



Education New Zealand Briefing

Title: Education New Zealand's Quarterly Reports for December 2019 and March 2020

Date: 15 July 2020

Priority: Low

Security level: In Confidence

ENZ ID no: 1920-152

Action sought

Addressee	Action sought	Deadline
Minister of Education	<p>Note the attached quarterly reports for December 2019 and March 2020.</p> <p>Agree that this briefing will be proactively released 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</p>	

Contact for telephone discussion (if required)

Name	Position	Telephone	Cellphone	1 st contact
Grant McPherson	Chief Executive		[REDACTED]	
Angela Meredith	Accountability Manager		[REDACTED]	x

The following departments/agencies have seen this report

MoE
 NZQA
 MBIE
 MFaT
 TEC
 Other:

Comments

PROACTIVELY RELEASED

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Recommendations

Education New Zealand recommends that you

- a. **note** the attached quarterly reports for December 2019 and March 2020
- b. **agree** that that this briefing will be proactively released 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

Noted

Agree / Disagree



Grant McPherson
Chief Executive
Education New Zealand

Hon Chris Hipkins
Minister of Education

___/___/2020

PROACTIVELY RELEASED

Purpose

1. Education New Zealand's (ENZ's) quarterly reports for December 2019 (covering 1 October to 31 December 2019) and March 2020 (covering 1 January to 31 March 2020) are attached for your information.

Background

2. The quarterly reports provide a progress report against the impact and performance measures included in ENZ's *Statement of Intent 2019-2023* and *Statement of Performance Expectations 2019-2020*.
3. The December 2019 report (Attachment 1) also reflects the pre-COVID-19 operating environment and reports progress under ENZ's four strategic priorities and ENZ's work to develop its capability to support those priorities.
4. Due to the early impact of COVID-19 on the international education sector, the March 2020 report (Attachment 2) summarises the start of ENZ's response to COVID-19 from when it first started to affect the China market and Prime Minister's Scholarship for Asia recipients who were in China at the time.
5. Due to the impact of COVID-19 on international education, ENZ will not be able to report the results for three measures in ENZ's Annual Report 2019/20. Audit New Zealand and ENZ's monitoring agencies (the Ministry of Education and Ministry of Business, Innovation and Employment) were informed of ENZ's decision and are comfortable with our decision.
6. ENZ's monitoring agencies reviewed the two quarterly reports.

Measures that will not be reported in the Annual Report 2019/20

7. The three measures that will not be reported are:
 - 7.1. Percentage of facilitated customers that agree ENZ's services and support have added value to their organisation
 - 7.2. Percentage of users satisfied with the information and intelligence provided by ENZ
 - 7.3. New Zealanders value the social and cultural benefits that international education brings

Percentage of facilitated customers that agree ENZ's services and support have added value to their organisation

Performance measure	Actual 2017/18	Target 2018/19	Target 2019/20
Percentage of facilitated customers that agree ENZ's services and support have added value to their organisation.	71%	≥75%	≥75%

8. Due to the impact of the COVID-19 pandemic on the New Zealand international education sector and the joint communications approach taken by agencies in response

to the pandemic, ENZ decided that it would be inappropriate to run its annual Industry Survey. This survey asks international education providers, their peak bodies and regional economic development agencies whether ENZ's services and support have added value to their organisation.

Percentage of users satisfied with the information and intelligence provided by ENZ

Performance measure	Actual 2017/18	Target 2018/19	Target 2019/20
Percentage of users satisfied with the information and intelligence provided by ENZ.	87% of users rated it as good or higher	Overall rating = agree or higher	≥87%

9. As education providers also make up around 80% of the users of IntelliLab¹, ENZ decided that would be inappropriate to undertake the survey for this measure. Only surveying the other users of IntelliLab would not be appropriate as government agencies have been focused on immediate responses to the COVID-19 crisis, which has largely had a domestic focus rather than a focus on international education.

New Zealanders value the social and cultural benefits that international education brings

Indicator of success	Actual 2017/18	Target 2019/20
Awareness of the contribution of international education to New Zealand	63%	Increase

10. ENZ decided that it would be inappropriate to survey New Zealanders about their perceptions of international education at this time. ENZ developed a strategic recovery plan to help the international education to transform and sustainably following the COVID-19 pandemic. Cabinet has agreed that the proposed recovery plan be consulted on. If ENZ was to run the survey, it would be in the field at the same time as ENZ is leading the consultation on the recovery plan.

¹ IntelliLab is ENZ's online intelligence portal. Users include education providers, New Zealand government agencies (including local government agencies) and education peak bodies.

Education New Zealand

Quarterly Report for 1 January to 31 March 2020

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Executive summary

The report¹ outlines Education New Zealand's (ENZ's) achievements and progress for January to March 2020. This quarterly report is assessed against Education New Zealand's (ENZ's) *Statement of Intent 2019-2023* and *Statement of Performance Expectations 2019/20*. Significant activities and progress against work programmes and performance over the quarter is summarised in this report.

As global developments and their impact continue to evolve, to keep up and get ahead of the impacts of the unprecedented change occurring within the international sector, ENZ approved the implementation of a range of initiatives to respond to the impacts of COVID-19. Over the quarter ENZ started to develop a strategic recovery plan to support and build a resilient and sustainable international education sector post COVID-19 and to deliver on ENZ's outcomes.

ENZ continued to provide regular communications for staff and stakeholders about the COVID-19 pandemic including peak bodies, providers, agents, international students and Prime Minister's Scholarships recipients. ENZ also has been working closely with the lead agency, Ministry of Health, and with the Ministry of Education and Ministry of Foreign Affairs and Trade to ensure messaging is aligned.

The next quarterly report will include further information of the outcome of ENZ's strategic initiatives in response to COVID-19 and will outline further impact on ENZ's performance measures for the second half of 2019/20.

¹ This report includes calendar year and financial year information. A calendar year is shown as a single year, such as 2020, while dates such as 2019/20 refer to a financial year.



Impact measures

	Target 2019/20	2018/19 Full Year Result	2019/20 YTD result	On track ²	Comment
International student perceptions of education quality.	2020: 8.2 out of 10	2018/19: 8.0 out of 10		●	The result will be reported in Q4.
The percentage of international students who were satisfied or very satisfied with their overall experience.	2019: Establish new baseline	New baseline in 2019/20	88%	✓	New baseline has been established.
The economic value from New Zealand's international education sector.	2019: \$5.1 billion	2018: 4.94b		●	The result will be reported in Q4.
The economic value per international student.	2019: Increase	2018: \$39,000		●	The result will be reported in Q4.
The percentage of international students enrolled to study outside Auckland.	2019: Increase	2018: 44%		●	The result will be reported in Q4.
The percentage of the international education sector's economic value coming from New Zealand's top two markets.	2019: Decrease	2018: 45.5% of economic value		●	The result will be reported in Q4.
Awareness of the contribution of international education to New Zealand.	2019/20: Increase	2018/19: 58%		x	Due to COVID-19, ENZ does not plan to undertake this survey as the International Education Recovery Plan will be being consulted on at the same time as the survey would have been undertaken.

Key: ✓ on track to achieve full year target

x not met

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

Performance measures

	2019/20 Target	2018/19 Full Year Result	2019/20 YTD result	On track ³	Comment
Percentage of facilitated customers that agree ENZ's services and support have added value to their organisation.	≥ 75%	93%		x	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 international education sector, ENZ does not plan survey the sector about ENZ's work.
Percentage of Active Visits on ENZ's studyinnewzealand.govt.nz website.	≥ 75%	77%	73%	●	The target is not met due to no campaign activity and market response due to impact of COVID-19 during this period.
Number of registrations to ENZ's Student Membership Programme through studyinnewzealand.govt.nz website.	80-100,000	New measure in 2019/20	60,132	✓	
Number of registrations to NauMai NZ	Establish baseline	New measure in 2019/20	2,110	✓	
Number of key messages about the benefits to New Zealand from international education delivered by third parties.	≥ 180	156	52	●	The target is unlikely to be met as the scope of the communications strategy has been broadened to include NZIST transition and implementation, student wellbeing, and ENZ's transformation plan.
Percentage of users satisfied with the information and intelligence provided by ENZ.	≥ 87%	78% of industry users rated ENZ's information and intelligence as 'good' or higher		x	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 international education sector, ENZ does not plan survey the sector about ENZ's work.

Key: ✓ on track to achieve full year target x not met ● not measured, or not currently on track to achieve full year target

Percentage of Prime Minister's Scholarship recipients who report making five or more professional/business connections during their time on scholarship.	≥ 60%	56%	53%	●	As a result of COVID-19, nearly all recipients returned to New Zealand and the recipients due to travel overseas in the second half of 2019/20 have had their scholarships deferred.
Percentage of Prime Minister's Scholarship recipients who report making five or more academic connections during their time on scholarship.	≥ 60%	52%	57%	●	As a result of COVID-19, nearly all recipients returned to New Zealand and the recipients due to travel overseas in the second half of 2019/20 have had their scholarships deferred.

Activity indicator

	2019/20 Activity standard	2018/19 Full Year Result	2019/20 YTD result	On track ⁴	Comment
Number of New Zealand International Doctoral Research Scholarships funded.	10-20	27	20	✓	

Organisational capability

	2019/20 Target	2018/19 Full Year Result	2019/20 YTD result	On track ⁴	Comment
Employee engagement.	Increase	New baseline established		●	The result will be available in Q4.

Key: ✓ on track to achieve full year target ✗ not met ● not measured, or not currently on track to achieve full year target

Financial performance to 31 March 2020

STATEMENT OF FINANCIAL PERFORMANCE	For the nine months to 31 March		
	Actual 2019/20	Budget 2019/20	Actual 2018/19
\$000s			
Operating Revenue			
Revenue from the Crown - Operating	20,578	20,649	20,724
Revenue from the Crown - EEL	2,449	2,449	2,449
Other revenue	3,031	2,676	1,701
Total operating revenue	26,058	25,774	24,874
Scholarship Revenue			
Revenue from the Crown - scholarships	3,263	3,263	3,412
Total scholarship revenue	3,263	3,263	3,412
Operating Expenditure			
Personnel costs	9,749	10,353	8,861
Other expenses	13,336	15,454	13,129
Depreciation & amortisation expenses	226	153	219
Total operating expenditure	23,311	25,960	22,209
Scholarship expenditure			
Scholarship expenses	1,847	1,700	2,348
Total scholarship expenditure	1,847	1,700	2,348
Net surplus	4,163	1,377	3,729

STATEMENT OF FINANCIAL POSITION	As at 31 March		
	Actual 2019/20	Budget 2019/20	Actual 2018/19
\$000s			
Assets			
Total current assets	8,622	5,774	8,731
Total non-current assets	615	621	361
Total assets	9,237	6,395	9,092
Liabilities			
Total current liabilities	2,456	4,000	2,882
Total non-current liabilities	171	-	87
Total liabilities	2,627	4,000	2,969
Net assets	6,610	2,395	6,123

As seen by the year-to-date surplus ENZ has been reconfiguring our work programme due to COVID-19.

We are working on reallocating our funding to new activities that support the industry, connect with the students in New Zealand and gather intelligence about the markets for NZ providers.

The second of two 2019/20 Prime Minister's Scholarships rounds has been cancelled. We are looking at our options to transfer the funding to 2020/21.

ENZ's Strategic response

Over the quarter, ENZ's initial response to the impacts of COVID-19 on the international education sector has developed rapidly. This has included working closely with the sector and other agencies, providing communications and support for stakeholders, and discussing shared mitigation strategies.

In early February ENZ commissioned a plan to strategically move from the immediate response phase to recovery and to ensure a cohesive and robust approach on the international education sector. ENZ's response strategy and medium to long-term recovery plan is based around the three core pillars of Stabilise, Transform and Grow. The pillars are supported by the COVID-19 Communication Strategy.

As part of the strategy, ENZ reallocated some 2019/20 funding to support the sector and various international markets. ENZ started to develop a range of new initiatives such as the Future Focus Fund to support the rebuild of various sectors; enhancing industry capability and industry recalibration. ENZ actively participated in cross-agency initiatives to support the wellbeing of international students impacted by COVID-19 and to provide timely assistance to international students, education providers and other international education stakeholders.

ENZ's operational response

Over the past months ENZ deferred a programme of activity and cancelled planned activities for the remainder of the financial year. These included commercial education fairs, ENZ-organised education fairs, announcement events, scholarship awards ceremonies and workshops and familiarisation trips.

Key activities in the quarter:

- The NZIST website supported by ENZ went live in April bringing New Zealand's 16 institutes of technology and polytechnics together. ENZ continues to support the development of the NZIST and the ITP sector through during the COVID-19 outbreak and beyond.
- The wellbeing of international students is a key focus area for ENZ. Over the past months student wellbeing issues were closely monitored both directly and through social media channels. This included the gathering and consolidating information regarding existing and potential issues for students from stakeholders to bring to the attention of other agencies.
- NauMai NZ, ENZ primary digital communication platform to students hosted new resource pages that went live early April to enable international students and international providers access COVID-19 information. The site became the central place as ENZ also linked student-facing Facebook, Instagram, Twitter, Facebook Group and Weibo pages to the NauMai NZ's COVID-19 page.
- ENZ has carried out various webinars on a variety of subjects, with some involving sector partners and government agencies since February 2020 and also has been providing regular COVID-19 updates to education agents via its online tool, AgentLab.
- To support the rebuild of sector, ENZ allocated \$150,000 towards strategic and creative development for long-term brand positioning activity offshore. The campaign is focused on

maintaining awareness of New Zealand as a study destination, maintaining positive market sentiment, and emphasising the benefits of a New Zealand education in a post COVID-19 world.

- In March an initial assessment of the impact of COVID-19 on the New Zealand education brand in China was undertaken informing future decisions regarding ENZ's activities. ENZ also allocated \$100,000 towards market sentiment monitoring and development of a bespoke public relations strategy to support the digital ecosystem tailored for the China market.

Highlights of other activities over the quarter

Outside the immediate COVID-19 response, other activities during the quarter included:

- ENZ visited Germany as part of a Science research delegation to develop mutual education and research links focused on sustainability. ENZ's objective for the visit was strengthen new education links with Germany.
- As part of the Universities New Zealand and ENZ India strategy, which contributed to a 71 percent (+919) increase in Indian First-Time Student university visas in 2019, ENZ supported university promotion in India as 'The New Zealand Excellence Awards' which concluded its fifth season in January.
- Eight New Zealand universities signed a Memorandum of Understanding (MoU) with the Delhi Indian Institute of Technology (IIT) to establish a New Zealand centre at IIT in Delhi to be a focal point of academic activity between New Zealand universities and IIT.
- A Memorandum of Understanding (MoU) was signed with Joji Kiode, Mayor of Ichihara City of Chiba Prefecture in Japan. This will open doors for schools and tertiary institutions in both countries to establish new international study programmes and promote exchange between Japan and New Zealand.

Our organisational development

ENZ's response to COVID-19

To effectively respond to the impacts of COVID-19 and to ensure business continuity, ENZ reviewed its business processes and the types of capability it requires from its people. The measures ENZ has taken to preparing for and responding to COVID-19 were aimed at improving business resilience and enhancing people capability to meet the current challenges and providing timely and accessible information.

One of ENZ's priority was to work with managers to ensure staff workloads and areas of focus are still appropriate. ENZ continued to reshape its resourcing to focus on the areas of greatest and most immediate need and prioritised the establishment of a COVID-19 coordination team to provide daily information to the Senior Leadership Team.

In early February as a swift response to the COVID-19 outbreak ENZ trialled a "work from home day" for all staff in all its locations worldwide to test emergency response systems and the ability to keep the business running in the event of office shut-downs. The trial day was a successful precursor to the subsequent lockdown, with no evidence of interruptions to normal business flows.

Zoom video conferencing and WhatsApp technology was used to run all pre-scheduled meetings worldwide.

Globally staff started to work from home as their locations went into lockdown. Using cloud-based systems and video meetings has enabled staff to continue to work and achieve ENZ's planned business continuity.

