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# STATEMENT OF INTENT

2017-2021







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# MESSAGE FROM BOARD CHAIR

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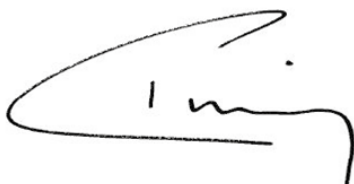
Education New Zealand has continued to work well with the international education industry to assist with continuing growth in the earnings from international students studying in New Zealand. The industry is now one of New Zealand's major export earners, and one of the few to be on track to deliver on the Government's Business Growth Agenda target. Two markets – China and India – continue to dominate our earnings but good progress is being achieved on market diversification. The India market has been a challenging one over the past few years. It will continue to be important for the industry but the focus must be on higher level study. It is therefore pleasing to see the growth in numbers of Indian students studying at university.

Over the next year we will be continuing efforts to grow earnings from students studying in New Zealand and from activities in other markets. We will be focused heavily on delivering a new International Education Strategy and on demonstrating the wider economic, cultural and social benefits our information, products and services are helping the sector deliver to New Zealand. We also

look forward to working with the Ministry of Foreign Affairs and Trade and others to see barriers to our industry negotiated away in new free trade agreement outcomes or updates of existing agreements. The China-New Zealand Free Trade Agreement refresh is an example of this.

Over the next year we look forward to working closely across the industry, with providers, peak bodies and communities to deliver our goals.

Finally can I acknowledge the support received from the wider Government for Education New Zealand. This ranges from support offshore from the Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise to policy development support in New Zealand from the Ministry of Business, Innovation and Employment, Tertiary Education Commission, New Zealand Qualifications Authority, the Ministry of Education and other agencies. The support of Ministers is also critical and is appreciated by me and the Board. We are a small agency and we will need this continuing support to achieve our ambitious targets.



**Charles Finny** | Board Chair

15 June 2017



**Philip Broughton** | Board Member

15 June 2017

# ABOUT EDUCATION NEW ZEALAND

## Our purpose

Education New Zealand (ENZ) takes 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, China, Colombia, Germany, India, Indonesia, Japan, Malaysia, Republic of Korea (Korea), Saudi Arabia, Singapore, Taiwan, Thailand, the United States of America and Viet Nam. ENZ's offshore staff are usually co-located with the Ministry of Foreign Affairs and Trade or with New Zealand Trade and Enterprise.

Our statutory functions are shown in Appendix One.

## Who we work with

We work with New Zealand's diverse international education industry and with potential and existing international students.<sup>1</sup>

The industry 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 deliver education 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. However, 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.

## The next four years

We will be thought leaders and strategic partners for the industry and other agencies, and be the expert provider 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 in New Zealand

<sup>1</sup> International students are students who are non-residents of New Zealand and 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.

- driving value to New Zealand through student mobility
- driving value to New Zealand through education delivery offshore
- continuously improving ENZ’s capability.

More details about these activities are contained in pages 14 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 that impact on 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 advisers to the Board help guide and shape the Board’s work and ensure connections with the strategic direction of other agencies. The special advisers 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.

Diagram 1: Governance of ENZ



# GOVERNMENT PRIORITIES

## The Government's main priorities

International education is one of New Zealand's most valuable exports, and as such our work contributes to the Government's priority of 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<sup>2</sup>.

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.

## New Zealand's international education

### 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 targets for the size, scale and sustainability of the industry by 2025.

We are well on track to delivering these targets much earlier than was previously thought likely. The challenge now is to ensure continued growth and a sustainable future for the industry in an ever-changing international environment. We are focused on increasing the economic value per international student, growing the number of international students studying in New Zealand's regions, and exploring opportunities for increasing the value of education services delivered offshore.

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. These objectives are of equal importance to financial targets.

The Leadership Statement is set out in Appendix Two.

### A new International Education Strategy to 2025

We are working with the Ministry of Education to lead the development of a new International Education Strategy to replace the Leadership Statement for International

<sup>2</sup> This Statement of Intent 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.



Education. This new strategic direction and activity will be guided by the following principles:

- Student-centred – by understanding and delivering what students want we can better meet and exceed expectations and grow New Zealand’s reputation and industry.
- Integrity – this is about delivering on promises, preventing unethical or illegal activity and protecting the New Zealand brand.
- Collaboration – drives collective effort across the industry throughout New Zealand and within government to grow value, build New Zealand’s brand and maintain integrity.

The Government will launch the Strategy in 2017/18.

### **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. The strategic choices and specific actions identified 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

<https://enz.govt.nz/support/advice/business-development/strategic-roadmaps/>

## **New Zealand’s education system**

A Performance Improvement Framework review of ENZ was completed in 2016. It endorsed our foundation approach to our establishment and acknowledged that ENZ has since become the New Zealand expert in international education. We will provide the industry, other agencies and decision-makers with authoritative, targeted information and intelligence that gives New Zealand a competitive edge and provides a strategic influence on 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**

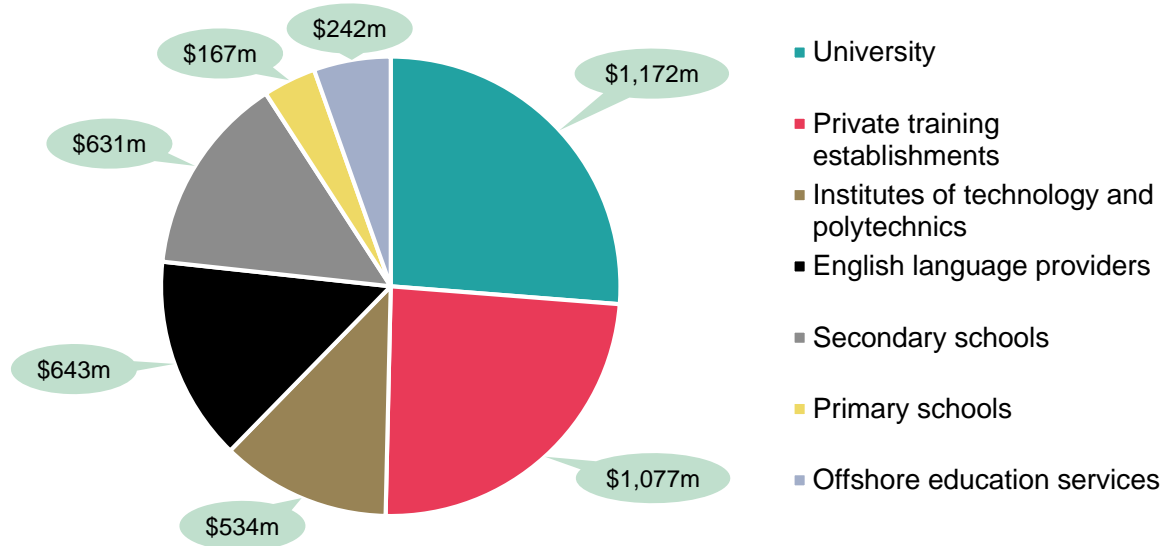
The Tertiary Education Strategy 2014-2019 outlines six strategic priorities that support the shared outcomes for the New Zealand education system. We work with New Zealand’s other education agencies and with tertiary education providers to realise the strategic priority of ‘Growing international linkages’, 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.

# OUR OPERATING ENVIRONMENT

## New Zealand's international education industry

Graph 1: Value of the international education industry by sector



Source: *New Zealand International Student Enrolments – 2016 Full Year*, Education New Zealand.

### The value of the industry

The estimated value of international education in New Zealand in 2016 was \$4.47 billion<sup>3</sup> – up 4 percent from \$4.28 billion<sup>4</sup> in 2015.

This makes international education New Zealand's fourth most valuable export, sitting between meat and edible offal (worth \$5.91 billion) and logs, wood and wood articles (worth \$4.12 billion)<sup>5</sup>. The industry's value includes both international student attraction and education delivery offshore.

### Student mobility<sup>6</sup>

#### *International students studying with New Zealand providers*

In 2016, 131,609<sup>7</sup> international students were enrolled with a New Zealand provider, a 6 percent increase on the previous year. Enrolments increased in all sectors except private training establishments. The largest increases came in the primary school and ELS sectors.

In 2016, the average economic value per international student was \$32,100, a 26 percent increase from the \$25,540 per international student in 2014. We will

<sup>3</sup> Education New Zealand: *New Zealand International Student Enrolments – 2016 Full Year*.

<sup>4</sup> Infometrics/National Research Bureau: *The Economic Impact of International Education in New Zealand 2015/16* and Infometrics/Covec: *Development and Implementation of a new Valuation Methodology for New Zealand's Education Services Exports*. The reports were produced for ENZ and are available at [www.enz.govt.nz](http://www.enz.govt.nz)

<sup>5</sup> Statistics New Zealand: *Goods and Services trade by country: Year ended December 2016*.

[http://www.stats.govt.nz/browse\\_for\\_stats/industry\\_sectors/imports\\_and\\_exports/GoodsServicesTradeCountry\\_HOTPYeDec16.aspx](http://www.stats.govt.nz/browse_for_stats/industry_sectors/imports_and_exports/GoodsServicesTradeCountry_HOTPYeDec16.aspx)

<sup>6</sup> Student mobility refers to students moving from their home country to another country (or countries) to study.

<sup>7</sup> Source: Export Education Levy and Tertiary Single Data Return, Ministry of Education.

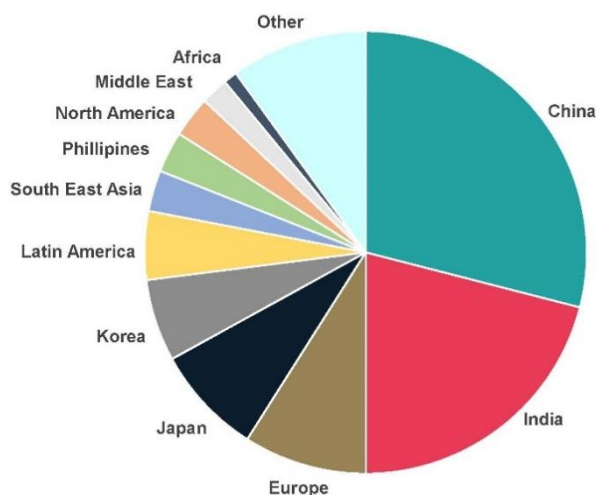


continue to work with the industry to ensure sustainable growth in the average economic value per international student.

New Zealand has typically depended on a few key markets as sources of international students. In 2016, 50 percent of international

students came from China and India. 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.

Graph 2: New Zealand's source markets of international students in 2016



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 2016, 63 percent studied in Auckland, 8 percent in Canterbury and 6 percent in Wellington.

All of New Zealand's regions had an increase in international student numbers in 2016, with the strongest growth occurring in the Wellington region (up 10 percent), Canterbury (up 8 percent) and the Auckland region (up 6 percent).

Auckland will continue to be an important destination for international education in New Zealand. However, the rest of New Zealand has great capacity to grow both enrolment numbers and value from international education. Working with the regions will

continue to be a strong focus for ENZ over the next four years 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 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 will also encourage New Zealanders to apply for the Prime Minister's Scholarships for Asia and for Latin America that will enable them 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>8</sup> varies, in both 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 use our experience and market insight to inform and influence policy settings and practices that affect international education in New Zealand.

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

We will work closely with the Ministry of Education, 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 sustainable industry growth.

### **Telling the international education story in New Zealand**

Many New Zealanders are unaware of the benefits of international education for New Zealand students and 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 will continue to build New Zealanders' awareness of the value of international education to New Zealand.

## **The international environment**

Global economic growth is projected to pick up pace compared to the last two to three years, although it will remain relatively modest<sup>9</sup>.

### **Future global demand for international education**

Demand for international education globally has more than doubled since 2000 and there are currently an estimated five million internationally mobile students<sup>10</sup>. We anticipate that the forecast growth in the global economy will continue to drive global demand for higher education.

The OECD predicts that the number of internationally mobile students will grow to eight million by 2025, driven by economic development and population growth, especially in the Asia-Pacific region.

<sup>8</sup> Some examples of sub-sectors are education publishing and education technology.

<sup>9</sup> International Monetary Fund: *World Economic Outlook April 2017*

<sup>10</sup> ICEF Monitor: *The state of international student mobility in 2015*



We have identified priority markets where we see continued growth potential in both student numbers and value over the next four years.

### **Strong competition in international education**

New Zealand has traditionally regarded its' competitors in international education as Australia, Canada, the United States and the United Kingdom. These countries will continue to be major competitors as they offer similar opportunities and benefits as New Zealand, and typically have greater resources than New Zealand for attracting international students.

New competitors in international education have also emerged. Many of these have historically been important source markets for New Zealand, and are growing in importance as study destinations in their own right (for example China and Malaysia).

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

### **Changing the way education services are delivered**

Delivery models for education are changing in New Zealand and overseas. Students today are more connected, through their digital devices, to the world around them. Globally, education is a rapidly changing field with more flexible programmes and modes of delivery emerging. This creates opportunities and risks for New Zealand's international education industry as learners at all levels demand greater flexibility and education choice.

Many other countries are increasingly delivering education services to the doorstep of their international students through various forms of transnational education (TNE). Examples of these include online learning programmes, partnerships with local institutions to deliver joint qualifications, and

offshore campuses or regional hubs. In contrast, New Zealand's industry delivers most of its services to fee paying international students attending 'bricks and mortar' institutions onshore in New Zealand.

In 2016, Covec and Infometrics undertook an assessment of the value of New Zealand's education services delivered offshore. This identified that the sector is worth \$242 million (approximately 5 percent of the total value of international education to New Zealand) through delivery of:

- 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.

Over the next four years we expect most of the value of international education to New Zealand to continue to come from international students studying onshore, however, in the longer term, growth will depend on how well the industry adapts to changes in education delivery.

# OUR OUTCOMES FRAMEWORK

Together with the international education industry we are working to ensure New Zealand benefits from international education. Our outcome 'New Zealand international education activities provide enhanced social, cultural and economic benefits' contributes to the Government's goals for economic growth and for the education system.

The diagram over the page sets out our medium term strategy. It provides an overview of what we will do towards achieving our outcome and how we will measure the impact of what we do.

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.

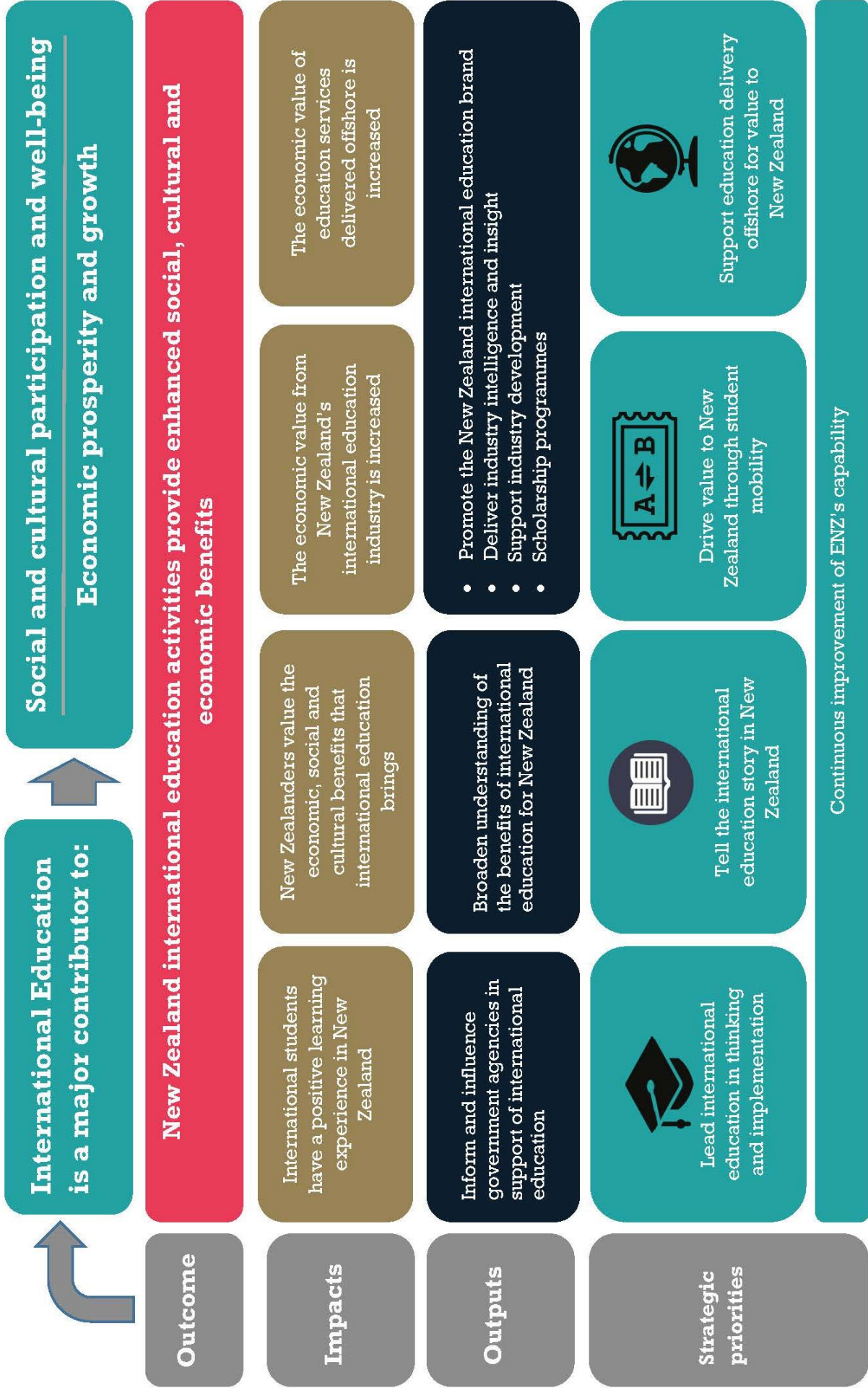
Telling the international education story in New Zealand ensures a sustainable industry into the future. International students will be made welcome and have more positive experiences if New Zealanders understand the wider benefits of international education for their communities.

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.

Clarifying opportunities for offshore education delivery will provide the best value growth for New Zealand. We will develop clear strategic objectives to drive 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.





# OUR OPERATING INTENTIONS

## Our outcome: New Zealand international education activities provide enhanced social, cultural and economic benefits

### What will we do to achieve this?

In order to achieve our intended outcome, and our four-year excellence horizon, we have identified five strategic priorities<sup>11</sup> that will shape our activities as the 'go to' agency for international education.

### Lead international education in thinking and implementation

#### Lead the future thinking of the industry

We will lead the future thinking of the industry and collaborate 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 sustained growth of the industry.

#### Inform and influence government agencies in support of international education

We will collaborate closely with other agencies to create an environment in which international education can grow in value and students can succeed. We will lead the International Education Senior Officials' Group (IESOG<sup>12</sup>) and will work with other agencies to develop an agreed government wide approach to international education.

We will take a strategic focus to influence policy alignment across regulatory agencies in support of international education.

We will operate as NZ Inc offshore, working interactively with other New Zealand agencies and supporting each other's activities to promote New Zealand.

We will work with the Ministry of Education and the Ministry of Foreign Affairs and Trade 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

We will provide international education information and intelligence that meets the needs of the industry and government, and which gives New Zealand a competitive edge. In 2017/18 we will design the framework for an online intelligence hub for use by education providers and other agencies. We will continue to develop and refine our intelligence and insight so that we lead:

- information and intelligence provision on international education's markets, student experiences and products

<sup>11</sup> The fifth strategic priority is a commitment to continuous improvement of ENZ's capability, as detailed under 'Our Organisational Development' on page 24.

<sup>12</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.

- information and intelligence provision on the current state of international education, both in New Zealand and globally
- the future thinking of the industry.

### **Support student experience and wellbeing**

A consistently high quality international student experience that lives up to New Zealand's brand promise is essential for a sustainable international education industry with a strongly competitive point of difference. We will collect feedback from international students and map it against global benchmarks to ensure a quality student experience. We will continue to work with education providers, student groups, government agencies, local government and community groups to promote international student well-being and a positive New Zealand experience.

In 2017/18, we will develop a student journey strategy. Over the next four years we will bring the international student experience and student voice into key decision-making – first within ENZ and then across New Zealand government agencies – to ensure consistent standards of high quality education, pastoral care and living experience are the mark of international education in New Zealand.

In 2016/17 we appointed a Director of Student Experience who has been developing our overall student experience approach. This involves working with providers to ensure the overall student experience – from recruitment through to advocacy activities after graduation – build on New Zealand's positive brand for international education.

### **Tell the international education story in New Zealand**

The international education 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 broaden understanding of the value of international education by New Zealanders, particularly the social, cultural and economic benefits. To do this we will implement a strategy around telling the international education story and improve our understanding of New Zealanders' perceptions of international education.

We will work closely with regional economic development and education agencies and organisations to build a positive regional experience for international students and raise awareness of the benefits of international education across New Zealand.

## Drive value to New Zealand through student mobility

### Promote the New Zealand education brand

We will continue to use New Zealand's Education Story and 'Think New' brand to raise awareness of and preference for New Zealand education.

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.

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 directs enquiries and interest from potential international students and their families through to education institutions and agents.

We will develop a brand strategy to strengthen the quality-based positioning for New Zealand education. We provide marketing support to industry by providing the 'Think New' brand and 'The Brand Lab' (a marketing toolkit) for use in promotional

activities. These tools are targeted at both attracting international students to study with New Zealand providers, and at delivering education services offshore.

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 a strategy to build a valued network of present and former international students.

### Continue market diversification

We will ensure we have the agility to take advantage of immediate opportunities and use intelligence to identify emerging opportunities.

To diversify New Zealand's international student attraction markets, we will continue to prioritise our activity and investment in clearly identified target markets.

- **Promote:** This is a group of countries and regions where we believe the right investment and approach will deliver strong growth.
- **Impact Projects:** These are countries where we will focus on a targeted project that has the potential to drive value and growth.
- **Explore:** These are countries where we are primarily intelligence gathering to assess whether there is long term potential for growth.

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, which focus on delivering 'value + volume + growth'.

ENZ's 'always on' digital marketing campaign runs throughout the year in ENZ's promote and explore markets. The campaign's focus is on student attraction across priority sectors within each market, using country-specific content.



ENZ will also deliver other promotional activities in specific markets, including:

- social media
- education agent seminars
- media and education agent familiarisation visits to New Zealand
- public relations
- education fairs.

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

We want to ensure that all of New Zealand accrues the widest possible benefits 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(ies)
- 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.

### **Support industry development**

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:

- developing and providing tools for use by the industry
- 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
- providing co-funding for international education projects
- 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 launched the Skills Lab in August 2016. This online toolkit enables us to provide capability development support and advice to the industry on a comprehensive and ongoing basis. The Skills Lab will continue to provide the industry with 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.

### **Administer scholarship programmes for New Zealanders**

We will administer the Prime Minister's Scholarships for Asia (PMSA) and the Prime Minister's Scholarships for Latin America

(PMSLA). These scholarships enable New Zealanders to enhance their skills through study offshore across a wide range of courses and international locations. We will expand the PMSLA in 2017/18 and the PMSA in 2018/19 to enhance the skills of more New Zealanders.

The presence of skilled New Zealanders studying at education providers offshore also helps to promote the high quality of the New Zealand education system and encourages student mobility.

### **Administer scholarships for international students**

We will continue administering the New Zealand International Doctoral Research Scholarships that fund international students to come to New Zealand to undertake PhD study. Over the next four years, we will review and potentially implement changes to the scholarships to ensure the funding is effectively used and supports the Government's goals for international education.

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

### **Support industry development**

We will finalise and then implement the offshore delivery plan that documents our approach for supporting growth in the delivery of education services offshore in 2017. This will identify when and how we should work with the industry to expand the delivery of education delivery offshore.

Most of the education delivery activities undertaken by the industry are project based and not necessarily linked to 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 involved in exploring 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 their 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.	<b>2008:</b> \$2.51b <sup>13</sup> <i>Trend</i> <b>2012:</b> \$2.60b <sup>13</sup> <b>2014:</b> \$2.85b <sup>14</sup> <b>2015:</b> \$4.28b <sup>15</sup> <b>2016:</b> \$4.47b <sup>16</sup>	<b>2018:</b> Increase value to \$4.5b. <b>2021:</b> Increase value to \$4.75b. <b>2025:</b> Increase value to \$5.0b.
Maintain the proportion of international students who were satisfied <sup>17</sup> or very satisfied with their overall experience.	Surveys of students <sup>18</sup> , Education New Zealand.		

Sector	Baseline		Trend		Target
	2011/12	2013	2014	2015	2019
Secondary schools	94%			93%	93%
Private training establishments	87%		88%		88%
English language schools	88%		89%		89%
Institutes of technology	89%	89%		88%	88%
Universities	89%	88%		90%	90%

<sup>13</sup>Infometrics: *The Economic Impact of the International Education Industry 2012/13*.

<sup>14</sup>Infometrics: *The Economic Impact of International Education, 2014*. The industry value included the \$104 million value of education delivered offshore from the 2012 industry valuation.

<sup>15</sup>Infometrics/National Research Bureau: *The Economic Impact of International Education in New Zealand 2015/16* and Infometrics/Covec: *Development and Implementation of a new Valuation Methodology for New Zealand's Education Services Exports*.

<sup>16</sup>Education New Zealand: *New Zealand International Education Snapshot – 2016 Full Year*.

<sup>17</sup>Survey ratings = Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied.

<sup>18</sup>ENZ uses the International Student Barometer from i-graduate to provide a global benchmark for international student experience. This survey focuses on a different international education sector each year.

Measure	How measured	Baseline	Target
Increase awareness of the contribution of international education to New Zealand.	Public perceptions survey, Education New Zealand.	<b>2015/16:</b> 60-70% endorse or support and 20-30% are neutral.	<p><b>2017/18:</b> Increase awareness compared to 2016/17.</p> <p><b>2018/19:</b> Increase awareness compared to 2017/18.</p> <p><b>2019/20:</b> Increase awareness compared to 2018/19.</p> <p><b>2020/21:</b> Increase awareness compared to 2019/20.</p>
Increase the economic value per international student <sup>19</sup> .	Economic impact analysis studies using methodology agreed with Statistics New Zealand.	<p><b>2012:</b> \$25,370 per international student.</p> <p><i>Trend</i></p> <p><b>2014:</b> \$25,540 per international student.</p> <p><b>2016:</b> \$32,100 per international student</p>	<p><b>2018:</b> Increase value per international student compared to 2016.</p> <p><b>2021:</b> Increase value per international student compared to 2018.</p> <p><b>2025:</b> Increase value per international student compared to 2021.</p>
Increase the number of international students enrolled to study outside Auckland.	Export Education Levy and Tertiary Single Data Return, Ministry of Education.	<p><b>2012:</b> 39,085<sup>20</sup></p> <p><i>Trend</i></p> <p><b>2013:</b> 39,315<sup>20</sup></p> <p><b>2014:</b> 42,708<sup>20</sup></p> <p><b>2015:</b> 46,728<sup>20</sup></p> <p><b>2016:</b> 49,133<sup>20</sup></p>	<p><b>2017:</b> Increase the number of international students enrolled to study outside Auckland compared to 2016.</p> <p><b>2018:</b> Increase the number of international students enrolled to study outside Auckland compared to 2017.</p> <p><b>2019:</b> Increase the number of international students enrolled to study outside Auckland compared to 2018.</p> <p><b>2020:</b> Increase the number of international students enrolled to study outside Auckland compared to 2019.</p>

<sup>19</sup> Calculated by dividing the total economic value by the number of international student enrolments.

<sup>20</sup> Education New Zealand: *New Zealand International Student Enrolments – 2016 Full Year*.

Measure	How measured	Baseline	Target
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%	<p><b>2017/18:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2016/17.</p> <p><b>2018/19:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2017/18.</p> <p><b>2019/20:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2018/19.</p> <p><b>2020/21:</b> Increase the percentage who rank New Zealand in the top three preferred countries compared to 2019/20.</p>
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>21</sup>	<p><b>2018:</b> Increase value to \$298m.</p> <p><b>2021:</b> Increase value to \$370m.</p> <p><b>2025:</b> Increase value to \$500m.</p>

<sup>21</sup> Covec/Infometrics: *Development and Implementation of a new Valuation Methodology for NZ's Education Services Exports*. According to Covec and Infometrics, earlier valuations in 2008 and 2012 used a slightly tighter definition of offshore education services. The 2008 valuation was \$107 million and the 2012 valuation was \$104 million.



# OUR ORGANISATIONAL DEVELOPMENT

## Continuous improvement of ENZ's capability

ENZ needs to have the right capability in the right locations to deliver on our activities including our leadership and intelligence roles and telling the international education story. To do this, we need to continue to improve our capability and capacity and strengthen our systems and processes.

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 high impact projects to create a step change in the way 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. Initially, this will be focused on ENZ's international student attraction activities and will help transform ENZ into an intelligence and insights led organisation.

## 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 we have a global team with 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 evolve our People Strategy to ensure it is appropriate to the needs and business model of ENZ. The key elements of the current Strategy are:

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

We will lead staff engagement initiatives to improve staff wellbeing and ENZ's productivity.

Through this stage in our evolution we will also need to recognise the likelihood of increasing turnover levels, reflecting the significant recruitment we undertook four to five 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 will continue to implement our roadmap for ICT. Successful implementation of the

roadmap for ENZ will mean that ENZ is 'business led, technology enabled'.

Technology underpins the delivery of our services globally. Establishing and then leveraging off an appropriate ICT platform is key to ENZ being able to achieve its goals. We now have in place the infrastructure required to be a globally connected and communicating organisation, including new global data connections, document management system and customer relationship management system. These will improve the sharing of information and knowledge and encourage greater collaboration, particularly between ENZ's onshore and offshore staff.

During 2017/18, work will start on the online intelligence hub which will provide enhanced intelligence products and services for the New Zealand international education industry. We will work to continuously improve the digital interface for clients accessing our services online.

### **Our expertise**

Over the next four years we will move towards an investment model where we allocate our resources in order to achieve maximum impact for a given level of risk. We will use data and in-market intelligence to continually review and refine our business activities, and to inform our decisions about future investment. This will enable us to predict with greater accuracy and certainty the activities that will result in the greatest possible return on our investment.

## Monitoring organisational capability

Measure	Baseline	Target 2017-2021
Employee engagement.	<p><b>2013/14:</b> Ranked in the top third of government agencies that complete the same survey.</p> <p><i>Trend</i></p> <p><b>2014/15:</b> Ranked in the top quartile of government agencies that complete the same survey.</p> <p><b>2015/16:</b> The survey launch was postponed to run in the first quarter of 2016/17.</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 2015:</b> 11%.</p> <p><b>For the year ending 10 June 2016:</b> 10%</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> <p><b>2015/16:</b> 15%</p>	Between 13-18%.
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%
<ul style="list-style-type: none"> <li>Country team reviews completed three times per annum</li> </ul>		100%

## Our systems and processes

### *Capital and asset management intentions*

The value of our capital assets is minor. The table below summarises the forecast value of our assets at 30 June 2017.

<b>\$000</b>	<b>Forecast net book value at 30 June 2017</b>	<b>Comment on assets forecast at 30 June 2017</b>	<b>Forecast 2017/18</b>	<b>Forecast 2018/19</b>	<b>Forecast 2019/20</b>	<b>Forecast 2020/21</b>
<b>Property fit out</b>	148	Lambton Quay office fit-out completed in 2015	30	30	30	30
<b>Information technology</b>	305	ICT programme completed in 2016 and document management system completed in 2017	100	100	100	100
<b>Motor vehicles</b>	90	Motor vehicles in Dubai, New Delhi and Beijing	-	-	-	-
<b>Office equipment</b>	26	Lifecycle replacement only	20	20	20	20
<b>Furniture and fittings</b>	22	Lifecycle replacement only	15	15	15	15

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

- continually review our office accommodation as part of the changing needs of market development and growth and contribute toward office refits as necessary. Our Lambton Quay lease expires August 2020, with an option to extend for a further six years
- foundational IT systems are now in place and future capital investment is largely for replacement of user hardware at the end of useful life. In accordance with the refreshed ENZ IT strategy we intend to shift from owning IT infrastructure to buying it 'as a service'
- start to lease vehicles when existing vehicles are due for replacement
- office equipment and furniture and fittings replaced at the end of useful life.

We now have in place the infrastructure required to be a globally connected and communicating organisation, including new global data connections and a document management system. In 2016/17 the implementation of a customer relationship management system will improve the quality and reliability of customer interaction information. A more capable financial management/human resource information system is also being investigated.

### ***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, the consequence and likelihood levels for any risk
- 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>• IESOG and government agencies develop an agreed government-wide approach to international education.</li> <li>• Undertake robust strategic and business planning, including setting 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 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>

Risk	ENZ's mitigation strategies
<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

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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>22</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.	<p>New Zealand will, over the next 15 years:</p> <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.	<p>New Zealand will, over the next 15 years:</p> <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>22</sup> The goals and objectives were set in 2010/11 with the aim of achieving them by 2025. At the time of writing Education New Zealand’s *Statement of Intent 2017-2021*, there are eight years left to achieve the objectives.



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