



**NEW ZEALAND
EDUCATION**
Manapou ki te Ao

E.48 (2025)

Statement of Performance Expectations 2025/26 Education New Zealand Manapou ki te Ao

Date 30 June 2025



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1. Statement of responsibility

The Statement of Performance Expectations has been prepared in accordance with the requirements of sections 149E and 149G of the Crown Entities Act 2004.

The performance to be achieved by Education New Zealand Manapou ki te Ao for the year ending 30 June 2026, which is specified in this Statement of Performance Expectations, is as agreed with the Minister of Education.

Pursuant to the Crown Entities Act 2004, we acknowledge responsibility for the preparation of the statements of forecast service performance and prospective financial statements, including the appropriateness of the assumptions underlying the forecast financial statements and all other required disclosures.

We acknowledge responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of Education New Zealand's performance and financial reporting.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates of Appropriations for the year ending 30 June 2026 that were laid before the House of Representatives under section 9 of the Public Finance Act 1989.

Signed on behalf of the Board of Education New Zealand.

Acting Board Chair
Tony Gray

27 June 2025

Board member
Daniel Wilson

27 June 2025



2. Our organisation

Education New Zealand Manapou ki te Ao (ENZ) is a Crown Agent with a dedicated focus on international education.

We aim to take New Zealand's education experiences to the world and to build a thriving and globally connected New Zealand through world-class education.

Our role as a Crown Agency is to work across government and with the international education sector to deliver on the international education objectives the Government has for New Zealand.

Some information is withheld until the "plan to boost export education earnings" is launched.

What we do

ENZ's functions are outlined under section 511 of the Education and Training Act 2020. We are responsible for:

Promoting New Zealand education offshore

- 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.

Managing international education activities for the Government

- 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
- Administer any international programmes or activities that are consistent with the Government's policy on international education
- Work with other agencies to ensure international students are adequately supported while living and studying in New Zealand.

Undertaking research and advice

- Carry out research on international education markets and marketing strategies
- Provide information, advice, and assistance to providers on strategies to promote industry coordination and professional development.

Providing information to international students in New Zealand

- Provide information to prospective and current international students about living and studying in New Zealand
- Foster collaborative networks with former international students.

In addition, areas of focus and investment that ENZ intends to undertake to give effect to our Letter of Expectations and the Government's objectives for revitalizing and growing international education through:

- Marketing and promotional activity which will build New Zealand as a destination of choice; and

- Supporting changes to broader settings to encourage quality, sustainable growth in international education.

As a Crown Agent, we also give effect to the Government's broader priorities and continue to adhere to the expectations outlined in the Enduring Letter of Expectations around delivering better results and improved public services for New Zealanders, while managing within tight fiscal constraints.

Supporting wider Government objectives

The Manaaki New Zealand Scholarships Programme, a partnership between ENZ and the Ministry of Foreign Affairs and Trade (MFAT), enhances international education relationships with partners from developing countries and fosters closer connections with scholarship partners and tertiary education providers. The programme serves as a significant lever to help achieve the Government's broader diplomatic and trade goals.

ENZ delivers the programme on behalf of MFAT. It aims to deliver scholarships that are responsive to development partner needs, bridging local skill gaps and building relationships. The scholarships build individuals' knowledge and skills, enabling them to contribute to the social and economic development of their home country or country of choice upon completion of their scholarship.

There are four types of scholarships:

- **Undergraduate and postgraduate scholarships** – full tertiary scholarships for eligible international students, predominantly from the Pacific and South-East Asia to study full-time at a New Zealand education institute or a Pacific university
- **Vocational short-term training scholarships** – short skills and on-the-job training providing work experience for workers from eligible countries and from Timor-Leste
- **Thematic Short Term Training Scholarships** – short bespoke courses for skill training and cohorts of workers, addressing common skill gaps across eligible countries and regions
- **English Language Training for Officials Scholarships (NZELTO)** – Short scholarships for government officials from eligible African and Asian countries to come to New Zealand for English language training.

The context we operate in

New Zealand has a long history of attracting students from around the world, but the international education sector is highly competitive. We are competing against numerous other countries with their own marketing and promotional programmes.

We work with other NZ Inc agencies, such as the Ministry of Foreign Affairs and Trade (MFAT), Ministry of Business, Innovation and Employment (MBIE), Immigration New Zealand, Tourism New Zealand and New Zealand Trade and Enterprise (NZTE), to grow the value of international education and raise the profile of New Zealand in our key markets.

We maintain strong connections to our policy and monitoring agency, the Ministry of Education (MoE), to ensure our organisational focus, supports the sector to thrive.

We work with a diverse range of educational institutions, schools and companies in New Zealand. Together we aim to build global skills and knowledge and create networks between future leaders in New Zealand and the world.



Going for growth

Going for Growth sets out the approach the Government is taking to make New Zealand's economy grow faster, to increase living standards and opportunities for all New Zealanders.

[Redacted text block]

[Redacted text block]

- [Redacted list item]
- [Redacted list item]

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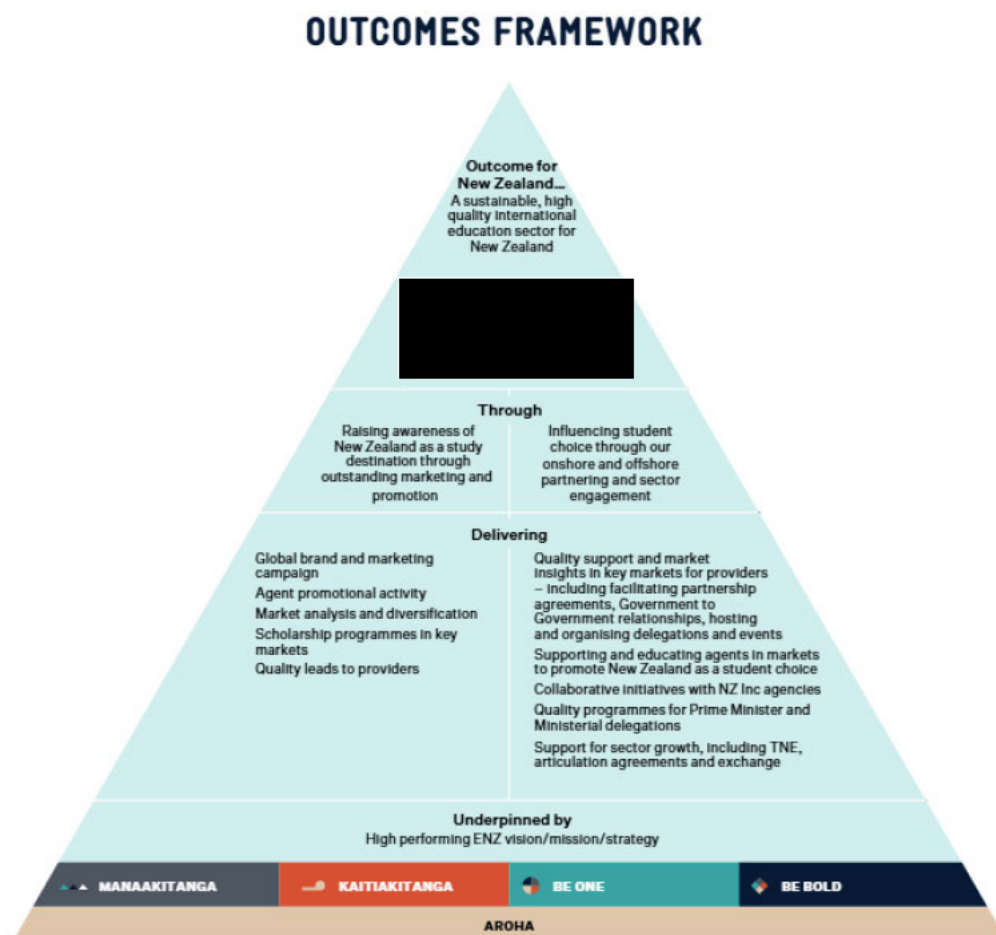
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3. Our strategic focus for 2025-26

Our long-term direction aligns with the Government's Going for Growth ambition to [REDACTED] and is illustrated in the diagram below



Our outcome

Our outcome is to build a sustainable, high quality international education sector for New Zealand.

Our approach directly ties in with Government's objectives [REDACTED]

[REDACTED] We will do this through the following:



Goal 1: Raising awareness of New Zealand as a study destination through strategic marketing and promotion

At the heart of our international work is a global brand and marketing campaign. This will promote New Zealand education to key audiences through online and offline activities that showcase our distinctive brand and our quality education experience.

We have a skilled team and a presence across 15 locations, with connections to many more. We have in-depth knowledge that we can share with international education providers in New Zealand.

Our staff undertake detailed market analysis on a regular basis. This is shared with organisations in New Zealand to support them focus on the right markets for their type of offering.

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED] we will continue to:

- Provide in-depth Information and market analysis to drive providers' marketing activities
- Support the sector to diversify markets and products and services.

The key performance measures that will indicate success are:

- Increase in brand awareness metrics, measured via an annual brand health survey
- Increase the proportion of prospective students rating New Zealand among their top 3 choices of study destination, measured via annual brand health survey. [REDACTED]
- Lead generation, measured via engagement with our website Study with NZ and post-event connections. This indicator demonstrates increasing awareness and preference which can be converted into enrolment. It also supports agent facilitation activities in-market
- Continued growth in student numbers and the value of international education.

Goal 2: Influencing student choice through our onshore and offshore partnering and sector engagement

International students have more choice than ever before. New Zealand is competing on the global stage against larger, wealthier markets, many of whom are geographically closer to student's homes.

Therefore, we need to be smart in promoting New Zealand and ensuring our education providers are ready and able to support the growth in student numbers. This includes understanding what drives students to make their choices and making sure we are reaching them when they are looking for information.

In 2025/26 we will:

- Offer quality support and market insights in key markets to providers – including facilitating partnership agreements, and fostering government to government relationships
- Continue to develop our Market Intelligence Platform that offers centralised intelligence and data for providers about the trends in international education
- Host delegations and organise events, onshore and offshore
- [REDACTED]
- [REDACTED]
- Support and educate recruitment agents to promote New Zealand as an education destination, influencing student choice
- Work with other agencies to ensure our immigration settings are updated and we open the door to New Zealand for genuine students
- Promote New Zealand's high-quality offering and education experience through identifying quality programmes for Prime Minister and Ministerial delegations
- Support for sector growth, including transnational education, articulation agreements and exchanges
- Work with NZIST to optimise ENZ-NZIST promotional activity.

The key performance measures that will indicate success are:

- Measurement of ENZ's international education and insights value via social license survey and student experience surveys
- Measurement of event satisfaction levels via experience surveys at events where appropriate
- Measurement of provider satisfaction with ENZ's services via an annual sector survey.

Manaaki New Zealand Scholarships Programme revenue and expenses (Vote Foreign Affairs)

ENZ is responsible for delivery of the programme, which includes management of scholar selection and placement processes, and management of funding processes for institutions hosting Manaaki New Zealand Scholarship Programme scholars.

The key performance measure of success is:

- Percentage of payments ENZ makes to tertiary education institutions for the Manaaki New Zealand scholarships programme made within agreed timeframes.

Goal 3: Fostering a high-performing organisation

ENZ's core value offering is our people. Our team is one around the world and we support each other through our knowledge, work ethic and passion for education.

We share five core values that are the same across continents and time zones and they guide our actions and behaviours to create impact for our sector. These are Manaakitanga (care and reciprocity), Kaitiakitanga (stewardship), Be One, Be Bold, and Aroha.

ENZ's focus is on creating a high-performance organisation by optimising ENZ to deliver at speed, with agility, and reinforce a culture of high performance. We will ensure our organisational development activities are well aligned to our strategy and support the efficient and effective delivery of our activities. We will measure this through our staff engagement survey.

The key performance measures that will indicate success are:



- Measurement of staff perceptions pertaining to leadership and collaboration via the six-monthly pulse survey
- A six-monthly pulse survey that questions staff on how they perceive team collaboration, honest communication, behaviours, and motivations. Staff will also be asked questions around leadership, encouragement, and leadership communication practices.

Good employer matters

It is fundamental to note that we recognise the need for a diverse workforce to effectively deliver services to our stakeholders. We provide equal employment opportunities to make the elements and criteria the Human Rights Commission sets out.

Our staff engagement survey will inform the development and implementation of solutions for identified areas of improvement.

Our systems and processes

Our technology

NZ is a globally connected organisation.

We use cloud-based technology to deliver tools such as email, video conferencing, intranet and our document management and customer relationship management systems. This has seen a significant improvement in data and personal interaction across the organisation.

We will continue to focus on improving our student and sector facing digital platforms across a range of services including capturing students' journeys to graduation.

We will work within the spirit of the whole-of-government directions for procurement, information and communications technology (ICT) and property to ensure we have efficient and effective back-office services.

Capital and asset management intentions

ENZ incurs minor capital expenditure for the lifecycle replacement of furniture, office equipment and computer hardware.

4. Statement of performance expectations

The table below summarises the appropriation ENZ receives funding from. They are defined in the Budget 2025 Estimates of Appropriations for Vote Tertiary Education for 2025/26.

Summary of appropriations

\$000	2025/26
Vote Tertiary Education	
Non-departmental output expense	
International education programmes	23,856
Benefits or related expenses	
Tertiary scholarships and awards ¹	-
Total baseline	23,856




Cost of service statements

\$000	Budget 2024/25	Estimated Actual 2024/25	Forecast 2025/26
Vote Tertiary Education			
Non-departmental output expense			
International education programmes	24,923	24,951	23,856
Tertiary scholarships and awards	3,750	3,750	-
Manaaki New Zealand Scholarships Programme (Vote Foreign Affairs)	14,210	12,004	15,113
Other revenue	1,940	2,046	1,220
Total revenue	44,823	42,751	40,189
Total expenditure	44,823	42,751	40,189
Surplus	-	-	-

¹ This reflects Budget 2025 decisions in relation to the Prime Minister's Scholarships for Asia and Latin America

Non-financial performance measures

Our focus is on delivering a range of initiatives and activities to support the international education sector to achieve our outcomes and the Government's goals for international education. The measures outlined below will help us assess how well we are delivering our work programme and contributing to the Government's goals for international education.

	Actual*	Target	Target
	2024/25	2024/25	2025/26
Goal 1: Raising awareness of New Zealand as a study destination through outstanding marketing and promotion			
Increase in awareness of New Zealand as a study destination (Measured via annual brand health survey)	40% (2024)	>or=36%	
Increase the proportion of prospective students rating NZ among their top 3 choices of study destination** (Measured via annual brand health survey)	18% (2024)	20%	
Increase number of leads to providers*** (Measured via SWNZ and post-event connections)	67,000	75,000	
Goal 2: Influencing student choice through our onshore and offshore partnering and engagement			
ENZ delivers international education insights for the international education sector and NZ Inc agencies (measured via distribution of insights publication)	44	Deliver at least twenty key insights publications to the sector & NZ Inc	20
Participants are satisfied with ENZ events attended (Measured via survey at event where appropriate)****	New measure	New measure	
Percentage of payments ENZ makes to tertiary education institutions for the Manaaki NZ Scholarships Programme that are made within agreed timeframes	95%	98%	98%
ENZ's support is valued by the international education sector (Measured via annual sector survey)	78%	75%	

* The actuals for 2024/25 are reported for July 2024 to May 2025 and are unaudited figures.

** Student preference for New Zealand as a study destination can be considered a lead indicator to the number of international students that ultimately enrol with a New Zealand provider.

*** This is a count of the number of students who participate in an ENZ online or in person promotional activity, who then ultimately contacts a New Zealand provider.

**** This is the first year that ENZ developed and monitored this measure, and the result is based on a single survey. ENZ has chosen not to use this as a baseline, instead in the upcoming year we will carry out more surveys and consider any adjustments to the targets set.

International education programmes

This appropriation is limited to the delivery of services relating to international education. This includes promotion, information, research and professional development (in New Zealand and overseas) to support sector recovery, deliver an excellent student experience, develop sustainability and resilience and develop global citizens.

This appropriation is intended to achieve enhanced social, cultural and economic benefits to New Zealand.

	Budget	Estimated Actual	Forecast
\$000	2024/25	2024/25	2025/26
Revenue			
Revenue from the Crown	24,923	24,951	23,856
Interest revenue	440	405	250
Other revenue	1,500	1,641	970
Total revenue	26,863	26,997	25,076
Total expenditure	26,863	26,997	25,076
Surplus	-	-	-

Manaaki New Zealand Scholarships Programme revenue and expenses (Vote Foreign Affairs)

The Ministry of Foreign Affairs and Trade is responsible for the appropriation that funds the Manaaki New Zealand Scholarship Programme and retains responsibility for strategic decisions in relation to the programme. This includes decisions such as scholar allocations and profiles, high-level budgets for cohorts and courses, and operating expenses.

ENZ's responsibilities are for delivery of the programme, which includes management of scholar selection and placement processes, and management of funding processes for institutions hosting Manaaki New Zealand Scholarship Programme scholars.

	Budget	Estimated Actual	Forecast
\$000	2024/25	2024/25	2025/26
Revenue			
Other revenue	14,210	12,004	15,113
Total other revenue	14,210	12,004	15,113
Total expenditure	14,210	12,004	15,113
Surplus	-	-	-



5. Prospective financial statements

Financial strategy

This financial strategy is an integral part of the overall organisational strategy. ENZ will:

- budget and manage operating and capital expenditure within available funding levels, and ensuring that ENZ achieves value for money and meets operational targets
- have annual operating and capital budgets approved by the Board, including any updates to those budgets
- operate within the financial delegations approved by the Board
- operate within a robust internal control environment
- maintain a conservative investment strategy – investing in term deposits or interest-bearing accounts with banks registered in New Zealand that have a “high grade” or better credit rating
- make use of shared services where they are cost effective and improve efficiency
- seek to allocate our resources to achieve the maximum impact for a given level of risk
- focus on strategic financial management and achieving value for money.

Prospective statement of comprehensive revenue and expense

\$000

	Estimated Actuals 2024/25	Forecast 2025/26
Revenue		
Revenue from the Crown – International Education Programmes	24,951	23,856
Revenue from the Crown – Tertiary Scholarships and Awards	3,750	- ²
Revenue from the Crown – Manaaki New Zealand Scholarship Programme (Vote Foreign Affairs)	12,004	15,113
Interest revenue	405	250
Other revenue (refer to Statement of Accounting Policies)	1,641	970
Total revenue	42,751	40,189
Expenditure		
Personnel costs	13,849	13,610
Other expenditure	12,947	11,254
Depreciation and amortisation expense	201	212
Prime Minister's scholarships expenses	3,750	-
Manaaki New Zealand Scholarships Programme expenses	12,004	15,113
Total expenditure	42,751	40,189
Net surplus	-	-
Total comprehensive revenue and expense	42,751	40,189

Prospective statement of movements in equity

\$000	Estimated Actual year ending 30 June 2025	Forecast year ending 30 June 2026
Equity		
Equity as at 1 July	2,726	2,726
Net deficit	-	-
Balance as at 30 June	2,726	2,726

² This reflects Budget 2025 decisions in relation to the Prime Minister's Scholarships for Asia and Latin America

Prospective statement of financial position

\$000	Estimated Actual year ending 30 June 2025	Forecast year ending 30 June 2026
Assets		
Current assets	24,016	23,295
Fixed assets	553	431
Total assets	24,569	23,726
Liabilities		
Current liabilities	21,843	21,000
Total liabilities	21,843	21,000
Net assets	2,726	2,726
Equity	2,726	2,726

Prospective statement of cash flows

\$000	Estimated Actuals 2024/25	Forecast 2025/26
Cash flows from operating activities		
Receipts from the Crown (Vote Tertiary Education)	28,701	23,856
Other receipts – Manaaki New Zealand Scholarships Programme (Vote Foreign Affairs)	80,372	104,495
Receipts from other revenue	1,641	970
Payments to suppliers	(94,600)	(113,393)
Payments to employees	(16,718)	(16,486)
Net cash flows from operating activities	(604)	(558)
Cash flows from investing activities		
Interest received	405	250
Payments for new term deposits	-	-
Receipt from maturity of term deposits	(1,000)	500
Purchase of property, plant and equipment	-	(90)
Receipt from sale of property, plant and equipment	-	-
Purchase of intangible assets	-	-
Net cash flows from investing activities	(595)	660
Net cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(1,199)	102
Cash and cash equivalents at the beginning of the year	15,221	14,022
Cash and cash equivalents at the end of the year	14,022	14,124

Reconciliation of forecast net deficit to net cash flow from operating activities

\$000	Estimated Actuals 2024/25	Forecast 2025/26
Surplus	-	-
Add non-cash items		
Depreciation and amortisation expense	201	212
Total non-cash items	201	212
Less items classified as investing or financing activities		
Interest received	(405)	(250)
(Gain) / Loss on disposal of property, plant and equipment	-	-
Total items classified as investing or financing activities	(405)	(250)
Add/(less) movements in working capital items		
(Increase)/decrease in debtors and receivables	(215)	310
(Increase)/decrease in prepayments	208	13
Increase/(decrease) in payables	(90)	(513)
Increase/(decrease) in provisions	129	(430)
Increase/(decrease) in employee entitlements	(432)	100
Net movement in working capital items	(400)	(520)
Net cash flow from operating activities	(604)	(558)

Notes to the prospective financial statements

The prospective financial statements are based on policies and approvals in place as at 31 March 2025 and are GST exclusive (except for payables and receivables which are GST inclusive). The forecasts are prepared under the generally accepted accounting practice (NZ GAAP). Actual results may vary from the information presented here, and the variations may be material.

The prospective financial statements set out ENZ's activities and planned performance. Use of this information for other purposes may not be appropriate.

These prospective financial statements have been prepared based on assumptions as to future events that ENZ reasonably expects to occur, associated with the actions that ENZ reasonably expects to take, as at the date that this information was prepared.

The significant assumptions are outlined under critical accounting estimates and assumptions.

Statement of accounting policies

Reporting entity

Education New Zealand (ENZ) is a Crown entity as defined by the Crown Entities Act 2004 and was established on 1 September 2011 under the Education Act 1989 (which was superseded by the Education and Training Act 2020). As such ENZ's ultimate parent is the New Zealand Crown. ENZ is funded primarily by the Government through Vote Tertiary Education.

ENZ's primary objective is to provide public services to the New Zealand public as opposed to that of making a financial return. Accordingly, ENZ has designated itself as a public benefit entity (PBE) for the purposes of New Zealand Equivalents to International Public Sector Accounting Standards (IPSAS). ENZ is domiciled in New Zealand.

Basis of preparation

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and Education and Training Act 2020 which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared and presented in accordance with Tier 1 PBE accounting standards. ENZ qualifies under the Tier 1 reporting framework as it is a public benefit entity with total annual expenditure in excess of \$30 million. This includes PBE FRS 42, Prospective Financial Statements.

The prospective financial statements have been prepared for the special purpose of the Statement of Performance Expectations 2025-26 of ENZ to the Minister of Education. The financial statements are not prepared for any other purpose.

The prospective financial statements will be used in the Annual Report as the budgeted figures. The Statement of Performance Expectations narrative informs the prospective financial statements, and the document should be read as a whole.

The preparation of prospective financial statements in conformity with PBE FRS 42 requires management to make good judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual financial results achieved for the period covered are likely to vary from the information presented and variations may be material.

Measurement base

The prospective financial statements have been prepared on a historical cost basis.

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated.

Significant accounting policies

The following accounting policies, which significantly affect the measurement of financial performance and of financial position, have been consistently applied.

Revenue

Revenue is measured at fair value and is recognised as income when earned and is reported in the financial period to which it relates.

Revenue from the Crown

ENZ is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of ENZ meeting the objectives specified in this Statement of Performance Expectations.

Interest revenue

Interest income is recognised using the effective interest method.

Co-funding expenditure

Co-funding arrangements are approved and administered by ENZ for a variety of sector initiatives. Subsequent payment of the co-funding amounts is dependent on the recipient meeting terms and conditions laid out in the co-funding contract between ENZ and the recipient.

At balance date each individual co-funding arrangement is assessed to determine the extent to which the conditions attached to the funding have been satisfied and therefore the amount of funds that will be granted.

Co-funding arrangements with unfulfilled conditions are recognised as a future commitment.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the spot exchange rate at the date of transaction.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to ENZ are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the prospective statement of comprehensive revenue and expense.

Scholarships

ENZ approves and administers the granting of scholarships, both for New Zealand student to study abroad and for international students to study in New Zealand.

Scholarship costs are recognised as expenditure on awarding the scholarship.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. ENZ applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators are that there is no reasonable expectation of recovery, include the debtor being in liquidation.

Investments

Bank term deposits

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Property, plant, and equipment

Property, plant and equipment asset classes consist of leasehold improvements and make-good, computer hardware, furniture and office equipment.

Property, plant and equipment are shown at cost, less accumulated depreciation, and impairment losses.

Additions

The initial and any subsequent cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to ENZ and the cost of the item can be measured reliably.

Work in progress is recognised at cost.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction it is recognised at its fair value as at the date of acquisition.

The costs of day-to-day servicing property, plant and equipment are recognised in the prospective statement of comprehensive revenue and expense as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the prospective statement of comprehensive revenue and expense.

Depreciation

Depreciation is provided on a straight-line basis at rates that will write down the cost (or valuation) of the assets over their useful economic lives. The useful economic lives and associated depreciation rates of major asset classes have been estimated as follows:

Furniture & office equipment	5 years, or 20.0% per annum
Computer hardware	3 years, or 33.3% per annum
Leasehold improvements & make-good	The lesser of either 10 years, with an annual depreciation rate of 10%, or over the remaining term of the lease of the building that has been fitted out

Intangible assets

Software development

Any costs directly attributable to developing internal software applications, digital services and digital marketing campaign assets to bring them into operation are recognised as an intangible asset.

Costs associated with maintaining intangible assets are recognised as an expense when incurred.

Amortisation

Amortisation begins when the intangible asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the prospective statement of comprehensive revenue and expense. The useful economic life and associated amortisation rate of the major asset class of intangible asset owned by ENZ has been estimated as follows:

Internally developed software	4 years, or 25% per annum
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Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, and where the carrying values exceed the estimated recoverable amount, an asset is written down to its recoverable amount. Losses resulting from impairment are reported in the prospective statement of comprehensive revenue and expense.

Payables

Payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee entitlements that ENZ expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken at balance date.

ENZ recognises a liability and an expense for a bonus where there is a likelihood that we will pay them.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months, which include provisions for post-employment benefits payable to some employees upon cessation of employment, are reported at current value.

Superannuation schemes

Defined contribution schemes

Our obligations for contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and recognised in the prospective statement of comprehensive revenue and expense.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Lease make-good

Where there is an indication or expectation from the lessor that a building is to be returned to its original condition at the end of the lease period, a provision for the estimated cost to make good the premise is made.

Lease make-good provisions are recorded at cost and are recognised on a straight-line basis over the period of the lease.

Equity

Equity is comprised of accumulated funds and is measured as the difference between total assets and total liabilities.

Goods and Services Tax (GST)

All items in the prospective financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the prospective statement of financial position.

The net GST paid to, or received from, Inland Revenue (including the GST relating to investing and financing activities), is classified as an operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income Tax

We are a public authority and consequently are exempt from income tax. Accordingly, no provision has been made for income tax.

Critical accounting judgements, estimates and assumptions

In preparing these prospective financial statements we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances.

ENZ has exercised judgement when recognising expenditure on co-funding agreements, to determine if conditions of the arrangement have been fulfilled. Unfulfilled conditions are treated as future commitments.

A provision has been made for future restoration costs relating to make-good clauses on office rental leases. The calculation of this provision requires assumptions as to the extent, if any, that landlords will enforce the lease make-good clauses and estimates of the cost of restoration. These uncertainties may result in future actual expenditure differing from amounts currently provided. Provisions are periodically reviewed and updated, based on information available at the time.

Specific assumptions

ENZ delivers a Manaaki New Zealand Scholarship Programme (MNZSP) service to the Ministry of Foreign Affairs and Trade (MFAT) under a partnership agreement and the costs to deliver are based on a budget agreed between the two agencies.

MFAT is responsible for the appropriation that funds the MNZSP and retain the responsibility for strategic decisions in relation to the programme. This includes decisions such as scholar allocations and profiles, high-level budgets for cohorts and courses, and operating expenses.

ENZ's responsibilities are for delivery of the programme, which includes management of scholar selection and placement processes, and management of funding processes of institutions hosting MNZSP scholars.



Manaaki New Zealand Scholarship Programme expenses include fees to third parties for management of scholarship selection and administration, personnel costs, and operation expenses including marketing and promotion of MNZSP.

Other specific assumptions are:

- Interest revenue is based on the average investment balance held with a 4% rate of return applied
- Other revenue relates to various cost recoveries and charge for events and fairs
- Personnel costs increase by 3% on average
- Foreign exchange rates will remain at a similar level
- Minor capital expenditure covers the lifecycle replacement of furniture, office equipment and computer hardware, and to complete minor property fit outs
- A provision has been made for future restoration costs relating to make-good clauses on office rental leases. The calculation of this provision requires assumptions as to the extent, if any, that landlords will enforce the lease make-good clauses and estimates of the cost of restoration.



**NEW ZEALAND
EDUCATION**
Manapou ki te Ao

ISSN: 2381-988X

NZBN: 9429041901793



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