

Education New Zealand Briefing

Title:	Education New Zealand quarterly report for 1 October to 31 December 2017		
Date:	28 February 2018	Priority:	Low
Security level:	In Confidence	ENZ ID no:	1718-062

Action sought

Addressee:	Action sought:	Deadline:
Minister of Education	Note the attached Education New Zealand quarterly report for 1 October to 31 December 2017.	

Contact for telephone discussion (if required)

Name:	Position:	Telephone:	Cell phone:	1 st contact
John Goulter	General Manager, Stakeholders and Communications	[REDACTED]	[REDACTED]	Withheld under s9(2)(a)
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 checked="" type="checkbox"/> MBIE	<input type="checkbox"/> MFaT	<input checked="" type="checkbox"/> MoE	<input type="checkbox"/> MoH	<input type="checkbox"/> MSD
<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury	<input type="checkbox"/>

Minister's office to complete

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 Withdrawn

Comments:

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Recommendations

Education New Zealand recommends that you

- a. **note** the attached Education New Zealand quarterly report for 1 October to 31 December 2017

Noted



John Goulter
General Manager, Stakeholders and
Communications
Education New Zealand

Hon Chris Hipkins
Minister of Education

— / — / —

Purpose

1. The Education New Zealand (ENZ) quarterly report for 1 July to 30 September 2017 is attached for your information.

Background

2. The quarterly report provides the second quarter progress report against the intentions stated in ENZ's *Statement of Intent 2017-2021* and *Statement of Performance Expectations 2017/18*.
3. Progress is reported under each of the five strategic themes that shape ENZ's activities towards achieving its intended outcomes:
 - a. **Lead international education and thinking** – collaboration with other agencies to give effect to the government's agenda for international education
 - b. **Tell the international education story in New Zealand** – building New Zealanders' awareness of the social, cultural, educational and economic benefits of international education
 - c. **Drive value to New Zealand through student mobility** – raising awareness and preference for New Zealand education in priority markets
 - d. **Support education delivery offshore for value to New Zealand** – working with providers to identify and develop opportunities for education delivery offshore
 - e. **Continuous improvement of ENZ's capability** – strengthening systems and processes to continue to improve capability and capacity
4. The Ministry of Education and the Ministry for Business, Innovation and Employment, ENZ's monitoring agencies, have reviewed this report.
5. ENZ's Board discussed the report at its February 2018 meeting and authorised providing it to you for your information.

Quarterly Report

Education New Zealand

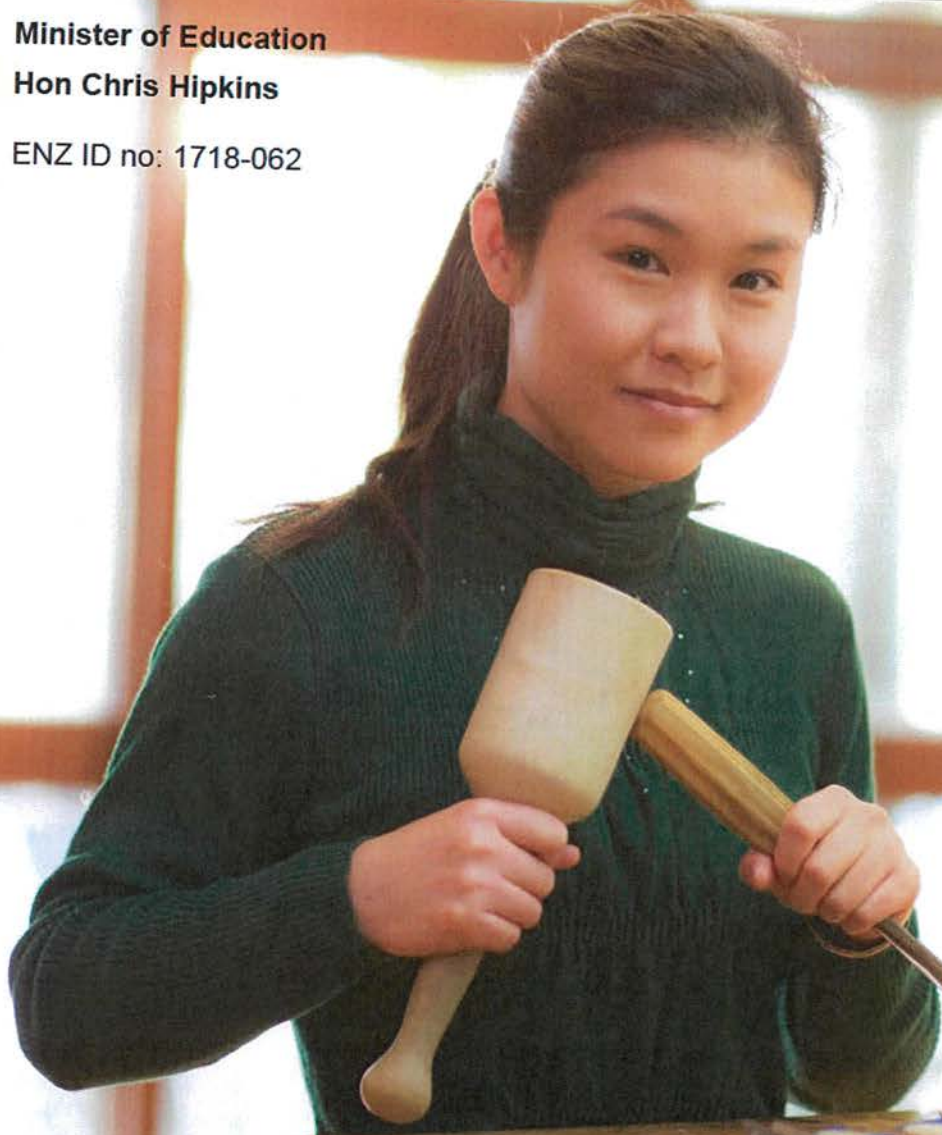
1 October to 31 December 2017

In Confidence

Minister of Education

Hon Chris Hipkins

ENZ ID no: 1718-062



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Executive summary

This quarterly report covers the period 1 October – 31 December 2017¹. This is the second quarterly report against Education New Zealand's (ENZ's) *Statement of Intent 2017-2021* and *Statement of Performance Expectations 2017/18*.

A refreshed New Zealand International Education Strategy is in development for launch later this year. A revised strategy outline will be presented to the International Education Ministers' Meeting on 7 February 2018 and consultation with industry will take place in February/March 2018.

ENZ worked with Research New Zealand to produce a draft report on the ways international education contributes to New Zealand. The research looks beyond just the economic impact and supports 'telling the story' of international education

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ENZ, the New Zealand Film Commission (NZFC) and Universal Pictures, MRC and Hungry City Limited announced their partnership on the upcoming film *Mortal Engines*. The partnership provides ENZ with a valuable opportunity to showcase New Zealand's strengths in creative arts education using marketing content associated with this high-profile film production.

The second quarter of 2017/18 saw ENZ involved in a number of scholarship initiatives. These included inbound scholarships funded and promoted by ENZ, and opportunities arising from scholarships administered by the governments of Brazil, Japan, Malaysia and Saudi Arabia. Scholarships play a key role in promoting New Zealand education and also help strengthen government-to-government relationships, and relationships between New Zealand institutions and their international partners.

International education in the regions was supported through ENZ's participation in the 2nd New Zealand – China Mayoral Forum in December 2017. ENZ organised and hosted an education breakout session for delegates from local government and the education industry in China and throughout New Zealand. ENZ also developed the education segment of the Forum's Economic Development exchange between New Zealand and Chinese mayors, focusing on education advantages in regional New Zealand.

ENZ is now working to a revised deadline of mid-2018 for developing and documenting an agreed approach for supporting growth in delivery of education services offshore. This enables greater engagement with all relevant Ministers and agencies early in 2018. ENZ is also identifying opportunities to develop industry capability in offshore delivery.

The ENZ Staff Engagement Survey in October 2017 showed improvement in staff engagement for the fifth year in succession. ENZ maintains its position in the top quartile of the staff engagement index for the public sector. Although staff continue to have very high satisfaction levels there is some disparity between staff based in New Zealand and those based overseas. Initiatives to address this issue and continually improve staff engagement have been identified.

¹ 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 Second Quarter Result	On track	Comment
Increase the value from New Zealand's international education industry	\$4.5 billion	\$4.28 billion	Not yet measured	●	Estimate based on 2016 Economic Value Analysis (EVA) and full year enrolments. ● 2017 EVA not due to commence before Q3 ² .
Maintain the proportion of international students who were satisfied or very satisfied with their overall experience.	Schools 93% PTEs ³ 88% ELS ⁴ 89% ITPs ⁵ 88% Universities 90%	PTEs 88% ELS 88%	ITPs 89% Universities 90%	✓	Achieved. No further surveys are planned for 2017/18.
Increase awareness of the contribution of international education to New Zealand	Increase awareness compared to 2016/17	56%	Not yet measured	●	To be measured in Q4.
Increase the economic value per international student	Increase value per student compared to 2016	\$33,280	Not yet measured	●	2017 EVA not due to commence before Q3.
Increase the number of students enrolled to study outside Auckland.	Increase the number compared to 2016	48,000	Not yet measured	●	2017 full year regional enrolment data for will not be available before Q4.
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%	Not yet measured	●	To be measured in Q4.
Increase the economic value of education services that are delivered offshore.	Increase value to \$298m	Not measured	Not yet measured	●	2017 EVA for education services delivered offshore not due to commence before Q3.

Key: ✓ on track to achieve full year target

x not met

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

² Q1 covers July to September 2017, Q2 covers October to December 2017, Q3 covers January to March 2018, and Q4 covers April to June 2018.

³ Private training establishments

⁴ English language schools

⁵ Institutes of technology and polytechnics

Performance measures

	2017/18 Target	2016/17 Full Year Result	2017/18 Second Quarter Result	On track	Comment
IESOG and government agencies have an agreed government wide approach to international education.	Approach agreed by 30 June 2018	New measure	The timelines for a revised strategy were agreed	✓	
Usage of ENZ's information and intelligence by government agencies.	≥ 2016/17 result	4.9/7	Not yet measured	●	Agencies will be surveyed in Q4.
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	Not yet measured	●	Industry will be surveyed in Q4.
Number of key messages about the benefits to New Zealand from international education delivered through third parties.	Establish baseline	-	113	✓	
Number of referrals to institutional websites from ENZ's studyinnewzealand.govt.nz website.	120,000	244,538	88,514	✓	
Percentage of Active Visits on ENZ's studyinnewzealand.govt.nz website.	Establish baseline (target 50%)	-	76%	✓	
Number of registrations to ENZ's Student Membership Programme through studyinnewzealand.govt.nz website.	Establish baseline (target 60-100K)	-	37,504	✓	
Usage of the Skills Lab.	≥ 2016/17 result	462 registered users	461 registered users	●	Demand driven activity.
Usage of the Brand Lab.	50,000 downloads	49,167	11,649	●	Brand Lab was not actively promoted during Q2. It will be promoted in Q3 & Q4.
Percentage of users that are satisfied with the quality of ENZ's services and support.	≥ 2016/17 result	77%	Not yet measured	●	Industry will be surveyed in Q4.
Percentage of users that agree ENZ's services and support have added value to their organisation.	≥ 2016/17 result	75%	Not yet measured	●	Industry will be surveyed in Q4.

	2017/18 Target	2016/17 Full Year Result	2017/18 Second Quarter Result	On track	Comment
Develop and document an agreed approach for supporting growth in delivery of education services offshore.	Approach agreed by 31 Dec 2017.	-		x	This measure was not achieved within the timeliness target. ENZ is now working to a revised deadline of 30 June 2018.
Number of new and existing Prime Minister's Scholarships funded.					
<ul style="list-style-type: none"> Asia Latin America 	450-550 ≥ 2016/17 result	328 49	82 20	●	The first round of scholarships for 2017/18 were awarded in Q2, and will be funded as recipients commence their study.
Percentage of Prime Minister's Scholarship recipients who record that the scholarship has benefited their future career aspirations.					
<ul style="list-style-type: none"> Asia Latin America 	95% 95%	95% Not measured	95% 100%	✓	
Number of new and existing New Zealand International Doctoral Research Scholarships funded.					
	10-20	23	29	✓	The 2017 cohort of NZIDRS scholarship recipients (10 students) all started their study in Q2.

Organisational capability

	2017/18 Target	2016/17 Full Year Result	2017/18 Second 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%	7%	✓	
Administration expenses as a percentage of core operating expenses	Between 13-18%	15.80%	15.92%	✓	
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"> Country Activity Plans (CAPs) document business activity and investment for each 'promote' and 'explore' market Country team reviews completed three times per annum 	100%		100%	✓	
	100%		100%		

Financial performance to 31 December 2017

STATEMENT OF FINANCIAL PERFORMANCE	As at December		
	Actual 2017	Budget 2017	Actual 2016
\$			
Operating Revenue			
Revenue from the Crown - operating	13,903,500	13,903,500	12,956,819
Revenue from the Crown - EEL	1,632,500	1,632,500	1,757,752
Other revenue	2,056,412	1,839,000	1,138,958
Total operating revenue	17,592,412	17,375,000	15,853,529
Scholarship Revenue			
Revenue from the Crown - scholarships	2,275,000	2,275,000	2,121,429
Total scholarship revenue	2,275,000	2,275,000	2,121,429
Operating Expenditure			
Personnel costs	5,886,000	5,789,793	5,944,772
Other expenses	11,428,502	12,318,058	11,030,019
Depreciation & amortisation expenses	193,696	172,202	207,329
Total operating expenditure	17,508,198	18,280,052	17,182,120
Scholarship expenditure			
Scholarship expenses	794,214	872,000	619,293
Total scholarship expenditure	794,214	872,000	619,293
Net surplus/(deficit)	1,565,000	497,948	173,545

STATEMENT OF FINANCIAL POSITION	As at December		
	Actual 2017	Budget 2017	Actual 2016
\$			
Assets			
Total current assets	6,593,298	6,216,142	5,792,670
Total non-current assets	491,023	390,000	786,978
Total assets	7,084,321	6,606,142	6,579,648
Liabilities			
Total current liabilities	2,973,727	3,800,000	2,879,580
Total non-current liabilities	86,924	100,000	96,006
Total liabilities	3,060,651	3,900,000	2,975,586
Net assets	4,023,670	2,706,142	3,604,062

ENZ remains on track to meet our full year budget targets for our main and outbound student appropriations. The inbound NZIDRS appropriation is now forecast to be underspent by \$200,000 this financial year due to student driven factors. A detailed forecast for the remainder of the financial year is currently being completed, any year-to-date variances to budget are timing related and will be re-phased in order to stay within our full year budget targets.

Lead international education in thinking and implementation

New Zealand International Education Strategy

Agencies sought Minister Hipkin's decision in December 2017 about whether to launch a refreshed New Zealand International Education Strategy (NZIES) in mid-2018 or launch a new strategy in December 2018. The decision made was to continue with the development of a refreshed NZIES that reflects the new Government's priorities, whilst ensuring industry feedback from consultation on the previous draft is incorporated.

The revised strategy outline will be presented to the International Education Ministers' Meeting on 7 February 2018 for further guidance on priorities and language. The refreshed draft strategy will then be further developed, with a view to re-consult with the Stakeholder Reference Group (consisting of representatives from the industry) in February/March 2018.

Intelligence and insight

In 2017, ENZ worked with Research New Zealand to carry out research into the broader value (i.e. social, cultural and educational) of international education to New Zealand. The draft *Beyond the economic – how international education delivers broad value for New Zealand* report reflects on the ways in which international education can contribute to New Zealand, in addition to the economic impact which ENZ already measures. The report contains two sections:

- [REDACTED]
- [REDACTED]

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The purpose of the report is to support ENZ and education providers in 'telling the story' of international education in New Zealand, and contribute to a positive narrative that builds social licence with New Zealanders. ENZ is working to finalise the report and prepare a communications plan for its public release in early 2018.

APEC Chief Executive Officers' Summit

ENZ's Chief Executive, Grant McPherson, attended the APEC Chief Executive Officers' Summit in Da Nang, Viet Nam on 8-9 November 2017. Discussions at the Summit highlighted the vital role education plays in ensuring that both those entering the workforce and those already in work have the adaptability and skills necessary for the changing nature of work in the future. Asia Pacific partners view New Zealand as the leader in this regard because of its future-focused curriculum, hands-on approach to teaching and learning, and strong technology and infrastructure support (including schools' access to broadband internet). Their perception of New Zealand's education system is very much in line with its number one ranking in the Economist Intelligence Unit's [Worldwide Educating for the Future Index](#).

Tell the international education story in New Zealand

Proactive media

The announcement by the Prime Minister on 8 December 2017 of the Prime Minister's Scholarships for Asia and Latin America generated a number of positive news stories about the scholarship programme. Articles about scholarship recipients ran in national and regional media publications, highlighting the benefits of international education for New Zealand students.

Mortal Engines partnership

ENZ, the NZFC and Universal Pictures, MRC and Hungry City Limited announced their partnership on the upcoming film *Mortal Engines*. The announcement on 19 December 2017 was timed to coincide with the release of the *Mortal Engines* teaser trailer online.

The partnership is part of the New Zealand Screen Production Grant 5% uplift, which the NZFC administers to international film productions that demonstrate significant economic benefits to New Zealand. It provides ENZ with a valuable opportunity to showcase New Zealand's capability and educational strengths within a high value industry, and supports ENZ's promotion of education offerings in the creative arts. The content developed through the partnership will be central to ENZ's marketing programme in 2018 and 2019, and education providers will have access to the marketing content developed with the production.

Drive value to New Zealand through student mobility

Scholarships

There was a high level of scholarship activity in the second quarter of 2017/18. The New Zealand Excellence Awards⁶, Gilman Scholarships⁷ and Go Overseas Scholarships⁸ continued to provide opportunities for ENZ to leverage publicity and increase awareness in key markets about New Zealand's quality education offerings. ENZ also worked to develop new opportunities for New Zealand education providers arising from government scholarship programmes in Brazil, Japan, Malaysia and Saudi Arabia. In addition to promoting New Zealand education, participation in these programmes helps strengthen government-to-government relationships and supports New Zealand institutions in building relationships with international partners.

ENZ secured New Zealand's inclusion on the list of recommended partners to work with Brazilian universities under the new Program for Internationalization of Brazilian Postgraduate Programs (BPP). The programme has an approved budget of US\$350 million to cover the projects of up to 40 universities for four years, including post graduate student mobility, academic visits, professor and staff mobility and cooperation in research. The deadline for Brazilian universities to present their projects for consideration is 18 April 2019 and ENZ is advising New Zealand universities to work closely with their Brazilian partners in the intervening months.

In November 2017, the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Japan Agricultural Exchange Council (JAEC) indicated their interest in beginning a programme in New Zealand aimed at inspiring young Japanese women to pursue careers in agriculture. The programme would ideally bring 10-20 female students from Japanese agricultural schools to a New Zealand institution for a 10 day programme in August 2018, combining English language training with agricultural training, farm experiences, and visits to female leaders in the industry. ENZ invited tertiary providers with agricultural capability and high schools which are designated Centres of Excellence for Agricultural Science and Business to submit proposals. These proposals are now under consideration by MAFF and JAEC.

ENZ supported a cohort of 148 students with scholarships from the Malaysian Council of Trust for the People (Majlis Amanah Rakyat or MARA) to apply to New Zealand universities following a

⁶ Scholarship for high calibre students from India who are studying STEM related subjects in New Zealand. This is jointly funded by ENZ and all New Zealand's universities.

⁷ The Benjamin A Gilman International Scholarship is a study abroad scholarship for students from the United States.

⁸ ENZ partners with Go Overseas, an online study abroad advisory service, to run campaigns in Europe and the United States offering one full tuition scholarship for study in New Zealand.

pathway mapping exercise across business, engineering and English communication degree programmes. This follows an ENZ-sponsored MARA visit to New Zealand in May 2017, and an ENZ information and application day organised on 22 November 2017 for all the eligible students to meet and apply to the seven participating New Zealand universities⁹. MARA students continue to be a significant part of the Malaysian market, accounting for more than half of the Malaysian students studying in New Zealand.

Following ENZ's attendance at the World Student Scholarship Education Programme from 22-23 October 2017, several scholarship tender opportunities were secured for New Zealand universities.

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[REDACTED] These initiatives follow the successful visa processing of 100 Saudi teachers in December 2017, who begin their professional development training at the Universities of Auckland and Waikato in January 2018.

The Association of South East Asian Nations (ASEAN) Forum 2017

The Association of South East Asian Nations (ASEAN) Forum 2017 was held in October 2017 at Auckland University of Technology (AUT). The Forum marked the 50th anniversary of the organisation and explored the overall relationship between New Zealand and ASEAN and opportunities and challenges in business, education and exports. ENZ was a sponsor of the event and Chief Executive Grant McPherson presented at a panel on 'Education – an offshore education strategy for ASEAN'.

Regional development

In early December 2017, ENZ facilitated the education component of the 2nd New Zealand – China Mayoral Forum held at Te Papa, Wellington. ENZ organised and hosted an education break-out session for approximately 50 delegates from local government and the wider education industry in China and throughout New Zealand. ENZ also developed the education segment of the Forum's Economic Development exchanges involving five New Zealand and three Chinese Mayors with a focus on education advantages in regional New Zealand.

Promotion of education links in target markets

Germany

Further progress has been made in the recognition of New Zealand degree qualifications in Germany. The Standing Conference of the Ministers of Education and Cultural Affairs' (Kultusministerkonferenz or KMK) database for recognition of international qualifications now also lists over 20 PTEs and one Wānanga, in addition to the New Zealand universities and ITPs that are already listed. Entities must offer a Bachelor or higher degree. The database listings will help facilitate new partnerships with German tertiary institutions.

India

On 7 December 2017, ENZ and the Indian Energy and Resources Institute (TERI) hosted the New Zealand - India Sustainability Challenge, which is a competition involving 90 teams developing sustainable innovations across India. The Challenge promoted New Zealand's world-leading expertise in environmental sciences as part of ENZ's strategy to shift the Indian market from volume to value. The winning team, Vaxibeads, created new immunisation database technology that could help to address the nine million unimmunised children in India. The team won a three week visit to New Zealand, and their Manipal Institute of Technology mentor (an ex-Harvard

⁹ The University of Auckland is not participating in this programme

University academic) will accompany them to pursue academic linkages with the three participating New Zealand universities.

Indonesia

A delegation of 43 Zetizen¹⁰ 'Goes to New Zealand' competition winners and media from Indonesia visited New Zealand from 25 November – 2 December 2017. The 'Goes to New Zealand' competition is run by Jawa Pos, the largest media agency in Java. Partnering with Jawa Pos has allowed ENZ to gain access to a number of schools around Indonesia and gain unprecedented media coverage. The initiative included visits to AUT and Massey University, and is a significant NZ Inc. exercise to raise awareness of New Zealand in Indonesia.

Viet Nam

ENZ developed a strategic relationship with Facebook to run a significant campaign in Viet Nam from September to November 2017. ENZ has a strong focus on reaching its target market in Viet Nam through social media, with the aim of increasing awareness of New Zealand amongst potential students. The campaign resulted in 4.7 million engagements with ENZ media, and over 16,000 active visits to the Study in New Zealand website. It also enabled ENZ to work directly with Facebook to gain insights about how best to achieve marketing goals. Over the duration of the campaign, 1,456 Vietnamese students signed up to ENZ's database marketing platform.

Support education delivery offshore for value to New Zealand

International delivery plan

Progress in developing a business case for the International Delivery Plan is being made, alongside ways to improve ENZ's capability to identify opportunities for offshore delivery and to develop industry capability in this space including:

- clear intervention logic for ENZ's involvement, and role, in supporting offshore delivery
- evaluation/selection criteria for potential or proposed offshore delivery projects
- clear strategic objectives for offshore delivery.

ENZ is now working to a revised deadline of 30 June 2018 for developing and documenting an agreed approach for supporting growth in delivery of education services offshore. This enables greater engagement with all relevant Ministers and agencies early in 2018.

Continuous improvement of ENZ's capability

Staff Engagement Survey

The ENZ Staff Engagement Survey (the survey) was conducted in October 2017. The survey results showed improvement in staff engagement for the fifth year in succession, and ENZ maintains its position in the top quartile of the staff engagement index for the public sector. Staff continue to have very high satisfaction levels regarding ENZ's commitment to Health and Safety, with several questions in this area featuring in the top ten highest rated questions.

The survey results indicated generally higher levels of satisfaction for New Zealand based staff compared with internationally based staff. This is an area of focus for continuous improvement and short, medium and longer term initiatives have been identified to reduce the disparity between onshore and offshore staff engagement.

¹⁰ Zetizen is an Indonesian news portal targeted at young people aged between 12-23 years old.