



**Education New Zealand Briefing**

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 OFFICE OF  
 Hon. J. Ashpin  
 6 AUG 2018

<b>Title:</b>	ENZ quarterly report for 1 April to 30 June 2018		
<b>Date:</b>	15 August 2018	<b>Priority:</b>	Low
<b>Security level:</b>	In confidence	<b>ENZ ID no:</b>	1819-022

**Action sought**

<b>Addressee:</b>	<b>Action sought:</b>	<b>Deadline:</b>
Minister of Education	<b>Note</b> the attached ENZ quarterly report for 1 April to 30 June 2018	
<b>Enclosure:</b>	Yes	<b>Round robin:</b> No

**Contact for telephone discussion (if required)**

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

*Withheld under s9(2)(a)*

**The following departments/agencies have seen this report**

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

**Minister's office to complete**

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 Withdrawn

**Comments:**

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## Education New Zealand Briefing

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### Recommendations

#### We recommend that you

- note the attached ENZ quarterly report for 1 April to 30 June 2018

NOTED



Grant McPherson  
Chief Executive  
Education New Zealand



Hon Chris Hipkins  
Minister of Education

27, 8, 18

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### **Purpose**

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1. The ENZ quarterly report for 1 April to 30 June 2018 is attached for your information.

### **Background**

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2. The quarterly report provides the fourth quarter progress report against the intentions stated in ENZ's *Statement of Intent 2017-2021* and *Statement of Performance Expectations 2017/18*.
3. The Ministry of Education has reviewed this report.
4. ENZ's Board reviewed the report at its meeting on 9 August 2018 and agreed it can be provided for your information.
5. The final audited results for the year ending 30 June 2018 will be included in ENZ's *Annual Report 2017-2018* which will be published in November 2018. A draft of the report will be provided to you in October 2018 for your review.

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# Quarterly Report

## Education New Zealand

1 April to 30 June 2018

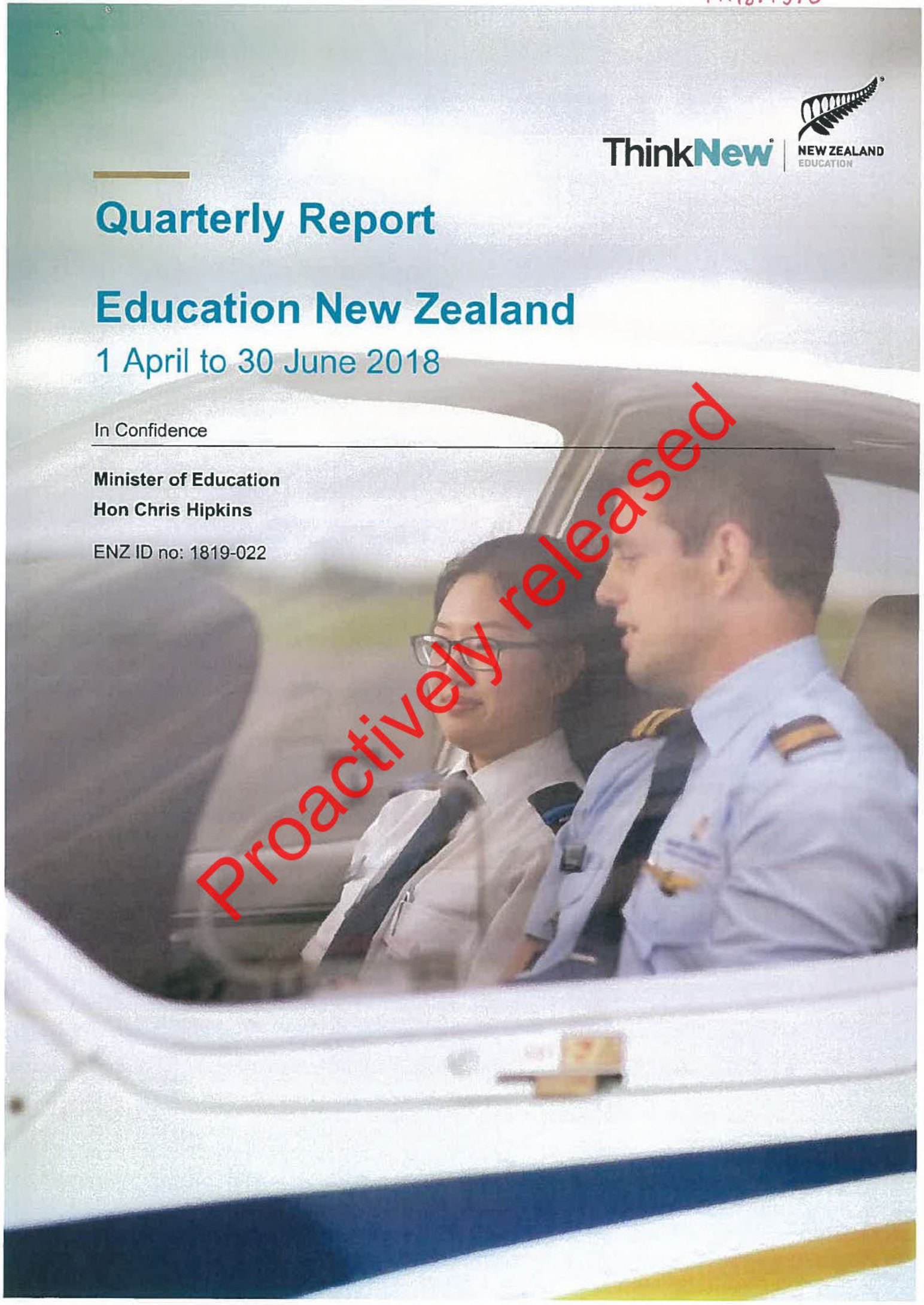
In Confidence

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**Minister of Education**  
**Hon Chris Hipkins**

ENZ ID no: 1819-022

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This quarterly report covers the period 1 April – 30 June 2018<sup>1</sup>. This is the final quarterly report against Education New Zealand’s (ENZ’s) *Statement of Intent 2017-2021* and *Statement of Performance Expectations 2017/18*.

Following the audit of financial statements, *ENZ’s Annual Report for 2017/18* will be finalised by 31 October 2018.

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<sup>1</sup> This report includes calendar year and financial year information. A calendar year is shown as a single year, such as 2017, while dates such as 2017/18 refer to a financial year.

## Impact measures

	2017/18 Target	2016/17 Full Year Result	2017/18 Fourth Quarter Result	Met	Comment
Increase the value from New Zealand's international education industry	\$4.5 billion	\$4.28 billion	Final result not yet available	●	The 2018 economic valuation of onshore students is currently being finalised and the result will be available in August.
Maintain the proportion of international students who were satisfied or very satisfied with their overall experience.	Schools 98% PTEs <sup>2</sup> 88% ELS <sup>3</sup> 89% ITPs <sup>4</sup> 88% Universities 90%	PTEs 88% ELS 88%	ITPs 89% Universities 90%	✓ ✓	ENZ surveys a different international education sector/sectors each year.
Increase awareness of the contribution of international education to New Zealand	Increase awareness compared to 2016/17	56%	Final result not yet available	●	Research findings are currently being finalised and will be available in August.
Increase the economic value per international student	Increase value per student compared to 2016	\$30,280	Final result not yet available	●	The 2018 economic valuation of onshore students is currently being finalised and the result will be available in August.
Increase the number of students enrolled to study outside Auckland.	Increase the number compared to 2016	48,000	49,414	✓	
Increase the percentage of prospective students in priority markets who rank New Zealand in the top three preferred countries	Increase the percentage compared to 2016/17	13%	16%	✓	
Increase the economic value of education services that are delivered offshore.	Increase value to \$298m	Not measured	Final result not yet available	●	The 2018 economic valuation of education services delivered offshore is currently being finalised and the result will be available in August.

**Key:** ✓ on track to achieve full year target

\* not met

● result yet to be finalised

<sup>2</sup> Private training establishments

<sup>3</sup> English language schools

<sup>4</sup> Institutes of technology and polytechnics

## Performance measures

	2017/18 Target	2016/17 Full Year Result	2017/18 Fourth Quarter Result	Met	Comment
IESOG and government agencies have an agreed government wide approach to international education	Approach agreed by 30 June 2018	New measure	A final draft of the International Education Strategy 2018-2030 was released for consultation on 2 June 2018	✓	The International Education Strategy was officially released on 10 August 2018.
Usage of ENZ's information and intelligence by government agencies.	≥ 2016/17 result	4.9 <sup>5</sup>	112 registered users from government agencies	✓	Number of central and local government agency users registered as at 27 June.
Percentage of industry members satisfied with the information and intelligence provided by ENZ.	Overall rating = good or higher	26% ranked intelligence as one of the five most important services	87% of industry users rated ENZ's information and intelligence as 'good' or higher	✓	
Number of key messages about the benefits to New Zealand from international education delivered through third parties.	Establish baseline	-	198	✓	
Number of referrals to institutional websites from ENZ's <a href="http://studyinnewzealand.govt.nz">studyinnewzealand.govt.nz</a> website.	120,000 <sup>6</sup>	244,538	166,887	✓	The reduced target reflects a planned shift in focus towards promoting the newly established Student Membership Programme.
Percentage of Active Visits on ENZ's <a href="http://studyinnewzealand.govt.nz">studyinnewzealand.govt.nz</a> website.	Establish baseline (target 50%)	-	76%	✓	
Number of registrations to ENZ's Student Membership Programme through <a href="http://studyinnewzealand.govt.nz">studyinnewzealand.govt.nz</a> website.	Establish baseline (target 60-100K)	-	83,512	✓	
Usage of the Skills Lab.	≥ 2016/17 result	462 registered users	476 registered users	✓	

<sup>5</sup> In 2016/17 ENZ measured satisfaction of government agencies with ENZ's information and intelligence. This used a 7 point scale with 5 being good and 7 being excellent.

<sup>6</sup> The reduced target for this activity compared to previous years is a result of focus shifting to ENZ's Student Membership Programme.

	2017/18 Target	2016/17 Full Year Result	2017/18 Fourth Quarter Result	Met	Comment
Usage of the Brand Lab.	50,000 downloads	49,167	15,081	x	This is a demand-driven activity. Once a user has downloaded content (posters, videos, images, templates etc) from the Brand Lab they have an unlimited ability to re-use it. A significantly lower level of activity is now forecast as the Brand Lab resource matures.
Percentage of users that are satisfied with the quality of ENZ's services and support.	≥ 2016/17 result	77%	75%	x	The result for ENZ's managed customers (large education providers, peak bodies and regional partners) is 83%.
Percentage of users that agree ENZ's services and support have added value to their organisation.	≥ 2016/17 result	75%	71%	x	The result for ENZ's managed customers (large education providers, peak bodies and regional partners) is 84%. ENZ is identifying actions to improve this measure across wider industry.
Develop and document an agreed approach for supporting growth in delivery of education services offshore.	Approach agreed by 31 Dec 2017.	-	Approach agreed on 7 June 2018.	x	This work has been completed but was not achieved within the target timeframe. An agreed approach for supporting growth in delivery of education services offshore was approved by ENZ's Board on 7 June 2018.
Number of new and existing Prime Minister's Scholarships funded.					The number of scholarships that can be funded is dependent on the duration of the study undertaken by the successful recipients.
<ul style="list-style-type: none"> <li>Asia</li> <li>Latin America</li> </ul>	450-550	328	253	x	
Percentage of Prime Minister's Scholarship recipients who record that the scholarship has benefited their future career aspirations.	≥ 2016/17 result	49	72	✓	
<ul style="list-style-type: none"> <li>Asia</li> <li>Latin America</li> </ul>	95%	95%	96%	✓	
	95%	Not measured	98%	✓	
Number of new and existing New Zealand International Doctoral Research Scholarships funded.	10-20	23	28	✓	A number of students have had extensions in this period.

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Organisational capability

	2017/18 Target	2016/17 Full Year Result	2017/18 Fourth Quarter Result	On track	Comment
Employee engagement	Top quartile of the staff engagement index for the public sector	Top quartile	Top quartile	✓	
Core unplanned turnover	No more than 11%	7%	9.9%	✓	
Administration expenses as a percentage of core operating expenses	Between 13-18%	15.80%	15.18%	✓	
Identify and actively manage a targeted portfolio of markets that drives current opportunities and creates future market positions:					New measure in 2017/18
<ul style="list-style-type: none"> <li>Country Activity Plans (CAPs) document business activity and investment for each 'promote' and 'explore' market</li> </ul>	100%		100%	✓	
<ul style="list-style-type: none"> <li>Country team reviews completed three times per annum</li> </ul>	100%		100%		

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## Financial performance to 30 June 2018

STATEMENT OF FINANCIAL PERFORMANCE	As at June		
	Actual 2017/18	Budget 2017/18	Actual 2016/17
<b>\$000s</b>			
<b>Operating Revenue</b>			
Revenue from the Crown - operating	27,424	27,807	25,674
Revenue from the Crown - EEL	3,265	3,265	4,145
Other revenue	3,679	2,906	1,851
<b>Total operating revenue</b>	<b>34,368</b>	<b>33,978</b>	<b>31,670</b>
<b>Scholarship Revenue</b>			
Revenue from the Crown - scholarships	4,550	4,550	4,100
<b>Total scholarship revenue</b>	<b>4,550</b>	<b>4,550</b>	<b>4,100</b>
<b>Operating Expenditure</b>			
Personnel costs	11,495	11,817	11,688
Other expenses	22,575	21,796	20,925
Depreciation & amortisation expenses	346	365	420
<b>Total operating expenditure</b>	<b>34,416</b>	<b>33,978</b>	<b>33,033</b>
<b>Scholarship expenditure</b>			
Scholarship expenses	4,566	4,550	3,710
<b>Total scholarship expenditure</b>	<b>4,566</b>	<b>4,550</b>	<b>3,710</b>
<b>Net surplus / (deficit)</b>	<b>(64)</b>	<b>-</b>	<b>(973)</b>

STATEMENT OF FINANCIAL POSITION	As at June		
	Actual 2017/18	Budget 2017/18	Actual 2016/17
<b>\$000s</b>			
<b>Assets</b>			
Total current assets	7,997	5,584	5,868
Total non-current assets	581	1,048	711
<b>Total assets</b>	<b>8,578</b>	<b>6,632</b>	<b>6,579</b>
<b>Liabilities</b>			
Total current liabilities	6,099	4,400	4,022
Total non-current liabilities	85	-	99
<b>Total liabilities</b>	<b>6,184</b>	<b>4,400</b>	<b>4,121</b>
<b>Net assets</b>	<b>2,394</b>	<b>2,232</b>	<b>2,458</b>

Our draft full year financial result has been completed and we can report that our three appropriations have been fully utilised and a minor deficit of \$64k against \$39.0m of expenditure has been recorded.

The financial result will be audited by Audit New Zealand in late September.