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# STATEMENT OF INTENT

2016-2020



NEW ZEALAND  
EDUCATION

ThinkNew®

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# MESSAGE FROM BOARD CHAIR

We are pleased with where we have come from over the past few years, but we know we have to do even more and be even more effective.



Before we were established as a Crown Agency in 2011, the Government set Education New Zealand goals which appeared to the international education industry to be extremely ambitious. Five years on, we are well on track to achieving all the targets set by the Government's Leadership Statement for International Education.

The goals involved the doubling of value from international students studying in New Zealand and growing annual value from activities undertaken offshore. They do not involve the doubling of student numbers (there is a goal of doubling student numbers at the postgraduate level).

To achieve our goals we will need to attract even more international students. New Zealand will need to earn more per international student than it does now. The industry is going to have to develop new courses for them to study. The industry is going to have to deliver far more offshore than it does now. And the industry is going to have to invest more in technology and use it even more cleverly. All this

will take place without dropping the standard of tuition and pastoral care. New Zealand must remain a uniformly high standard education system and a safe and exciting place for students to study.

Since day one, we have been dependent upon other Government agencies to implement policies that facilitate the achievement of our goals.

And we have had to ensure that the full industry supports our goals. As we continue to grow the industry we are putting more pressure on these other policy agencies and the industry. And we have the challenge of ensuring that New Zealand's communities welcome the increased number of overseas students and that their education, accommodation and other infrastructure can accommodate the increased number of international students studying here.

Dealing with these challenges requires strong and effective thought leadership, in the Wellington policy process and in the wider community. The recently concluded State Service Commission Performance Improvement Framework (PIF) review of Education New Zealand recommended that the responsibility for providing this leadership should now be coming from Education

New Zealand – the reviewers stated that we have earned this right. We welcome this responsibility but it does ask major questions of our limited resources. And at the same time as we need to increase our capability in the policy and outreach spaces we need to constantly monitor the appropriateness and effectiveness of our international footprint, the impact of our marketing and promotional activities and our ability to assist the industry to fully realise the opportunities that exist offshore and with the use of technology.

We are pleased with where we have come from over the past few years, but we know we have to do even more and be even more effective. This Statement of Intent is being finalised as we develop our new strategy to implement the outcome of the PIF review. In some ways, it envisages the outcome of this strategy development process. The Board may well decide that it is more appropriate to do some things in different ways. We are determined to assist the industry to continue its growth in international earnings at the same time as providing the thought leadership needed to allow this to happen. If we deliver on our goals New Zealand will have an even

better resourced education sector, with better infrastructure and academic standards that will deliver excellent outcomes for New Zealand, international students and wider society.

**Charles Finny** | Board Chair

15 June 2016

**Philip Broughton** | Board Member

15 June 2016

# ABOUT EDUCATION NEW ZEALAND

## Our purpose

Education New Zealand’s (ENZ’s) purpose is to take New Zealand’s education experiences to the world for enduring economic, social and cultural benefits.

## Who we are

ENZ is a Crown Agency. The Ministry of Education and the Ministry of Business, Innovation and Employment are our monitoring agencies. In New Zealand, we have staff in Auckland, Hamilton, Wellington and Christchurch. Offshore we have staff in Brazil, Chile, China, Colombia, Germany, India, Indonesia, Japan, Malaysia, Republic of Korea (Korea), Saudi Arabia, Taiwan, Thailand, the United States of America and Viet Nam. Our statutory functions are shown in Appendix One.

We work with New Zealand’s diverse international education industry which is made up of New Zealand’s universities, institutes of technology and polytechnics (ITPs), industry training organisations, private training establishments (PTEs), English language providers (ELS) and schools. We also work with organisations that undertake education delivery offshore including education providers, publishers, consultancy services and education technology businesses.

The consumers and users of many of our services are and will continue to be international education

providers. We need to understand their needs and address them as customers. But having a strong focus on the needs of existing and potential international students is also extremely important. Placing international students at the centre of our approach is vital if we are to stay abreast of current and future needs and trends, avoid capture by existing providers and ensure New Zealand continues to present an attractive, compelling proposition to internationally mobile learners.

## What’s next

When ENZ was set up in 2011<sup>1</sup>, our primary roles were to promote New Zealand as an education destination and provider of education products and services offshore, and to strengthen the industry’s capability. Our learnings and input from industry, central agencies and ENZ’s Performance Improvement Framework (PIF) review have been used to evolve our strategy for the next four years. These are reflected in this document and in our Statement of Performance Expectations 2016-2017.

We will be thought leaders and strategic partners for the industry and other agencies, and be the experienced deliverer of successful high impact activities to benefit the international education industry and New Zealand. We will do this by:

- > leading the international education industry in thinking and implementation
- > telling the international education story within New Zealand

- > driving student mobility for value to New Zealand
- > driving education delivery offshore for value to New Zealand.

More details about these activities are contained in pages 17 to 21.

## Our Board

ENZ’s Board is made up of between five and seven members appointed by the Minister for Tertiary Education, Skills and Employment (this portfolio includes international education). The Board is responsible for the governance of the organisation, including setting its strategic direction and its monitoring performance.

The Board regularly meets to carry out governance functions and address major challenges impacting the industry.

On the Board’s behalf, the Audit and Risk Committee monitors the financial and risk management of ENZ.

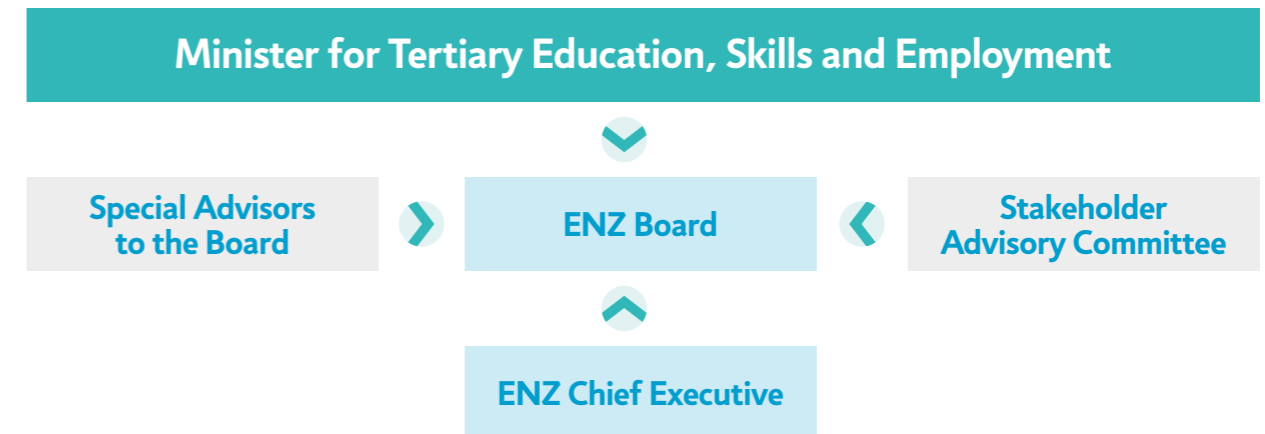
The Human Resources/Organisation Development Committee assists the Board in fulfilling its responsibilities regarding human resources and organisational development policies and practices.

A number of special advisors to the Board help guide and shape the Board’s work and ensure connections with the strategic direction of other agencies. The special advisors are:

- > the Chief Executive of the Ministry of Education
- > the Chief Executive of the Ministry of Foreign Affairs and Trade
- > the Deputy Chief Executive Labour, Science and Enterprise from the Ministry of Business, Innovation and Employment
- > the Deputy Chief Executive Immigration New Zealand from the Ministry of Business, Innovation and Employment.

A Stakeholder Advisory Committee can be appointed by the Minister for Tertiary Education, Skills and Employment to provide the Board with expert advice based on the committee members’ knowledge and experience within the international education industry.

Diagram 1: Governance of ENZ



<sup>1</sup> This Statement of Intent includes calendar year and financial year information. A calendar year is shown as a single year, such as 2016, while dates such as 2016/17 refer to a financial year.

# GOVERNMENT PRIORITIES

## The Government's main priorities

Our work has strong links to the Government's main priorities, in particular, building a more competitive and productive economy. As international education is one of New Zealand's most valuable exports, we contribute to building a more competitive and productive economy.

We also support the Government's priority of responsibly managing the Government's finances by ensuring we deliver our work programme efficiently and effectively, and by delivering value for money.

## Business Growth Agenda

International education as an export industry supports the Business Growth Agenda's goal to build export markets. International education is one of the core elements identified to help achieve the Business Growth Agenda's export markets goal of increasing the ratio of exports to gross domestic product to 40 percent by 2025.

International education also contributes to the Business Growth Agenda's goals for innovation and for skilled and safe workplaces. Within the skilled and safe workplaces work stream, international education supports the aim of improving the

safety of the workforce and building sustained economic growth through a skilled and responsive labour market.

## The Leadership Statement for International Education

The Government's goals for the international education industry are set out in the Leadership Statement for International Education. It sets out targets for the size, scale and sustainability of the industry by 2025.

The targets mean growth is needed in the industry's value, particularly in the value of education delivered offshore. The economic value per international student<sup>2</sup> and the number of international students studying with New Zealand providers also needs to continue to grow.

The Leadership Statement includes objectives for the quality of international relationships that underpin the international education industry, and for the cultural and academic benefits from New Zealanders' international education experiences. The quality of the international education relationships held by the New Zealand international education industry is as important as the achievement of numerical targets.

The Leadership Statement is set out in Appendix Two.

<sup>2</sup> International students are students who are non-residents of New Zealand who have expressly entered New Zealand with the intention of study or have enrolled with a New Zealand provider offshore. ENZ counts international PhD students, exchange students, NZ Aid students, foreign research postgraduate students and full fee-paying international students as international students.



## International Education Industry Roadmap

In 2014 the international education industry, supported by ENZ, developed strategic roadmaps for the industry and for each sector. The industry roadmap sets an industry target value of \$4.8 – \$6.2 billion by 2025.

The roadmaps identify the strategic goals and pathways for growth in international education and are intended to be planning tools. The strategic choices and specific actions could be undertaken by:

- > individual sectors or the industry
- > the Government (including ENZ)
- > potentially both industry and the Government.

The roadmaps and the Leadership Statement complement each other, with both focused on the size and sustainability of the industry.

The roadmaps and the 2015 progress update of the roadmaps are published on ENZ’s corporate website <http://enz.govt.nz/our-services/strategic-roadmaps>.

## New Zealand’s education system

A PIF review was recently completed of ENZ. It endorsed our foundation approach to our establishment and urged more ENZ to undertake more leadership across government and across the industry. It also urged provision of intelligence and thought leadership, and the setting of the Government’s agenda for international education.

### Education System Stewardship Work Programme

ENZ is one of New Zealand’s education agencies that have the stewardship of New Zealand’s education system.

Following a shared vision and planning process between New Zealand’s education agencies and the State Services Commission, agencies have committed to jointly addressing the key areas where they see the most need for, and the potential impact of, a collaborative approach.

### Tertiary Education Strategy

The Tertiary Education Strategy 2014-2019 outlines six strategic priorities that support the shared outcomes for the New Zealand education system. We work with New Zealand’s other education agencies and with tertiary education providers to realise the strategic priority of ‘Growing international linkages’, and support the priority of ‘Strengthening research-based institutions’. We do this by providing support to tertiary education providers to build their capability, and by assisting tertiary education providers to promote student mobility.

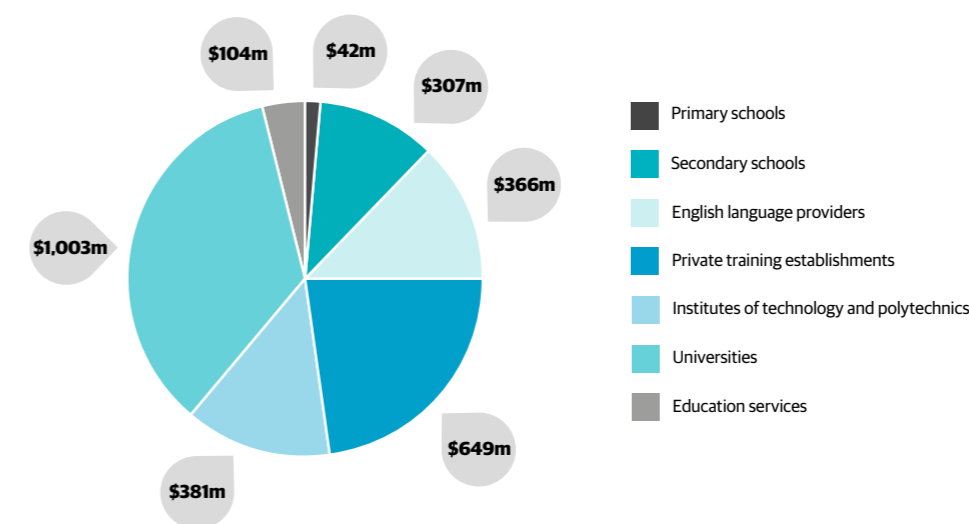
We will continue to identify opportunities for education delivery offshore that tertiary education providers could benefit from.

In 2015/16, we made a submission to the Productivity Commission’s inquiry into new models of tertiary education. We will need to assess any potential impacts on international education of the outcome of the inquiry.

# OUR OPERATING ENVIRONMENT

## New Zealand’s international education industry

Graph 1: Value of the \$2.85 billion international education industry by sector



Source: The Economic Impact of International Education 2014, Infometrics.<sup>3</sup>

### The value of the industry

International education is one of New Zealand’s most valuable exports. It includes both international student attraction and education delivery offshore.

An updated assessment in 2014 valued the international education industry at \$2.85 billion, up from a valuation in 2012 of \$2.60 billion<sup>4</sup>.

The updated economic valuation will be completed in the first quarter of 2016/17. However the latest

estimated valuation from Statistics New Zealand has ‘education travel services’<sup>5</sup> at \$3.1 billion for 2015. Among all New Zealand’s exports, international education showed the third fastest growth between 2012 and 2015.

Based on the Statistics New Zealand valuation, the industry’s value sat between that of fruit (worth \$2.30 billion) and logs, wood and wood articles (worth \$3.52 billion).

<sup>3</sup> The \$2.85 billion was calculated by calculating the value of international students studying in New Zealand at \$2.75 billion. The \$2.75 billion was based on the January to August 2014 enrolment data and an estimate of the number of enrolments for the rest of 2014. The education services valuation was not updated in 2014 and was based on the 2012 valuation.

<sup>4</sup> Infometrics produced this report for ENZ. It is available on ENZ’s corporate website [www.enz.govt.nz](http://www.enz.govt.nz).

<sup>5</sup> Education travel services does not include the value of offshore education services.

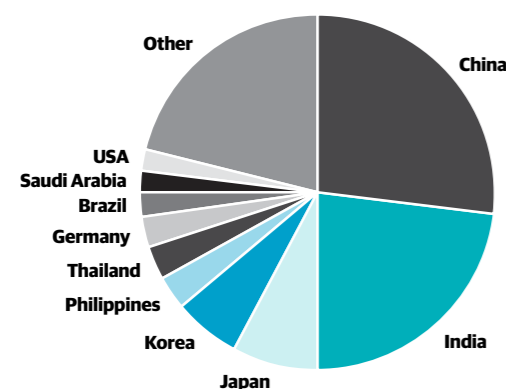
## Student mobility

### International students studying with New Zealand providers

In 2015, 124,357 international students were enrolled with a New Zealand provider, a 14 percent increase on 2014. Nearly all international students study in New Zealand, with less than 3,500 studying with New Zealand providers offshore.

In 2014, the average economic value per international student was \$25,540, only a slight increase from the \$25,370 per international student in 2012.

Graph 2: New Zealand's top 10 source markets of international students in 2015



Source: Export Education Levy and Tertiary Single Data Return, Ministry of Education.

### International students studying throughout New Zealand

Of the international students studying in New Zealand in 2015, 63 percent studied in Auckland and 8 percent studied in Canterbury.

In 2015 all New Zealand's regions saw growth in international student numbers. Three regions drove the growth. Auckland was up by 15 percent, Canterbury up by 13 percent and the Bay of Plenty up by 22 percent. The smallest growth was in Otago which was up by 1 percent.

Auckland will continue to be an important destination for international education in New Zealand. However there are opportunities for growth in the percentage of international students studying outside Auckland. This would reduce the likelihood of any capacity issues occurring within New Zealand's largest city.

We will need to work with the industry to ensure that both the average economic value per international student and the number of international students continue to increase between now and 2025 to achieve the Leadership Statement for International Education goal of the industry being valued at \$5 billion per year by 2025.

New Zealand has typically depended on a few key markets as sources of international students. To diversify New Zealand's student attraction markets, ENZ and the industry will need to continue promoting New Zealand in markets where there are opportunities for growth.

Working with the regions, including Auckland, will need to continue to be a strong focus for ENZ to help all of New Zealand benefit from growth in the value of the industry.

### New Zealanders studying offshore

New Zealanders need to have the skills to successfully operate in an inter-connected world. These skills include cultural and language proficiency. We will need to work with other government agencies, such as the Ministry of Education, and with education providers to help create an environment that will encourage more New Zealanders to study offshore.

We also need to encourage more New Zealanders to apply for the Prime Minister's Scholarships for Asia and for Latin America that enable New Zealand students to undertake study in those regions.

## Working with the industry to build its capacity and capability

The growth potential of the industry's sectors and sub-sectors<sup>6</sup> varies, both in scale and size. To achieve growth, education providers need to have the capacity to deliver international education.

Existing providers' capacity, supporting infrastructure, competitiveness and appetite for international students may limit industry growth in the future unless new providers enter the industry.

Additionally, some opportunities will exceed the capacity or capability of a single provider. We will need to continue encouraging providers to collaborate so they can benefit from these opportunities.

## The wider New Zealand environment

### Influencing policy development and change

New Zealand's policy environment for international education is complex. It affects not only student mobility but also the attractiveness of the industry to new entrants.

Immigration and education policy settings, both during and after study, and the recognition of New Zealand qualifications internationally, affect New Zealand's attractiveness to potential international students. At the same time, policy settings need to deliver the best overall outcomes for New Zealand. We will work to influence policy settings and practices that encourage and allow international students to transition from one level of study in New Zealand to another level of study; for example, studying at tertiary level after studying at a New Zealand school. There is currently a pilot programme underway to encourage pathways for international students.

Education policies can also affect New Zealanders' decisions on whether to study offshore.

We will need to work closely with the Ministry of Education, Immigration New Zealand, the

New Zealand Qualifications Authority, the Ministry of Business, Innovation and Employment, and other agencies to influence policies that affect students' and education providers' decision making, and to reduce barriers to industry growth.

### Telling the story in New Zealand

Many New Zealanders are unaware of the benefits of international education for their communities. Students studying outside their own country increase international connections between countries by building lifelong friendships and networks, and strengthen their understanding of other cultures. We want to build New Zealanders' awareness of the value of international education to New Zealand.

## The international environment

The global economy is projected to grow more slowly between 2016 and 2020 compared to the last four years (2011 to 2015). Slower growth in countries such as China and Brazil is expected to be partially offset by stronger growth in South and Southeast Asia, the United States and Europe. New Zealand's international education industry should benefit, as many of New Zealand's key markets for international education are projected to continue to grow their economies over the next four years.

### Future global demand for international education

Globally China is expected to be the largest source of international students in 2025 with large numbers of international students also from India, Nigeria, Germany and Saudi Arabia. Demand is also expected to come from less traditional sources of international students.

Over the next four years, China and India are expected to grow as sources of international students, based on the 2025 forecast and our market intelligence. Additionally, we expect some existing markets for New Zealand, like Japan and the United States, have the potential for significant growth. Both of these countries governments have

<sup>6</sup> Some examples of sub-sectors are education publishing and education technology.

a growing focus on their students studying offshore for at least part of their study.

Some markets, like Indonesia, are expected to send more students to study internationally. This is due to their growing middle classes and youthful populations.

### Strong competition in international education

Like New Zealand, many countries' international education industries have been growing over the last few years, and expect to continue to grow over the next four years. We expect continued strong competition from our competitors. Many of New Zealand's competitors are much larger and have more resources targeted at attracting international students.

Many other countries' international education industries deliver much of their services outside their home country. In contrast New Zealand's industry delivers most of its services within New Zealand by attracting international students to study in New Zealand.

New Zealand needs to remain competitive and compare favourably with its competitor countries in terms of price, quality and ease of access.

Over the next four years we expect most of the value of international education to New Zealand to come from international students studying in New Zealand. However in the longer term growth will depend on how well the industry adapts to changes in the way education is delivered.

### Changing the way education services are delivered

Globally, education is a rapidly changing field. This creates opportunities and risks for New Zealand's international education industry. Increasingly learners at all levels demand greater flexibility and education choice.

Today's students are more connected, through their devices, to the world around them. More flexible education models have appeared. The implications for international education are that students will have greater choice of how and where they study. The education services sector in addressing these trends provides:

- > teaching and learning materials, including books, texts, curriculum, assessments and other learning resources, whether in hard copy or digital format
- > education technology and tools, software, applications and online platforms for content delivery, assessment or student management education or training delivered to students based outside New Zealand by distance or by online delivery
- > physical delivery of education or training to students based outside New Zealand
- > contracted teaching services based outside New Zealand
- > education consultancy services delivered to clients outside New Zealand
- > workplace-based industry training and assessment delivered outside New Zealand.

In 2016, Covec and Infometrics undertook an assessment of the value of New Zealand's education services sector. This has identified that the sector is worth \$242 million.

# OUR OUTCOMES FRAMEWORK

**Together with the international education industry we are working to ensure New Zealand benefits from international education. Our outcome 'Increase the economic value from New Zealand's international education industry' contributes to the Government's goals for economic growth and for the education system.**

Following our PIF review, our outcome is unchanged. However over the next four years some of the activities and how we measure the impact of those activities will change. The diagram over the page illustrates the current link between what we do (our activities) and the impact we have.

To ensure New Zealand benefits from international education, we will lead the international education industry in thinking and implementation. This will include:

- > taking a more strategic focus to influence and drive policy alignment across regulatory agencies
- > leading the International Education Senior Officials' Group
- > providing information and intelligence that enables the industry, other government agencies, stakeholders and ENZ to make better informed decisions.

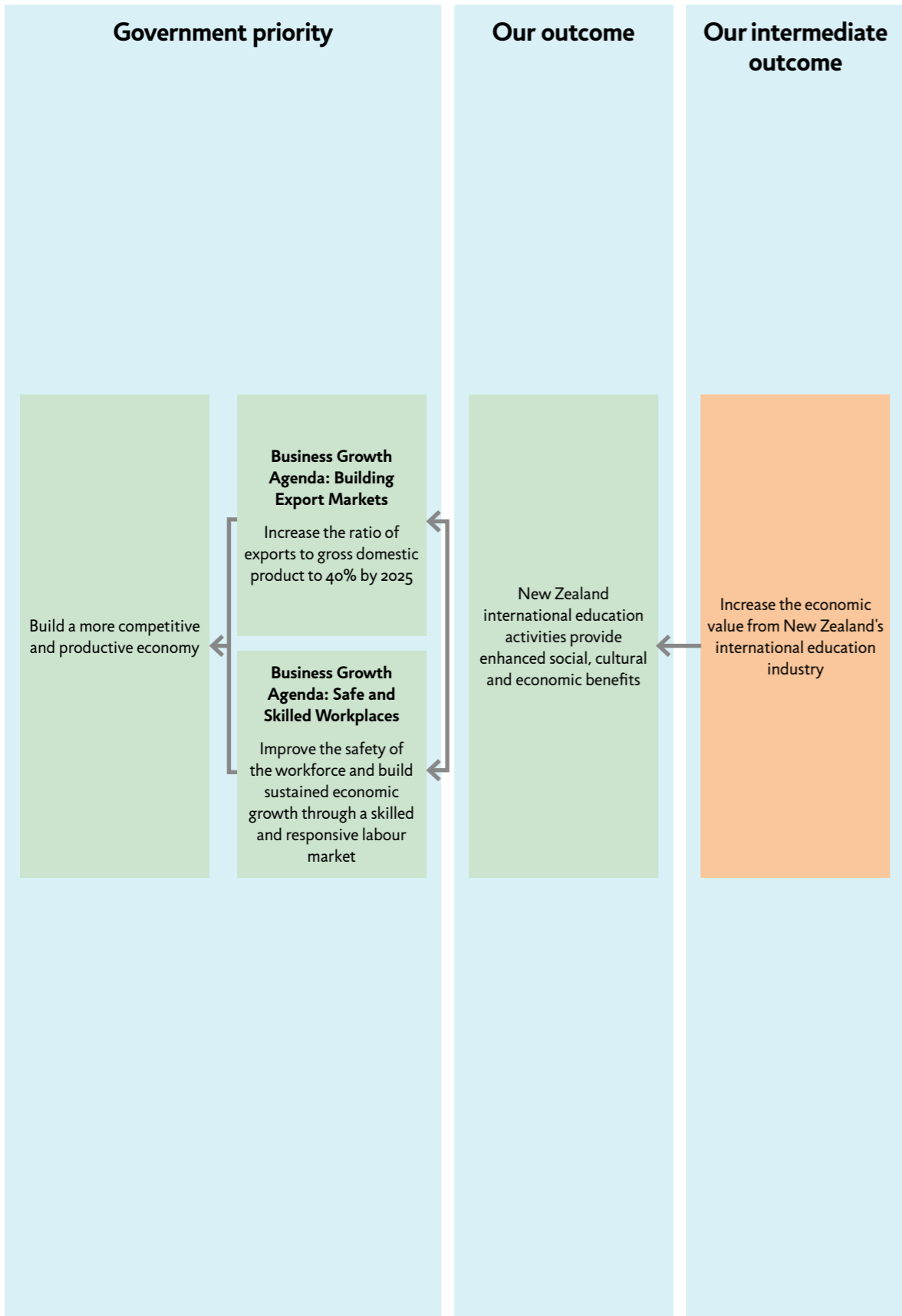
Telling the story of the benefits of international education within New Zealand will help New Zealanders to understand the wider benefits of international education for their communities.

Working to diversify New Zealand's student attraction markets and encouraging New Zealanders to spend time studying offshore will drive student mobility for value to New Zealand. Diversifying where international students study within New Zealand will spread the benefits of international education across New Zealand's regions.

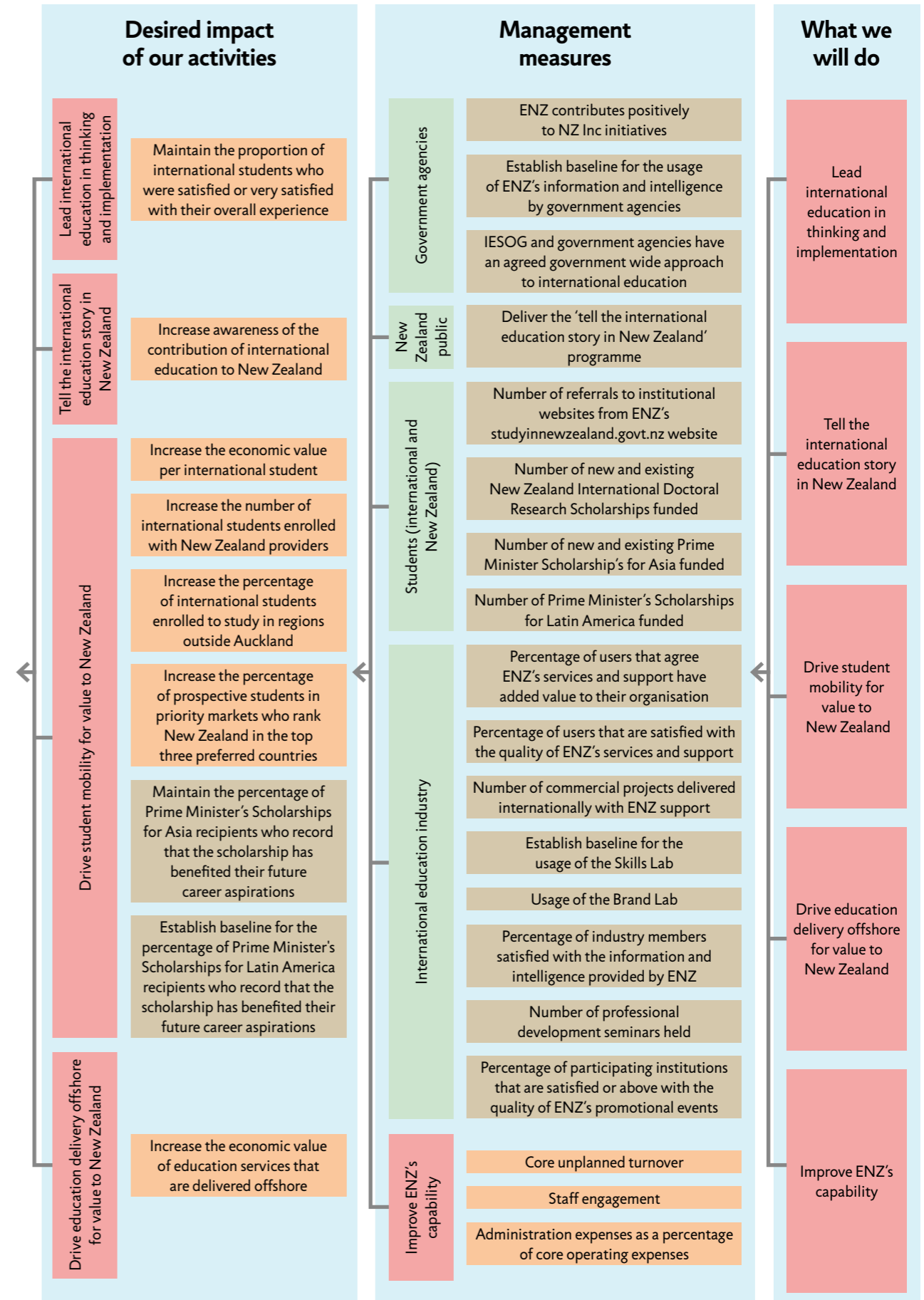
Initially we will clarify the value to New Zealand of the delivery of education offshore. We will then drive the education delivery offshore for value to New Zealand.

We will also continue to improve our ability to work with the industry, other government agencies and stakeholders to increase the value of the industry to New Zealand and ensure we have the platforms and tools to do so.





Free trade agreements, Leadership Statement for International Education, Education system blueprint, Tertiary Education Strategy



**KEY**

ENZ goals	Statement of Intent impact measures	Statement of Performance Expectations performance measures
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The Statement of Intent impact measures are also shown on pages 22-23 and page 26 of this Statement of Intent 2016-2020.

# OUR OPERATING INTENTIONS

## Intermediate outcome: Increase the economic value from New Zealand's international education industry

### What will we do to achieve this?

We are the 'go to' agency in New Zealand for everything to do with international education. 2016/17 is a year of action where we will accelerate our activities following ENZ's first PIF review. The review was a positive step for ENZ, and during the year we will implement activities that will help us achieve our four year excellence horizon. This will shape our activities over the next four years.

### Lead international education in thinking and implementation

#### *Lead the future thinking of the industry*

We will lead the future thinking of the industry by leading work with other agencies to set the Government's agenda for international education. This will then drive activities undertaken by ENZ and other agencies to support the growth of the industry.

#### *Enlist and align government agencies in support of international education*

We will lead the International Education Senior Officials' Group (IESOG<sup>7</sup>) and work with other government agencies to develop an agreed government wide approach to international education. It is vital that other agencies, primarily

the Ministry of Education and Ministry of Business, Innovation and Employment, understand and embrace our work.

Education and immigration policies and settings significantly affect New Zealand's competitiveness to attract international students. How and which students come to New Zealand are affected by immigration settings, qualifications recognition, and New Zealand's workforce profile and requirements.

The expectations of education providers are affected by the alignment of domestic and international education settings, the regulatory environment, Crown investment and pastoral care. New entrants and system innovations are affected by policies regarding direct investment and/or education provision by non-New Zealand education providers, and by access to grants.

We will take a more strategic focus to influence and drive policy alignment across regulatory agencies. To do this, ENZ will lead the work to grow the role of IESOG so that agencies deliver a more aligned and planned approach to cross-agency work to support the industry.

First, we will lead work with other agencies to move IESOG to take a more strategic policy focus. Then we will work as an IESOG leader to influence policy settings, and use IESOG to enlist the support of other agencies to proactively drive international education forward.

<sup>7</sup> IESOG is made up of representatives from the Ministry of Business, Innovation and Employment, the Ministry of Education, the Ministry of Foreign Affairs and Trade, ENZ, the New Zealand Qualifications Authority and the Tertiary Education Commission.



ENZ staff are co-located offshore with other New Zealand agencies so we can work interactively and support each other's activities to promote New Zealand. We are usually co-located with the Ministry of Foreign Affairs and Trade or with New Zealand Trade and Enterprise.

We will work with the Ministry of Education and the Ministry of Foreign Affairs and Trade to clarify our respective roles in the area of international diplomacy. In particular the leading of NZ Inc efforts offshore to advance educational opportunities, the promotion of education internationally and the use of diplomatic activities such as Ministerial Missions and Free Trade Agreement negotiations.

### Lead information and intelligence provision

In 2016/17 we will design and implement an international education information and intelligence service that better meets the needs of the industry and government. We will then continue to build and refine the service so that we lead:

- > information and intelligence provision on international education's markets, student experiences and products
- > information and intelligence provision on the current state of international education, both in New Zealand and globally
- > the future thinking of the industry.

The authoritative, targeted information and intelligence will be used to give New Zealand a competitive edge, providing highly valued information, data, analytics and insights.

It will be able to be used to:

- > improve decision making by government agencies, including ENZ, and by providers
- > develop and amend education and immigration policies that affect the industry.

To help do this we will improve the collection of information and intelligence from ENZ's onshore and offshore based staff and from other government

agencies. This will optimise the benefits that flow from having offshore staff and better capture knowledge and information to better serve the industry.

We will deepen our understanding of international students' aspirations and preferences. Based on this, we will be able to articulate and provide evidence of New Zealand's international education value proposition and be able to describe the operating and enabling environment changes required for this to be realised.

We will also collect feedback from international students and map it against global benchmarks to ensure a quality student experience. Activities include developing the current work on student personas from being a marketing tool only into an organising principle of ENZ interventions; from attraction and recruitment through to students' experience in New Zealand and deepening post-study engagement with alumni.

### Tell the international education story in New Zealand

The industry needs to operate with an accepted social licence in New Zealand. This will help New Zealand maintain a reputation for being a welcoming place for international students. We will develop and implement a 'tell the international education story in New Zealand' programme that aims to build understanding of the social, cultural and economic contribution international education makes to New Zealand communities, institutions and education. The programme may include opinion pieces, speaking engagements, media engagement, general media coverage and working with opinion leaders.

We will work to align international education with New Zealand's needs such as the skills required by New Zealand businesses and industries. To do this, we will improve our understanding of labour market needs and identify opportunities for stronger linkages between international education and labour market needs.

### Drive student mobility for value to New Zealand

#### Promote New Zealand education

We will continue to use New Zealand's Education Story and 'Think New' brand to raise awareness of and preference for New Zealand education. The 'Think New' brand is made up of three key brand attributes that show the value of a New Zealand education. The brand attributes are:

- > **Learn**
- > **Live**
- > **Work.**

The industry will be encouraged to use the 'Think New' brand and 'The Brand Lab' (a marketing toolkit) in its promotional activities, which are targeted both at attracting international students to study with New Zealand providers, and at delivering education services offshore.

We will use, and encourage the industry to use, stories that talk about the distinctive benefits of a New Zealand education in each sector.

Alongside the distinctive sector stories, we will also encourage industry to use the New Zealand Education Story and the New Zealand Story where it is appropriate for them to do so.

#### Continue market diversification

To diversify New Zealand's international student attraction markets, we will continue to prioritise the international student attraction markets to focus on. There are four types of prioritised markets:

- > **Rebalance:** In this category are China and India, which are major sources of students and will stay that way for the foreseeable future.
- > **Promote:** This is a group of countries and regions where we believe the right investment and approach will deliver strong growth.
- > **Explore:** Countries will be identified to explore where there may be good growth prospects in the short to medium term.
- > **Project based:** These are countries where we will focus on a targeted project.

We will regularly review and prioritise markets to ensure we continue to gain the best value for New Zealand.

Activities in these countries will be driven by our annual Country Activity Planning process which aims to drive a stronger focus on delivering 'value + volume + growth'. The activities delivered by ENZ will vary from market to market, based on improved information about the effectiveness of our activities. Target audiences will also vary with activities focused on potential international students, their families and/or agents. The activities may include but will not be limited to:

- > ENZ-organised and commercial education fairs
- > digital marketing
- > education agent seminars
- > media and education agent familiarisation visits to New Zealand
- > social media
- > public relations.

Our student attraction website ([www.studyinnewzealand.govt.nz](http://www.studyinnewzealand.govt.nz)) will continue to be used to promote New Zealand to potential students and their families. The website also funnels enquiries and interest from potential international students and their families to education institutions and agents.

Current and former international students can add value to New Zealand by acting as ambassadors and advocates for New Zealand education. We will develop and then implement an alumni strategy to build a valued network of present and former international students.

### **Continue regional diversification within New Zealand**

As we want to ensure the widest possible benefits accrue to New Zealanders from international education, we will actively promote New Zealand's regional international education offerings and benefits to prospective international students.

Through our Regional Partnership Programme, we will continue to work with international education providers, local government/regional economic development agencies, and communities throughout New Zealand to support and encourage regional growth. The activities that form part of the work programme for each region will vary and may include:

- > developing and implementing regional international education strategy(s)
- > developing regional approaches to marketing and promotion for international education
- > sharing of best practice in international education across education sectors within the region(s)
- > supporting capability building and increasing co-ordination for international education providers within the region(s)
- > identifying and working to remove regional barriers and constraints to growth in international education.

The activities will all be designed to:

- > increase awareness of the importance of international education on a regional basis
- > support specific growth initiatives appropriate to that region.

We received additional funding through the Export Education Levy for 2015/16 and 2016/17 to expand the programme and boost the international education industry in regional New Zealand.

### **Build industry capability**

Using the industry roadmap and the sector specific roadmaps to guide us, we will undertake activities to continue to build the industry's capability.

The activities will evolve to reflect ENZ's value proposition and feedback from our annual industry survey. Activities may include:

- > organising seminars or conferences for the industry, a sector or a specific subsector
- > organising training or professional development around specific topics such as pricing or risk management and bid preparation
- > developing and providing tools for use by the industry
- > providing co-funding for up to 50 percent of the total cost of an international education project through the International Education Growth Fund
- > encouraging education providers to collaborate so they can identify and benefit from opportunities that exceed the capability and/or capacity of a single provider.

We will launch the Skills Lab in August 2016. The Skills Lab is an online toolkit to help international education providers grow their business. It provides projects, advice and tips on a range of topics, from marketing to public relations, strategy to business planning, intelligence to partnerships, and customer engagement to market development.

Once launched, the Skills Lab will provide us with the ability to provide capability development support and advice to industry on a comprehensive and ongoing basis.

### **Provide scholarships for New Zealanders and inbound international students**

The presence of skilled New Zealanders studying at education providers offshore promotes the high quality of the New Zealand education system, while enabling those New Zealanders to enhance their skills.

In 2016/17 we will expand the Prime Minister's Scholarships for Asia (PMSA) and implement the Prime Minister's Scholarships for Latin America (PMSLA). The PMSLA will expand in 2017/18 and the PMSA will further expand in 2018/19. The expansion of these scholarships will enable more New Zealanders to study offshore across a wider range of courses and international locations.

We also administer the New Zealand International Doctoral Research Scholarships that fund international students to come to New Zealand to undertake PhD study. The scholarships are intended to attract top international students to New Zealand. Over the next four years, we will review and potentially implement changes to the scholarships to ensure the funding is used effectively and continues to support the Government's goals for international education.

Scholarships are an important way of encouraging student mobility. Along with other New Zealand government agencies that administer scholarship programmes, we will work to leverage scholarships to benefit New Zealand.

### **Drive education delivery offshore for value to New Zealand**

We will develop the value proposition for New Zealand and ENZ of education delivery offshore. This will identify when and how we should work with the industry to the expansion of education delivery offshore activities.

Most of the education delivery activities undertaken by the industry are project based and not necessarily based around a specific location. We envisage our support will vary from project to project, and may include:

- > providing industry training on how to undertake due diligence or the steps to take to explore a potential deal

- > providing market intelligence
- > supporting a delegation visit to explore opportunities in a market or to attend a tradeshow/expo
- > contracting the delivery of a specific piece of research to assist the New Zealand provider
- > helping a New Zealand provider to undertake due diligence of a proposed deal
- > providing co-funding to investigate a potential new market.

In the meantime we will continue to work with the industry to identify and develop opportunities for education delivery offshore. This may mean encouraging providers to collaborate when an individual provider does not have the capacity to benefit from the opportunity. We will work with the industry to build its capability and capacity to benefit from these opportunities and work with other New Zealand government agencies to promote government to government relationships.



## Impact measures

Measure	How measured	Baseline	Target
Increase the economic value from New Zealand's international education industry.	Economic impact analysis studies using methodology agreed with Statistics New Zealand.	<b>2008:</b> \$2.51b <i>Trend</i> <b>2012:</b> \$2.60b <b>2014:</b> \$2.85b <sup>8</sup>	<b>2018:</b> Increase value to \$3.77b. <b>2021:</b> Increase value to \$4.25b. <b>2025:</b> Increase value to \$5.0b.
Maintain the proportion of international students who were satisfied <sup>9</sup> or very satisfied with their overall experience.	Surveys of students, Education New Zealand.	<b>Sector</b>	
		<b>Baseline</b>	<b>Trend</b>
		<b>2011/12</b> <sup>10</sup>	<b>2013</b> <sup>11</sup>
		<b>2014</b> <sup>12</sup>	<b>2015</b> <sup>12</sup>
		<b>2018</b>	
		Secondary school	94%
Private training establishments	87%	88%	88%
English language schools	88%	89%	89%
Institutes of technology	89%	89%	88%
Universities	89%	88%	90%
Increase awareness of the contribution of international education to New Zealand.	Public perceptions survey, Education New Zealand.	<b>2015/16:</b> Establish baseline.	<b>2016/17:</b> Increase awareness compared to 2015/16. <b>2017/18:</b> Increase awareness compared to 2016/17. <b>2018/19:</b> Increase awareness compared to 2017/18. <b>2019/20:</b> Increase awareness compared to 2018/19.
Increase the economic value per international student.	Economic impact analysis studies using methodology agreed with Statistics New Zealand.	<b>2012:</b> \$25,370 per international student. <i>Trend</i> <b>2014:</b> \$25,540 per international student.	<b>2018:</b> Increase value per international student compared to 2015. <b>2021:</b> Increase value per international student compared to 2018. <b>2025:</b> Increase value per international student compared to 2021.

Measure	How measured	Baseline	Target
Increase the number of international students enrolled with New Zealand providers.	Export Education Levy and Tertiary Single Data Return, Ministry of Education.	<b>2012:</b> 98,688 international students. <i>Trend</i> <b>2013:</b> 97,107 international students. <b>2014:</b> 110,198 international students. <b>2015:</b> 124,357 international students.	<b>2016:</b> Increase international student numbers by 6,800 compared to 2015. <b>2017:</b> Increase international student numbers by 5,000 compared to 2016. <b>2018:</b> Increase international student numbers by 6,000 compared to 2017. <b>2019:</b> Increase international student numbers by 6,000 compared to 2018.
Increase the percentage of international students enrolled to study in regions outside Auckland.	Export Education Levy and Tertiary Single Data Return, Ministry of Education.	<b>2012:</b> 39% <i>Trend</i> <b>2013:</b> 40% <b>2014:</b> 38% <b>2015:</b> 37%	<b>2016:</b> Increase the percentage of international students enrolled to study in regions outside Auckland compared to 2015. <b>2017:</b> Increase the percentage of international students enrolled to study in regions outside Auckland compared to 2016.
Increase the percentage of prospective students in priority markets who rank New Zealand in the top three preferred countries.	Brand awareness survey, Education New Zealand.	<b>2015/16:</b> 11%	<b>2016/17:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2015/16. <b>2017/18:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2016/17. <b>2018/19:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2017/18. <b>2019/20:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2018/19.
Increase the economic value of education services that are delivered offshore.	Economic impact analysis studies using methodology agreed with Statistics New Zealand.	<b>2016:</b> \$242m <sup>13</sup>	<b>2018:</b> Increase value to \$298m. <b>2021:</b> Increase value to \$370m. <b>2025:</b> Increase value to \$500m.

8 The \$2.85 billion was calculated by calculating the value of international students studying in New Zealand at \$2.75 billion. The \$2.75 billion was based on the January to August 2014 enrolment data and an estimate of the number of enrolments for the rest of 2014. The education services valuation of \$104 million was not updated in 2014 and was based on the 2012 valuation.

9 Survey ratings = Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied.

10 ENZ and the Ministry of Education contracted I-graduate to run the 2011/12 surveys.

11 The institutions contracted i-Graduate to run the 2013 surveys.

12 ENZ contracted i-graduate to run the 2014 and 2015 surveys.

13 Source: Development and Implementation of a new Valuation Methodology for NZ's Education Services Exports, Covec and Infometrics. According to Covec and Infometrics, earlier valuations in 2008 and 2012 used a slightly tighter definition of offshore education services and how significant the implied difference is 'remains to be seen'. The 2008 valuation was \$107 million and the 2012 valuation was \$104 million.

# OUR ORGANISATIONAL DEVELOPMENT

To successfully deliver the activities in the 'Operating Intentions' section and measure whether the activities have the desired impact, we need to continue to develop our people and the tools available to them.

We want to be one global team, working together to drive value for the international education industry and New Zealand. This means having the right skills, platforms and tools. To do this, we will identify ENZ's capability and capacity needs in order to achieve our medium-term goals, and then work to address any gaps between our needs and our current capability and capacity.

At the same time, we will invest in transformational initiatives that will create a step change in how we achieve our goals. We will ensure that our organisational development activities continue to support the efficient and effective delivery of our activities.

We will work within the spirit of the whole-of-government directions for procurement, information and communications technology (ICT), and property to ensure we use efficient and effective back office services to support our activities. One of the ways we will measure our efficiency and effectiveness is through monitoring the ratio of administration expenses to core operating expenses.

We will start moving from a cost model to an investment model where we allocate our resources in order to achieve the maximum impact for a given level of risk.

## Our people

Our values create the foundation for ENZ and support the 'Think New' brand we use to promote international education. They are:

- > **Think Bold**
- > **Think Open**
- > **Think Team.**

We will continue to develop our approach to ensure ENZ has a global team that has the flexibility and agility to ensure ENZ is fit for purpose. This includes ensuring we have people with the appropriate capabilities in the right locations to deliver on the organisational demands highlighted in ENZ's PIF review.

We will implement our People Strategy 2015-18. The key elements of the Strategy are:

1. planning and resourcing
2. employee engagement and performance improvement
3. developing our people
4. recognising and rewarding our people.

The changes in ENZ's focus will impose different demands on our staff, making the planning and resourcing aspect of the People Strategy of particular importance. We will need to plan to have the appropriate skills, sufficient resources and most effective groupings and locations to ensure we meet our goals.

At this point in our evolution we will also need to recognise the likelihood of increasing turnover levels, reflecting the significant recruitment we undertook three to four years ago as ENZ was established. As a smaller organisation, opportunities for career development are somewhat restricted, but we will continue to place a heavy emphasis on developing our people with new on-the-job opportunities.

As most of our work is project based, we will also build a flexible resourcing model to enhance our speed and agility.

Our organisational performance measures are reflected in individual performance agreements.

## Good employer matters

We recognise the need for a diverse workforce to effectively deliver services to our customers. We provide equal employment opportunities to make the most of the talents of all of our people.

Our status as a good employer will be assessed against the elements and criteria set out by the Human Rights Commission. Over the next four years we will continue to ensure that all elements are in place and working well through our People Strategy.

We will continue to run an employee engagement survey. We will develop and implement solutions for areas of improvement identified through the survey.

## Our technology

We have been developing a roadmap for ICT for the next four years. Successful implementation of the roadmap for ENZ will mean that ENZ is 'business led, technology enabled'.

Technology underpins the delivery of our services globally and therefore establishing, and then leveraging off, an appropriate ICT platform is key to ENZ being able to achieve its goals. We have now put in place the infrastructure required to become a globally connected and communicating organisation, including a new global data network and are implementing a new Document Management System. These will improve the sharing of information and knowledge and encourage greater collaboration, particularly between ENZ's onshore and offshore staff.

In 2016/17 the implementation of a customer relationship management system and a more capable financial management and information system will improve the quality and reliability of information available to ENZ.

At the same time work will start on the platform for providing enhanced intelligence products and services for the New Zealand international education industry. A continued focus on the digital delivery of services will mean that work will continue on rationalising and streamlining the digital interface with clients via an improved online experience.



## Monitoring organisational capability

Measure	Baseline	Target 2016-2020
Employee engagement.	<p><b>2013/14:</b> Ranked in the top third of government agencies which complete the same survey.</p> <p><i>Trend</i></p> <p><b>2014/15:</b> Ranked in the top quartile of government agencies which complete the same survey.</p>	Be in the top quartile of the staff engagement performance index for public sector organisations as measured by an employee engagement survey.
Core unplanned turnover.	<p><b>For the year ending 30 June 2014:</b> 9%.</p> <p><i>Trend</i></p> <p><b>For the year ending 30 June 2014:</b> 11%.</p>	No more than 11%.
Administration expenses as a percentage of core operating expenses.	<p><b>2013/14:</b> 11%</p> <p><i>Trend</i></p> <p><b>2014/15:</b> 14%.</p>	Between 13-18%.

## Our systems and processes

### Capital and asset management intentions

The value of our capital assets is small. The table below summarises the forecast value of our assets at 30 June 2016.

	Forecast net book value at 30 June 2016	Comment on assets forecast at 30 June 2016	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20
<b>Property fit out</b>	\$171,422	Lambton Quay office fit-out completed in 2015	\$30,000	\$30,000	\$30,000	\$30,000
<b>Information technology</b>	\$558,165	ICT programme completed in 2016	\$250,000	\$100,000	\$100,000	\$100,000
<b>Motor vehicles</b>	\$113,450	Motor vehicles in Riyadh, New Delhi and Beijing	-	-	-	-
<b>Office equipment</b>	\$29,848	Lifecycle replacement only	\$20,000	\$20,000	\$20,000	\$20,000
<b>Furniture and fittings</b>	\$20,561	Lifecycle replacement only	\$15,000	\$15,000	\$15,000	\$15,000

Our capital investment intentions over the next four years are that we will:

- > review our office accommodation as part of the changing needs of market development and growth and contribute toward office refits as necessary
- > replace vehicles, office equipment and furniture and fittings at the end of their useful lives.

We now have in place the infrastructure required to become a globally connected and communicating organisation, including a new global data network and Document Management System. In 2016/17 the implementation of a customer relationship management system and a more capable financial management information system/human resource information system will improve the quality and reliability of interaction information.

### Risk management strategy

ENZ has a risk management and reporting framework that provides a consistent way to identify and assess the most important risks.

We will:

- > monitor the risks regularly through the Audit and Risk Committee

- > revise, where necessary, risk severity and likelihood levels
- > report any significant risks, and appropriate strategies to address them, to our Minister and our monitoring agencies as they arise.

We have identified ENZ's broad risks and mitigation strategies.

Risk	ENZ's mitigation strategies
<p><i>International education goals</i></p> <p>Failure to deliver on the Government's goals for international education.</p>	<ul style="list-style-type: none"> <li>• Implement ENZ's agency response to its PIF review.</li> <li>• Undertake robust strategic and business planning, including defining clear goals and medium term targets.</li> <li>• Engage with the industry to gain their support of the goals and to support their work to achieve the goals.</li> <li>• Undertake regular reporting against approved plans.</li> <li>• Regularly monitor whether ENZ's activities are having the expected impact and, where required, adjust our activities to ensure the achievement of the goals.</li> </ul>
<p><i>New Zealand's international education brand</i></p> <p>Failure to build and maintain the reputation of New Zealand's international education industry.</p>	<ul style="list-style-type: none"> <li>• Promote New Zealand as a world-class and high value destination.</li> <li>• Work with the industry to ensure New Zealand has the capability and capacity to accommodate an increase in international student numbers.</li> <li>• Work as an IESOG leader to influence policy settings.</li> <li>• Work with other New Zealand education agencies to enable the collective delivery of the Government's priorities for the education system.</li> </ul>
<p><i>Changes to the international environment</i></p> <p>Changes to external factors that reduce New Zealand's competitiveness.</p>	<ul style="list-style-type: none"> <li>• Promote New Zealand as a world-class and high value destination.</li> <li>• Continue market diversification of New Zealand's international student attraction markets.</li> <li>• Work with the industry to identify and develop opportunities for education delivery offshore.</li> </ul>
<p><i>Changes to the education environment globally</i></p> <p>Changes to the way education is delivered.</p>	<ul style="list-style-type: none"> <li>• Use ENZ's information and intelligence to identify changes likely to affect the international education industry, including changes being made by New Zealand's competitor countries.</li> <li>• Work with the industry to identify and develop opportunities for education delivery offshore.</li> <li>• Work with the industry and the Ministry of Education to identify emerging changes to the way education is delivered.</li> <li>• Build industry capability to respond to change.</li> </ul>
<p><i>Government policy settings</i></p> <p>Government policy settings that reduce New Zealand's attractiveness to potential students.</p>	<ul style="list-style-type: none"> <li>• Work with IESOG and other government agencies to develop an agreed government wide approach to international education.</li> <li>• Work as an IESOG leader to influence policy settings.</li> <li>• Lead the provision of intelligence and information to drive policy settings.</li> <li>• Engage with other education agencies to promote understanding of New Zealand's education system in offshore markets.</li> </ul>
<p><i>ENZ's reputation</i></p> <p>Lack of trust in ENZ by the international education industry or other government agencies.</p>	<ul style="list-style-type: none"> <li>• Develop and maintain a clear understanding of the industry's needs.</li> <li>• Use ENZ's communications channels to ensure the industry understands what ENZ does and is seeking to achieve.</li> <li>• Deliver high quality support to the industry to help strengthen their capability.</li> <li>• Monitor the quality of the products and services we deliver to the industry, and whether they meet industry needs.</li> </ul>
<p><i>ENZ's organisational development</i></p> <p>ENZ lacks the capability, capacity and tools to achieve its medium-term goals.</p>	<ul style="list-style-type: none"> <li>• Identify our capability and capacity needs and then implement actions to meet those needs.</li> <li>• Implement a customer relationship management system to better capture information and market intelligence.</li> <li>• Work within the spirit of the whole-of-government directions for procurement, ICT and property.</li> </ul>

# APPENDIX ONE: OUR STATUTORY FUNCTIONS

ENZ's functions are specified in section 270 of the Education Act 1989. Our statutory functions are to:

- > deliver strategies, programmes and activities for promoting, together with providers and other government agencies, New Zealand education overseas
- > promote New Zealand as an educational destination for international students
- > promote the provision of New Zealand education and training services overseas
- > manage, in collaboration with other government agencies, activities undertaken by representatives appointed to act on behalf of the New Zealand Government in relation to international education
- > carry out research on international education markets and marketing strategies
- > administer any international programmes or activities that are consistent with the Government's policy on international education
- > provide information, advice, and assistance to providers on strategies to promote industry coordination and professional development
- > provide information to international students about living and studying in New Zealand
- > work with other agencies to ensure that international students are adequately supported while living and studying in New Zealand
- > foster collaborative networks with former international students.

# APPENDIX TWO: LEADERSHIP STATEMENT FOR INTERNATIONAL EDUCATION

New Zealand's quality education services are highly sought after internationally and expand our international social, cultural and economic

engagement. Growing New Zealand's international education sector requires setting clear goals and objectives against which progress can be measured.

Goals <sup>14</sup>	Objectives
New Zealand's education services delivered in New Zealand are highly sought after by international students.	New Zealand will over the next 15 years double the annual economic value of these services to \$5 billion through increasing international enrolments in our tertiary institutions, private providers and schools.
New Zealand's education services in other countries are highly sought after by students, education providers, businesses and governments overseas.	New Zealand will, over the next 15 years: <ul style="list-style-type: none"> <li>• Develop and sustain mutually beneficial education relationships with key partner countries as a leading part of New Zealand Inc. strategies in Asia, the Pacific, the Middle East, Europe and the Americas.</li> <li>• Increase annual revenues from providing education services offshore to at least \$0.5 billion.</li> <li>• Increase the number of international students enrolled in providers offshore from 3,000 to 10,000.</li> </ul>
New Zealand makes the best possible use of its international education expertise to build skills in our work force, to grow research capability and to foster wider economic connections between New Zealand and overseas firms.	New Zealand will, over the next 15 years: <ul style="list-style-type: none"> <li>• Double the number of international postgraduate students (particularly in programmes in addition to those at PhD level) from 10,000 to 20,000.</li> <li>• Increase the transition rate from study to residence for international students with bachelors' level qualifications and above.</li> <li>• Increase New Zealanders' skills and knowledge to operate effectively across cultures.</li> </ul>

<sup>14</sup> The goals and objectives were set in 2010/11 with the aim of achieving the objectives by 2025. At the time of writing Education New Zealand's Statement of Intent 2016-2020, there is 9 years left to achieve the objectives.

# New Zealand Government

## **Education New Zealand**

Level 5, 160 Lambton Quay

Lambton House

Wellington 6144

**Phone:** +64 4 472 0788

**Fax:** +64 4 471 2828

**Industry website:** [www.enz.govt.nz](http://www.enz.govt.nz)

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