

2012/13

EDUCATION NEW ZEALAND

statement of intent

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MESSAGE FROM BOARD CHAIR

This is Education New Zealand's second Statement of Intent since it was established on 1 September 2011.

Our first months of operation were dedicated to merging three cultures into one, to recruiting a CEO and developing a strategy for the delivery of the ambitious goals that have been set by Government.

We now have the CEO, Grant McPherson, in place and we are on our way to developing our strategy for the years ahead.

One of our first and most immediate goals has been to support recovery in the Canterbury region. With a decline of 37 per cent in international student numbers, the impact of the Christchurch earthquakes has been significant. However, progress is well underway with action plans that are Christchurch led and supported by us. We now have dedicated staff working hand-in-hand with industry in Christchurch and have committed funding of \$5 million over the next four years to support sustainable growth.

We recognised an immediate need to update the work done in 2008 on the economic contribution made to the New Zealand economy by international education. This shows that over the past few years foreign exchange earnings have increased from \$2.3 billion in 2007/2008 to \$2.7 billion in 2010/2011. This is encouraging but we are still well short of the annual \$5 billion that the Government is seeking by 2025. There is much work to do.

We are operating in challenging economic times. Economic uncertainty and a high New Zealand dollar make our work more difficult. And we are facing increased competition in some markets from both our traditional competitors, and new ones. Singapore and Malaysia are also seeking to grow international student earnings. And Europe, the Netherlands and the countries of Scandinavia are also promoting themselves as English language study destinations.

Market perception work that we have commissioned shows that the quality of the New Zealand education offering is not as appreciated as it should be. Our promotional efforts in the past have perhaps been too heavily focused on our scenery and the adventure side of life in New Zealand as opposed to educational excellence. Yet we have one of the world's very best education systems, from pre-school to tertiary. We have to sell ourselves better.

Likewise there is a huge opportunity for New Zealand to sell our education-related services in other jurisdictions. These sales have grown to around \$109 million in 2010/11. This is good growth from \$70 million when this analysis was last done in 2008, but again well short of where the Government would like New Zealand to be – \$500 million a year by 2025.

While New Zealand has not sold the quality message strongly enough to students and their parents, the quality of our education system is well understood by Governments around the world. This gives us an excellent basis upon which we can build the sale of our education services.

Education New Zealand is looking forward to the next three years. We have many challenges ahead but we are confident that by working with other Government agencies and providers, and by implementing our newly developed strategies, we can make good progress towards the achievement of the Government's goals for 2025.

Charles Finny
Chair



PART ONE / OUR STRATEGIC CONTEXT

OUR ROLE

Education New Zealand was set up as a Crown Agency on 1 September 2011 to support the international education industry to give effect to the Government's international education policies, through a range of marketing, promotion and representation functions. Our statutory functions are shown in Appendix Two.

We are the voice of the New Zealand international education industry, and must develop and champion the 'story' and pave the way for our industry internationally. Specifically we:

- promote New Zealand education, training and services internationally
- manage the Government's international education representative activities offshore
- assist and support the international education industry.

We are governed by a Board and report to the Minister responsible for International Education. The Ministry of Education is our monitoring agency.

We currently employ approximately 55 people, including permanent, fixed term and locally engaged staff, who are employed under service agreements, and contractors. Our staff are based in New Zealand and internationally.

GOVERNMENT PRIORITIES

The Government's priorities

Our work has strong links to the Government's main priorities for Budget 2012, in particular:

- Building a more productive and competitive economy
- Rebuilding Canterbury.

The Government's Leadership Statement for International Education (2011)

The Government's goals for international education are set out in the Leadership Statement for International Education.¹

It sets bold targets for the size, scale and sustainability of the industry by 2025. The targets are challenging and mean steady growth is needed in both the volume of students and offshore education services, and in the value of both.

The statement also includes objectives for the quality of international relationships that underpin the international education industry, and the cultural and academic benefits from international education experiences. The quality of our international education industry is as important as the volume of its output.

¹ See Appendix One for a summary of the goals and objectives. The full statement is available at www.educationnz.govt.nz/about-us



OUR OPERATING ENVIRONMENT

Our modelling and market intelligence show us that the targets for 2025 are ambitious. We need to double the value of the international education industry over the next 13 years.

We face this in a challenging national and international environment. However, New Zealand’s international education industry has sustained its level of enrolments and revenue, despite the consequences of the Christchurch earthquakes, changes in the value of the New Zealand dollar, and increased competition from other countries.

New Zealand has been relatively successful in attracting a small but significant slice of the total international student market. However, competition is strengthening as more institutions in English and non-English speaking countries enter the market.

Future annual growth is projected, under current modelling, to be 6% per annum to 2020. This presents significant potential to grow export earnings, contribute more widely to New Zealand’s innovation and research goals, expand tourism and improve our international connections.

Importantly, we need to build our knowledge of the offshore education export industry, to find out how to support them to grow to a \$500 million industry by 2025.

There are a range of factors that currently impact on our strategic planning or have the potential to impact in the future. Our planning is about taking these into account and developing appropriate mitigation.

External factor	Description
World fiscal crisis	We are operating in challenging economic times. Economic uncertainty and a high New Zealand dollar make our work more difficult. However, the continued economic growth of the Chinese, South East Asian and Indian economies is positive for the New Zealand international education industry.
Growing demand for international education services	The OECD ² estimates that almost 3.7 million tertiary students were educated outside of their home country in 2009. Commentators project that global demand for international education could be expected to rise to almost eight million by 2025. Our task is to support the New Zealand education industry to harness the sustainable growth opportunities that these figures present and navigate through the challenges, domestically and globally.
Competitor attractiveness	Changes by our competitors to fees or immigration rules, and increased focus on some sectors, especially the English language sector, affect our ability to compete for students and offshore business opportunities. Our main competitors are economies much larger and with more resources than ours, such as Australia, Canada, the UK, USA and some Asian countries. We will need to leverage the strengths we have to build a strong brand and exploit our point of difference.

² OECD “Education at a glance” 2011



External factor	Description
<p>Traditional versus emerging markets</p>	<p>China and India will continue to be strong markets for students and for offshore activities. Some traditional markets have plateaued and we need to know more about why. Our intelligence needs to keep us ahead of the game and help explore other market opportunities.</p> <p>We're investigating emerging markets in South East Asia, and the Middle East. But we're also getting a better perspective on niche course areas and growth sectors, and targeting more regional marketing and promotional activity. Growth markets for offshore education services are also being explored, as these may be different to the student attraction sector.</p>
<div style="text-align: center;"> <p>Source: Export Education Levy, Ministry of Education, 2011</p> </div>	
<p>Natural disasters and security concerns</p>	<p>The effect of the Christchurch earthquakes will continue to be felt in terms of perceptions of the relative safety of New Zealand as a destination. The Japan tsunami impacted on student numbers from that region. However, New Zealand is still seen as a relatively safe destination, free of terrorism concerns and warm and welcoming to visitors.</p>
<p>Changing government policies</p>	<p>New Zealand government policies can impact on student numbers, especially changes in immigration rules, fees and work opportunities both while studying and afterwards.</p> <p>We are keeping well connected with other government agencies to ensure that we are consulted and can anticipate changes and work out appropriate mitigation, as well as notifying our offshore agents.</p>
<p>New Zealand priorities</p>	<p>We work in the context of developed and developing New Zealand strategies that include targets for international student numbers and value. Specifically we are working towards agreed targets for ASEAN countries, China and India. We will continue to work closely with other government agencies to ensure we are engaged in developing future targets and measuring progress and achievement.</p>



External factor	Description																												
<p>The international education industry</p>	<p>In New Zealand, 878 education institutions are involved in the international education industry. It's a wide and varied industry, encompassing universities, institutes of technology, private training establishments, including specialist English language providers, and schools. It also includes providers of education and consultancy services and products, both at home and abroad.</p> <p>During 2011, 620 schools enrolled an average of 26 international fee-paying students, whereas the eight universities enrolled an average of 2,415.</p> <p>The growth potential of each industry sub-sector will vary, both in terms of scale and size, and also by individual market. Individual sub-sectors need to better utilise the capacity they have to achieve their growth targets.</p> <table border="1" data-bbox="327 828 1190 1314"> <thead> <tr> <th data-bbox="327 828 592 976">International enrolments by provider group</th> <th data-bbox="598 828 812 976">Number of providers with international students, 2011</th> <th data-bbox="818 828 1032 976">Number of fee-paying enrolled international students, 2011</th> <th data-bbox="1038 828 1190 976">% of total</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 978 592 1032">Schools</td> <td data-bbox="598 978 812 1032">620</td> <td data-bbox="818 978 1032 1032">16,140</td> <td data-bbox="1038 978 1190 1032">16%</td> </tr> <tr> <td data-bbox="327 1034 592 1088">Polytechnics</td> <td data-bbox="598 1034 812 1088">18</td> <td data-bbox="818 1034 1032 1088">11,412</td> <td data-bbox="1038 1034 1190 1088">12%</td> </tr> <tr> <td data-bbox="327 1090 592 1144">Universities</td> <td data-bbox="598 1090 812 1144">8</td> <td data-bbox="818 1090 1032 1144">19,321</td> <td data-bbox="1038 1090 1190 1144">20%</td> </tr> <tr> <td data-bbox="327 1146 592 1200">Private providers</td> <td data-bbox="598 1146 812 1200">226</td> <td data-bbox="818 1146 1032 1200">47,854</td> <td data-bbox="1038 1146 1190 1200">48%</td> </tr> <tr> <td data-bbox="327 1202 592 1256">Subsidiary providers</td> <td data-bbox="598 1202 812 1256">6</td> <td data-bbox="818 1202 1032 1256">4,203</td> <td data-bbox="1038 1202 1190 1256">4%</td> </tr> <tr> <td data-bbox="327 1258 592 1312">Total</td> <td data-bbox="598 1258 812 1312">878</td> <td data-bbox="818 1258 1032 1312">98,930</td> <td data-bbox="1038 1258 1190 1312">100%</td> </tr> </tbody> </table> <p data-bbox="635 1328 1190 1355">Source: Export Education Levy, Ministry of Education, 2011</p>	International enrolments by provider group	Number of providers with international students, 2011	Number of fee-paying enrolled international students, 2011	% of total	Schools	620	16,140	16%	Polytechnics	18	11,412	12%	Universities	8	19,321	20%	Private providers	226	47,854	48%	Subsidiary providers	6	4,203	4%	Total	878	98,930	100%
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<p>Industry capability</p>	<p>The New Zealand international education industry largely operates as a set of separate institutions, meaning that international education is often marketed and delivered by individual providers, albeit they may participate in group marketing activities.</p> <p>Opportunities for growth in international education can exceed the capability and capacity of any one, or even a small group of institutions. Our market intelligence tells us that countries are eager for help to build their capability and for more local delivery of education services. They are also looking for clear signs of commitment to long-term reciprocal relationships with New Zealand.</p> <p>Achieving significant growth in export education will require greater collaboration within the industry than has occurred in the past. It will also require a focus on developing capability across the industry.</p>																												



External factor	Description
Industry capacity	If the volume of international students is to rapidly increase, we need to be clear with industry about the capacity and infrastructure available to absorb increased student numbers. There will be implications for infrastructure and teachers. To take advantage of emerging offshore opportunities, products will need to be packaged in the right way and ensuring business models are well thought through will be important.
Social and cultural internationalisation	<p>International students enrich the education experience for New Zealand students, and the wider community. The social and cultural differences add to greater global awareness of New Zealand students and make them more able to function as international citizens. In return, New Zealand also provides international students with a quality education and personal relationships and life experiences they will have with them for the rest of their lives.</p> <p>Questions remain about how “internationalised” the New Zealand education system really is. How well set up are we for operating on the world stage? How many students can New Zealand institutions absorb before the quality of the experience for New Zealand students is affected? What number of international students can New Zealand society feel comfortable with? These issues need to be considered in the context of increasing numbers of students in New Zealand and also in terms of the scope to expand offshore delivery.</p>

OUR STRATEGIC PRIORITIES

When we reflect on the Government’s priorities and leadership statement targets, what we hear from industry about their needs and ambitions, and the national and international operating environment, we know that Education New Zealand will have to do things differently than it has in the past.

Six strategic priorities have been identified to guide our work programmes during the duration of this Statement of Intent:

1. Work with industry to identify how we can meet 2025 targets and what that will mean for market growth, capacity and infrastructure, and quality.
2. Develop and implement a comprehensive marketing strategy, incorporating a new international education brand, and linked to the “New Zealand Story” to support the growth of New Zealand international education.
3. Support the Christchurch international education industry.
4. Develop and implement a service support package for the export education industry.
5. Emphasise collaboration and partnership, both with government agencies, on a government-to-government level, and with and between industry participants (both student attraction and offshore export education).
6. Build our organisational capability.



OUR UNIQUE VALUE PROPOSITION

One of the first things we have identified is the need to be clear as an industry about the New Zealand education system's unique value proposition. This clarity will make sure our marketing and promotion messages work to deliver a consistent message through all channels, including websites, specialist agents, and our people.

Traditionally, marketing and promotion has focussed on the outdoor lifestyle and spectacular scenery of New Zealand. This will continue to be an important part of the picture, but our academic excellence and the quality of our education need to come to the forefront. We also need to emphasise our positive partner relationships, the quality of our teaching, and our reputation for excellence and innovation.

There are unique aspects of New Zealand to add to that appeal – our size, our ability to be nimble and flexible, our entrepreneurial spirit and our unique 'Kiwi-smart' approach, may be some of the points of difference we need to emphasise, especially in the offshore education arena. We also need to leverage our alumni and international relationships more effectively.

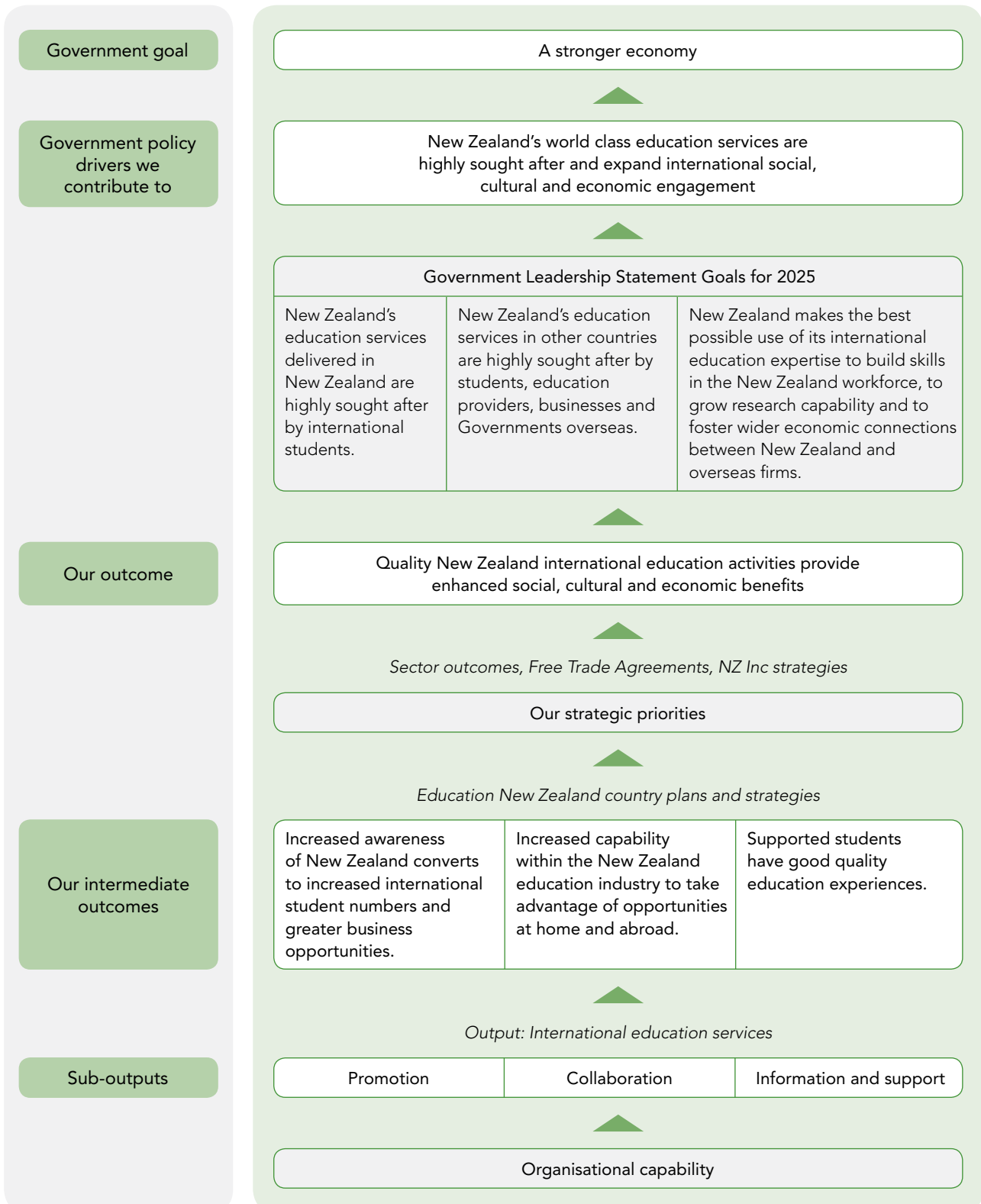
Our style of delivery of education services is also an important point of difference. We're well known as a nation that's warm, welcoming and caring to strangers, and we have the ability to provide a more personalised education experience.

We are engaging with industry to test the emerging unique value proposition as part of the ongoing strategic review of promotion and marketing.



OUR OUTCOMES FRAMEWORK

This framework shows how our work contributes to the Government’s goal for economic growth and the education industry. It illustrates the link between our work (outputs), the impact we have in the industry, our strategic priorities and the Government’s policy driver – for New Zealand to have highly sought after education services.





OUR OPERATING INTENTIONS

We have organised our work into three sub-outputs to achieve our intermediate outcomes, and in turn our overall outcome.

These sub-outputs are the delivery mechanisms for achieving our strategic priorities.

Promotion

We will use our unique value proposition to continue to promote New Zealand as a country to come to for excellent education experiences and expertise. We will also promote New Zealand's expertise for offshore education business opportunities.

Our comprehensive marketing and promotion plan will be further refined, incorporating our market intelligence and market prioritisation work. This will help us to make decisions on where to focus our efforts, what sectors and groups to target, and the most effective channels to get our message out in each market. We will need to be innovative, responsive and quick to market.

Promotion and marketing will be achieved through our marketing and events activities, but also through our government relationships and international and national networks.

Contributes to strategic priorities 1 and 2. More details on our promotion activities are provided on page 11. To measure output and achievement in this area see page 18.

Collaboration

Increasingly our emphasis in our facilitation and networking activities will be on working in partnership across government(s), with industry, and encouraging collaboration between providers.

We are seeing opportunities for growth for the education export industry, but in some markets New Zealand providers will not have the capacity on their own to provide the services sought (both in scale or scope). Encouraging joined-up approaches is an important part of our work.

Contributes to strategic priorities 1, 3, 4 and 5. More details on our collaboration activities are provided on page 12. To measure output and achievement in this area see page 19.

Information and support

One of the most important outputs of our work is information. We provide information to prospective students and their families, current students, education export providers and New Zealand-based providers.

Information must be up-to-date and timely. It must be packaged in such a way as to raise awareness and support good decision-making.

Information is also linked to student support. The New Zealand education experience needs to be a positive one if our brand is to grow in value and our reputation is to be maintained and enhanced.

Contributes to strategic priorities 2 and 4. More details on our information and support activities are provided on page 13. To measure output and achievement in this area see page 20.



SUB-OUTPUT: PROMOTION

Intermediate outcome: Increased awareness of New Zealand converts to increased international student numbers and greater business opportunities.

What are we seeking to achieve?	What will we do to achieve this?	Impacts
<ul style="list-style-type: none"> • Increase awareness of New Zealand as a high quality, high value education destination. • Support providers of international education in Christchurch to regain and grow market share. • Increase the economic value of the New Zealand inbound and export education industry. • Increase the number of scholarship-funded students enrolled in New Zealand institutions. • Convert awareness into increased student numbers from target markets. 	<p>Offshore promotion events We run or attend a range of promotional events in target countries, enabling us and New Zealand institutions to promote education opportunities and build relationships through direct access to potential students and partner institutions.</p> <p>Promotion activities We invest significant time and resources in ensuring that New Zealand has a strong brand presence as a high quality international education destination, through market-specific branding, online marketing, competitions and generic promotion activity, and through our specialist agents.</p> <p>Plans will be developed for key markets, which have been identified based on:</p> <ul style="list-style-type: none"> • the current size of their contribution to international education • the potential for growth • opportunities for diversification such as in-country delivery of services and niche marketing opportunities. <p>Offshore opportunities will be identified and passed on to education export providers.</p>	<ul style="list-style-type: none"> • Our promotion and marketing work is targeted and efficient and effective. • Greater numbers of potential students and their families will be aware of New Zealand as an education destination. • Increased awareness will translate into an increased conversion rate over time, from key targeted countries. • Increased awareness of our expertise will convert into greater business opportunities for education providers. • Increasing numbers of post-graduate students will choose to stay and work in New Zealand.

Key impact measures:

Measure	Baseline	Target	How measured?
Increase the New Zealand Educated brand awareness amongst main English speaking destination countries.	2011/12 (US 1st, UK 2nd, Australia 3rd, Canada 4th)	2012/13 5 th	Proxy measurement for year 1 is current OECD assessment of market share of non-resident students enrolled in tertiary education. Current share is 1.9%. In 2012/13 we will commission the development of a new agreed model for assessing brand awareness.
		2013/14 4 th	
		2014/15 3 rd	
Awareness of New Zealand as an education destination.	2011/12 36,000	2012/13 39,000	The number of potential students who access the New Zealand Educated website.
		2013/14 41,000	
		2014/15 45,000	



SUB-OUTPUT: COLLABORATION

Intermediate outcome: Increased capability within the New Zealand education industry to take advantage of opportunities at home and abroad.

What are we seeking to achieve?	What will we do to achieve this?	Impacts
<ul style="list-style-type: none"> Develop industry capability to grow revenue from international education. Support the internationalisation of the New Zealand education system for the benefit of New Zealand learners. Identify partners for education export providers. Align policy settings and remove barriers to enable immediate revenue growth from international education. 	<ul style="list-style-type: none"> Professional development – providing and commissioning support for the New Zealand industry to improve their readiness and capability to identify and pursue opportunities for growth. Support development of innovative offshore projects designed to deliver financial and wider market benefits for the export education industry. Represent New Zealand government and education aspirations at a range of international events, and develop joint work programmes with other governments to achieve mutual economic, educational and developmental gains. Build relationships across government and NZ Inc to provide a coordinated experience for international students, and leverage from other agencies' efforts to achieve common goals. 	<ul style="list-style-type: none"> Industry has the capability to take up opportunities for growth. Growth is realised and provides increased revenue. Government policies are well-aligned and barriers to growth are minimised. Government-to-government joint initiatives support growth in international education and enable sharing of international expertise.

Key impact measures:

Measure	Baseline	Target	How measured?
Value of the New Zealand education industry.	2011/12 \$2.7b (foreign exchange earnings) (education services sector = \$109 million)	2014/15 increase by \$1billion to \$3.7b (foreign exchange earnings)	Economic impact analysis studies using methodology agreed with Statistics New Zealand.
Level of collaboration within the international education industry.	2010/11 Nil	2012/13 3	Number of collaborative arrangements within the international education industry that include Education New Zealand involvement as listed on Education New Zealand database of industry activity and capability.
	2011/12 2	2013/14 5	
		2014/15 7	



SUB-OUTPUT: INFORMATION AND SUPPORT

Intermediate outcome: Supported students have good quality education experiences.

What are we seeking to achieve?	What will we do to achieve this?	Impacts
<ul style="list-style-type: none"> • Increase the availability and accessibility of market-based intelligence and research for industry. • Ensure good information and support for international students in New Zealand. • Establish strong and effective relationships and flows of information with national and international stakeholders which enable New Zealand to share and learn from education expertise internationally. 	<ul style="list-style-type: none"> • Facilitate opportunities for industry to share ideas and expertise. • Identify public and private sector opportunities for the export industry. • Share information with other government agencies and identify and resolve issues affecting the growth and development of international education. • Ensure our websites are up-to-date and fit for purpose. • Align systems and processes with other government agencies relating to immigration, work and study conditions, quality assurance. • Market research – invest in research to gather intelligence on the awareness and reputation of New Zealand education within key target markets, and opportunities for growth and targeting. • Investigate the role of technology in our marketing channels and information provision. 	<ul style="list-style-type: none"> • Students and their families have access to information about the New Zealand education system. • Industry has access to information to support their strategic planning and day-to-day operations. • Overseas governments have access to information to support their engagement of New Zealand’s education expertise.

Key impact measures:

Measure	Baseline	Target	How measured?
Percentage of international education industry organisations that consider that Education New Zealand has added value to their business.	Baseline being developed by first industry survey in late 2012.	2012/13 70%	Annual industry satisfaction survey.
		2013/14 80%	
		2014/15 85%	
International students report good information enhanced their New Zealand education experiences.	Baseline being developed using Ministry of Education i-graduate survey information from 2007 and 2011/12. i-graduate enables international benchmarking of student experience.	2012/13 Establish baseline	i-graduate survey information, along with intermediate surveys of student experiences versus expectations.
		2013/14 Increasing numbers of students report Education New Zealand website was a useful part of their decision-making.	
		2014/15 80% of students report their New Zealand education experience was (is) as good or better than expected.	Students will also be surveyed at conference/ workshops.



OUR ORGANISATIONAL DEVELOPMENT

As a new organisation we need to build and develop our people, systems and processes, and infrastructure to support an expanded and targeted work programme.

To date we have focused on:

- working with the international education industry and partner agencies to develop an integrated New Zealand strategy to achieve the international education growth goals
- defining, aligning and developing the structure, systems, capability and resources to enable us to lead and support the growth of international education in a highly effective and efficient way.

We aim to finalise our organisation structure and recruit personnel by 30 September 2012.

We will develop a ratio of administration expenses to core operating expenses in October 2012.

We will keep this ratio between 1:5 and 1:4. We will also consult and agree an appropriate ratio with the Minister for Tertiary Education, Skills and Employment.

Our organisational efficiency and effectiveness will partly be measured by the ratio of marketing, promotions and representation expenses to administration expenses.

Our people

To make sure our organisation is fit for purpose, we have developed a People Strategy 2012-15.

The People Strategy supports our purpose, spirit, focus, outcome goals, outputs and work programme. The strategy will evolve along with the direction and needs of the organisation.

It forms a basis for future decision-making for our human resources operating procedures and processes, and is a guide to achieving the highest standards of employee performance.

Our organisational performance measures will gradually be reflected in individual performance agreements.

The key elements of our People Strategy are:

1. Planning resourcing requirements and attracting capability
2. Employee engagement and performance improvement
3. Developing our people
4. Recognising, retaining and rewarding our people.

Good employer matters

We recognise that we need a diverse workforce to effectively deliver services to our customers.

We aim to 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 three years we will continue to ensure that all elements are in place and working well. Ways of assessing employee engagement will be investigated.

Our technology

Information and communications technology (ICT)

Utilising technology is vital to the future delivery of information and international education services, both in New Zealand and internationally.

As well as making sure our own platform is fit for purpose, our market research will focus on the relative effectiveness of different digital channels for each market and each segment and sector. We also need to consider whether some of our industry support and capability building is best delivered through online channels.

A digital strategy is being developed that will consider all of these factors and position us for the future. Technology platforms are likely to be integral to our new marketing and promotions strategy, and our digital strategy will therefore support our marketing strategy.



Our systems and processes

Risk Management Strategy

We will:

- develop practical operating policies
- develop and implement a risk management framework
- develop the risk management and reporting framework
- monitor the risks regularly through the Audit and Risk Committee, which meets monthly
- revise (where necessary) risk severity and likelihood levels
- report any significant risks, and appropriate strategies to address them, to the Minister and the Ministry of Education as they arise.

Three high impact risks identified are as follows:

Risk	Mitigation
External factors that reduce New Zealand's competitiveness including such areas as the value of the New Zealand dollar; immigration policies both in New Zealand and offshore that may reduce New Zealand's student attractiveness; loss of agent support for New Zealand.	<ul style="list-style-type: none"> • Develop New Zealand's value proposition as a high quality and high value destination as opposed to commodity-level proposition. • Work closely with Immigration New Zealand to align strategies and maintain market intelligence on offshore immigration policies and how they affect New Zealand. • Develop programmes and a value proposition that build agent relationships, preference for and commitment to New Zealand.
Reputational damage to New Zealand's international education brand caused by negative experiences in New Zealand, both from a safety and welfare perspective and when an educational experience does not meet expectations.	<ul style="list-style-type: none"> • Develop response and support systems including communication protocols with institutions and government agencies. • Design and deliver programmes to build industry capability and best practice approaches for supporting international students. • Work with the Ministry of Education's Pastoral Care Office to review and improve systems.
Inability to achieve intended results due to misalignment of Education New Zealand management and staff capability and capacity with the role of the new organisation.	<ul style="list-style-type: none"> • Progress with fixed term appointments. • Develop ongoing professional development programmes for managers and staff. • Complete an organisation-wide capability and capacity audit and implement the recommendations.

MINISTERIAL CONSULTATION AND REPORTING

We will consult with the Minister on areas of work that are closely aligned with the Government's objectives, any major capital investments, and proposals for major changes to the scope of our business.

The Minister will also be alerted to any substantial new risks that are identified.

We will provide the Minister with a quarterly report that includes an update on progress against the performance measures appearing in this Statement of Intent.



STATEMENT OF RESPONSIBILITY

The Statement of Intent has been prepared in accordance with the requirements of sections 141 and 142 of the Crown Entities Act 2004.

It sets out the medium-term intentions and undertakings of Education New Zealand, specifically the outcomes, impacts and outputs that Education New Zealand aims to deliver over the next three years.

The performance to be achieved by Education New Zealand for the year ending 30 June 2013 that is specified in this Statement of Intent is as agreed with the Minister for Tertiary Education, Employment and Skills.

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

We acknowledge the 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 2013 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.

Charles Finny
Board Chair
20 June 2012

Neil Barns
Board Member
20 June 2012



PART TWO / STATEMENT OF FORECAST SERVICE PERFORMANCE

This Statement of Service Performance (SSP) contains the information required by sections 141(1)(f) and 142(1)(b) of the Crown Entities Act 2004, to be reported against in Education New Zealand's Annual Report for 2012/13 and also audited.

EDUCATION NEW ZEALAND APPROPRIATIONS

Table 1 summarises Education New Zealand's appropriations. These fund our services for New Zealand. They are defined in the Budget 2012 Estimates of Appropriations for Vote Tertiary Education.

Education New Zealand Appropriation: International Education Programmes \$21.622m

This appropriation is limited to delivery of services in respect of international education, including promotion, information, research and professional development, both in New Zealand and overseas, for the purpose of managing and increasing the flow of international students and promoting international education linkages.

Education New Zealand Appropriation: International Student Scholarship Scheme \$0.800m

This appropriation is limited to scholarships available to international students wishing to study in New Zealand.

Table 1: Summary of Appropriations

\$ million	2012/13	2013/14	2014/15	2015/16
Vote Tertiary Education				
Non-Departmental Output Expense				
International Education Programmes	21.622	21.622	21.122	20.122
Benefits and Other Unrequited Expenses				
International Student Scholarship Scheme:				
International Student Postgraduate Research Scholarships	0.800	0.800	0.800	0.800
Total baseline	22.422	22.422	21.922	20.922

Note: The non-departmental appropriations have been increased by \$1.500 million in 2012/13, \$1.500 million in 2013/14, and \$1.000 million in 2014/15 as a consequence of an expense transfer of \$4.000 million from 2011/12. Those funds represent the financial support that the Government is providing to help sustainable growth in the Canterbury region for the international education industry.

Education New Zealand has one output: International Education Services. All of the funding in the table (above) is recorded in that output. Forecast expenditure totals \$26.392 million for 2012/13, resulting in a net deficit of \$3.000 million. Forecast expenditure totals \$23.392 million in 2013/14 and \$22.892 million in 2014/15, resulting in a break-even situation in both years.

PERFORMANCE FRAMEWORK

Our focus is on developing, implementing and refining our strategic direction while maintaining a high level of activity in support of the education industry, especially in Christchurch.



SUB-OUTPUT: PROMOTION

These activities enable Education New Zealand and New Zealand institutions to promote education opportunities and build relationships through direct access to potential students and partner institutions in high value markets. They also increase the awareness internationally of New Zealand as a high quality education destination, and increase revenue from offshore education services in targeted markets. In describing our performance in this area, we have committed to business as usual activities, but are also reflecting the more integrated and strategic approach going forward.

Caveat: Changes in the operating environment may impact on the deliverables outlined in this table.

Performance measure	Target 1 July 2012 – 30 June 2013	Forecast 1 July 2013 – 30 June 2014	Forecast 1 July 2014 – 30 June 2015
We are developing a robust matrix that enable us to identify target markets and analyse and track the level of awareness and conversion to student enrolments across these markets. This matrix will be used for planning and tracking performance from year 2 and will enable specific markets to be identified.			
Growth in the rate of awareness in target countries and subsequent conversions (from awareness) in student enrolments at New Zealand education institutions.	Develop and implement decision-making matrix	Increase in: – awareness in 6 target markets – conversions from 6 markets. Arrest the decline in conversion in 2 markets.	Increase in: – awareness in 4 markets – conversions from 8 markets. Arrest the decline in conversion in 2 markets.
Awareness Increase online presence and engagement in target markets. (2011/12 baseline = 36,000 people opted into Education New Zealand’s Lead Management system)	39,000	These year 1 measures will be incorporated into the matrix methodology described above and will provide performance information for years 2 and 3.	
Conversion Increase in the number of referrals by agents in 5 target countries. (2011/12 baseline = 3,714 referrals)	3,900 referrals		
Quality Participating institutions express levels of satisfaction with the Education New Zealand’s promotional activities. (2011/12 baseline = 80%)	85%	85%	90%
Christchurch Recovery			
Increase the number of international students studying in Canterbury. (2011 baseline = 9,573 enrolments)	Arrest decline and maintain 2011 levels.	Increase enrolments in all sectors to 2010 (pre-earthquake) levels of 15,201 enrolments.	Increase enrolments in all sectors to 20% greater than 2013/14 levels.



SUB-OUTPUT: COLLABORATION

We will 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, and administer any international programmes or activities that are consistent with the Government’s policy on international education. We will also encourage and support education exporters to collaborate and identify partners for offshore education ventures.

Performance measure	Target 1 July 2012 – 30 June 2013	Forecast 1 July 2013 – 30 June 2014	Forecast 1 July 2014 – 30 June 2015
Strengthen industry collaboration (by discipline, sector and region) to help grow international education in key markets in line with New Zealand’s economic agenda. Baseline: 2-4 offshore projects supported.	3 new offshore industry projects set up in target markets.	4 additional offshore industry projects set up in target markets.	Identify a prospective provider or partner for every offshore opportunity identified.
³ International education, country, or NZ Inc region strategy objectives and targets achieved through Education New Zealand representative activities.	60%	70%	70%
Number of commercial interactions worked on with foreign governments and/or the NZ industry by type and by institution globally.	100	200	250

³ Education New Zealand works with partnership with New Zealand agencies to set targets for international education diplomacy. Traditionally these targets have been largely achieved through joint working groups but Education New Zealand is looking for other ways of progressing international objectives.



SUB-OUTPUT: INFORMATION AND SUPPORT

We will focus on increasing the availability and accessibility of market-based intelligence and research, and provide adequate information and support for international students and the industry in New Zealand.

Performance measure	Target 1 July 2012 – 30 June 2013	Forecast 1 July 2013 – 30 June 2014	Forecast 1 July 2014 – 30 June 2015
Scholarships			
We have a separate appropriation for scholarships. We want to make sure we use these as a strategic marketing tool and to attract the right students, but the volume is unlikely to change due to specific budget constraints.			
Number of new scholarships awarded and/or existing scholarships funded.	35-45	35-45	35-45
Industry Capability Development			
Develop and deliver an industry professional development programme, designed to increase the capability of different industry providers to target suitable markets.	8 seminars or capability building events.	10 seminars or capability building events.	12 seminars or capability building events.
An annual survey each year assesses industry capability needs.	1 major networking opportunity per year with 80% satisfaction.	1 major networking opportunity per year with 85% satisfaction.	1 major networking opportunity per year with 90% satisfaction.
Provide informal opportunities for industry to network and identify business opportunities, related to a specific country or sector eg. India, or agriculture.	2 country or sector specific per year.	3 country or sector specific per year.	4 country or sector specific per year.
Quality Survey of participants regarding quality of capability development programmes/ seminars delivered.	80% satisfied or above.	85% satisfied or above.	90% satisfied or above.
Evidence Base and Information Provision			
Develop student information and support strategy, working with other agencies, to ensure students are well satisfied with their study experience (includes holding a student conference/workshop).	Develop strategy in conjunction with other agencies by 30 June 2013.	Implement action plan by 30 June 2014 Hold international student conference/workshop by 30 June 2014.	Review efficiency of student support strategy and incorporate feedback from students by 30 June 2015.



PART THREE / PROSPECTIVE FINANCIAL STATEMENTS

FINANCIAL STRATEGY

A financial strategy is an integral part of our overall organisational strategy. Prudent financial management practices are being developed and include the following key elements:

- An established financial management framework to break even on operating expenses over a three year period
- A robust capital expenditure management framework including planning, budgeting, reporting, appraisal and monitoring process to maintain sustainable equity ratios, adequate working capital requirements and an acceptable rate of return on capital projects
- A robust budgeting process with regular reforecasts three times each year
- A conservative investment strategy for term investments with established financial institutions
- Established and documented internal controls including policy and procedures, financial delegations and a planned internal audit programme
- Regular reporting and monitoring requirements including Education New Zealand's Audit and Risk Subcommittee of the Board, the management, the Minister for Tertiary Education, Skills and Employment and cost centre managers
- Shared support services that improve efficiencies and save operating expenses.

<i>Prospective Statement of Comprehensive Income</i>				
\$000	Estimated Actual 1 Sept 2011 – 30 June 2012	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Revenue				
Revenue from the Crown – Operating	14,223	21,622	21,622	21,122
Revenue from the Crown – Scholarships	1,333	800	800	800
Revenue – Third Party	1,400	900	900	900
Sundry Revenue – incl interest	60	70	70	70
Total Revenue	17,016	23,392	23,392	22,892
Expenditure				
Personnel	4,160	5,800	5,800	5,800
Other Expenditure	8,420	19,754	16,754	16,254
Depreciation	38	38	38	38
Scholarship Expenses	1,398	800	800	800
Total Expenditure	14,016	26,392	23,392	22,892
Net Surplus/(Deficit)	3,000	(3,000)	–	–

Notes:

Education New Zealand was established on 1 September 2011, therefore the Estimated Actual financial forecasts in the first column of the Statement of Comprehensive Income are for a period of 10 months. The forecasts for 2012/13-2014/15 inclusive are for full years.



Education New Zealand was originally appropriated \$18.223m of Crown funding for operating purposes for the 10 months ended 30 June 2012 only. \$4.000m was subsequently transferred from that period to 2012/13–2014/15 for the Christchurch recovery. The revised timing is reflected in the Statement of Comprehensive Income.

The net deficit forecast in the 2012/13 financial year is based on the assumption that the cost of some initiatives planned for the 2011/12 financial year will be completed during the first half of the 2012/13 financial year.

<i>Prospective Statement of Movements in Equity</i>				
\$000	Estimated Actual Position	Forecast	Forecast	Forecast
	Period Ending 30 June 2012	Year Ending 30 June 2013	Year Ending 30 June 2014	Year Ending 30 June 2015
Equity				
Equity as at 1 July	–	5,500	2,500	2,500
Funds introduced by ENZ Trust on 1 September 2011	2,500	–	–	–
Net Surplus/(Deficit)	3,000	(3,000)	–	–
Equity as at 30 June	5,500	2,500	2,500	2,500

Note:

Funds introduced by the ENZ Trust on 1 September 2011 are based on the interim transfer of cash from the ENZ Trust to Education New Zealand. The final amount of the transfer will be subject to the completion of audited financial statements of the ENZ Trust by 30 June 2012. As a consequence, the equity, assets and liabilities for 2011/12 and future years may vary accordingly from those forecast in these financial statements.

<i>Prospective Statement of Financial Position</i>				
\$000	Estimated Actual Position	Forecast Financial Position		
	As at 30 June 2012	As at 30 June 2013	As at 30 June 2014	As at 30 June 2015
Assets				
Current Assets	7,380	3,380	3,380	3,380
Fixed Assets	120	120	120	120
Total Assets	7,500	3,500	3,500	3,500
Liabilities				
Current Liabilities	2,000	1,000	1,000	1,000
Total Liabilities	2,000	1,000	1,000	1,000
Net Assets	5,500	2,500	2,500	2,500
Equity	5,500	2,500	2,500	2,500



<i>Prospective Statement of Cash Flows</i>				
\$000	Estimated Actual 1 Sept 2011 – 30 June 2012	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Net Cash Flows from:				
Operating Activities	3,158	(2,962)	38	38
Investing Activities	(158)	(38)	(38)	(38)
Financing Activities	2,500	–	–	–
Net Increase/(Decrease) in cash held	5,500	(3,000)	–	–
Add Cash at start of period	–	5,500	2,500	2,500
Balance at the end of the period	5,500	2,500	2,500	2,500

Capital Intentions

Education New Zealand is forecasting to purchase office equipment and information technology items during the period covered by this Statement of Intent.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

The prospective financial statements are based on policies and approvals in place as at 20 June 2012 and are GST exclusive. The forecast for 2012/13 is prepared under the Generally Accepted Accounting Practice (NZGAAP). Actual results may vary from the information presented here, and the variations may be material.

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

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

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Education New Zealand is a Crown entity as defined by the Crown Entities Act 2004, and was established on 1 September 2011 under the Education Act 1989 (The Education Amendment Act 2011). As such, the Education New Zealand's ultimate parent is the New Zealand Crown. Education New Zealand is funded primarily by government through Vote Tertiary Education.

Education New Zealand's primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return. Accordingly, Education New Zealand has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZIFRS). Education New Zealand is domiciled in New Zealand.

Basis of Preparation

Statement of Compliance

These prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and Education Act 1989 (The Education Amendment Act 2011). This includes the requirement to comply with NZGAAP.



The financial statements comply with NZIFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. This includes New Zealand Reporting Standard No. 42: Prospective Financial Statements (FRS-42)

The prospective financial statements have been prepared for the special purpose of the 2012/13 Statement of Intent of Education New Zealand to the Minister for Tertiary Education, Employment and Skills. They are not prepared for any other purpose and should not be relied upon for any other purpose.

These statements will be used in the Annual Report as the budgeted figures.

The preceding Statement of Intent narrative informs the prospective financial statements and the document should be read as a whole.

The preparation of prospective financial statements in conformity with 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 the variations may be material.

Measurement base

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated. The functional currency of Education New Zealand is New Zealand dollars (NZ\$).

Significant Accounting Policies

The accounting policies outlined below will be applied for the ten-month period to 30 June 2012 when reporting in terms of section 154 of the Crown Entities Act 2004 and will be in a format consistent with generally accepted accounting practices.

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

Education New Zealand is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of Education New Zealand meeting its objectives as specified in this Statement of Intent. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest method.

Rental income

Lease receipts under an operating sub-lease are recognised as revenue on a straight-line basis over the lease term.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to Education New Zealand 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 income.



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.

Debtors and other receivables

Debtors and other receivables are measured at fair value, less any provision for impairment.

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

Inventories

Inventories held for distribution are measured at cost (calculated using the First In First Out basis), adjusted, when applicable, for any loss of service potential. The loss of service potential of inventory held for distribution is determined on the basis of obsolescence. Where inventories are acquired at no cost or for nominal consideration the cost is the current replacement cost at the date of acquisition.

Property, plant and equipment

Property, plant and equipment asset classes consist of building fit out, computers, furniture and fittings, office equipment and motor vehicles.

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

The 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 Education New Zealand and the cost of the item can be measured reliably.

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 income.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Education New Zealand and the cost of the item can be measured reliably.

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

Depreciation

Depreciation is provided using the straight line basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Building fit out	10 years	10% straight line (SL)
Computers	5 years	20% SL
Office equipment	5 years	20% SL
Furniture and fittings	5 years	20% SL
Motor Vehicles	4 years	25% SL



Intangible assets:

Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of Education New Zealand websites are recognised as an expense when incurred.

Amortisation

Amortisation begins when the 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 income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	3 years	33% SL
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Impairment of non-financial 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. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Employee entitlements that Education New Zealand 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, annual leave earned, but not yet taken at balance date, and sick leave. For some offshore staff this also includes accruals for severance payments as provided by local legislation.

Education New Zealand recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent Education New Zealand anticipates it will be used by staff to cover those future absences.

Education New Zealand recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented 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, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD (including the GST relating to investing and financing activities), is classified as an operating cash flow in the statement of cash flows.



Income Tax

Education New Zealand is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Output costs

The output costs, as reported in the statement of objectives and service performance, report the cost of services for the outputs of Education New Zealand and represent the costs of providing the output.

Cost allocation

Education New Zealand has derived the net cost of service for each significant activity of Education New Zealand using the cost allocation system outlined below.

Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on the pro-rata costs of the activities.

Criteria for direct and indirect costs

“Direct costs” are those costs directly attributable to a significant activity.

“Indirect costs” are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Cost drivers for allocation of indirect cost

The cost of internal services not directly charged to activities is allocated to significant activities based on the pro-rata costs of the activities.

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements Education New Zealand has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the 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. As Education New Zealand is a new organisation these estimates and assumptions will be reviewed on an ongoing basis.

General Assumption – cost levels

These figures have been based on the assumption that interest rates, foreign exchange rates and general cost levels, including payroll costs, will remain at similar levels to those at the time of the Statement of Intent preparation.

Property, plant and equipment useful lives and residual value

At each balance date Education New Zealand reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires Education New Zealand to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Education New Zealand, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the statement of comprehensive income, and carrying amount of the asset in the statement of financial position.

Education New Zealand minimises the risk of this estimation uncertainty by:

- physical inspection of assets
- asset replacement programmes
- review of second-hand market prices for similar assets
- analysis of prior asset sales.



Financial instruments

Education New Zealand, as part of its everyday operations, is party to financial instruments that have been recognised in these financial statements. These financial instruments include accounts payable and accounts receivable, cash and short term deposits.

All financial instruments are recognised in the prospective statement of financial position, and revenues and expenses in relation to all financial instruments are recognised in the prospective statement of comprehensive income.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Education New Zealand invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of Education New Zealand and records cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of Education New Zealand.



PART FOUR / ORGANISATIONAL GOVERNANCE INFORMATION

Board Members

The Board of Education New Zealand is made up of at least five members and no more than seven members appointed by the Minister under section 28 of the Crown Entities Act 2004.

Board members are:

- Charles Finny (Chair)
- Jenny Alford
- Neil Barns
- Jill Tattersall
- Elizabeth Valintine

Special Advisors to the Board

The Minister may also appoint as special advisors to the board the Secretary for Education, the Chief Executive of the department responsible for the administration of the Immigration Act 2009, and any other person as the Minister determines.

Special Advisors currently include: the General Manager of Immigration New Zealand, the Secretary of Education, and the Chief Executive of the Ministry of Foreign Affairs and Trade.

Stakeholder Advisory Committee

The Stakeholder Advisory Committee is made up of industry representatives from across the international education industry. Committee members are Professor Sarah Todd, Professor Roy Crawford, Don Campbell, Rob McKay, David Hodge, Mark Flowers, Tim Cullinane, Mark Larson, and Dr Ian Hall.

The Committee will advise the Board on key issues in various parts of the industry and work with the Board on developing strategies to achieve the goals in the Leadership Statement. It is expected that it will be an important means of consulting and communicating with the industry and receiving advice on operational and matters of strategic importance.

Audit and Risk Subcommittee

The members of this Subcommittee are Neil Barns (Convenor), Charles Finny and Jenny Alford.



APPENDIX ONE / THE LEADERSHIP STATEMENT FOR INTERNATIONAL EDUCATION

Vision and Goals

A vision for international education

New Zealand's quality education services are highly sought after internationally, and expand our international social, cultural and economic engagement.

Growing our international education sector requires setting clear goals and objectives against which progress can be measured.

Goals	Objectives
1. 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.
2. New Zealand's education services in other countries are highly sought after by students, education providers, businesses and governments overseas.	New Zealand will, over the next 15 years: <ul style="list-style-type: none"> • 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. • Increase annual revenues from providing education services offshore to at least \$0.5 billion. • Increase the number of international students enrolled in providers offshore, from 3,000 to 10,000.
3. 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.	New Zealand will, over the next 15 years: <ul style="list-style-type: none"> • Double the number of international postgraduate students (particularly in programmes in addition to those at PhD level), from 10,000 to 20,000. • Increase the transition rate from study to residence for international students with bachelors level qualifications and above. • Increase New Zealanders' skills and knowledge to operate effectively across cultures.



APPENDIX TWO / OUR STATUTORY FUNCTIONS

The functions of Education New Zealand are specified in section 270 of the Education Amendment Act 2011.

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 co-ordination 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.

