

Education New Zealand  
Manapou ki te Ao  
Level 5, Lambton House  
160 Lambton Quay  
PO Box 12041  
Wellington 6144  
New Zealand

P: +64 4 472 0788  
E: [info@enz.govt.nz](mailto:info@enz.govt.nz)

[www.enz.govt.nz](http://www.enz.govt.nz)  
[www.studywithnewzealand.govt.nz](http://www.studywithnewzealand.govt.nz)

25 November 2024

S 9 (2)(a)

Dear S 9 (2)(a)

## Official Information Act 1982 request – Budget 2024 savings and frontline impacts

I refer to your Official Information Act 1982 (OIA) request, partially transferred to Education New Zealand (ENZ) from the Minister for Tertiary Education and Skills, on 25 October 2024, for:

*(ii) All reports, briefings, emails, memos, aides-memoire, notes or written advice, that the Minister or their office has received regarding baseline savings targets and baseline savings initiatives for Budget 2024.*

*(iv) Any reports, briefings, emails, memos, aides-memoire, notes or written advice received by the Minister or their office from their agency or agencies that describe the impact or potential impact on frontline services due to Budget 2024 decisions.*

There are two documents that fall within the scope of this request:

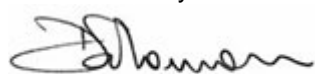
1. A letter dated 13 March 2024 is being partially released to you. Some information has been withheld under s9(2)(f)(iv) of the OIA to maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials.
2. A briefing dated 30 April 2024 is being partially released to you. The contact phone number has been withheld under s9(2)(a) of the OIA to protect the privacy of natural persons.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact me via [Di.Solomon@enz.govt.nz](mailto:Di.Solomon@enz.govt.nz).

Please note that it is our policy to proactively release our responses to official information requests, where possible. Please contact us if you have any questions about this.

Yours sincerely



Di Solomon  
General Manager  
Government Relations

13 March 2024

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New Zealand

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www.enz.govt.nz  
www.studyinnewzealand.govt.nz

Hon Penny Simmonds  
Minister for Tertiary Education and Skills  
New Zealand Parliament Buildings

Kia ora Minister,

## Identifying additional savings for Budget 2024

Thank you for your letter of 6 March 2024.

Education New Zealand Manapou ki te Ao (ENZ) management and the Board have worked diligently to identify the additional savings (which along with earlier identified savings, total 10%) for the 2024/25 year and beyond. The detail of how these savings will be met is outlined below.

Savings of 10% or \$3.075m have been identified across the appropriation for International Education programmes (\$27.000m) and [REDACTED] which together come to \$30.750m.

s9(2)(f)(iv)

The tables below show the savings of \$3.075m in two parts: first, the additional savings of \$1.725m, which are the focus of this letter, and second, the initial savings of \$1.350m which were supplied to the Ministry of Education on 31 January 2024.

As discussed with you, we are considering a range of other actions, consistent with Government policy and our own strategy work, alongside guidance from the Monitor, which may result in further changes to the balance of investment in our programmes and our work.

Table one: Summary of additional proposed savings

Cost savings	Amount
Personnel: conclude fixed term engagements and cease recruitment activity for New Zealand based roles.	\$375,000
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Ministry of Education Library service	\$15,000
Innovation funding (research and direct investment)	\$100,000
ENZ funding contribution to New Zealand Story (10%)	\$28,000
Third-party software that supports our digital platforms	\$70,000
Prime Ministers Scholarships administration	\$50,000
Using alternative approaches to connecting the Sector with in-market activities	\$80,000
Domestic and international travel savings by tightened criteria	\$197,000
<b>Total</b>	<b>\$1,725,000</b>

s9(2)(f)(iv)

BUDGET-SENSITIVE

**Table two: Summary of initial proposed savings** (provided to the Secretary for Education on 31 January 2024)

<b>Cost savings</b>	<b>Amount</b>
Domestic property consolidation	\$100,000
Reduce direct fund transfers and sponsorship arrangements to external organisations	\$650,000
IT related savings	\$170,000
Student Experience review	\$150,000
Events (global and New Zealand International Education Conference) related savings	\$280,000
<b>Total</b>	<b>\$1,350,000</b>

As indicated above, the Board and management will continue to explore efficiency options including reducing non-frontline personnel costs. For now, we are not renewing any fixed term engagements due to end before or by 30 June 2024. We have also ceased recruitment activity for New Zealand based roles (with the exception of the appointment of a permanent Chief Executive).

ENZ is committed to and has already commenced work internally on an organisation functional review in line with the assurance given to the Ministry of Education in November to ensure the positive impact of ENZ. As part of this review, ENZ will also look to enhance its delivery offshore to support the Government's objectives of market diversification and doubling the value of exports in 10 years.

As you are aware, ENZ has made considerable progress in defining its 2024-27 Strategic Plan, focussing on the Government's objectives, and working across New Zealand Inc and the sector to ensure their perspectives are understood.

Finally, we are very conscious of our role as a revenue generator for New Zealand in the important export-earning area of international education. In 2019, international education's direct financial contribution to New Zealand's GDP was \$3.7 billion and we are committed to working with you to rebuild and extend that value for New Zealand.

Ngā mihi,



Tracey Bridges  
Board Chair  
Education New Zealand Manapou ki te Ao

CC Iona Holsted, Secretary for Education, Ministry of Education  
Andy Jackson, Deputy Secretary – Policy, Ministry of Education

## Education New Zealand Briefing

**Title:** Education New Zealand draft Statement of Performance Expectations 2024/25

**Date:** 30 April 2024

**Priority:** Medium

**Security level:** Budget Sensitive

**ENZ ID no:** 2324-142

### Action sought

Addressee	Action sought	Deadline
Minister for Tertiary Education and Skills	<p><b>Provide</b> feedback on Education New Zealand's draft Statement of Performance Expectations 2024/25 (Appendix One)</p> <p><b>Note</b> that Education New Zealand intends to provide you with copies of the final document after 30 June 2024 so it can be tabled in the House</p> <p><b>Agree</b> that the proactive release of this briefing is deferred until after the final Statement of Performance Expectations 2024/25 is published on Education New Zealand's website</p>	21 May 2024

### Contact for telephone discussion (if required)

Name	Position	Cellphone	1 <sup>st</sup> contact	
Di Solomon	General Manager, Government Relations		x	s9(2)(a)
Linda Sissons	Acting Chief Executive			

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

☒ MoE
 ☐ NZQA
 ☒ MBIE
 ☐ MFaT
 ☐ TEC
 ☐ Other:

### Comments

## Education New Zealand Briefing

**Title:** Education New Zealand draft Statement of Performance Expectations 2024/25

**Date:** 30 April 2024

**Priority:** Medium

**Security level:** Budget Sensitive

**ENZ ID no:** 2324-142

### Recommendations

Education New Zealand recommends that you

- provide** feedback on Education New Zealand's draft Statement of Performance Expectations 2024/25 (Appendix One)
- note** that Education New Zealand intends to provide you with copies of the final document after 30 June 2024 so it can be tabled in the House
- agree** that the proactive release of this briefing is deferred until after the final Statement of Performance Expectations 2024/25 is published on Education New Zealand's website

**Agree / Disagree**

*Linda Sissons*

Linda Sissons  
**Acting Chief Executive**  
**Education New Zealand**

Hon. Penny Simmonds  
**Minister for Tertiary**  
**Education and Skills**  
\_\_\_\_/\_\_\_\_/2024



## Purpose

1. This briefing presents Education New Zealand's (ENZ's) draft Statement of Performance Expectations (SPE) 2024/25 for your review and feedback.
2. Under s149(I) of the Crown Entities Act 2004, ENZ must provide its draft SPE to you no later than two months before the start of the financial year to which the SPE relates.

## Background

3. As a Crown entity, ENZ's SPE must set out annual financial and non-financial performance expectations and provide a basis against which financial and non-financial performance can be assessed. A SPE also provides forecast financial statements for the coming financial year.
4. ENZ consulted with the Ministry of Education and the Ministry of Business, Innovation and Employment in relation to our draft SPE. We have aimed to reflect their initial feedback in the draft SPE. As ENZ's monitors, they will separately provide you with advice about ENZ's draft SPE.
5. ENZ's draft SPE 2024/25 is attached as **Appendix 1**.

## Overarching comments

6. The draft SPE strongly looks to articulate ENZ's 2024/25 focus on the Government's goal of reviving international education through doubling export value and market diversification. Both the narrative and the measures in the draft SPE reflect the Government's ambitions for international education and your direction set out in the Letter of Expectations.
7. The strategic areas of focus outlined in the draft SPE give effect to the wider direction outlined in ENZ's draft strategic framework, which will be finalised over the next couple of months:
  - Goal 1: Growing international student numbers
  - Goal 2: Partner and connect
  - Goal 3: Supporting sector capacity development.
8. The 2024/25 areas of strategic focus and initiatives are strongly aligned to ENZ's legislative functions and your expectations. For example:
  - Strategic initiative to *"support the sector to grow its value through the delivery of a suite of services that build sector capability and drive sustainable growth"* aligns to s511(1)(g) of the Education and Training Act 2020 that states that one of ENZ's functions is: to provide information, advice, and assistance to providers on strategies to promote industry co-ordination and professional development.
  - Strategic initiative to *"become the preferred international education scholarship partner to deliver a scholarship management services model that enhances the value of international education and leverages ENZ's networks and strengths"* aligns to ENZ's functions as outlined under s511(1)(a) and s511(1)(b) of the Education and Training Act 2020. These functions are to: deliver strategies,

programmes, and activities for promoting, together with providers and other government agencies, New Zealand education overseas; and promote New Zealand as an educational destination for international students.

9. ENZ is in the process of finalising its business planning for 2024/25 and consequently the targets for the non-financial performance measures in the draft SPE have not yet been finalised.
10. In considering the draft SPE, ENZ's Board has noted that the final SPE will fully reflect your direction. Also, on 24 April 2024, ENZ was advised by the Ministry of Education that minor amendments will need to be made to ENZ's Statement of Intent 2023-2027 (SOI). We will amend the SOI to ensure alignment with our Letter of Expectations.

### **Non-financial performance measures**

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11. ENZ has reviewed its performance measures for the SPE 2024/25 with a focus on output measures that we have a direct contribution to. We have aligned the narrative and the non-financial performance measures to the draft strategic framework 2024/25 - 2026/27.
12. The soon to be amended SOI will also reflect a couple of additional impact measures that would appropriately sit in a statement of intent.

### **Forecast financial *statements***

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13. The draft SPE 2023/24 contains initial forecast financial statements which has yet to fully reflect the impact of Government's fiscal efficiency targets and Government's Budget 2024 decisions. We will update the financial section to reflect any decisions arising from further Budget considerations.

### **Your responsibility**

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14. Under s149(I) of the Crown Entities Act 2004 you are required to provide any comments you may have no later than 15 working days after receiving our draft SPE. To fulfil this requirement any feedback is due to ENZ by 21 May 2024.

### **Next steps**

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15. If any comments are provided, we will consider them and update the draft SPE accordingly. ENZ will also share the draft SPE with Audit New Zealand for their review and feedback.
16. The ENZ Board will approve the SPE at its 20 June 2024 Board meeting. The ENZ Board Chair and Deputy Chair will then sign the final SPE.
17. You will be provided with a copy of the final SPE, and we will publish the SPE on our website by 30 June 2024.

18. ENZ will then liaise with your office to provide printed copies of the SPE for you to table in Parliament. This must happen no later than the date you present ENZ's Annual Report for the year ended 30 June 2024.

Released under the Official Information Act 1982



## Appendix One: DRAFT ENZ's Statement of Performance Expectations 2024/25

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*Out of scope for this request.*

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