development workshops and updated online resources to help retain the capability and skills that will be needed to rebuild the sector.

Scholarship Revenue and Expenditure

Actual Scholarships Revenue was \$3.923m lower than Budget because:

- Prime Minister's Scholarship for Asia and Latin America revenue of \$3.750m was returned to the crown. Minor expenditure was incurred to tidy up scholarships awarded in the previous financial year.
- New Zealand International Doctoral Research Scholarships were completed this year and unused revenue of \$0.173m was returned to the Crown.

ENZ's Impact, Performance and Organisational measures

Impact measures

	2019/20 Full Year Result	Target 2020/21	2020/21 Full Year Result	Status ¹	Comment
International student perceptions of education quality.	2020: 7.8 out of 10	2020: 8.2 out of 10		NA	Results not yet available.
The percentage of international students who were satisfied or very satisfied with their overall experience.	2019: 88%	2020: Increase		NA	Provisionally, this result is 85%. We expect a full draft report by the end of August 2021 which will provide final results and analysis.
The economic value from New Zealand's international education sector.	2019: \$5.23 billion	2020: Maintain		NA	These results are not yet available as the 2020 international student enrolment numbers have not yet been finalised by the Ministry of Education due to a technical problem in getting the UIP data. We expect to provide the results in our Annual Report 2020/21.
The economic value per international student.	2019: \$44,951	2020: Increase		NA	
The percentage of international students enrolled to study outside Auckland.	2019: 45%	2020: Increase		NA	ENZ has commissioned a new broader impact valuation, commencing end of June 2021 with the final valuation due in December 2021.
The percentage of the international education sector's economic value coming from New Zealand's top two markets.	2019: 50.4% of the onshore economic value to New Zealand	2020: Decrease		NA	
Awareness of the contribution of international education to New Zealand.	2019/20: Due to the significant impact of COVID-19, ENZ did not survey New Zealanders about their perceptions.	2020/21: Increase		Not applicable as this will create a new baseline in 2020/21	The survey was redeveloped so that it provides more analysis to inform our social licence work.

¹ **Key:** ✓ Achieved ✗ Not Achieved NA Result is not yet available, but will be included in the *Annual Report 2020/21*

Performance measures

The financial and non-financial information set out in our *Statement of Performance Expectations 2020/21* were developed prior to COVID-19 and have been impacted by the pandemic.

	2019/20 Full Year Result	Target 2020/21	2020/21 Full Year Result	Status ²	Comment
Percentage of facilitated customers that agree ENZ's services and support have added value to their organisation.	Due to the significant impact of COVID-19, ENZ did not survey the sector.	≥ 75%	75%	✓	
Percentage of Active Visits on ENZ's studyinnewzealand.govt.nz website.	77%	≥ 75%	78%	✓	
Number of registrations to ENZ's Student Membership Programme through studyinnewzealand.govt.nz website.	93,052	80-100,000	53,873	✘	This was not achieved due to ENZ's changed focus for 2020/21 on retaining international students in New Zealand and undertaking activity to maintain awareness of New Zealand's education brand in key markets given the border restrictions in place.
Number of registrations to NauMai NZ	6,263	2,800	3,939	✓	
Number of key messages about the benefits to New Zealand from international education delivered by third parties.	127	100	133	✓	
Percentage of users satisfied with the information and intelligence provided by ENZ.	Due to the significant impact of COVID-19 on the international education sector and the cross-agency work to provide communications and support to the	≥ 87%	≥ 87% of users rate it as good or higher	NA	Results not yet available but will be reported in the <i>Annual Report 2020/21</i> .

² **Key:** ✓ Achieved ✘ Not Achieved NA Result is not yet available, but will be included in the *Annual Report 2020/21*

	2019/20 Full Year Result	Target 2020/21	2020/21 Full Year Result	Status ²	Comment
	international education sector, ENZ did not survey the sector about ENZ's work.				
Percentage of Prime Minister's Scholarship recipients who report making five or more professional/business connections during their time on scholarship.	55%	≥ 60%		Not measured in 2020/21	No Prime Minister's Scholarships for Asia and Latin America recipients undertook their study/internship overseas in 2020/21 due to the COVID-19 pandemic.
Percentage of Prime Minister's Scholarship recipients who report making five or more academic connections during their time on scholarship.	53%	≥ 60%		Not measured in 2020/21	No Prime Minister's Scholarships for Asia and Latin America recipients undertook their study/internship overseas in 2020/21 due to the COVID-19 pandemic.

Activity indicator

	2019/20 Full Year Result	2020/21 Full Year Target	2020/21 Full Year Result	Status ³	Comment
Number of New Zealand International Doctoral Research Scholarships funded.	20	10-20	10	✓	All NZIDRS scholarships were completed by 30 June 2021. No NZIDRS scholarships will be funded in the 2021/22 year.

³ **Key:** ✓ Achieved

✗ Not achieved

NA Result is not yet available, but will be included in the *Annual Report 2020/21*

Organisational capability

	2019/20 Full Year Result	2020/21 Full Year Target	2021/21 Full Year Result	Status ³	Comment
Employee engagement.	ENZ achieved a staff engagement level of 66% favourable, 24% neutral, 10% unfavourable.	2019-2023: Increase	60% favourable, 26% neutral, 14% unfavourable	x	This result, while not meeting the target, had a participation rate of 90% and reflects a year dominated by COVID-19. In the areas of organisational support for staff wellbeing, ENZ achieved high satisfaction levels.

Proactive release