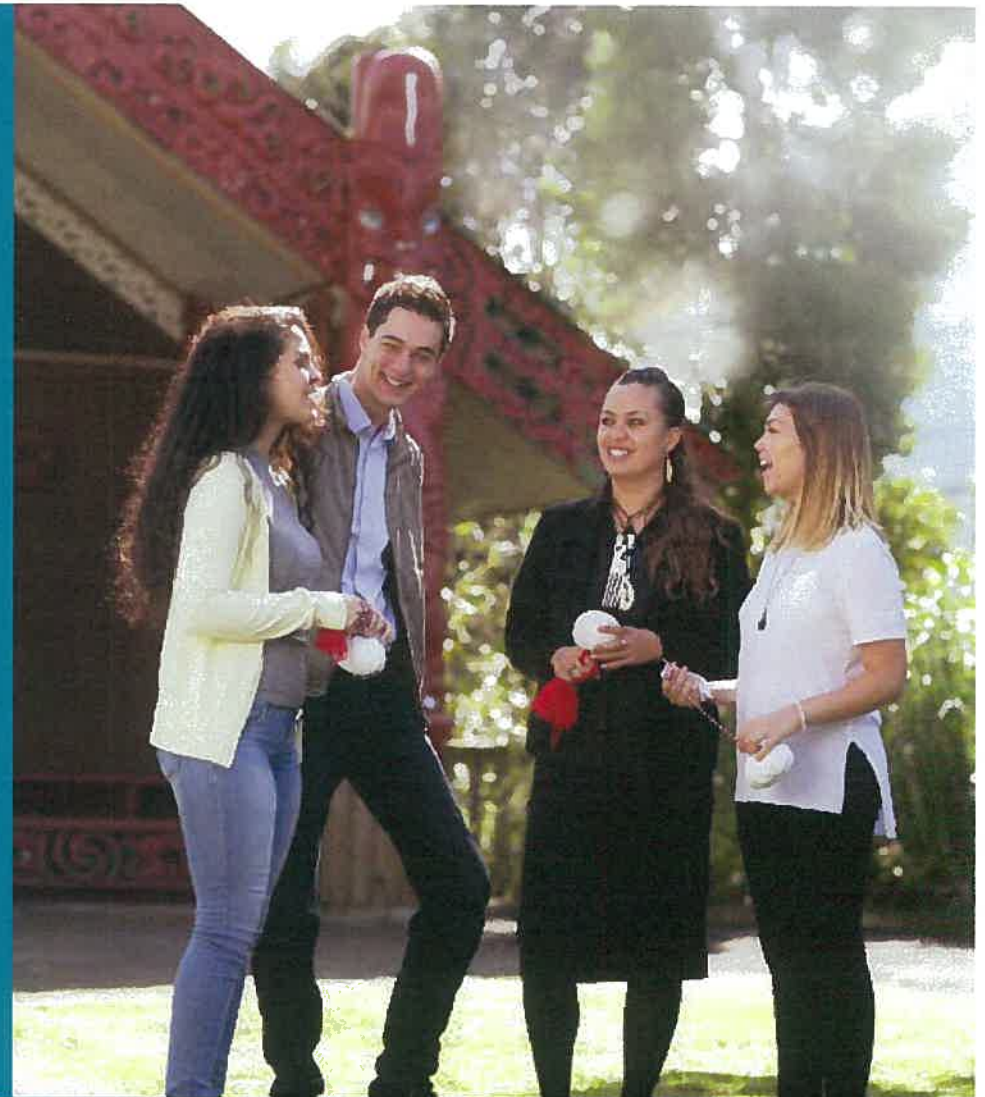


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BRIEFING TO THE INCOMING MINISTER

Education New Zealand
December 2016



ThinkNew™



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EXECUTIVE SUMMARY

ENZ was established in 2011 to bring leadership and coherence to the international education industry. We have succeeded in bringing the industry together and made major progress towards achieving the monetary goals set by Government in the [Leadership Statement for International Education](#).

This is a complex sector that has now grown to be NZ's fourth largest export industry

In 2015 ENZ's [Performance Improvement Framework review](#) acknowledged that ENZ had undertaken a successful establishment phase and was a successful organisation. However the review identified a number of challenges for ENZ to step up and provide more leadership as the one government agency who is solely focused on international education.

We also need to do more to explain to the wider society the importance of this export activity for our communities, for the education experience of all New Zealanders and our international linkages.

Our immediate challenges are managing:

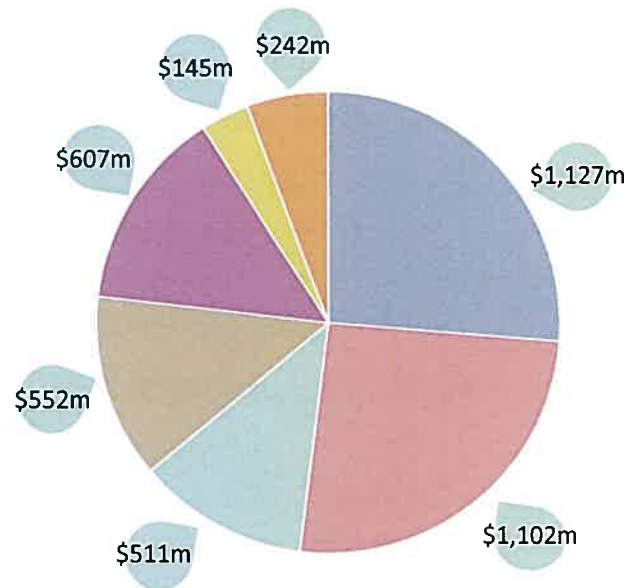
- a transition in the types of international students being attracted from [India](#)
- decreases to [our budget](#)
- the finalisation of a [new strategy for the sector](#).

Longer term we need to do more to diversify our markets and grow our earnings from education activities delivered offshore.

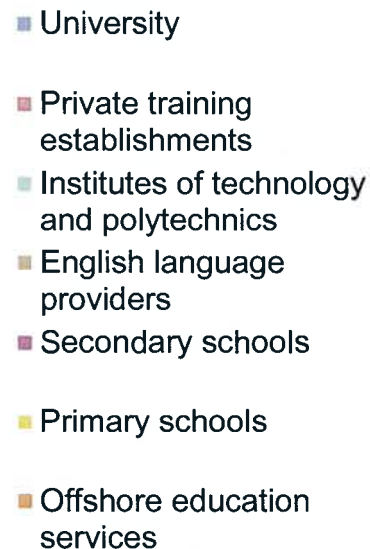
INTRODUCTION

International education is New Zealand's fourth largest export. In 2015, approximately 125,000 international students* studied with New Zealand education providers and the international education industry added \$4.28 billion** to New Zealand's economy. The industry is made up of six sectors.

Value of the international education industry by sector



Number of international students enrolled by sector

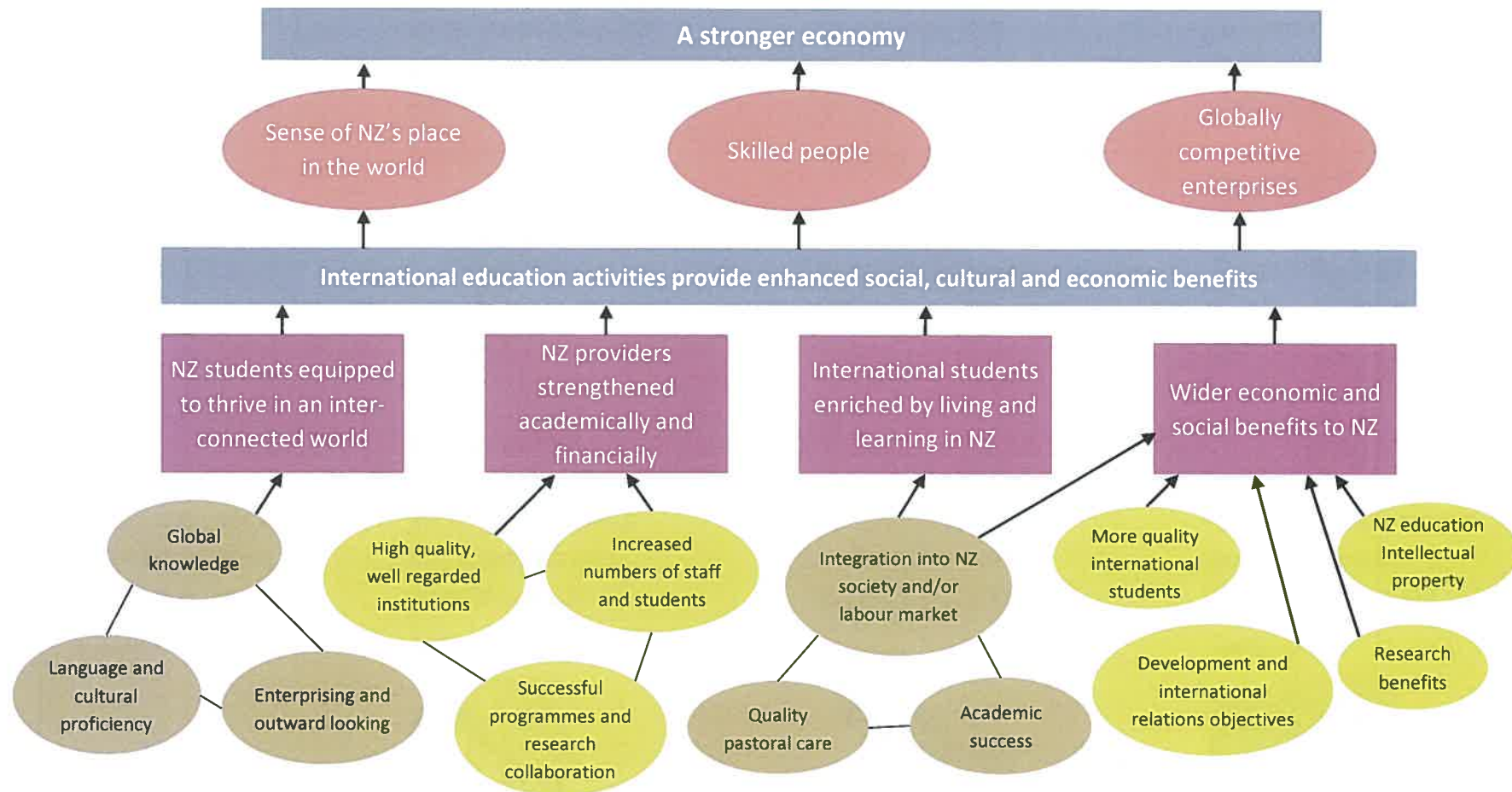


International education is a core element to helping achieve the [Business Growth Agenda's export markets goal](#) of increasing exports from 30% to 40% of GDP.

* International students are non-residents of New Zealand who have entered into New Zealand expressly with the intention to study, or have enrolled in a New Zealand provider offshore.

** Source: The Economic Impact of International Education in New Zealand 2016 (Infometrics) and Development and Implementation of a new Valuation Methodology for New Zealand's Education Services Exports (Covec).

WHY FOCUS ON INTERNATIONAL EDUCATION



VALUE TO NEW ZEALAND

Encourages the acceptance of other cultures



Increases the links between New Zealanders and international communities



Brings economic growth to every community in New Zealand



Expenditure by international students supports **32,000 jobs**

Helps attract highly skilled migrants



Average value of expenditure by each international student is **\$34,000**



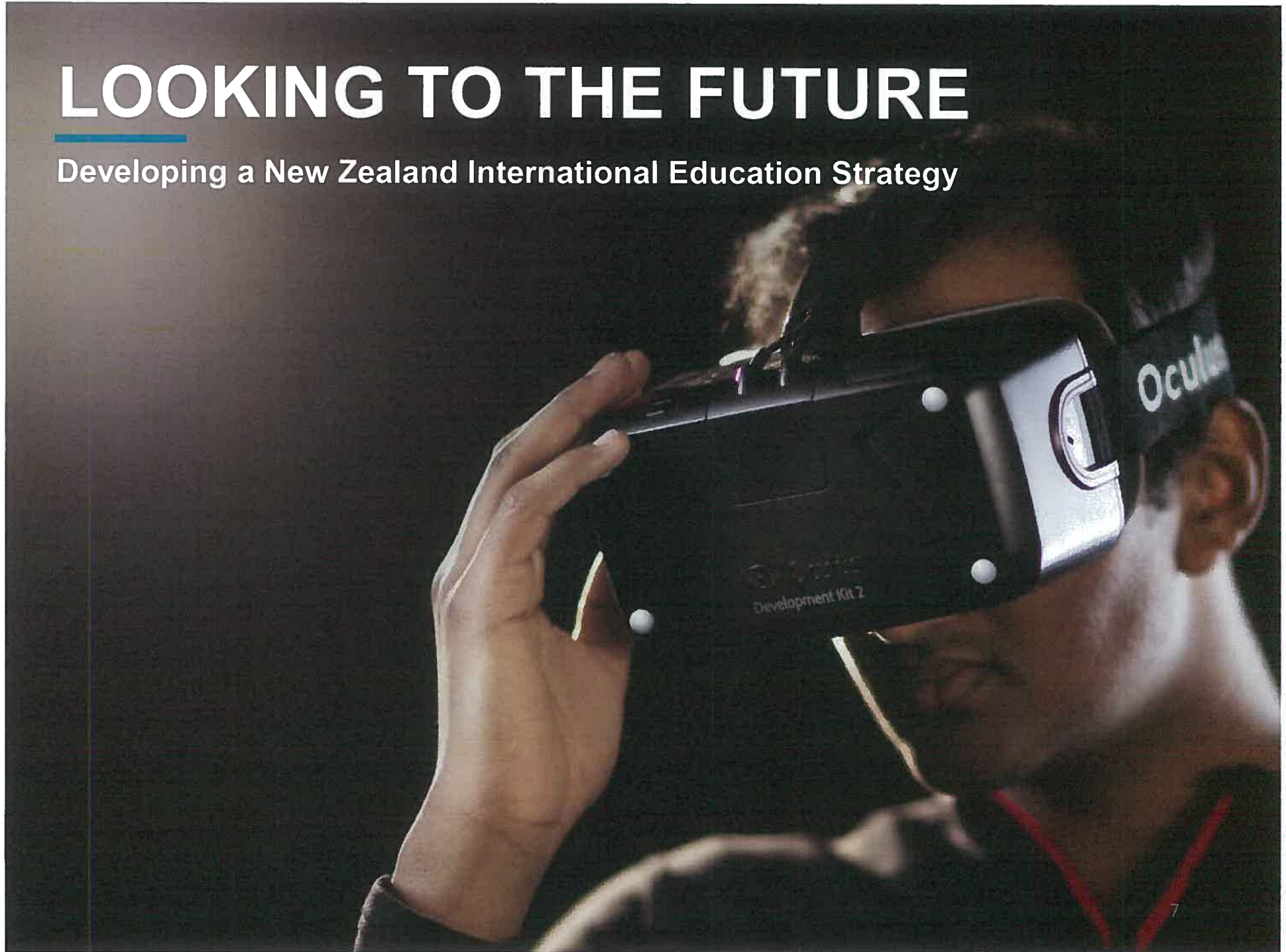
Approximately 125,000 international students enrolled with New Zealand providers in 2015



Education providers received over \$1b in fees in 2015

LOOKING TO THE FUTURE

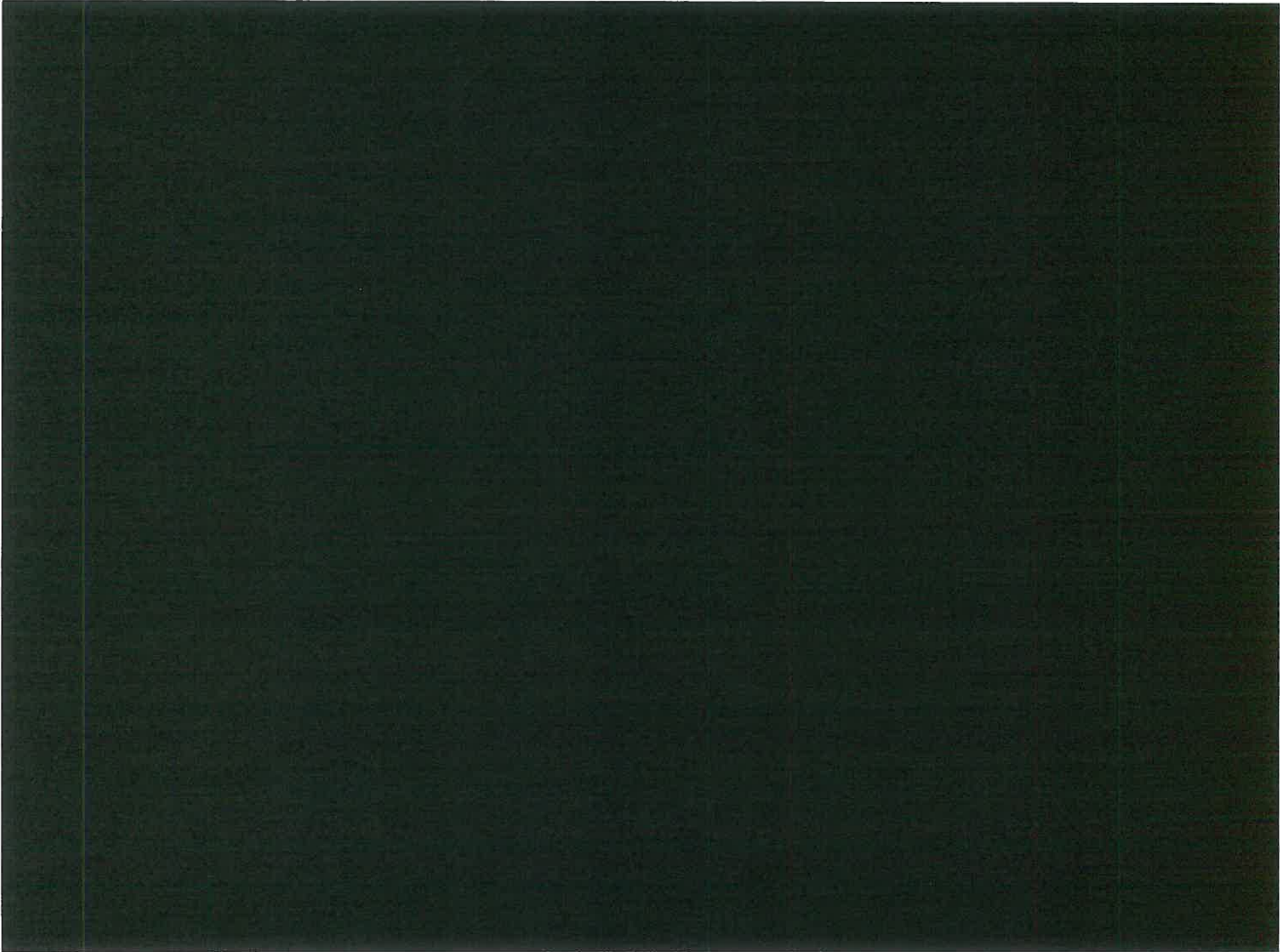
Developing a New Zealand International Education Strategy



WHY DEVELOP A STRATEGY

ENZ and the Ministry of Education are leading the development of the New Zealand International Education Strategy. It will 'refresh' the [Leadership Statement for International Education](#) and set broader goals to encompass the economic, social, educational and cultural benefits of international education in New Zealand.

The strategy outlines objectives that 'we' will work towards. This 'we' is everyone who is involved in the international education industry no matter how big or small their role. Government cannot achieve the vision for international education on its own, nor can business and providers, nor researchers and educators, nor students, nor homestay parents, nor any one group. It will require all of us - taking responsibility and action, and working together when appropriate - to ensure international education continues to be a New Zealand success story.



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INDICATIVE TIMELINE TO DEVELOP THE STRATEGY

Timeframe	Milestones	Key Activities
October, November and December 2016	[Redacted]	Workshops and an online survey with the industry and government stakeholders. [Redacted]
[Redacted]	[Redacted]	Withheld under s9(2)(g)(i) of the Official Information Act 1982
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EDUCATION NEW ZEALAND



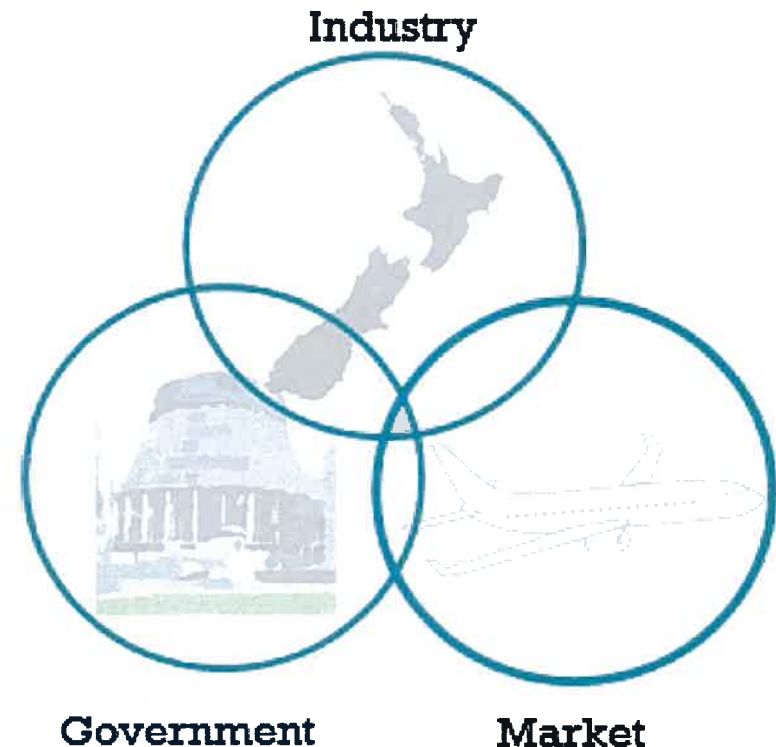
INTRODUCTION TO EDUCATION NEW ZEALAND

ENZ is charged with leading the education industry in New Zealand to achieve the Business Growth Agenda goal and the [Leadership Statement for International Education's goals](#), including growing the industry's value to \$5 billion by 2025.

We aim to work in the intersection of supporting government priorities, supporting industry priorities and capitalising on market opportunities. More often than not these areas represent competing, rather than complementary, priorities and seldom align in a tidy fashion.

We focus on encouraging student mobility by attracting international students to New Zealand and providing scholarships sending New Zealanders to Asia and Latin America. We encourage the delivery of New Zealand's education services overseas and promote awareness of the value that international education creates for New Zealand. We work closely with other government agencies to promote New Zealand as an international education destination.

Our customers are (international and New Zealand students and the international education industry).



OUR WORK PROGRAMME

Our work programme is focused around five strategic themes:

Lead international education in thinking and implementation

Tell the story in New Zealand

Drive student mobility for value to New Zealand

Drive education delivery offshore for value to New Zealand

Improve ENZ's capability

We are:

- an **education sector agency** working with education providers to strengthen their capability to attract international students to New Zealand. We work with other education agencies to support the achievement of their international education objectives (such as recognition overseas of New Zealand qualifications) and ensure New Zealand's education policy settings are attractive to prospective international students
- an **economic development agency** working with education providers and businesses to increase the economic value of international education to New Zealand
- an **NZ Inc agency** promoting the quality of New Zealand education to other governments and offshore businesses, promoting New Zealand as an education destination in other countries and being responsible for New Zealand's bilateral education relationships with other countries.

HOW WE ARE FUNDED

The government supports ENZ's work with the industry through Vote Tertiary Education. In 2016/17 ENZ is receiving:

- \$28.122 million in Crown funding through the International Education Programmes appropriation to fund ENZ's work to:
 - lead the international education industry in thinking and implementation
 - tell the international education story in New Zealand
 - drive student mobility for value to New Zealand by attracting international students to New Zealand
 - drive education delivery offshore for value to New Zealand.
- \$4.800 million in Crown funding to fund the Prime Minister's Scholarships for Asia, the Prime Minister's Scholarships for Latin America and the New Zealand International Doctoral Research Scholarships. These scholarships help to drive student mobility for value to New Zealand.

In 2016/17 \$3.515 million of the International Education Programmes funding comes from the Export Education Levy (EEL) which is paid by providers who enrol international students in New Zealand. This is made up of \$2.265 million which sits within ENZ's Crown funding (8% of Crown funding) and \$1.250 million in time-limited funding for the Regional Partnership Programme (which will cease at the end of 2016/17).

At the same time we will cease our planned four year spend down of surplus cash reserves inherited from the ENZ Trust – this use of deficits has funded ENZ's activities. As a result expenditure under the International Education Programmes appropriation will decrease from \$34.520 million in 2015/16 to \$30.702 million in 2017/18.

CHANGES TO ENZ'S FUNDING

\$'000	Actual	Budget				
		2015/16	2016/17	2017/18	2018/19	2019/20
International Education Programmes						
Funding						
Crown	28,122	28,122	28,122	28,122	28,122	28,122
EEL (fixed term)	1,516	1,250	-	-	-	-
Interest & other revenue	2,452	2,610	2,580	1,580	1,580	1,580
Total funding	32,090	31,982	30,702	29,702	29,702	29,702
Expenditure	34,520	33,182	30,702	29,702	29,702	29,702
Deficit funded from Reserves	-2,430	-1,200	-	-	-	-
Scholarships						
Funding	2,800	4,300	4,800	5,300	5,300	5,300
Expenditure	2,505	4,285	4,800	5,300	5,300	5,300
Surplus	295	15	-	-	-	-

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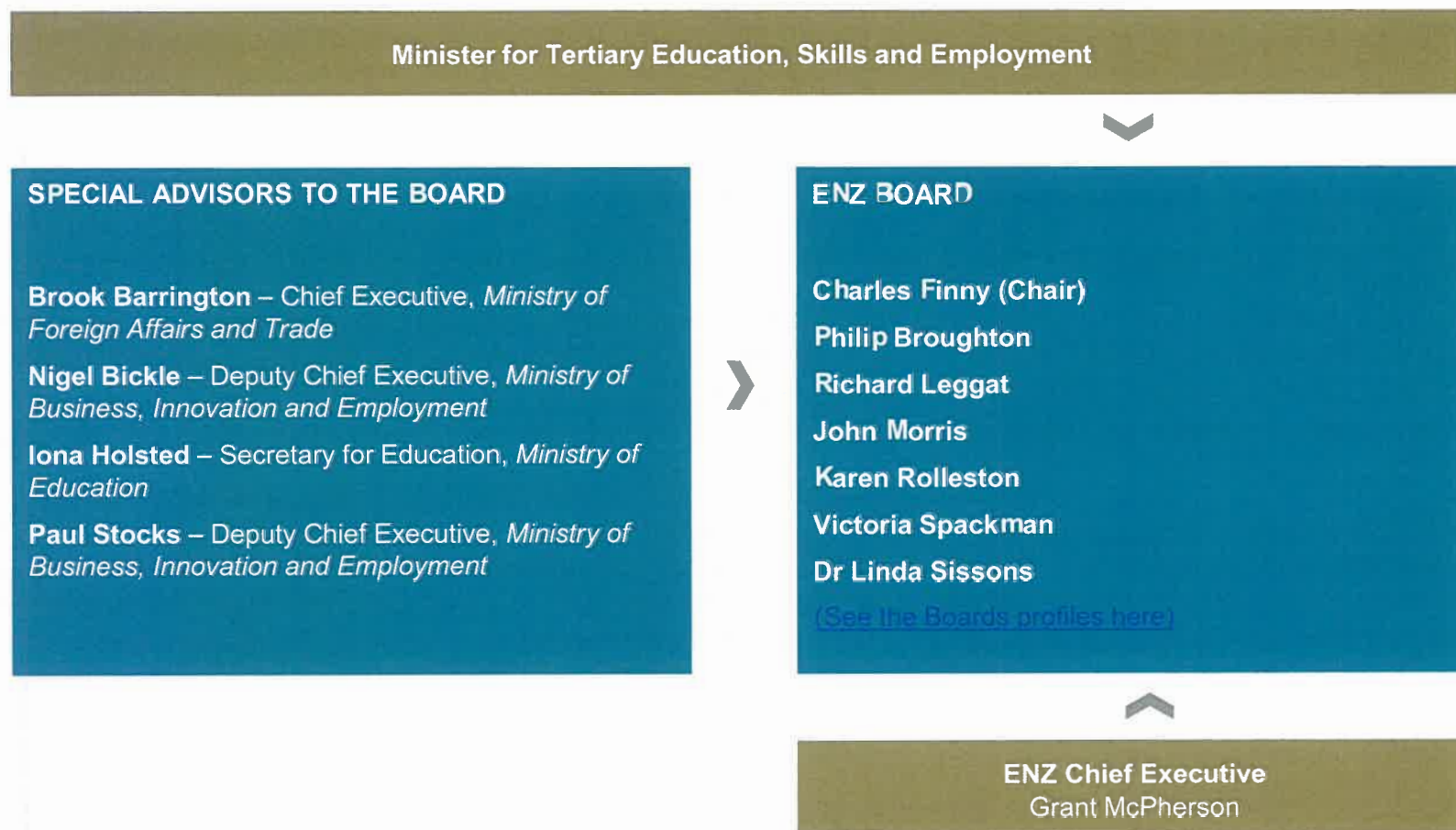
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OUR GOVERNANCE STRUCTURE

ENZ is governed by a seven member Board supported by Special Advisors who ensure we stay connected to the strategic direction of other government agencies and help the Board guide and shape ENZ's work.



CURRENT ISSUES

The Indian student market

India is a significant market for international education, providing around 30,000 students and contributing approximately \$660 million in 2015. There has been very rapid growth in student numbers from India over the last three years. Indian student numbers spiked in 2015 just before English language requirements were tightened. The ability to work and gain residence through the student pathway also made New Zealand attractive to students enrolling in Level 5-7 diploma programmes.

The level and speed of growth created some market risks resulting in high visa decline rates and closer scrutiny of providers, primarily with private training establishments, but also some institutes of technology and polytechnics. We have been working with Immigration New Zealand, New Zealand Qualifications Authority and Ministry of Foreign Affairs and Trade to address the issues. Issues relate to:

- fraudulent information in visa applications and Indian based education agents implicated in fraud
- private training establishments and institutes of technology and polytechnics with visa decline rates of 50% or higher and recruiting primarily from high risk states in India
- student wellbeing concerns including New Zealand labour market exploitation of Indian students.

The result will be a lower number of students from India in the short term. We do not expect to see the reduction in Indian student numbers until 2017. Over the last few years we have been implementing a 'Target South' Strategy, focusing on moving to high value, higher level qualifications with a geographical focus on major cities and states in Southern India which traditionally have a lower immigration risk.

ADDITIONAL INFORMATION AND MEDIA RELEASES

In early 2017, we will provide you with further information on:

- Challenges facing international education
- Developing the New Zealand International Education Strategy
- ENZ's marketing and promotional activity
- Prime Minister's Scholarships for Asia and for Latin America which send New Zealanders overseas to study
- ENZ's industry development work, including the Regional Partnership Programme
- [REDACTED] Withheld under s9(2)(g)(i) of the Official Information Act 1982

Media releases that had yet to be released by the previous Minister are:

- January – August 2016 international student numbers
- First round scholarship awardees for the Prime Minister's Scholarships for Latin America
- The September 2016 round scholarship awardees for the Prime Minister's Scholarships for Asia

In addition, the October 2016 and November 2016 monthly student visa dashboards have yet to be released. We seek your agreement to release them.

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