
STATEMENT OF INTENT

2015-2019



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MESSAGE FROM BOARD CHAIR

Work done over the past four years has seen a reversal in the decline in international student numbers and a consequent growth in economic contribution from these students. We appear well on track to achieving our primary goal of \$5 billion in earnings from this activity in 2025.



For Education New Zealand success is measured in several ways, growth in economic contribution from students studying in New Zealand, growth in earnings from activities taken offshore by our wider education sector, increasing the number of international students studying at post graduate level in New Zealand, and growing the number of students studying New Zealand programmes at offshore institutions are the main ones.

Work done over the past four years has seen a reversal in the decline in international student numbers and a consequent growth in economic contribution from these students. We appear well on track to achieving our primary goal of \$5 billion in earnings from this activity in 2025.

The further development of our Think New branding, the New Zealand Education Story and roadmaps for each of the sectors, and refinement of our market prioritisation and global footprint, are strengthening this position. There is much hard work to be done to achieve our 2025 target,

but we are in good space so long as our policy settings remain at least comparable with those in competitor jurisdictions.

Likewise we are well on track to achieving our goal of 20,000 international students studying advanced degrees in 2025. In 2014 this number has grown to 14,327. The introduction of more non-research Masters programmes in 2015 and beyond should help us continue to grow this number.

In 2015 Education New Zealand is going to focus particularly hard on New Zealand's offshore education opportunity. Work in this space is underdeveloped when compared to offshore student recruitment. As Board Chair I am still unconvinced that we have this activity properly defined, and without proper definition we don't have it properly measured. We will have to have this matter resolved over the next year.

It is also increasingly clear that while Education New Zealand has excellent skills as a marketing and market development organisation, we may not be as strong in the business development space. The skill sets for this function are different. We will be addressing this issue in the year ahead – both in New Zealand and offshore.

Technology also poses new challenges for New Zealand's international education sector. We need to stay abreast of the rapid change that is occurring as the result of new technologies and applications, understand its implications for future demand, and do our best to position New Zealand to take full advantage of new opportunities that may be created. Again this has implications for the skill sets needed at Education New Zealand.

While offshore developments and the actions of competitor jurisdictions have a major impact on our work, so too do domestic policy settings and the reputation of the wider New Zealand education sector. Over the last year or so we have been able to demonstrate that New Zealand's policy settings are competitive. The challenge for the year ahead will be to keep them competitive. The work of the International Education Senior Officials' Group will remain important.

Education New Zealand is a facilitator and coordinator organisation. Delivery of our goals is actually achieved by the 850 or so institutions and companies that make up the international education sector. Likewise we are dependent, in the policy and advocacy space, on a wide range of government entities – Ministry of

Education, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, New Zealand Trade and Enterprise, Tourism New Zealand, Tertiary Education Commission, and the New Zealand Qualifications Authority are critically important relationships for us. We look forward to working closely with these entities to progress our goals in the year ahead.

Charles Finny | Board Chair

16 June 2015

Philip Broughton | Board Member

16 June 2015

ABOUT EDUCATION NEW ZEALAND

Our purpose

Education New Zealand’s (ENZ) purpose is to take New Zealand’s education experiences to the world for enduring economic, social and cultural benefits.

What we do

ENZ is a Crown Agency. The Ministry of Education and the Ministry of Business, Innovation and Employment are our monitoring agencies. We are based in New Zealand, Brazil, Chile, China, Germany, India, Indonesia, Japan, Malaysia, the Republic of Korea, Saudi Arabia, Taiwan, Thailand and Viet Nam. Our statutory functions are shown in Appendix One.

We work with the diverse international education industry that encompasses six sectors: universities, institutes of technology (ITP), private training establishments (PTE), English language providers, schools and offshore education service providers¹.

We work with the industry and across other governments to promote the quality of the New Zealand education system and New Zealand’s expertise in providing education and training offshore. This includes running promotional events and activities, alumni events and agent training.

As the capability and capacity of the industry varies between and within sectors, we work with the industry to build its capability so it can benefit from growth opportunities.

To promote New Zealand offshore, we work closely with other New Zealand government agencies such as the Ministry of Foreign Affairs and Trade, Immigration New Zealand (part of the Ministry of Business, Innovation and Employment), Tourism New Zealand and New Zealand Trade and Enterprise. We also work with other New Zealand education agencies such as the Ministry of Education, which leads international education policy work, and the New Zealand Qualifications Authority, which works to promote and achieve the international portability of New Zealand qualifications.

We assist the industry to identify new opportunities for growth. Our research and market intelligence identify potential growth opportunities and measure the effectiveness of our strategies and activities.

We provide information to potential international students² and their families about living and studying in New Zealand. We also work with other agencies and the industry to ensure international students are adequately supported while living and studying here.

Our Board

The Board of ENZ is made up of between five and seven members appointed by the Minister for Tertiary Education, Skills and Employment (this portfolio includes international education). The Board is responsible for the governance of the organisation including setting the strategic direction and monitoring performance.

The Board regularly meets to carry out governance functions and address major issues impacting the industry.

On the Board’s behalf, the Audit and Risk Committee monitors the financial and risk management of ENZ.

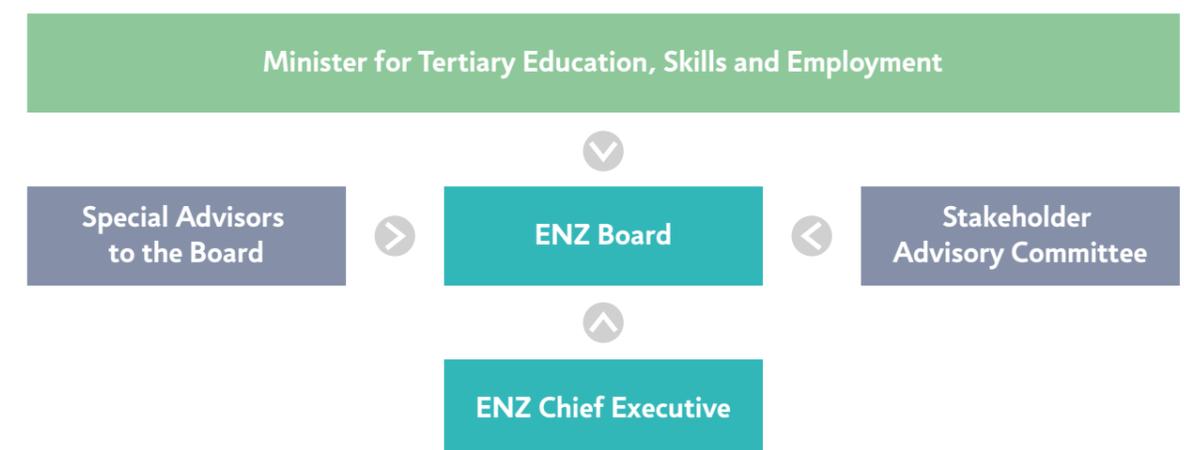
The Human Resources/Organisation Development Committee assists the Board in fulfilling its responsibilities regarding human resources and organisation development policies and practices.

A number of special advisors to the Board help guide and shape the Board’s work and ensure connections with the strategic direction of other agencies. The special advisors are:

- > the Chief Executive of the Ministry of Education
- > the Chief Executive of the Ministry of Foreign Affairs and Trade
- > the Deputy Chief Executive Science, Skills and Innovation from the Ministry of Business, Innovation and Employment
- > the Deputy Chief Executive Immigration New Zealand from the Ministry of Business, Innovation and Employment.

A Stakeholder Advisory Committee, appointed by the Minister for Tertiary Education, Skills and Employment, provides the Board with expert advice based on the committee members’ knowledge and experience within the international education industry. This is to ensure the needs of the industry are taken into account.

Diagram 1: Governance of ENZ



¹ Offshore education service providers deliver education services offshore such as education publishing, education technology and education consultancies.

² International students are students who are non-residents of New Zealand who have entered New Zealand expressly with the intention to study or have enrolled in a New Zealand provider offshore. ENZ counts international PhD students, exchange students, NZ Aid students, foreign research postgraduate students and full fee-paying international students as international students.

GOVERNMENT PRIORITIES

The Government's main priorities and the Business Growth Agenda

Our work has strong links to the Government's main priorities, in particular, building a more competitive and productive economy.

As international education is one of New Zealand's most valuable exports, we contribute to building a more competitive and productive economy, and to the Business Growth Agenda's work to build export markets. International education is one of the core elements identified to help achieve the Business Growth Agenda's export markets goal of increasing the ratio of exports to gross domestic product to 40 percent by 2025³. International education also contributes to the Business Growth Agenda's goals for innovation and for skilled and safe workplaces.

We also support the Government's priority of responsibly managing the Government's finances by ensuring we deliver our work programme efficiently and effectively, and by delivering value for money.

The Leadership Statement for International Education

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

It sets out targets for the size, scale and sustainability of the industry by 2025. The targets mean growth is needed in the industry's value, particularly in the value of education services delivered offshore. The volume of international students studying with New Zealand providers also needs to continue to grow.

The statement 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 New Zealand's international education industry, and the relationships that underpin it, are as important as the achievement of numerical targets.

The Leadership Statement is set out in Appendix Two.

International Education Industry Roadmap

In 2014, the international education industry, supported by ENZ, developed strategic roadmaps for the industry and for each sector. The industry roadmap sets an industry valuation target of \$4.8 – \$6.2 billion by 2025.

The roadmaps are intended to be planning tools, and to identify the strategic goals and pathways for growth in international education.

The roadmaps and the Leadership Statement complement each other, with both focused on the size and sustainability of the industry. The roadmaps are published on ENZ's corporate website www.enz.govt.nz.

New Zealand's education system

As part of New Zealand's education system, we work with other New Zealand education agencies to collectively deliver on the Government's priorities for education. We contribute to the shared long term outcome for the education system that 'New Zealanders have skills and knowledge for work and life'.

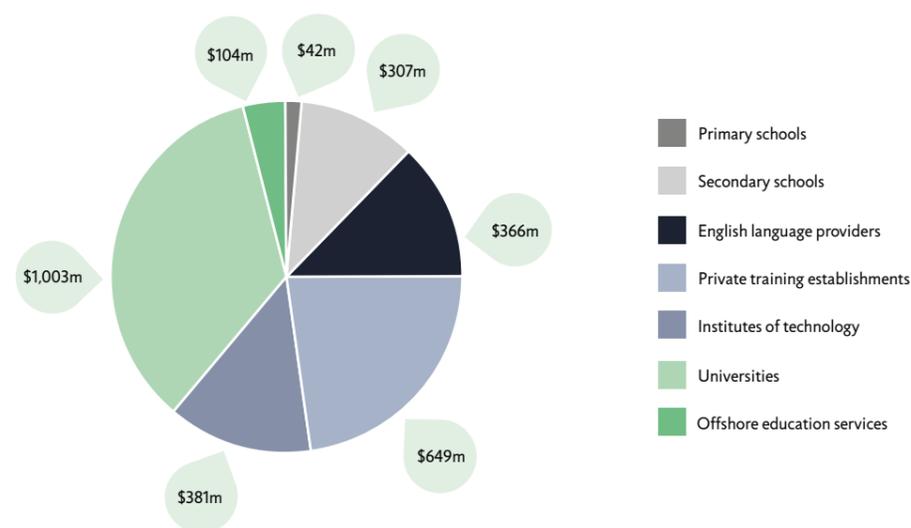
The Tertiary Education Strategy 2014-2019 outlines six strategic priorities that support the shared outcomes for the New Zealand education system. We work with New Zealand's other education agencies and with tertiary education institutions to realise the strategic priority of 'Growing international linkages' and support the priority of 'Strengthening research-based institutions'. We do this by providing support to tertiary education institutions to build their capability, and assisting tertiary education institutions to market to and recruit international students. We will continue to identify opportunities for the provision of education services offshore.

³ This Statement of Intent includes calendar year and financial year information. A calendar year is shown as a single year, such as 2015, while dates such as 2014/15 refer to a financial year.

OUR OPERATING ENVIRONMENT

New Zealand’s international education industry

Graph 1: Value of the international education industry by sector



Source: The Economic Impact of International Education 2014, Infometrics.

The value of the industry

International education is one of New Zealand’s most valuable exports. An updated assessment in 2014 showed the international education industry was valued at \$2.85 billion, up from a valuation in 2012 of \$2.60 billion⁴. This increase in economic value follows much slower growth between 2008 and 2012. If the higher rate of growth in economic value continues between 2015 and 2025, the industry will achieve the Government’s goals in the Leadership Statement for International Education.

In 2014, the industry’s value sat between that of air transport (worth \$1.99 billion) and logs, wood and wood articles (worth \$4.02 billion). It supported more than 30,000 jobs in New Zealand – 14,500 jobs directly and 15,700 indirectly.

In 2014, 110,198 international students were enrolled with a New Zealand provider, a 13 percent increase compared to 2013. International students study throughout New Zealand and also with New Zealand providers offshore.

Students studying throughout New Zealand

Of the international students studying in New Zealand, 62 percent of them studied in Auckland. This makes Auckland an important destination for international education in New Zealand.

There are opportunities for growth in other parts of the country, including other major metropolitan areas such as Hamilton, Christchurch, Dunedin and Wellington. This would increase the regional diversification within New Zealand. ENZ will need to continue to work with providers and regional growth agencies to explore the potential of these regional markets.

Postgraduate enrolments

The number of postgraduate enrolments has increased year-on-year since 2011. In 2014, the growth in postgraduate enrolments was due to Masters’ level enrolments growing by 23 percent and doctoral level enrolments by 7 percent in the Government funded tertiary sector. This level of annual growth needs to continue until 2025 in order to achieve the Government’s goal for the number of international postgraduate students studying in New Zealand.

Students studying with New Zealand providers offshore

In 2014, 3,392 students were enrolled with New Zealand providers offshore, a 4 percent increase compared to 2013. There is scope for more growth in the number of students studying with New Zealand providers offshore through various modes of learning, such as face-to-face or online. The current level of growth needs to be exceeded longer term, to achieve the Government’s goals for delivering education offshore. We will work with the industry to identify, and help it to continue benefitting from, opportunities to deliver education offshore.

Working with the industry to build its capacity and capability

The growth potential of the industry’s sectors and sub-sectors⁵ varies, both in scale and size. To achieve significant growth, education providers and businesses need to have the capacity and infrastructure to absorb increasing international student numbers and to deliver substantial projects offshore. As some opportunities may exceed the capacity or capability of a single provider, we will encourage providers to collaborate so they can benefit from these opportunities.

As the ability to identify growth opportunities also varies, a focus on building the industry’s capability to do so will be required.

Our market intelligence tells us countries are eager for help to strengthen their capability and for more local delivery of education services in their country. Countries are also looking for clear signs of commitment to long-term reciprocal relationships with the New Zealand Government and providers. To take advantage of emerging offshore opportunities, education services need to be packaged and promoted in the right way, and business models need to be well-developed.

The international environment

The global economy is expected to grow over the next few years at similar levels to 2014. Higher economic growth is expected to occur in Asia compared to the rest of the world. This should benefit the international education industry, as many Asian countries are key sources for international students.

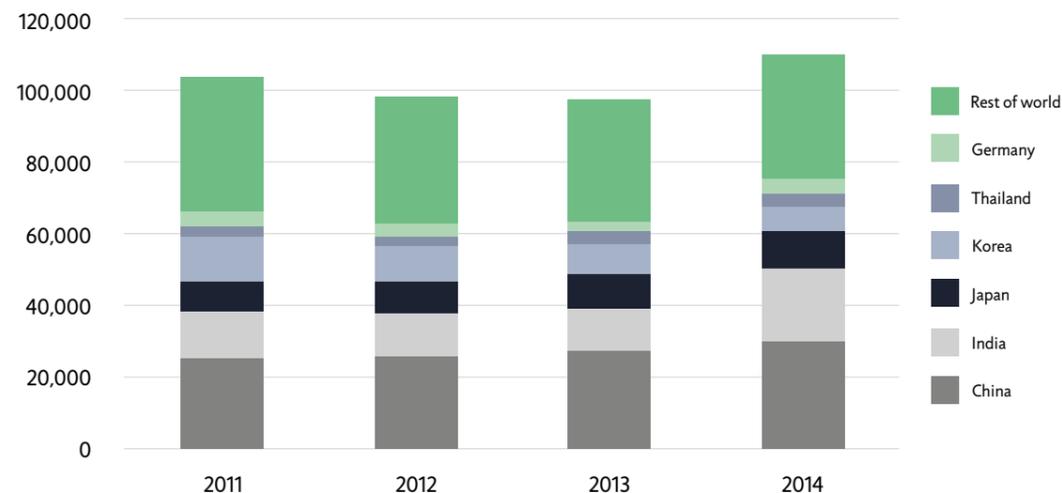
⁴ Infometrics produced this report for ENZ. It is available on ENZ’s corporate website www.enz.govt.nz.

⁵ Some examples of sub-sectors are education publishing and education technology.

Future global demand for international education

New Zealand has been successful in attracting a small but significant slice of the international student market.

Graph 2: Number of international student enrolments with a New Zealand provider by country of origin



Source: Export Education Levy and Tertiary Single Data Return 2014, Ministry of Education.

Much of the global growth in international education to 2025 is expected to come from China and India and to occur in the non-compulsory education sector. As a result, China and India are expected to continue to be strong markets for international students for New Zealand.

Some existing markets, such as Japan and the United States, have the potential for significant growth.

Some markets, such as Brazil and Indonesia, are expected to send more students to study internationally. This is due to their growing middle classes and youthful populations.

This means we need to raise their preference for New Zealand education.

New potential markets continue to emerge that will need to be explored.

Changes in New Zealand's exchange rate can affect demand in some sectors and markets. One of the challenges continuing to face the industry is how to take advantage of the forecast demand when the exchange rate is high.

In 2015, we reviewed our market prioritisation. We identified markets that we will:

- > **Rebalance:** In this category are China and India, which are major sources of students and will stay that way for the foreseeable future. Also included are a group of mature markets where we do not see significant prospects for future growth.
- > **Promote:** This is a group of countries where we believe the right investment and approach will deliver strong growth.
- > **Explore:** These are a small group of countries where we believe there will be good growth prospects in 5 to 10 years.

The prioritised 'rebalance', 'promote' and 'explore' markets are listed on ENZ's corporate website www.enz.govt.nz.

Some of New Zealand's international education services are already being delivered around the world, however it is difficult to get accurate data to measure this sector. In 2012, Infometrics undertook an assessment of the value of the educational services sector as part of its work to

measure the value of the industry. The research identified that two regions dominate where the revenue currently comes from: the Middle East and Asia. Together they account for 84 percent of offshore revenue. While supporting growth in those regions, ENZ will need to explore and gain a deeper understanding of the opportunities in other regions.

Increasing competition in international education

Competition for international students is strengthening as more providers in English and non-English speaking countries enter the industry. Most of New Zealand's competitors are much larger and have more resources. They have been working to make themselves more attractive to potential international students.

To remain competitive, New Zealand needs to compare favourably as a study destination in terms of price, quality and ease of access.

Changing the way education services are delivered

The delivery of education programmes and services is increasingly influenced by technology in a rapidly changing global environment. Today's students are more connected, through their devices, to the world around them. More flexible education models have appeared:

- > globally there are millions of users of massive open online courses (MOOCs) as students want to study when and where it is convenient to them
- > e-books, badges to accredit learning and personalised inquiry learning have been identified by the British Council as just as revolutionary as MOOCs
- > transnational education⁶ delivery continues to grow, as it gives students and education providers significant opportunity to engage locally
- > apps already have a supplementary role in education.

Greater flexibility, different modes of learning and a greater focus on blended learning (combining face-to-face and online) may affect how education is delivered. These changes and others yet to come may affect both international and domestic students. Growth will depend on how well the industry adapts to these changes.

The wider New Zealand environment

Working with other New Zealand government agencies

Education and immigration policies and settings, both during studying and afterwards, can affect New Zealand's attractiveness to potential international students.

We need to work closely with Immigration New Zealand, the New Zealand Qualifications Authority and the Ministry of Education to reduce barriers to growth. We also need to work with other government agencies to ensure the industry is fully informed of any proposed changes, ensure the industry's views of any changes are taken into account, and monitor the impact of those changes on application volumes and on New Zealand's attractiveness as an education destination.

We work closely with the other New Zealand education sector agencies to collectively deliver on the Government's education priorities. We also work with the other New Zealand government agencies, such as Tourism New Zealand and New Zealand Trade and Enterprise, to collectively promote New Zealand in offshore markets.

⁶ Transnational education is a set of education activities that span a national border through arrangements such as twinning, franchising, qualification validation, online learning, joint degrees and branch campuses.

OUR OUTCOME FRAMEWORK

Together with the international education industry we are working to ensure the industry contributes to the New Zealand economy and education system.

Our outcome 'Increase the economic value from New Zealand's international education industry' contributes to the Government's goals for economic growth and the education system. The diagram over the page illustrates the link between our work (our outputs) and the impact we have.

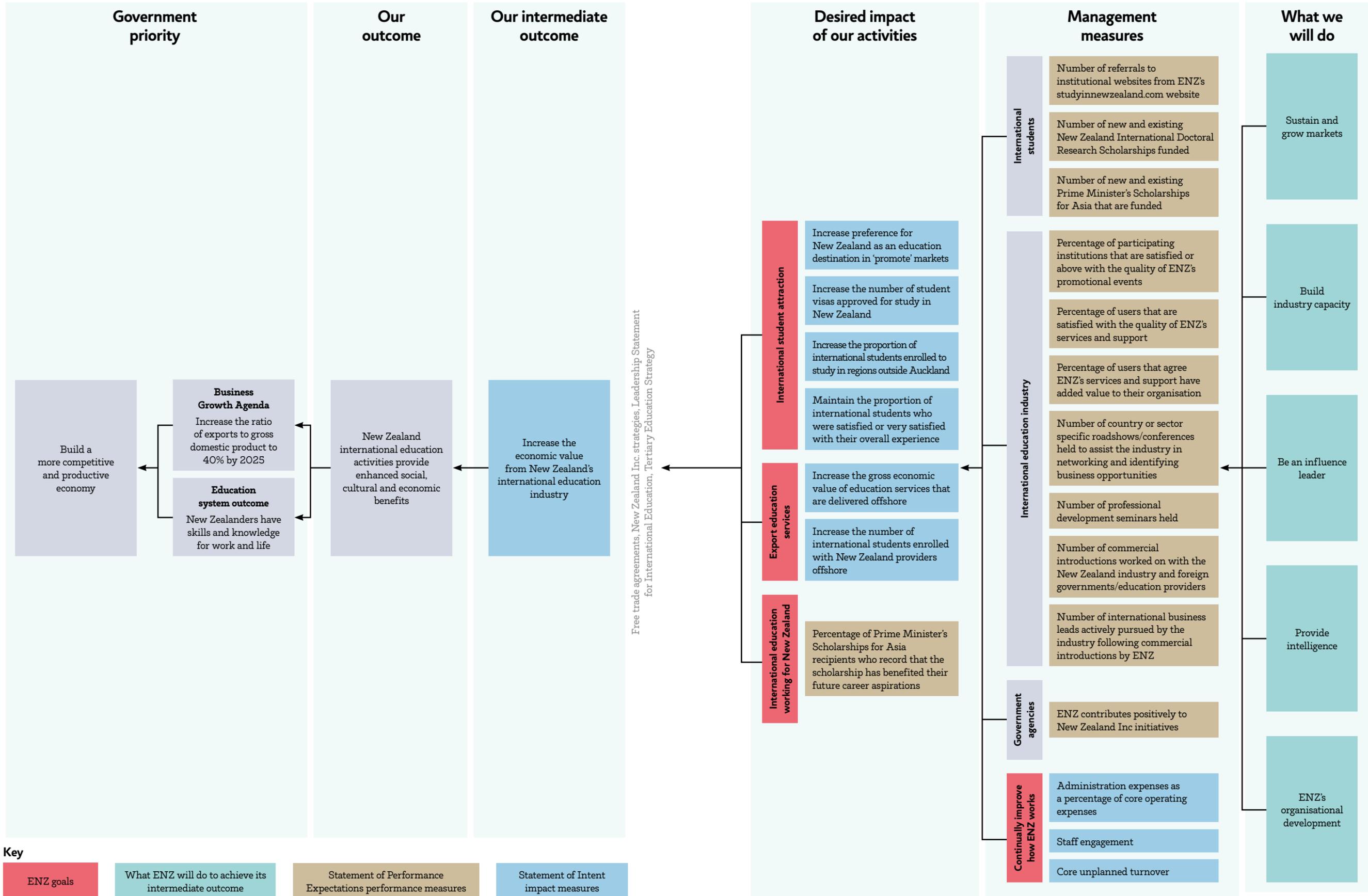
With the industry, we will work to protect and grow New Zealand's international education markets.

A capable industry is able to benefit from new and existing growth opportunities, and can successfully market itself. Building the industry's capability will help to further increase the economic value New Zealand gains from its international education industry.

As competition in international education is increasing, we will play an important role in sharing international market knowledge and expertise. We will also provide intelligence to help the industry identify growth opportunities and understand trends and events that may affect the international education industry.

We will undertake targeted engagement with selected stakeholders. We will also work with other government agencies, and with other governments, to support New Zealand's international education industry.





OUR OPERATING INTENTIONS

Intermediate outcome: Increase the economic value from New Zealand's international education industry

We are seeking:

- > Increased gross economic value of the New Zealand international education industry
- > Increased preference for New Zealand as a study destination in 'promote' markets
- > Increased number of student visas approved for study in New Zealand
- > Increased proportion of international students enrolled to study in regions outside Auckland
- > Maintained the proportion of international students who were satisfied or very satisfied with their overall experience
- > Increased gross economic value of education services that are delivered offshore
- > Increased number of international students enrolled with New Zealand providers offshore.

What will we do to achieve this?

Sustain and grow markets

Alongside the other New Zealand Inc. agencies, we will use the New Zealand Story as a shared foundation to position and promote New Zealand in international markets. This will complement our work to attract international students to study with New Zealand providers and deliver New Zealand's education services offshore.

We will continue to use New Zealand's Education Story to represent the international education industry's work, and the 'Think New' brand to position and promote New Zealand education in offshore markets. The 'Think New' brand is made up of three key brand attributes that we will emphasise to varying degrees depending on the market:

- > **Learn:** Students will learn in a world-class education system. Taught by professional and passionate teachers who have only one thing in mind – the students' success. Students will be challenged to think differently and to push the boundaries in an atmosphere of encouragement and excellence.
- > **Live:** New Zealand is a safe and friendly place. A welcoming and open country where 'the new' is celebrated.
- > **Work:** Students who study in New Zealand gain skills that can lead to employment in New Zealand or offshore.

The industry will be encouraged to use New Zealand's Education Story, the 'Think New' brand and 'The Brand Lab' (a marketing toolkit) in its promotional activities targeted both at attracting international students to study with New Zealand providers, and at exporting education services offshore.

We will work with education service providers who deliver education services offshore. The aim is to increase the profile and presence of those providers, so they can enter new markets and expand existing markets for education services.

We will support the development of offshore projects designed to deliver financial and wider market benefits for the international education industry. Our support can include identifying business growth opportunities, advising a provider on a potential new market, or co-funding work by a group of providers to progress a venture. The support provided will vary, based on sector or sub-sector needs, the progress those sectors or providers have made in terms of identifying or developing an opportunity, and the potential for growth.

ENZ works with New Zealand education institutions to coordinate and participate in a range of promotional events and activities which promote New Zealand as a world-class education destination. These events and activities are aimed at potential students, their families and agents.

We will continue to regularly review and prioritise New Zealand's international education markets into 'rebalance', 'promote' and 'explore' markets. The levels of promotional activities undertaken in each market to attract international students to New Zealand will depend on its prioritisation.

In each market we will use targeted activities to attract potential students from a diverse range of markets. The activities will vary from market to market, depending on what works best in each market and the rating prioritisation given to each market.

Digital marketing will be targeted at potential students and their parents. This includes the use of social media and advertising. Digital marketing is the one of the most effective ways of communicating with potential students who are digital natives, linked into the world through the internet.

Our student attraction website (www.studyinnewzealand.com) will be used in our promotional events and activities to attract potential students. The website also funnels enquiries and interest from potential students and their families to education institutions and agents.

We will also ensure that the information we provide to potential students, their families and agents is up-to-date and easy to understand.

Tourism New Zealand and ENZ will work to present joint education-tourism offerings, to ensure the opportunities presented by tourism and international education are realised effectively.

In a number of markets, education agents are a key influence for potential students and their families when investigating whether to study overseas. Our relationships with education agents will be strengthened to increase their preference for, and commitment to, New Zealand.

We will partner with the New Zealand networking organisation KEA New Zealand to welcome New Zealand-educated alumni into KEA New Zealand's pool of 'Friends of New Zealand'. Alumni are an important way of telling the New Zealand Education Story to potential international students who are considering studying in New Zealand. Partnering with KEA New Zealand enables alumni to stay connected with New Zealand and share their success stories.

New Zealand has a world class education system and a global reputation in early childhood literacy and technological innovation. We will support and promote the role of technology in international education delivery, and explore how investments promoting education technology could be more effective.

The presence of skilled New Zealanders studying at offshore education institutions promotes the high quality of the New Zealand education system, while enabling those New Zealanders to enhance their skills.

We will continue to award the Prime Minister's Scholarships to New Zealanders for study overseas across a range of courses and international locations.

We oversee the awarding of New Zealand International Doctoral Research Scholarships that fund international students to come to New Zealand to undertake PhD study. The scholarships are intended to attract top international students to New Zealand. Over the next four years, we will review and potentially implement changes to the scholarships to ensure the funding is effectively used and continues to support the Government's goals for the international education industry.

Build industry capability

One of the ways to grow the economic value from the international education industry is to increase providers' ability to generate growth.

ENZ has an important role in strengthening the industry's capability so providers can identify and benefit from new and existing growth opportunities.

Using the overarching industry roadmap and the sector roadmaps to guide us, we will provide capability building activities to reflect the industry's needs. The roadmaps identify the strategic choices and specific actions that industry believes are key enablers of success. These could be undertaken by:

- > individual sectors or the industry
- > the Government (including ENZ)
- > potentially both industry and the Government.

ENZ will continue work with the industry and other New Zealand government agencies to prioritise and implement specific actions to support the goals identified by the industry and the Government.

We will support the industry to work together and strategically build relationships with offshore partners to benefit from growth opportunities. This may include working with a particular sector, sub-sector or individual provider.

As some opportunities exceed the capability or capacity of a single provider or business, we will encourage education providers and businesses to collaborate so they can identify and benefit from those opportunities. The industry will also be encouraged to share their export stories and strengthen the capability of organisations less experienced in exporting to learn how others have achieved success. For example, in 2013 and 2014 we supported education technology conferences; backing a rapidly developing and growing sub-sector.

Through the International Education Growth Fund (IEGF), we will continue to provide matched funding for up to 50 percent of the total cost of short-term projects for the industry. The funded projects will be expected to increase the number of international students studying in New Zealand or at New Zealand institutions offshore, increase the value of goods and services provided offshore, or increase the value of existing activities. Applications for the IEGF will be sought twice a year.

Tools will be developed and provided to the industry for use in attracting potential students or exporting services offshore. Seminars will also be run to inform providers about market opportunities.

Agents will be encouraged to use our e-learning programme and ensure that the e-learning programme stays up-to-date and relevant for them. The programme is designed to enable agents to provide potential students and their families with information about studying in New Zealand, and to sell New Zealand as a study destination. It covers a range of topics, including helping a student to choose a programme of study, providing information on the conditions of a student visa and preparing students for life in New Zealand.

Be an influence leader

ENZ staff are co-located offshore with other New Zealand agencies so we can work interactively and support each other's activities to promote New Zealand. We are usually co-located with the Ministry of Foreign Affairs and Trade or with New Zealand Trade and Enterprise.

Education and immigration policies and settings significantly affect New Zealand's competitiveness to attract international students. We maintain relationships with other New Zealand agencies, particularly where an agency's policy settings affect the international education industry. When other New Zealand agencies plan changes that are likely to impact the industry, we ensure the industry's views are taken into account. We monitor the impact of those changes on application volumes and on New Zealand's attractiveness as an education destination.

As a member of the International Education Senior Officials' Group, we will continue to work with other government agencies to ensure that advice to ministers is effectively 'joined up' by aligning our work programmes. The group is made up of representatives from the Ministry of Business, Innovation and Employment, the Ministry of Education, the Ministry of Foreign Affairs and Trade, ENZ, the New Zealand Qualifications Authority and the Tertiary Education Commission.

We will ensure that operational policy opportunities and issues are identified and considered across government agencies. The strategic drivers for the group's work include:

- > ensuring the high quality of education and pastoral care are maintained and improved
- > ensuring New Zealand offers a competitive immigration setting for international students and highly qualified skilled migrants while managing labour market risks
- > using data to build intelligence about the international education industry and markets
- > monitoring progress against the objectives in the Leadership Statement for International Education.

We will also support the New Zealand Qualifications Authority's work to achieve recognition of New Zealand qualifications by other governments. The international portability of qualifications is important in many of our key international student markets.

Auckland is, and will remain, an important location for international education. To support growth outside Auckland, we will also encourage students to study in other major New Zealand metropolitan areas such as Christchurch, Dunedin, Hamilton and Wellington.

Through our Regional Partnership Programme, we will continue to work with international education providers, representative groups and local government economic development agencies throughout New Zealand to support the development and growth of international education in New Zealand's regions. The activities that form part of the programme for each region we work with will vary, as each region is at a different stage in deciding how to grow its international education industry.

We will leverage New Zealand's bilateral international education agreements and programmes with other countries to increase student numbers. Providers will be supported so they can leverage agreements, such as the New Zealand-China Vocational and Technical Education Model Programme, to increase the number of international students studying with New Zealand providers.

Through our international network we will build and maintain relationships across governments and with potential partners, to identify growth opportunities for the industry.

New Zealand education agencies have world-class systems, frameworks and tools that could be adapted for use by other countries to enhance the quality and performance of their education systems. We will work with the Ministry of Foreign Affairs and Trade, New Zealand Trade and Enterprise, and education agencies to support the commercialisation of the New Zealand Government's education-related intellectual property and 'know how'.

Provide intelligence

Our knowledge of the global international education market will continue to be shared with the industry. We will also invest in market research to measure the preference for and reputation of New Zealand education within our key markets. Opportunities for growth will continue to be identified and will be used to improve the targeting of our promotional activities. This will ensure our promotional activities increase potential international students' preference for New Zealand education.

By the end of 2015/16, we will ensure that we have properly defined what delivering education services offshore means. The definition may include an explanation what types of activities are included or not. Having an agreed definition will help us to its economic value and identify markets where there is the potential for significant growth.

We will also undertake in-depth research on the current and future state of markets. This work will examine the position of New Zealand as an education destination in those markets, and the opportunities for attracting international students.

We will increasingly look at how the industry can utilise technology to deliver education programmes and services offshore. This includes keeping pace with new technologies and applications and working with the industry to position them to benefit from any new opportunities. We will also improve ENZ's and the industry's understanding of transnational education to identify and benefit from opportunities.

Appropriate support services will be developed and research undertaken that institutions can use to develop their own business and marketing plans. Our focus will be helping the industry understand the growth opportunities present in markets.

Impact measures

Measure	How measured	Baseline	Target
Increase the gross economic value of the New Zealand international education industry.	Economic impact analysis studies using methodology agreed with Statistics New Zealand.	2008: \$2.51b <i>Trend</i> 2012: \$2.60b 2014: \$2.85b	2015: Increase value to \$3.0b. 2018: Increase value to \$3.51b. 2021: Increase value to \$4.08b. 2025: Increase value to \$5.0b.
Increase the preference for New Zealand as an education destination in 'promote' markets.	Brand awareness survey, Education New Zealand.	2014/15: 5%	2015/16: Increase the percentage who prefer New Zealand compared to 2014/15. 2016/17: Increase the percentage who prefer New Zealand compared to 2015/16. 2017/18: Increase the percentage who prefer New Zealand compared to 2016/17. 2018/19: Increase the percentage who prefer New Zealand compared to 2017/18.
Increase the number of student visas approved for study in New Zealand.	Immigration visa data, Immigration New Zealand, Ministry of Business, Innovation and Employment.	2012: 69,269 student visas approved. <i>Trend</i> 2013: 70,269 student visas approved. 2014: 84,414 student visas approved.	2015: Increase student visas approved by at least 5,000 compared to 2014. 2016: Increase student visas approved by at least 5,000 compared to 2015. 2017: Increase student visas approved by at least 5,000 compared to 2016. 2018: Increase student visas approved by at least 5,000 compared to 2017.

Measure	How measured	Baseline	Target
Increase the proportion of international students enrolled to study in regions outside Auckland.	Export Education Levy and Tertiary Single Data Return, Ministry of Education.	2012: 39% <i>Trend</i> 2013: 40% 2014: 38%	2015: Increase the proportion of international students enrolled to study in regions outside Auckland compared to 2014. 2016: Increase the proportion of international students enrolled to study in regions outside Auckland compared to 2015. 2017: Increase the proportion of international students enrolled to study in regions outside Auckland compared to 2016. 2018: Increase the proportion of international students enrolled to study in regions outside Auckland compared to 2017.
Maintain the proportion of international students who were satisfied or very satisfied with their overall experience. (Survey ratings are Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied)	International Student Barometer surveys by I-graduate.	2011/12⁷: > Secondary schools: 94% > Private training establishments: 87% > English language schools: 88% > Institutes of technology: 89% > Universities: 89% <i>Trend</i> 2013: > Institutes of technology: 89% > Universities: 88% 2014: > Private training establishments: 88% > English language schools: 89%	2015: > Secondary schools: 94% > Institutes of technology: 89% > Universities: 88% 2018: > Secondary schools: 94% > Private training establishments: 88% > English language schools: 89% > Institutes of technology: 89% > Universities: 88%
Increase the gross economic value of education services that are delivered offshore.	Economic impact analysis studies using methodology agreed with Statistics New Zealand.	2008: \$107m <i>Trend</i> 2012: \$104m	2015: Increase value to \$150m. 2025: Increase value to \$500m.
Increase the number of international students enrolled with New Zealand providers offshore.	Tertiary Single Data Return, Ministry of Education.	2012: 3,056 international students enrolled with New Zealand providers offshore. <i>Trend</i> 2013: 3,270 international students enrolled with New Zealand providers offshore. 2014: 3,392 international students were enrolled with New Zealand providers offshore.	2015: Increase enrolments to 4,000 students. 2016: Increase enrolments to 4,380 students. 2017: Increase enrolments to 4,800 students. 2018: Increase enrolments to 5,250 students. 2025: 10,000 international students enrolled with New Zealand providers offshore.

⁷ ENZ and the Ministry of Education contracted I-graduate to run the 2011/12 surveys.

OUR ORGANISATIONAL DEVELOPMENT

Our ability to support the international education industry and be their voice depends on ENZ having committed people with the right skills, supported by the right structure, systems and processes.

We are focused on ensuring that our organisational development activities support the efficient and effective delivery of outputs.

We will work within the spirit of the whole-of-government directions for procurement, information and communications technology (ICT), and property to ensure we use efficient and effective back office services to support our outputs as far as possible. One of the ways we will measure our efficiency and effectiveness is through monitoring the ratio of administration expenses to core operating expenses.

Our people

Our spirit values are a foundation for the organisation. The values that reflect our spirit are inspirational leaders, business savvy, innovative, knowledgeable, connectors, passionate, welcoming, trustworthy, and one team.

At 31 March 2015 we employed 87 people, including fixed term employees. They are based in New Zealand and internationally.

To make sure our organisation is fit-for-purpose, we are implementing our People Strategy 2012-15. The key elements of our People Strategy are:

1. Planning resource requirements and attracting capability.
2. Employee engagement and performance improvement.

3. Developing our people.
4. Recognising, retaining and rewarding our people.

The People Strategy will be reviewed in 2015 to ensure its elements remain up-to-date and relevant to the organisation over the next four years. The People Strategy supports our purpose, spirit, focus, outcomes, 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 in terms of human resource operating procedures and processes, and is a guide to achieving the highest standards of employee performance.

Our organisational performance measures are reflected in individual performance agreements.

Good employer matters

We recognise that we need a diverse workforce to effectively deliver services to our customers. We provide equal employment opportunities to make the most of the talents of all of our people.

Our status as a good employer will be assessed against the elements and criteria set out by the Human Rights Commission. Over the next four years we will continue to ensure that all elements are in place and working well through our People Strategy.

We will continue to run an employee engagement survey. We will develop and implement solutions for areas of improvement identified through the survey.

Our technology

ICT is vital to the effective delivery of our services and is a vital component of our marketing, information delivery and capability building strategies.

We will complete Phase 3 of our ICT Programme, which is designed to optimise our ICT platform. In the last two years we have completed Phases 1 (stabilise) and 2 (transform) to ensure that our ICT platform is fit-for-purpose. Phase 3 (optimise) has been split into two separate phases:

- > Phase 3a – which focuses on access security, a refreshed standard operating environment, communications (including our corporate intranet) and mobility – will be largely completed in 2014/15
- > Phase 3b – which will focus on knowledge management – has yet to be scoped and will be expected to meet the global needs of ENZ and our overall strategy.

We will move into primarily a lifecycle replacement phase once phase 3b is delivered.

Monitoring organisational capability

Measure	Baseline	Target 2015-2019
Employee engagement.	In 2013/14 and 2014/15, ENZ ranked in the top third of government agencies which complete the same survey (approximately 30) in terms of engagement and staff satisfaction levels.	Be in the top quartile of the staff engagement performance index for public sector organisations as measured by an employee engagement survey.
Core unplanned turnover.	Unplanned turnover for the year ending 30 June 2014 was 9%.	No more than 12%.
Administration expenses as a percentage of core operating expenses.	In 2013/14, the percentage was 11%.	Between 13-18%. The target is lower than in 2014/15 to reflect ENZ's actual expenditure on administration expenses in the last two years.

Our systems and processes

Capital and asset management intentions

The value of our capital assets is small. The table below summarises the forecast value of our assets at 30 June 2015 and our capital investment intentions over the next four years.

	Forecast net book value at 30 June 2015	Comment on assets forecast at 30 June 2015	Purchases 2015–2019
Property fit out	\$236,363	Fit out of new offices on Lambton Quay completed.	We will be reviewing the accommodation of the offshore offices as part of the changing needs of market growth, and providing capital contributions toward office refits as necessary.
Information technology	\$985,969	Phases 1, 2 and 3a of ICT Programme completed.	Our standard operating environment is in place, together with a re-launched intranet and improved communication tools. Future investment will address knowledge management and the strategic needs of the organisation.
Motor vehicles	\$158,802	One offshore vehicle replaced in 2014/15.	Replacement of vehicles at the end of their useful lives.
Office equipment	\$45,454	Lifecycle replacement only.	Replacement of assets at the end of their useful lives.
Furniture and fittings	\$29,206	Lifecycle replacement only.	Replacement of assets at the end of their useful lives.

Risk management strategy

ENZ has a risk management and reporting framework that provides a consistent way to identify and assess the most important risks. We will:

- > monitor the risks regularly through the Audit and Risk Committee
- > revise, where necessary, risk severity and likelihood levels
- > report any significant risks, and appropriate strategies to address them, to the Minister and our monitoring agencies as they arise.

We have identified ENZ's broad risks and mitigation strategies.

Risk	ENZ's mitigation strategies
Changes to the international environment	<ul style="list-style-type: none"> > Use ENZ's market intelligence and research to identify changes likely to affect the international education industry, including changes being made by New Zealand's competitor countries.
Changes to the way education is delivered.	<ul style="list-style-type: none"> > Promote the quality of education services that can be delivered offshore. > Work with the industry and the Ministry of Education to identify emerging changes to the way education is delivered. > Build industry capability to respond to change.
New Zealand's international education brand	<ul style="list-style-type: none"> > Promote New Zealand as a world-class and high value destination.
Failure to build and maintain the reputation of New Zealand's international education industry.	<ul style="list-style-type: none"> > Work with the industry to ensure New Zealand has the capability and capacity to accommodate an increase in international student numbers. > Work with other New Zealand Inc. agencies to align strategies and ensure that the industry's views of any changes planned by other agencies are taken into account. > Work with the industry to strengthen their capability in promoting and delivering New Zealand's international education services. > Use KEA New Zealand's offshore alumni network to showcase the quality of New Zealand's education system. > Work with other New Zealand education agencies to enable the collective delivery of the Government's priorities for the education system.
Changes to the international environment	<ul style="list-style-type: none"> > Promote New Zealand as a world-class and high value destination.
Changes to external factors that reduce New Zealand's competitiveness.	<ul style="list-style-type: none"> > Promote multiple education markets. > Implement programmes that build agent relationships, preference and commitment to New Zealand. > Support sectors and sub-sectors to explore other potential growth opportunities.
International education goals	<ul style="list-style-type: none"> > Undertake robust strategic and business planning, including defining clear goals and medium term targets.
Failure to deliver on the Government's goals for international education.	<ul style="list-style-type: none"> > Engage with the industry to gain their support of the goals and to support their work to achieve the goals. > Undertake regular reporting against approved plans. > Regularly monitor whether ENZ's activities are having the expected impact and, where required, adjust our activities to ensure the achievement of the goals.
Government policy settings	<ul style="list-style-type: none"> > Work with Immigration New Zealand and the New Zealand Qualifications Authority to ensure visa and regulatory policies are balanced with maintaining and improving New Zealand's edge in international education.
Government policy settings reduce New Zealand's attractiveness to potential international students.	<ul style="list-style-type: none"> > As part of the International Education Senior Officials' Group, work with other New Zealand agencies to develop and implement the cross-agency work programme. This work will include identifying and working to remove barriers to growth. > Engage with other education agencies to promote understanding of New Zealand's education system in offshore markets.
ENZ's reputation with the industry	<ul style="list-style-type: none"> > Develop and maintain a clear understanding of the industry's needs.
Lack of trust in ENZ by New Zealand's international education industry.	<ul style="list-style-type: none"> > Use ENZ's communications channels to ensure the industry understands what ENZ does and is seeking to achieve. > Deliver high quality support to the industry to help strengthen their capability. > Monitor the quality of the products and services we deliver to the industry, and whether they meet industry needs.

APPENDIX ONE: OUR STATUTORY FUNCTIONS

ENZ's functions are specified in section 270 of the Education Act 1989. Our statutory functions are to:

- > deliver strategies, programmes and activities for promoting, together with providers and other government agencies, New Zealand education overseas
- > promote New Zealand as an educational destination for international students
- > promote the provision of New Zealand education and training services overseas
- > manage, in collaboration with other government agencies, activities undertaken by representatives appointed to act on behalf of the New Zealand Government in relation to international education
- > carry out research on international education markets and marketing strategies
- > administer any international programmes or activities that are consistent with the Government's policy on international education
- > provide information, advice, and assistance to providers on strategies to promote industry coordination and professional development
- > provide information to international students about living and studying in New Zealand
- > work with other agencies to ensure that international students are adequately supported while living and studying in New Zealand
- > foster collaborative networks with former international students.

APPENDIX TWO: LEADERSHIP STATEMENT FOR INTERNATIONAL EDUCATION

New Zealand’s quality education services are highly sought after internationally and expand our international social, cultural and economic engagement. Growing New Zealand’s international education sector requires setting clear goals and objectives against which progress can be measured.

Goals ⁸	Objectives
New Zealand’s education services delivered in New Zealand are highly sought after by international students.	New Zealand will over the next 15 years double the annual economic value of these services to \$5 billion through increasing international enrolments in our tertiary institutions, private providers and schools.
New Zealand’s education services in other countries are highly sought after by students, education providers, businesses and governments overseas.	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.
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.

⁸ The goals and objectives were set in 2010/11 with the aim of achieving the objectives by 2025. At the time of writing Education New Zealand’s Statement of Intent 2015-2019, there is 10 years left to achieve the objectives.

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