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# Annual Report 2021/22 Education New Zealand Manapou ki te Ao

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## Board Chair's Foreword | Kupu takamua a te Toihau

The global international education landscape continued to shift during 2021/22. New Zealand's decision in early 2022 to re-open its borders a few months later generated optimism and enthusiasm within the sector about the rebuild of international education. This decision signalled the Government's strong support for international education and that New Zealand is once again open for business.

In the second half of 2021/22, the Government refreshed the New Zealand International Education Strategy 2018–2030, which was then relaunched as the New Zealand International Education Strategy 2022–2030. The refreshed Strategy demonstrates the role that international education will have in reconnecting New Zealand with the rest of the world and supporting New Zealand's economic recovery. The Strategy reflects the changed environment in which we are operating, as well as the opportunities for international education to deliver high quality outcomes for New Zealand. The goals of the Strategy continue to focus on building a vibrant and thriving international education sector, and strengthening our place in the world.

Importantly, the refreshed Strategy provides further clarity on how our efforts will deliver positive outcomes for New Zealand. It gives a clear framework of outcomes for agencies to deliver to support the rebuild of the sector as we move forward and reconnect with the world.



**Steve Maharey** | Board Chair

The re-opening of New Zealand's borders from 1 August 2022 will underpin the work we undertake over the next 4 years. Our aim continues to be supporting the international education sector to be more resilient and sustainable, and to ensure it can deliver on the goals of the Strategy.

However, we will not lose sight of the gains we made in the first half of 2021/22. We continued to use our reach, resources and experience to support New Zealand's international education providers and international students, and to protect New Zealand's education brand.

Once again, I would like to acknowledge the efforts, resilience and enthusiasm of our staff around the world. They have continued to be impacted by the realities of COVID-19 and have continued to focus on delivering a wide range of benefits to New Zealand and international students. Their efforts will continue to be a crucial delivery mechanism for achieving the Government's intentions for international education.

As the world adapts to living with COVID-19 and New Zealand's air connectivity to the rest of the world increases, we expect to see greater demand for an international education experience. It is vital that we show our high-value international education offering to the world.

Our efforts now focus squarely on reconnecting New Zealand with the rest of the world.

## Chief Executive's Foreword | Kupu takamua a te Manutaki

Education New Zealand is reconnecting New Zealand with the world.

2021/22 continued to be challenging for the international education sector.

During the first half of 2021/22, our focus was on providing guidance and support to the sector, directly and indirectly supporting international students in New Zealand, and protecting New Zealand's education brand.

In the second half of 2021/22, we had a stronger focus on our more familiar remit after the positive announcement in February 2022 about New Zealand's borders re-opening.

We launched a hugely successful global marketing campaign to promote New Zealand, and increased our in-person presence at international education events as global COVID-19 restrictions eased. One of these events included supporting the Minister of Education to participate in NAFSA, the world's largest international education conference, towards the end of 2021/22.

Our new role in the Manaaki New Zealand Scholarships Programme was negotiated during 2021/22. In our new role, we will use our international presence and relationships with education providers to rebuild and accelerate global connections for the New Zealand international education sector.

We continued our efforts to support the sector to diversify its offerings. We have also made substantial progress in helping shift the sector's thinking about what it delivers and how it can reach international students beyond our borders.

We also implemented our new strategic framework in 2021/22. This framework creates clear and tangible links between our work during 2021/22 and the refreshed Strategy.

We will continue to focus on promoting New Zealand as we lean into Phase One of the refreshed New Zealand International Education Strategy 2022–2030.

We would not succeed without the efforts of our people. I would like to thank our staff, who have continued to work in an uncertain context, and especially those who have had personal experiences with COVID-19.

It has been a challenging year, and I am proud of what we have achieved.



**Grant McPherson** | Chief Executive

## Our operating context | Te horopaki e mahi nei mātou

International education is a highly competitive global sector. New Zealand's international education sector is made up of schools, universities, Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga), private training establishments, English language schools, and education businesses (such as education technology).

Before the Covid-19 pandemic began in 2020, international education was New Zealand's fifth largest export sector. After tourism, it is the sector hardest hit by the pandemic and subsequent border closures.

As New Zealand moved forward from the early period of the COVID-19 pandemic, we worked with the sector to understand the challenges and opportunities that have arisen within international education.

We received an appropriation of \$4.15 million from the COVID-19 Response and Recovery Fund (CRRF) for 2021/2022<sup>1</sup>. We used this funding to support the sector to diversify its education products and services.

We also used \$2.0 million of CRRF funding that had been transferred from 2020/21. This funding was critical for us to continue protecting the New Zealand education brand in the first half of 2021/22, and then to promote this brand ahead of the borders re-opening.

Our ability to demonstrate our impact and achievement against our performance measures reflects some of the ongoing challenges within the sector. For example, the International Student Experience Survey operated at a much smaller level than in earlier years due to the small number of international students in New Zealand. This means the survey results cannot be compared directly with earlier years.

The refreshed New Zealand International Education Strategy 2022–2030 reflects the Government's aspirations for a focus on high-quality, high-value international education. Taking a phased approach to rebuilding and diversifying the sector will ensure it is more sustainable and resilient. Our efforts during the second half of 2021/22 reflect the focus of Phase 1 of the refreshed Strategy.

### Reconnecting New Zealand with the rest of the world

As one international education professional said to the Minister of Education during in May 2022 when the Minister was attending the NAFSA

international education conference, the demand for an international education

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<sup>1</sup> This report includes calendar year and financial year information. Except for the Annual Financial statements, dates such as 2020/21 refer to the financial year, while dates such as 2021 refer to

the calendar year. All information in the Annual Financial Statements refer to the financial year.

experience has been deferred, not deterred.

As the world adapts to living with COVID-19 and the ability to travel internationally increases, we expect to see greater demand for an international education experience. Destination countries are managing this in a variety of ways, and with varying degrees of success.

In 2021/22, our focus was on:

- supporting the sector
- supporting international students in New Zealand
- protecting the New Zealand education brand, and

- supporting the sector to diversify its education products and services.

Following the announcement about New Zealand's borders opening, we restarted initiatives that would ensure New Zealand's profile was front-of-mind for potential international students and other stakeholders.

We worked closely with the Ministry of Education to successfully deliver 2 further cohorts of international students that were approved during 2021/22. This followed on from the 2 cohorts that were approved in 2020/21.

### **Refreshing the New Zealand International Education Strategy**

The refreshed New Zealand International Education Strategy 2022–2030 continues to guide our objectives and activities as we support the sector within New Zealand. The Strategy sets out a clear path for rebuilding New Zealand's international education sector, centred on these 3 goals:

1. Excellent education and student experience
2. Sustainable and resilient
3. Global citizens

These goals depend on, and also deliver, a strong, equitable, high-quality education system with a vibrant international focus, and globally connected students, workers and education providers.

Within the Strategy, our organisation and other agencies have specific actions that will support the delivery of these goals. In addition, all agencies are expected to work together to ensure a collaborative effort. We will work with the Ministry of Education and other relevant agencies to achieve the goals of the refreshed Strategy.

### What comes next

The recovery for international education in New Zealand is a strong focus for the refreshed Strategy. We will continue working closely with the sector to achieve the outcomes of the Strategy.

We have also incorporated these outcomes into our Statement of Intent 2022–2026, and in our Statement of Performance Expectations 2022/23.

## Who we are and what we do | Ko wai mātou, he aha ā mātou mahi

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

We are the only Crown agency solely focused on international education. International education delivers economic, social and cultural benefits for New Zealand.

We were established in 2011 to bring leadership to New Zealand’s international education sector, and support the sector to deliver on the Government’s priorities for international education.

The Education and Training Act 2020 sets out our functions (refer to Appendix One), which include:

- promoting New Zealand education overseas
- providing information to international students in New Zealand
- undertaking research and providing intelligence, and
- acting for the Government in relation to international education.

Our monitoring agencies are the Ministry of Education and the Ministry of Business, Innovation and Employment.

We published a new Statement of Intent 2022–2026 in June 2022. This Statement outlines our impacts and deliverables in line with the Government’s priorities for international education over the next 4 years. We also implemented our 4-year strategic plan in 2021/22, which has supported the prioritisation of our work.

The third quarter of 2021/22 had 3 key policy decisions that affected our priorities. These were the announcement of New Zealand’s borders reopening, the change in our appropriation for the 2022/23 year, and the decision to refresh the New Zealand International Education Strategy 2022–2026. Throughout the second half of 2021/22, we incorporated these policy decisions into our planning and delivery of initiatives to support the sector rebuild.

To fulfil our purpose, we work with:

- international students
- the international education sector in New Zealand
- government agencies in New Zealand and offshore
- sector peak bodies

- New Zealand's regions
- academic institutions in New Zealand and offshore
- education agents.

We also bring the international student voice into decision-making, and we are part of [the New Zealand Story](#), which is a cross-Government initiative that works to enhance global perceptions of, and favourability towards, New Zealand.

Our te reo name, Manapou ki te Ao, means nourishing and empowering. This name represents how New Zealand education enables students to flourish and become the world's next generation of problem solvers.

We employ approximately 100 staff globally. In New Zealand, our offices are in

Auckland, Wellington and Christchurch. Our offshore staff are generally co-located with other government agencies in New Zealand Embassies and High Commissions. Many of our offshore staff have been, and continue to be, directly impacted by the COVID-19 pandemic, including some staff now having worked from home for up to 18 months.

The Omicron outbreak in 2021 and its effects continued to create challenges for both onshore and offshore staff throughout the year. ENZ adopted a policy of ensuring all staff are vaccinated against COVID-19, however many of our staff, both in New Zealand and offshore, contracted the virus or were confined to their residence during the year, either because of government requirements or because of exposure to others with COVID-19.

### **Our markets and how we define 'international student'**

Our markets for 2021/22 were:

- China, India, Indonesia, Japan, Republic of Korea, Malaysia, the Philippines, Thailand, and Viet Nam
- Brazil, Chile, Colombia
- the United States of America
- the European Union
- Saudi Arabia.

International students are non-residents of New Zealand and have expressly entered New Zealand with the intention to study or

have enrolled offshore with a New Zealand provider. All of the following are considered as international students:

- international PhD students
- exchange students
- students of the Manaaki New Zealand Scholarships Programme
- foreign research postgraduate students, and
- full fee-paying international students.



### How we worked with the sector

We work directly with international education providers, including tertiary education organisations, English language schools, schools and organisations that export education products and services. We also work with international education peak bodies, education agents, and regional agencies with a strong interest in maintaining and growing the sector.

In 2021/22, our engagement with the sector focused on:

- developing models for diversifying education products and services
- supporting the completion of the international student cohorts that the Minister of Education approved, and
- supporting the development of an internationalisation strategy for the newly established Te Pūkenga.

### How we worked offshore

A key part of our role is building the reputation of New Zealand's education system internationally. In the first half of 2021/22, we focused on keeping New Zealand's education brand alive in key student attraction countries.

In the second half of 2021/22, following the announcement of New Zealand's borders reopening, our offshore staff increased their efforts to promote New Zealand education.

Our work across 2021/22 involved identifying, initiating and supporting

Through our offshore network, we continued to identify opportunities for high level engagement for the international education sector in New Zealand, as well as opportunities for individual education initiatives.

For the second half of 2021/22, we took a proactive approach to promoting New Zealand as an education partner, and working with the sector to rebuild links and opportunities.

We also supported the visit by the Minister of Education to the United States, Brazil and Chile to promote New Zealand's education offering and show that New Zealand is open for business.

activities to create long-term, sustainable benefits to New Zealand.

In 2021/22, we supported, and in many cases undertook, government-to-government activities, and institutional, academic and research relationships to help improve New Zealand's reputation and global connectivity. We used our international relationships, data and market intelligence to support the sector to leverage opportunities and position New Zealand as a high-quality education partner. We'll continue this approach into 2022/23.

### Our funding

In 2021/22, we delivered our activities through \$41.414 million funding which mostly comes from the Crown through Vote Tertiary Education.

In 2021/22, we received \$7.15 million from the COVID-19 Response and Recovery Fund. This funding allowed us to support research, planning and programme delivery to diversify education products

and services across the sector, brand, marketing and communications activities.



### Rautaki Māori within our organisation

Rautaki Māori helps our organisation's commitment to honour our Crown obligations to Te Tiriti o Waitangi.

The main objectives of Rautaki Māori are to:

- design specificity and differentiation into staff capability strategy Partner with Iwi/Hapū and Māori organisations to utilise indigenous international education Strengthen Te Tiriti support with alignment with education agencies
- build ENZ visibility and capability in international markets through indigenous partnerships
- form beneficial global/sustainable indigenous partnerships focussing on global citizenship

Rautaki Māori has developed an organisation wide Te Tiriti o Waitangi

Framework and partnership model in 2021, aligned with Te Arawhiti principles. Our focus is to now give the framework primacy within our organisation. The guiding principles and manifestations of the Framework are critical to our current and future work under our Crown obligations. To start this, future training workshops will be targeted with SLT and board members.

### Te reo Māori and Te Rito modules

Rautaki Māori had started multiple 8-week te reo Māori courses in 2021 for staff based in New Zealand and also for our international teams. Attendance data and tutor feedback have been collected to plan for a tailored response for staff in 2022. Te Rito bicultural training resource has continued for 2022 with a hopeful target of 90 % completion by December. There has been good staff engagement with the

increase in complexity of professional learning modules for 2022/23.

### **Annual celebrations for Te Wiki o te Reo Māori and Matariki**

Celebrations during Te Wiki o te reo Māori 2021 were numerous with language-based events and activities to support the revitalisation of te reo Māori. During the week, staff attended daily activities and kōrero and were encouraged to speak te reo Māori. The week started with an opening with waiata and kōrero around the tikanga and use of karakia within our working environment.

Further workshops around mihimihi, building cultural capability through the importance of kupu Māori (Māori words), cross team activities. The weeklong Wiki o te reo Māori was planned for all ENZ staff.

During the 2021 Matariki celebration, staff learnt about Matariki and te ao Māori, and had an interactive Matariki workshop at the Space Place. In 2022, we continued this celebration with Matariki gift packs, which included items to poroporoaki, to look backwards over the year that had been, and to write hopes for the coming year. During Matariki, staff were able to continue building their cultural capabilities and understanding of te ao Māori.

### **Developing relationships with overseas universities and indigenous cultures**

Rautaki Māori was instrumental in facilitating cooperation agreements with different universities, and providing cultural guidance where appropriate.

Such relationships pursued many significant initiatives in the international education space, such as joint research and academic exchange. For example, the Whakatipu Scholarships for indigenous Malaysian students will support a deeper mutual understanding of our respective indigenous cultures. The scholarships, which were awarded to three students at the Faculty of Arts and Social Sciences, are part of the Education Cooperation Arrangement signed between ENZ and Universiti Malaya in 2021. As part of the scholarship, the students were able to access to reo Māori courses via the FutureLearn learning platform.

These relationships ensure we can support the refreshed New Zealand International Education Strategy and the rebuild of the sector.

## Our achievements | Ā mātou tutukinga

Our outcome: New Zealand international education activities provide enhanced social, cultural and economic benefits.

For us, 2021/22 was a year of 2 halves, divided by the February announcement on New Zealand's borders reopening and the gradual return to pre-pandemic business.

COVID-19 continued to disrupt the delivery of education to international students in New Zealand. With the border closed to nearly all students, the pandemic's impact on the sector deepened. All education sub-sectors experienced a significant decline in international student numbers from March 2020.

In the first half of 2021/22, many providers were in hibernation and considering permanent closure, and we saw New Zealand's capacity to work with international students diminish.

During that period, we maintained our focus on supporting students, supporting the sector, and exploring ways of diversifying New Zealand's delivery of education.

The second half of 2021/22 began on 3 February 2022, with the announcement that New Zealand's border would soon start reopening. This announcement

shifted our operating environment considerably. We greeted the news with optimism and enthusiasm alongside the international education sector.

The announcement was shortly followed by news of the New Zealand International Education Strategy refresh. The refreshed Strategy – among other policy changes in our area – has created a timely opportunity for us to reflect on our approach and hone our business planning for 2022/23 and beyond.

In 2022, we made a welcome transition from protecting New Zealand's education brand back to promoting it. We began considering initiatives and workstreams to rebuild New Zealand's international education sector in the short term and long term – and to come back even stronger than before.

As this financial year ended, we returned to a more familiar set of opportunities and challenges. We launched a global marketing campaign, hosted and attended a wide range of in-person events, and prepared to build and recover New Zealand's international education sector.

### Summary of our strategic 4-year plan

We began 2021/22 with a newly developed strategic 4-year plan for 2021 to 2025. This plan informed our 2021/22 business plan and the development of our new Statement of Intent for 2022-2026. However, we have reported against the impact measures from the 2019/2023 Statement of Intent on pages 29-32, as well as the performance measures for the 2021/22 year.

ENZ's strategic 4-year plan was implemented from 1 June 2021, and therefore the strategic outcomes are referenced in this Annual Report. However, it was not explicitly included in ENZ's Statement of Performance Expectations 2021/22 due to timing constraints in the publication process of that document. The link between the Statement of Intent 2019-2023 Strategic priorities and the Annual Report 2021/22 Strategic objectives is laid out on the next page.

The plan focuses on the following strategic objectives.

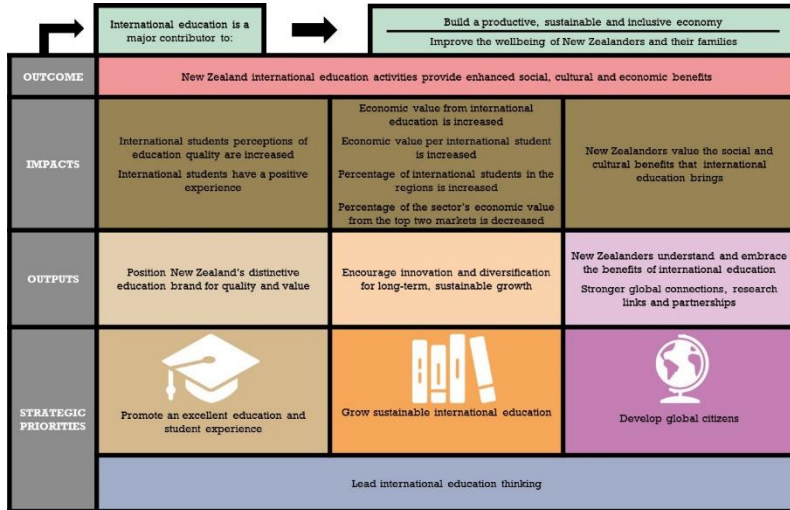
- **Tono / Invitation:** New Zealand's unique education offerings and

services are highly sought after by international learners.

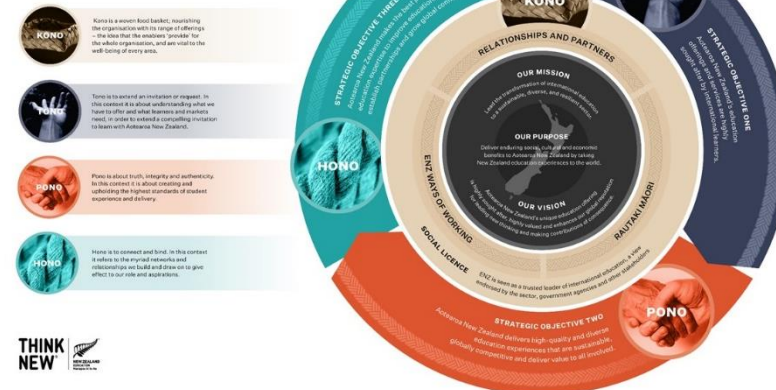
- **Pono / Integrity:** New Zealand delivers high-quality and diverse education experiences that are sustainable and globally competitive, and deliver value to all involved.
- **Hono / Global connections:** New Zealand makes the best possible use of its international education expertise to improve educational outcomes, establish partnerships and grow global connections.
- **Kono / Nourishers:** Our core capabilities nourish our organisation and support the delivery of all Strategic Objectives under the 4-year plan.

Our operations in 2021/22 were built on these pillars of Tono, Pono, Hono, and Kono, and they structure the following account of our achievements from the year.

Link between ENZ’s Statement of Intent 2019-2023 Strategic priorities and the Annual Report 2021/22 Strategic objectives



ENZ's Strategic Framework



Statement of Intent 2019-2023: Strategic priorities	Promote an excellent education and student experience	Grow sustainable international education	Develop global citizens	No specific strategic priority for 2019-2023
Annual Report 2021/22 Strategic objectives (published in full in ENZ's Statement of Performance Expectations 2022/23)	<b>Tono / Invitation</b> New Zealand's education offerings and services are highly sought after by international learners	<b>Pono / Integrity</b> New Zealand delivers high-quality and diverse education experiences that are sustainable and globally competitive, and deliver value to all involved.	<b>Hono / Global connections</b> New Zealand makes the best possible use of its international education expertise to improve educational outcomes, establish partnerships, and grow global connections	Kono / Nourishers Our core capabilities nourish our organisation and support the delivery of all Strategic Objectives under the 4-year plan.
Annual Report 2021/22 reference	Pp 14 – 18	Pp 18 – 21	Pp 22 – 24	Pp 25 – 27

## Tono / Invitation

### **New Zealand's education offerings and services are highly sought after by international learners.**

The New Zealand border re-opening gave the international education sector an opportunity to reconnect with education partners and restart pre-pandemic activities promoting student mobility.

We undertook several initiatives to protect New Zealand's reputation and promote New Zealand as an international education destination. These initiatives included campaigns, events and a new website focusing on studying with New Zealand. We were pleased to be able to return to in-person international events around the world, including facilitating Minister Hipkins' attendance at the world's largest international education conference in May 2022.

We played a key role facilitating border-exemption cohorts of international students so they could reach New Zealand. We continued to support students through the pandemic, providing a trusted source of information and guidance as the environment shifted around them.

#### **Protecting New Zealand's international education brand**

Throughout 2021/22, we continued to strategically evolve the 'Think New' brand to better represent the growing opportunities of online, blended, and offshore learning with New Zealand providers.

As travel restrictions eased, we shifted our focus from protecting to promoting New Zealand's education brand. This reflects the strong focus in Phase 1 of the refreshed New Zealand International Education Strategy towards student mobility. It also reflects our goals of

improving student perceptions of New Zealand's education quality and attracting more students to our offerings.

#### **Launching the global brand campaign: 'Take a New Look'**

Late in 2021, we delivered the first phase of our global brand campaign, 'Take a New Look'. The campaign supported a new brand positioning, from 'Study *in* New Zealand' to 'Study *with* New Zealand'. The shift aimed to better represent growing flexibility in the sector, with new opportunities for online, blended, and offshore learning.

The campaign was an important part of the Strategic Recovery Plan for International Education. It supported the Plan's aims to diversify New Zealand's education offerings and create a resilient and sustainable international education sector. Phase 2 was a video-led campaign, at the end of March, in China, Germany, India, Japan, South Korea, the United States, and Viet Nam. This campaign used direct marketing, blogs, and paid media on social media channels.

#### **Updating to a new 'Study with New Zealand' website**

Related to the 'Take a New Look' campaign, we also launched a new 'Study with New Zealand' website and course finder. This replaces the older 'Study *in* New Zealand' site, as part of the diversification framing.

The new website shows New Zealand's portfolio of study options and new ways of learning, encouraging students to begin studying towards a New Zealand education from anywhere in the world.

### Launching 'I Am New' campaign aligned to border reopening

In the build up to the border reopening, we launched 'I Am New' – a brand campaign aiming to highlight the high quality of New Zealand's international education experience. We launched the campaign at NAFSA (formerly the Association of International Educators). The campaign targeted 10 key markets across a range of social media channels.

For 'I Am New', 8 international students worked alongside Māori fashion designer Kiri Nathan, to design a new type of education garment embodying the cultural values that make New Zealand education unique:

- manaakitanga (care of people)
- kaitiakitanga (care of place), and
- the pōtiki spirit of youthful energy and finding a better way.

Narratives in the campaign focused on the students' experiences and goals.

Narratives also explored themes such as work and career readiness, sustainability, and innovation through collaboration.

### Leading the implementation of the 5,000-strong Cohort 4

Throughout the year, we supported the Ministry of Education to enable border exemption cohorts, enabling committed students to travel to New Zealand. For the first 3 cohorts, one of our staff seconded to the Ministry supported the development of advice and learning from this new challenge.

We led a joint 'Cohort Team' with the Ministry to enable Cohort 4, which was 5,000 strong; significantly larger than the previous 3 cohorts. The collaboration was very positive, combining complementary policy and operational expertise with years of positive sector relationships.

Our role included allocating places to education providers, helping to develop eligibility criteria and nomination processes, and ensuring all 5,000 places were taken. By mid-June, all nominations were approved, with students from 109 different countries nominated for Cohort 4.

### Maintaining international student support in a tumultuous time

Supporting students remained a key priority throughout the year, particularly while COVID-19 restrictions continued. We worked to ensure students had easy access to relevant information and support during a difficult time.

A central element of this work has been our Tū Ngātahi programme – a campaign to welcome and support international students, symbolised by pounamu in a Pikorua twist. The twist design, inspired by the pikopiko fern, connotes the connection of cultures and the importance of friendship.

### Keeping students informed with our NauMai NZ microsite

Our student-facing platform, NauMai NZ, was a vital source of information for students throughout the year. The microsite is a valuable avenue to provide advice, information, and links for students to stay connected and enjoy their time in New Zealand.

NauMai NZ received high engagement throughout the year, although the overall number of visitors was reduced by the wider impacts of the pandemic.

During Alert Level 4 restrictions in August and September 2021, we were updating the page and its Chinese translation with new information almost daily.

Over summer 2021/22, we repurposed the website to focus more on health and wellbeing, exploring New Zealand, and



work and skill development. This followed our successful 'Summer in NZ' campaign from the previous year.

As border changes took effect towards the end of 2021/22, NauMai NZ remained the 'go to' source of trusted information for international students. We continued to update the pages related to New Zealand's COVID-19 response regularly.

### Collaborating with students to better understand their challenges

Earlier in 2021/22, we and the Ministry of Education worked with the New Zealand International Students' Association to better understand the issues affecting students while restrictions continued.

These discussions identified financial hardship and impacts on mental health and wellbeing as challenges for international students in New Zealand during the pandemic.

We shared these concerns with sector organisations, noting the particular challenges faced by students in Auckland. We compiled a list of hardship funds administered by universities to ensure international students were aware of the financial support available to them.

### Planning and attending virtual events

Reflecting on the half-year split, we participated in virtual fairs in 2021, before returning to in-person events in 2022.

#### Virtual Fair Latin America and Virtual Fair Brazil

Early in 2021/22, we ran a virtual booth at 2 online events in Latin America: Virtual Fair Latin America and Virtual Fair Brazil. Our booth received 910 visitors across the 2 events, and we were encouraged by the high number of enquiries about studying in New Zealand in 2022.

These events help to maintain New Zealand's profile alongside our competitors, and to develop an international student pipeline for the future. This student pipeline is valuable, because students can take up to 18 months to decide where to pursue their international education experience.

We also funded all 8 New Zealand universities and Te Pūkenga – New Zealand Institute of Skills and Technology to attend a conference virtually. The conference was the European Association for International Education conference, and ran from 28 September to 1 October 2021.

#### Planning for Ki Tua, the 29<sup>th</sup> New Zealand International Education Conference

During 2021/22, we also planned for the 29<sup>th</sup> New Zealand International Education Conference, which was held virtually from 15 to 19 August 2022. The theme for the event was *Towards Recovery: Reflect, Reconnect and Renew*.

The theme was emphasised with a new te reo Māori name for the conference: Ki Tua. The new name takes inspiration from the whakataukī, 'He rā ki tua', meaning 'look positively towards the future; better times are coming'.

Ki Tua means more than returning to the status quo – instead aiming to reconnect with the world, find a fresh perspective, and take a new approach.

### Returning to in-person events

In 2022, the world gradually resumed in-person events that had been on hold during the height of the pandemic. Once again, we could promote New Zealand's education brand face-to-face at international fairs.

#### Expo 2020 Dubai

In January 2022, the New Zealand education delegation, led by our Regional

Director, Americas, Middle East, and Europe, completed a successful programme at Expo 2020 Dubai (which had been postponed).

We hosted events at the New Zealand Pavilion to promote New Zealand education, including online options. Attendees heard from New Zealand's universities and vocational training sectors, learned about government-to-government opportunities, and met with New Zealand Education Technology (EdTech) companies working in the region.

### International Conference and Exhibition for Education 2022

Our organisation and New Zealand education providers were among 250 exhibitors from 21 countries at the International Conference and Exhibition for Education 2022 in Riyadh.

The event was a great opportunity to promote New Zealand's education offering across the EdTech, English language, and tertiary sectors. We also met with the Saudi Technical and Vocational Training Corporation to discuss cooperation opportunities for Te Pūkenga.

### ICEF Australia New Zealand

We attended the 15th annual ICEF Australia New Zealand global conference in June 2022, along with a representative from Immigration New Zealand. The conference connects New Zealand providers with ICEF-approved education agents from around the world.

Agents in attendance showed a particular interest in promoting New Zealand and Australia, and were keen to reconnect.

### Minister's travel to NAFSA and Latin America

We had a lead role in organising the Minister for Education's visit to the United States and Latin America between 29 May

and 6 June. Minister Hipkins' trip included the first appearance by a New Zealand Education Minister at NAFSA, the world's largest international education conference.

The Minister's visit to Denver in the United States, São Paulo in Brazil, and Santiago in Chile was a statement that New Zealand is reconnecting with the world. The trip increased the visibility of our education offering, strengthened connections, and boosted awareness of New Zealand as a preferred destination for international students in the region.

The Minister's visit generated significant media coverage and ongoing engagement for our organisation. The international education community is well aware that New Zealand is ready to host students, and to resume offering a unique and high-quality education experience.

## **Pono / Integrity**

**New Zealand delivers high-quality and diverse education experiences that are sustainable and globally competitive, and deliver value to all involved.**

Under the banner of Pono, we accelerated work in 2021/22 to support students, support the sector, and diversify products and services.

We began the year recognising that a more diverse offering of onshore and offshore, digital and local education programmes would be key to New Zealand's recovery from COVID-19 – and essential to rebuilding a more resilient sector.

Diversification remains important as our borders reopen, and we're excited by the new directions and initiatives that this workstream has produced.

### **Diversifying New Zealand's international education offering**

Our leadership role in the Strategic Recovery Plan for International Education focused on helping the sector to diversify its products and services. This meant working with education providers to think differently about both their education offerings and their delivery, and supporting them to develop new approaches.

We led the diversification workstream throughout the year, following approval in September 2021 to draw down \$7.15 million of Covid Response and

Recovery Fund funding for the 2021/22 year.

#### **Piloting a 'rented' digital platform with FutureLearn**

During 2021/22, we completed one pilot of a 'rented' digital platform using the digital education platform FutureLearn, and started a second pilot.

12 providers, including Te Pūkenga, offered 21 courses at the launch of the first pilot. The goals of the pilot were to:

- test international appetite for online courses from New Zealand
- explore the sector's willingness to run online courses
- understand our own role in the online education space, and
- maintain international awareness of the New Zealand education brand.

More than 28,000 people from 200 countries enrolled in courses with New Zealand providers between June and October 2021. Data from the first pilot showed the audience were more likely to be qualified, mid-career learners interested in short-format online learning,

rather than our typical onshore international students.

The first pilot helped providers to identify challenges with the format, and several of them – including Te Pūkenga – extended their partnerships with FutureLearn afterwards.

In March, we held a webinar to promote a second pilot and share information with prospective participants. This attracted interest from a wider range of organisations, including non-traditional providers, such as Museum of New Zealand Te Papa Tongarewa.

The second pilot went live on 4 July 2022 with 28 providers – more than double the number in the first pilot. The goal of the second pilot is to test and learn about commercialisation opportunities for online education.

### Exploring a New Zealand 'owned' and branded online learning platform

In partnership with the New Zealand Qualifications Authority, we submitted a joint paper to the International Education Chief Executives' Group seeking approval to explore a pilot for a New Zealand 'owned' and branded online learning platform.

Following approval by the Chief Executives' Group, a specialist project manager has begun developing a high-level project plan and scoping a co-design process with the sector. The pilot will access the \$1.3 million from the Covid Response and Recovery Fund designated for a New Zealand owned online education platform for the 2022/23 year.

### Launching the International Education Product Innovation Fund

The International Education Product Innovation Fund is funded by the Covid Response and Recovery Fund as part of the Strategic Recovery Plan for

International Education. The programme encourages new and transformational approaches to international education in New Zealand.

In late 2021, we worked with a pilot group of 11 education providers to test what would become the Product Innovation Fund, exploring the strategic questions that would go into a request-for-funding process. We received 8 submissions from that pilot group, and 2 projects were approved.

Using what we learned in the pilot round, we developed an application and selection process, and opened the Product Innovation Fund up to all expressions of interest in April 2022. We focused on supporting the sector to develop diversified products and services that could be tested in pilot schemes, and worked with them to develop business cases to access the Fund. We finalised recipients by the end of the financial year and announced them in August 2022.

We received 151 expressions of interest and 58 applications for the Fund. Of these, 18 applications were shortlisted and 6 were successful, with 1 further application approved by our Board at its August meeting. These are in addition to the 3 successful applications from the pilot earlier in the financial year.

### Administering the Future Focus Programme for education providers

Industry peak bodies progressed projects funded under the Future Focus Programme during 2021/22.

Through the Programme, we provided \$1.2 million of funding to help sub-sectors develop new approaches to strategic challenges or opportunities. The funding was distributed through grants to peak bodies of up to \$200,000 per sub-sector.

The Programme focused on sustainability and resilience, to ensure that providers are in the best place to rebuild. Its projects have added significant benefit to the sector by helping providers develop new capabilities and delivering research to shape their future direction and strategy.

### Examples of research completed

Examples of research completed during 2021/22 include:

- The Schools International Education Business Association completed a School Sector Recovery Report. The report evaluated the state of the international education school sub-sector and provided a scenario planning approach for schools to be ready for border changes. Feedback from schools was very positive.
- The Publishers Association of New Zealand used market research to track priority markets and global growth opportunities for educational publishers in New Zealand. The resulting report was a valuable snapshot of the education publishing global environment, opportunities, and barriers.
- English New Zealand completed data-driven guidance on marketing research, business strategy, and product development for its members and the wider English language sub-sector. Its research identified opportunities to support rebuilding the sub-sector.

### Supporting the International Education Forum

The Minister of Education convened the International Education Forum at The Cloud in Auckland on 13 July 2021. The forum was well-attended, with

161 attendees from across the international education sector – including 120 who were able to attend in person.

Attendees noted the comprehensive discussion regarding the sector's recovery, the Minister's time and commitment to the sector, and the opportunity to ask questions and raise concerns.

We worked with the sector and within government to understand and address concerns raised at the time, which related to border-exemption cohorts, loss of capacity in the English language and school sub-sectors, and the implications of government policy changes.

### Hosting peak body forums

We continued to host international education peak body forums throughout 2021/22. The peak body forums are an effective and valuable way for government agencies to engage with the international education peak bodies. We convened 4 events in 2021/22 – 3 virtually and 1 face to face.

Attendees throughout 2021/22 included:

- Immigration New Zealand
- Ministry of Education
- Department of the Prime Minister and Cabinet
- New Zealand Customs Service
- New Zealand Qualifications Authority, and
- peak body representatives from the international education sector.

Peak body representatives were positive about our work and plans to support the sector in its return to the market following the border announcement in February. We heard from the sector about the need for assistance during this rebuild phase, given

the loss of capability and research over the last 2 years.

The forum was a constructive place for sector and government representatives to discuss the refreshed New Zealand International Education Strategy and how it will be implemented.

### **Te Pūkenga international education strategy**

Following our presentation to the Te Pūkenga Council in July 2021, Te Pūkenga formed an International Working Group to develop an international education strategy for the organisation. We supported the group during 2021/22, helping to ensure the strategy reflects Government priorities for international education.

Te Pūkenga launched its strategy at the NAFSA conference, and is taking it to international education events throughout 2022. The workstreams in Te Pūkenga's international education strategy will have 2 desired outcomes.

- They will assist in internal change from previously individual strategies to a single Te Pūkenga network.
- They will position Te Pūkenga's brand and unified approach in the global marketplace.

Te Pūkenga noted that our expertise regarding approaches and advice to offshore partnerships was especially valuable, and that working together is key to raising the profile and value of vocational education and Te Pūkenga on the world stage.

### **Hono / Global connections**

New Zealand makes the best possible use of its international education expertise to improve educational outcomes, establish partnerships, and grow global connections.

### **Attending TechWeek 2022**

TechWeek 2022 was a week-long event supporting New Zealand's technology and innovation sector. More than 20,000 people attended the week's 417 virtual and in-person events.

We worked with Amazon Web Services to host a webinar during TechWeek. The webinar focused on how New Zealand's EdTech start-up community can accelerate their export growth.

We also chaired an EdTechNZ panel exploring digital citizenship and the effects of digital technology on tamariki and rangatahi. Panel attendees agreed on the need for more focus across government and the private sector on keeping pace with change to better protect young people from new risks in the digital age.

### **Co-hosting Asia Pacific Technical Vocational Education and Training Forum**

We partnered with Te Pūkenga and Skills Consulting Group (SCG) to host the inaugural Asia Pacific Technical Vocational Education and Training Forum in November 2021, titled 'Bringing Us Together'. There were more than 950 registrations from 58 countries, noting that in China a single registration is often used on behalf of an institution with invited staff using an auditorium or similar venue.

Feedback on the online event was positive. During the forum, we facilitated the annual dialogue of the longstanding Model Vocational Education Programme between New Zealand and China, with Te Pūkenga taking a leading role.

Hono gives name to the international networks and relationships we maintain and grow for the good of New Zealand's education sector. In 2021/22, the strategic pillar of Hono guided our involvement in international events and our efforts to strengthen existing partnerships.

Hono also speaks to our goal of developing New Zealand students into global citizens, representing our nation proudly to the rest of the world. The relaunch of the Prime Minister's Scholarships for Asia and Latin America was a promising step in this direction after 2 years of deferrals.

### **Relaunching the Prime Minister's Scholarships for Asia and Latin America**

We were able to restart the Prime Minister's Scholarships for Asia and Latin America (PMSA and PMSLA) in the wake of the border announcement in 2022, which was welcome news to the sector. We administer the Scholarships, which have enabled more than 2,400 New Zealanders to travel to Asia and Latin America since 2013.

We ran 3 seminars to support organisations submitting group applications for the scholarships. We also reviewed systems and processes around the scholarships to ensure they can be strategically leveraged to achieve our global citizenship goals.

Both the PMSA and PMSLA group rounds were oversubscribed, with applications requesting \$8.7 million of \$3.75 million available. Recipients were announced on 12 July 2022 and will travel in 2022/23.

#### **Prime Minister's Scholarships for Asia**

Out of 32 applications, 21 received the PMSA. The Scholarships will support 270 recipients travelling to China, India, Indonesia, South Korea, Taiwan, Thailand, and Viet Nam. Recipients will participate in

a variety of programmes as part of their journey, including programmes focused on indigenous connections.

#### **Prime Minister's Scholarships for Latin America**

Of 10 group applications, 9 received the PMSLA, with 117 recipients travelling to Brazil, Chile, Colombia, and Mexico. Successful groups included Te Pūkenga's Summer Programme at the University of Santo Tomas in Chile, and a Massey University Performance Arts, Culture and Language exchange to Universidad de los Andes, Colombia.

#### **Fostering a strong network of Prime Minister's Scholarship alumni**

We hosted the inaugural Prime Minister's Scholarship alumni event, 'Hono Mai' (a call to connect), in November 2021. More than 100 alumni attended from across the country to network, listen, and share ideas for future alumni events.

Attendees heard from representatives of the Asia New Zealand Foundation and the Young Professionals Network of the Latin America New Zealand Business Council. Alumni in attendance appreciated having ownership of the focus and outcomes of the event, which they said was key to its success.

We reconnected with alumni early in 2022 which culminated in an alumni-led wānanga in March 2022 to identify a work plan for 2022/23. Alumni-planned activities included:

- holding a scholarship information session in the lead-up to the announcement of the Prime Minister's Scholarship 2022 individual round
- promoting the scholarship at Festival for the Future, and

- planning the follow up alumni event due to take place in November 2022.

### **Enabling joint mobility with Germany**

During 2021/22, we built on New Zealand's strong education and science connections with Germany through our partnership with the German Academic Exchange Service, DAAD (Deutscher Akademischer Austauschdienst).

In 2021, we signed an arrangement with DAAD for a Project-related Personal Exchange Programme at the New Zealand embassy in Berlin. The programme focuses on early-career researchers across a broad range of academic fields, and is open to universities and Te Pūkenga. It involves researchers travelling for various periods, depending on their research. DAAD spends more than €545 million to send researchers overseas every year.

We hosted a joint virtual academic partnership event in February 2022 to help institutions from both countries understand the programme, and to identify opportunities for joint research before the programme's call for proposals opened in April. More than 70 academics from New Zealand and Germany registered for the event.

Our arrangement with DAAD is another way we are supporting young academics to advance their international research careers. We will fund the New Zealand side of the programme in a hybrid model with New Zealand institutions, while German counterparts will be funded by DAAD. We expect this work to start in 2023.

### **Collaborating with China on early childhood education**

We worked with the China's Ministry of Education and China's Centre for International People to People Exchange to organise the second New Zealand–China Early Childhood Education (ECE) Symposium in September 2021.

The theme this year was 'Future-Focused High-Quality Development of Early Childhood Education Teachers'. A livestream of the hybrid event reached 20,000 viewers on the Chinese language broadcast.

The symposium included guests from Norway, Mexico and Turkey. A range of education providers presented virtually from New Zealand, including Toi Ohomai, University of Auckland, Open Polytechnic, Auckland University of Technology, and Te Rito Maioha Early Childhood New Zealand.

### **Celebrating Women of the Future with India**

We ran a virtual 'Women of the Future' event with Indian guests to coincide with International Women's Day on 8 March 2022. New Zealand's Minister for Diversity, Inclusion and Ethnic Communities, Priyanca Radhakrishnan, opened the summit.

The event concluded with the announcement of a Virtual Micro Internship Programme for 10 female learners from India, including participation in the New Zealand Global Competence Certificate (GCC). A GCC cohort opened exclusively to women students from both countries in June 2022.

A Virtual India Immersion Programme for 16 female students currently studying at New Zealand universities was also opened at the Women of the Future event. Each New Zealand university will nominate 2 domestic students who will



learn about Indian culture and the Indian economy and business environment.

### **Taking over operational management of the Manaaki Scholarship Programme**

In July 2022, we formalised a partnership with the Ministry of Foreign Affairs and Trade to deliver the Manaaki New Zealand Scholarship Programme (MNZSP). Development of the partnership took several months of work throughout 2021/22 to ensure a smooth transition.

The MNZSP is the Government's single largest investment in international scholarships. It supports eligible citizens from developing countries to study abroad at a New Zealand education institution or university, or at a Pacific university.

The Programme is a significant mechanism for achieving the goals of the New Zealand International Education Strategy. This is because the Program contributes to:

- delivering an excellent education and student experience
- achieving sustainable growth through developing new products
- diversifying education markets and developing global citizens.

It is also well aligned to our Four-Year Strategic Framework.

We will take over operating the programme from November 2022, while the Ministry will retain strategic direction-setting and alumni management.

Our operational role in the new partnership is expected to enhance international education relationships with developing countries, improve alumni engagement, and create a better spread of opportunities across the New Zealand tertiary sector.



### **Partnering on Festival for the Future**

We kicked off the financial year with Festival for the Future, New Zealand's largest social innovation summit. We were a silver partner for the event, working with Inspiring Stories Trust to deliver the festival to more than 1,000 in-person attendees, plus virtual attendees from around the world. We supported 10 international students in New Zealand and 5 Prime Minister's Scholarship alumni to attend the festival in Wellington.

The annual festival shows leadership and innovation, and seeks to amplify rangatahi and minority voices to demonstrate leadership in New Zealand around climate action, diversity and inclusion, sustainable development, and other issues.

## **Kono / Nourishing**

Our core capabilities nourish the organisation and support the delivery of all strategic objectives under the 4-year plan.

Kono means using our position and our insight to maximise the benefit we deliver to New Zealand.

Rebuilding and diversifying the international education sector requires support from New Zealand's communities, regions, and decision-makers. In 2021/22, we facilitated engagement and collaboration within and beyond the sector to ensure greater alignment and to support the Strategic Recovery Plan for International Education.

We continue to use our core capabilities to provide tools and resources for the sector, to help generate awareness and understanding of international education, and to support a welcoming environment for international students.

We occupy a vital position, with close connections to both government and sector organisations and representatives. We also hold links to overseas partners and have unique insight into the wider operating environment of international education.

### **Supporting the New Zealand International Education Strategy refresh**

The refresh of the New Zealand International Education Strategy, in light of the February border announcement, created an opportunity for us to provide timely and critical input on the future shape of New Zealand's international education sector.

The finalised Strategy provides a clear framework of outcomes for agencies to support the rebuild of the sector.

We worked closely with the sector and within government on the refresh, led by

the Ministry of Education. We supported 8 workshops with the sector and students to help identify their priorities and articulate how they want government agencies to deliver on the Strategy's goals. We also provided feedback on the various drafts and proposed actions (Focus Area 1 and 2) for us to implement as we support the delivery of the refreshed Strategy.

### **Facilitating coordination through the Chief Executives' group**

Throughout 2021/22, we continued our secretariat role with the International Education Chief Executives' group, convening regular meetings.

The meetings are an opportunity for chief executives in the sector to strategize around issues – such as recruitment options to support the sector rebuild – and to receive updates from government representatives on topics like immigration.

These meetings have been an invaluable forum for sharing information, both through the tumult of COVID-19, and during the transition to welcoming international students. The Group was originally established as part of the sector's COVID-19 response, but participants agree that the meetings are worth retaining – with a refreshed purpose – as our operating environment shifts towards reconnecting and rebuilding the sector.

The Group began work towards the end of 2021/22, shaping up a refresh of its purpose to be considered early in 2022/23.

## Telling local stories about international education

We worked with New Zealand's regional education providers this year to support them telling international education stories. We also facilitated inter-regional collaboration and resumed our ambassador programme to welcome students and promote the benefits of international education.

## Promoting the local benefits of international education

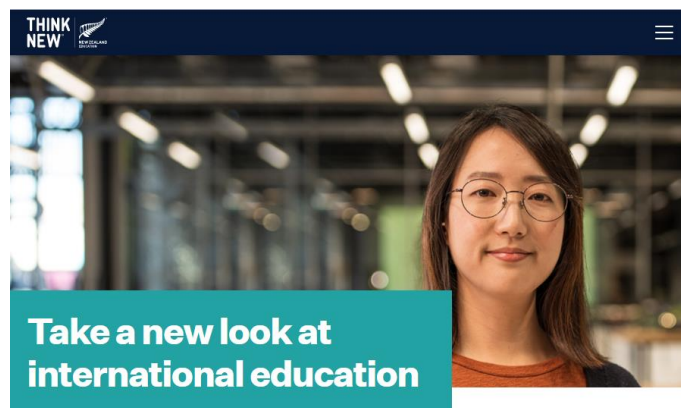
We funded 14 regions to receive professional PR support for media stories promoting the benefits of international education to New Zealanders. By the third quarter, 32 stories had been published across 13 regions.

The stories highlighted how the research and achievements of international students contribute to New Zealand, and underlined the social and cultural benefits of international students living and working in regional communities.

We also partnered with a PR agency to develop a communications toolkit for regional stakeholders. The toolkit included a narrative sharing the international education story within New Zealand. It aimed to profile and promote the benefits of international education, offering 8 different content themes for stakeholders to use in their campaigns.

### 'New Look' website

We launched a new website – [www.newlook.enz.govt.nz](http://www.newlook.enz.govt.nz) – to show international education to New Zealanders. The site highlights stories about the benefits of international education, including international student journeys.



**More than a million global learners have chosen a New Zealand education, bringing the world to us and taking New Zealand back to the world.**

International learners gain more than just qualifications. An international education experience expands horizons, creates opportunities, and builds bonds that cross oceans, cultures and generations.

## Regional Network Meeting for 2022

We convened the first virtual Regional Network Meeting for 2022 in March. The 26 attendees included representatives from Economic Development Agencies and councils from across New Zealand. Several workforce development councils were also represented, wanting to learn about regional development from an international education perspective.

These meetings are a useful way to bring the network together for key updates and to discuss common issues and options. Attendees in March valued the opportunity to share plans for welcoming back international students.

## Student Ambassador Programme

In early 2022, we recruited more than 100 student ambassadors from 6 regions (Northland, Auckland, Tauranga, Hawke's Bay, Whanganui and Wellington). The ambassadors include both domestic and international students from high schools and tertiary institutions.

The aim of the programme is for student ambassadors to welcome returning and new students to New Zealand as the borders re-open. These student ambassadors also foster a welcoming and

inclusive international student community in their regions.

### **Demonstrating progress through a Broader Impact Valuation**

Following the direction of the International Education Chief Executives' Group, we contracted EY in 2021/22 to deliver a Broader Impact Valuation of international education.

The Valuation is intended to measure the economic, social (including educational and cultural), and international impact of international education for New Zealand. We expect it to provide a whole-of-system view to support rebuilding a diverse, resilient, and sustainable international education sector.

The valuation will provide a mechanism for demonstrating progress towards our New Zealand International Education Strategy objectives using evidence-based insights. It will also inform operational decisions about how best to achieve the greatest impacts from international education.

### **Providing input into government policy and decision-making**

Throughout 2021/22, we contributed to Government decision-making related to international education. We stepped up our engagement with relevant government agencies and our input into Government policy. Providing insight from our close relationships with the international education sector has been a key priority throughout the evolving environment of Covid-19.

Early in 2021/22, we were involved in cross - agency discussion of policies that could significantly impact international students, such as the consultation on the draft policy statement, High Value for International Education, and Ready-to-Go planning for the sector.

Our key contributions to government decision-making in 2021/22 included a submission to the Productivity Commission on its inquiry, 'Immigration – Fit for the future', and input into the refresh of the New Zealand International Education Strategy.

Some of the government projects and consultations that we contributed to during 2021/22 included:

- a proposal to consult on work rights for non-degree study and select system-wide settings for international students
- international fee-paying student enrolments under Year 9
- the 2022 Immigration Fee and Levy Review
- the Reconnecting New Zealanders to the World strategy
- the refreshed New Zealand International Education Strategy 2022-2030
- The high value international education policy statement
- the Prime Minister's visit to Singapore and Japan.

## Impact measures

Overall, our impact measures show mixed results for 2021/22. This is largely due to the impacts of COVID-19 on the delivery of our agreed strategic initiatives and the way it

influenced the activities we delivered during this financial year.

Measure	Baseline	Target	Result
International student perceptions of education quality.	<b>2018:</b> 8.0 out of 10 <b>2019:</b> 7.8 out of 10 <b>2020:</b> 7.7 out of 10	<b>2021:</b> 8.2 out of 10	<b>2021:</b> 7.7 out of 10 <sup>2</sup>

**Commentary:** The 2021 target was not achieved. The result was also a reduction against the base year of 2018. Given only a small number of students have been able to study in New Zealand during the past 2 years due to the borders being closed, maintaining perceptions of New Zealand's education quality during this period shows the resilience of New Zealand's education brand.

Measure	Baseline	Target	Result
The percentage of international students who were satisfied or very satisfied with their overall experience. <sup>3</sup>	<b>2019:</b> 88% <b>2020:</b> 85% <sup>4</sup>	<b>2021:</b> Increase	<b>2021:</b> Not comparable with previous years.

**Commentary:** Given the small number of international students in New Zealand, a different methodology was used for this year's survey (refer footnote 3). The sector profile of respondents was very different from previous years. Given this, the results are not comparable to the 2020/21 year.

Key results for 2021:

<sup>2</sup> Kantar: Understanding the New Zealand education brand in key markets (July 2022). The sample size was 4,000 16-25-year-olds who are interested in studying overseas. Additionally, in some markets, parents aged 30 years old and above were asked their opinions. The margin of error was 4%. Survey recipients were asked a series of questions that led to being asked to rate New Zealand overall. Responses to this question were used as a proxy for education quality, given the broad range of factors that will influence opinions on education quality.

<sup>3</sup> This measure is also reporting on the end of year performance information set out in the Vote Tertiary Education Estimates 2021/22. The measure for the Vote Tertiary Education Estimates 2021/22 captures 'very satisfied', which ENZ has calculated as 9 or 10, however the measure in ENZ's Statement of Intent 2019-2023 stated 'satisfied' or 'very satisfied', which is calculated as per the commentary for this measure above. Of the students who completed the survey, 24% of university students who were currently studying at the time the survey was conducted were very satisfied with their overall experience, and 40% of Te Pūkenga students who were currently studying at the time the survey was conducted were very satisfied with their overall experience. The survey was an online survey of international students rather than a full and sector-wide survey, given the significant drop in student numbers and the fact that many of the students in New Zealand at the time had also been in New Zealand for the previous survey. ENZ developed a short questionnaire, made up of a subset of key questions from the 2021 ISES questionnaire. ENZ's NauMai NZ database was used as the means of contacting potential respondents. It surveyed those currently studying and those that had finished their studies in the past six months. The final sample comprised 475 responses, and the reported results are based on a subset of those responses.

<sup>4</sup> Nielsen IQ: International Student Experience Survey 2020.

Measure	Baseline	Target	Result
<ul style="list-style-type: none"> <li>85% of onshore Te Pūkenga students who are currently studying rated their overall experience in New Zealand so far as positive, giving a rating of 6, 7, 8, 9, or 10. In 2020 this number was 80%, and in 2019 it was 85%. The change over 2021/22 is not significant.</li> <li>75% of onshore international university students who are currently studying rated their overall experience in New Zealand so far as positive, giving a rating of 6, 7, 8, 9, or 10. In 2020 this number was 89%, and in 2019 it was 89%. This year's percentage is a significant decrease. University students were most positive about education quality and people experiences. Issues related to visas and the cost of living were commonly noted by university students who were less positive about their New Zealand experience.</li> </ul>			
The economic value <sup>5</sup> from New Zealand's international education sector. <sup>6</sup>	<b>2008:</b> \$2.51b <sup>7</sup> Trend <b>2012:</b> \$2.60b <sup>8</sup> <b>2014:</b> \$2.85b <sup>9</sup> <b>2016:</b> \$4.29b <sup>10</sup> <b>2017:</b> \$5.09b <sup>11</sup> <b>2018:</b> \$4.94b <sup>12</sup> <b>2019:</b> \$5.23b <sup>13</sup>	<b>2021:</b> Increase	<b>2021:</b> \$790m

<sup>5</sup> Before 2021, we commissioned a full economic value analysis of the international education sector biennially. In alternate years, we reported an estimated industry value based on the most recent valuation and the latest full-year student enrolment figures.

<sup>6</sup> This measure is also reporting on the end-of-year performance information set out in the Vote Tertiary Education Estimates 2021/22. The target in the Vote Tertiary Education Estimates 2021/22 was \$1,200 million, against a measure of 'the economic contribution from New Zealand's international education sector'. The use of the word 'contribution' more accurately captures the flow-on effects from economic benefits, such as job creation and downstream spending. The equivalent measure was updated in ENZ's Statement of Intent 2022-2026 to use the words 'economic contribution' instead of 'economic value'.

<sup>7</sup> Infometrics, NRB and Skinnerstrategic: The Economic Impact of Export Education, 2008.

<sup>8</sup> Infometrics: The Economic Impact of the International Education Industry 2012/13.

<sup>9</sup> Infometrics: The Economic Impact of International Education 2014.

<sup>10</sup> Infometrics: The Economic Impact of International Education in New Zealand 2015/16 and Infometrics/Covec: Development and Implementation of a new Valuation Methodology for New Zealand's Education Services Exports.

<sup>11</sup> M.E. Consulting: Economic Valuation of International Education in New Zealand 2018 and PricewaterhouseCoopers: The value of New Zealand's education exports 2018.

<sup>12</sup> The value we estimated of the international education sector. The estimated value is calculated based on the most recent valuation and the number of international students in New Zealand in 2018.

<sup>13</sup> We use methodology based on the Economic Valuation of International Education in the New Zealand 2018 report and the Value of New Zealand's Education Exports 2018 report. We use international students' tuition fees for 2019 and the Consumers Price Index changes in the price of goods and services from December 2017 to December 2019

Measure	Baseline	Target	Result
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**2020:** \$3.03b

**Commentary:** In 2020/21, ENZ commissioned a Broader Impact Valuation for the international education sector which has projected \$790m as the contribution of international education to GDP for 2021/22. We have utilised methodology known as CGE, which replaces the previous input/output methodology, on the basis of advice from MBIE and MoE and developed by Strategas Consulting. This means the previous valuations are not comparable and have been removed. Those previous valuations are available in previous Annual Reports.

The economic value per international student. <sup>14</sup>	<b>2012:</b> \$25,370	<b>2021:</b> Increase	<b>2021:</b> Not measured (see commentary)
	<b>2014:</b> \$25,540		
	<b>2016:</b> \$32,100		
	<b>2017:</b> \$39,290		
	<b>2018:</b> \$39,000		
	<b>2019:</b> \$44,951		
	<b>2020:</b> \$37,889		

**Commentary:** In 2020/21, ENZ commissioned a Broader Impact Valuation for the international education sector which has projected \$790m as the contribution of international education to GDP for 2021/22. We have utilised methodology known as CGE, which replaces the previous input/output methodology, on the basis of advice from MBIE and MoE and developed by Strategas Consulting. This methodology did not provide a value per student, and therefore has not been calculated or reported.

The percentage of international students enrolled to study outside Auckland. <sup>15</sup>	<b>2018:</b> 44%	<b>2021:</b> Increase	2021: 50.3%
	<b>2019:</b> 45%		
	<b>2020:</b> 50%		

**Commentary:** The target was achieved.

The percentage of the international education sector's economic value	<b>2018:</b> 51.6% <sup>17</sup> of the onshore economic	<b>2021:</b> Decrease	2021: Not measured (see commentary)
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for New Zealand households to estimate the economic value of international students in New Zealand. This was then added to the 2018 value of NZ's education exports.

<sup>14</sup>Calculated by dividing the total economic value of international students studying in New Zealand by the number of international students studying in New Zealand.

<sup>15</sup>This measure is also reporting on the end-of-year performance information set out in the Vote Tertiary Education Estimates 2021/22. The target in the Vote Tertiary Education Estimates 2021/22 was to at least maintain the percentage from the previous year.

<sup>17</sup>This result was identified as 40% in our Statement of Intent 2019–2023 which was the proportion of the number of international students coming from the top 2 markets, rather than the economic value.

Measure	Baseline	Target	Result
coming from New Zealand's top two markets. <sup>16</sup>	value to New Zealand <b>2019:</b> 50.4% of the onshore economic value to New Zealand <b>2020:</b> 53%		

**Commentary:** In 2020/21, ENZ commissioned a Broader Impact Valuation for the international education sector which has projected \$790m as the contribution of international education to GDP for 2021/22. We have utilised methodology known as CGE, which replaces the previous input/output methodology, on the basis of advice from MBIE and MoE and developed by Strategas Consulting. This methodology did not provide a value per market, and therefore this measure has not been calculated or reported.

Awareness of the contribution of international education to New Zealand.	<b>2018/19:</b> 58% <sup>18</sup> <b>2019/20:</b> Not measured <sup>19</sup> <b>2020/21:</b> The survey was redeveloped	<b>2021/22:</b> Increase	<b>2021/22:</b> 73% <sup>20</sup>
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**Commentary:** This result is a new baseline measure and not comparable to previous results.

<sup>16</sup>The top 2 markets were China and India.

<sup>18</sup>Kantar: Understanding New Zealanders' perceptions of international Education, 2019. The survey results are reported on a scale of 1–4 (does not contribute), 5–6, 7–8 and 9–10 (contributes strongly). The reported result is based on the percentage of respondents who provides survey ratings of 7–10 on this scale.

<sup>19</sup>Due to the significant impact of Covid-19, we did not survey New Zealanders about their perceptions.

<sup>20</sup>We ran an online survey of a representative sample (by age, gender and region) of adult New Zealanders in June 2022. We received 1,034 responses. The result is based on those that responded agree or strongly agree to the question 'Overall, to what extent do you agree or disagree that international education/international students benefit New Zealand?'



## Organisational development | Whanaketanga taha whakahaere

Our activities for organisational development and building capability in 2021/22 had been designed to help us achieve our outcomes and support the implementation of the New Zealand International Education Strategy. As the COVID-19 pandemic continued, our organisational capability shifted to have a stronger focus on staff wellbeing and ensuring that our people could adjust some of their work to reflect the changing needs of the sector. This shift in focus included the third of our staff who are based outside New Zealand.

We used the ongoing challenges we faced to promote fresh learning and development opportunities for our staff, many of whom willingly took on new cross-agency project work. These changes enhanced collaboration between teams and recognition of the diverse cultures and working styles across our organisation.

### Reviewing our organisation and culture – Fit For Purpose

Staff feedback and an independent cultural review in 2021/22 indicated change was needed to ensure we could better fulfil our objectives as an organisation.

We evaluated our organisation and culture in a review called Fit for Purpose. The purpose of this review was to help us to better respond to changes in the world from the COVID-19 pandemic, and to improve our evolving contribution to:

- the sector
- fellow government agencies
- our partners, including Māori, and
- our global connections.

We continued providing regular updates for staff about the COVID-19 pandemic and the range of protective measures globally. We supplied practical tools to enable everyone to continue working safely and remotely. We also offered ongoing support through the Employee Assistance Programme and resilience-enhancing training. All these provisions were well received.

We focused on supporting our staff, while continuing to improve our organisational capability and maintaining our investments into people, processes and systems.

### The changes we made

We started making the following changes after the review.

- Reviewing the structure of our organisation
- Reviewing roles, particularly at Tier 2 and Tier 3, to provide greater clarity and accountability
- Reviewing delegations and responsibilities to provide more timely and effective decision-making
- Creating more learning and development resources and opportunities for staff

- Developing and improving our Performance Management Framework
- Reinforcing the values and culture of our organisation (Ngā Manapou)

Our progress so far has resulted in greater engagement with the sector, with 2 dedicated groups (Sector Services and Sector Engagement) leading this work.

A dedicated operations team has been recruited, to ensure that all our activities are robustly focused on performance and impact.

### Building our capability

We value internal progression and have seen a high number of roles being filled internally by our existing employees over 2021/22.

We continued encouraging staff to use online learning to develop technical skills so they can effectively perform their roles.

Leadership development also continued this year, with several new members of the Senior Leadership Team joining in 2021/22.

### Implementing Rautaki Māori

Rautaki Māori is a key strategy of our organisational development. The 3 Ngā Whaingā of the strategy are woven into our purpose, organisational culture and corporate brand.

Our Letter of Expectations from Minister Hipkins specifies a range of outcomes to honour and give practical effect to the Crown's Te Tiriti o Waitangi responsibilities. Te Tiriti considerations are a key part of all our work, with a strong focus on reflecting Māori–Crown partnerships and meeting the needs of Māori learners.

#### We reviewed our approach

As a part of building our cultural competence and capability, we reviewed our Rautaki Māori approach and capability across the

All our work has been aligned more strategically to our vision and purpose, and with the New Zealand International Education Strategy, with role accountabilities cascading across the organisation.

We have also combined our marketing and communications functions, recognising the need for clear, consistent messaging.

organisation. We identified where we need to improve our own cultural or business capabilities. We will continue strengthening leadership and revitalising our cultural capability and practice across staff. Fulfilling these objectives will help us meet our public sector objectives for strengthening the Māori–Crown relationship.

We are incorporating Rautaki Māori into our business planning to:

- deliver the outcomes of the New Zealand International Education Strategy, and
- develop the organisation-wide Te Tiriti o Waitangi Framework and partnership model, aligned with Te Arawhiti principles.

#### Our focus areas for 2021/22

The focus areas for Rautaki Māori 2021/22 were a continuation of the previous year:

- supporting the Crown to fulfil its responsibilities under Te Tiriti o Waitangi
- supporting the goals of the New Zealand International Education Strategy

- building on existing strategic and sustainable cross-government partnerships
- building our visibility and capability in international markets through indigenous partnerships
- integrating Rautaki Māori Manapou and principles across our organisation
- establishing a baseline proficiency of te reo me ōna tikanga Māori across our organisation
- providing easily accessible tools for our staff to enhance their knowledge.

### How we aim to engage Māori and iwi

To enable system-wide implementation, our Manukura – Chief Advisor, Māori – is working closely on integrating how we can engage Māori and iwi across education services within our diversification work programme. We expect this work to deliver a reflection of te ao Māori in education delivery and student experience, and benefits to Māori learners through international education. This work reflects widely accepted conventions and practices of co-design that Māori co-design practitioners have adapted and evolved to create an approach that is tikanga led.

To create this new approach, we need to shift our organisational culture and practice by building staff cultural capability and their co-design practice through internal professional development. We will ensure this approach is incorporated into the next planning and funding cycles to ensure new projects, roles and resources are embedded into the organisation and resourced appropriately.

### We encouraged wider use of te reo Māori

We encourage the use of te reo me ōna tikanga and have developed resources and activities to support staff to improve their te reo Māori skills.

### We launched our refreshed values and a staff awards program



We also launched our refreshed values, 'Ngā Manapou'. These values incorporated insights from Māori and Pakeha worlds, and were made with the input we received from our staff across the 15 countries in our global network.

In 2021/22, we progressed our Ngā Manapou awards programme, where staff nominate peers who they see as exemplars and champions of Ngā Manapou. 1 or 2 Manapou are selected twice a year and are presented with a Manapou Pounamu taonga that has been designed and commissioned through Ngāi Tahu.

Of the 4 Manapou selected to date, 1 is Vietnamese, 1 is Turkish, 1 is Māori, and 1 is Chinese. Each was considered by their peers to champion and epitomise our values.

### Our operational response to COVID-19

At the end of 2021, we introduced a COVID-19 Vaccination Policy, requiring all staff to be vaccinated. Staff were supportive of this position, and all recruitment since then has conformed to this requirement. This Policy will be reviewed in consultation with staff in September 2022. Other mitigation initiatives such as (branded and generic) mask provision, social distancing, and hygiene measures continue to protect our people against COVID-19.

### Our staff continue to have flexible work practices

Our staff continue to use existing flexible work practices. Many staff choose to work in a hybrid pattern, with working days spread between home and the office.

We have taken the view that people work most productively when they have some control over their working patterns. To this end, flexible working arrangements are agreed between each person and their manager. These agreements aim to ensure that each staff member has work/life balance in a way that suits our organisation, our teams, and the staff members themselves.

We finalised a Flexible Working and Flexible Leave Policy in late 2022.

### The 'ENZ way'

We continue to develop and improve our project management practices, known as the 'Education New Zealand Way' or the 'ENZ Way'. The ENZ Way guides staff and their managers to get projects approved and delivered, accommodating the nuances of our projects and evolving with our changing needs.

This framework is based on best practice within the public service and involves 4 stages.

1. Think
2. Plan
3. Do
4. Review

Each stage is further divided into 3 steps to help our staff scope, resource, implement and report on projects. The ENZ Way is closely linked to our commitment to being a learning organisation. Also, it will help improve our project management capability across the organisation.

Project management capability is one of several focus areas identified for building our capability. The ENZ Way is being embedded

into our ways of working, and we will continue to ensure staff are familiar with our in-house methodology.



### Infrastructure and data security

We have operated in a cloud-based environment since 2020, and we have used relevant and appropriate security features to protect our data and functionality. These security features are regularly reviewed.

Staff receive regular training and security updates to ensure that they remember to maintain cyber-security. The ICT Acceptable Use Policy is also regularly reviewed to ensure it is fit for purpose.

We use third-party providers that work to the ISO27001 standard for information security. This ISO standard is also the New Zealand Government standard for data security.

During 2021/22, we did not experience any major cyber-security incidents. However, we monitored several public incidents that took place and worked with providers to ensure that appropriate mitigation measures were in place.

We also take part in the wider Education Sector Data and Digital assessment and monitoring programme.

## Business improvement and the New Zealand Business Number

We continue to record the New Zealand Business Number (NZBN) identifiers for suppliers in our finance system.

We are also working toward implementing eInvoicing with our registered suppliers to make doing business smoother, faster and safer.

## Monitoring organisational capability

Measure	Baseline	Target 2019–2023	Result 2021/22
Employee engagement	New baseline in 2018/19: 66% favourable, 24% neutral, and 10% unfavourable.	Increase	No full engagement survey was undertaken in 2021/22. <sup>21</sup>

## Our people | Ā mātou tāngata

Our diverse workforce is one of our key strengths. Our equal employment opportunities approach ensures we nurture and harness the talents of all our people.

### Being a good employer matters

Our status as a good employer is assessed against the 7 ‘good employer’ elements set out by the Human Rights Commission. We implement these elements through our People Strategy. We continue to evolve our People Strategy to ensure it is appropriate for our needs and business model. The key elements of the current People Strategy are:

- planning and resourcing
- engaging with employees and improving performance
- developing our people
- recognising and rewarding our people.

### Leadership, accountability and culture

Our values and Ngā Manapou (principles) are: Manaakitanga, Kaitiakitanga, and ‘Be Bold and Be One’. These are all built on a foundation of Aroha. We integrate these values into our recruitment processes, performance framework, wellbeing initiatives, culture and daily interactions.

A key area of focus for our staff engagement initiatives has been to ensure greater communication and collaboration between staff. We have launched several initiatives following the Fit for Purpose review. Some of these initiatives included:

<sup>21</sup>Staff had provided comprehensive feedback during the independent review of our culture (September 2021). This review contributed to a proposal for organisational change – *Fit for Purpose* – on which staff also gave feedback.

- a dedicated resource for internal communications
- more timely communications from the Chief Executive following Board Meetings and matters of interest, and
- greater clarity of accountabilities and roles.

### **Recruitment, selection and induction**

The People, Culture and Capability team uses its strong working relationships with external organisations and online media to assist with staff recruitment and selection. Equal employment opportunity principles are applied throughout the selection process and have resulted in the rich ethnic diversity of staff as shown in our staff profile. A robust induction programme also forms an integral part of training new staff worldwide. Our approach to recruitment and remuneration has been documented and shared with staff for greater clarity and transparency.

### **Employee development, promotion and exit**

Professional learning and development form part of staff annual performance agreements. This professional learning and development is regularly reviewed and updated throughout the year, both by direct managers and at Senior Leadership Team level.

Exit interviews are offered to departing staff. We intend for these interviews to continually improve the workplace environment and experience for staff. In 2021/22, the interviews did not indicate any trends causing concern about our culture.

### **Remuneration, recognition and conditions**

All staff are employed on individual employment agreements. The standard terms and conditions are regularly reviewed to ensure they are legally compliant. While we do not have collective employment arrangements, one staff member belongs to the Public Service Association.

Permanent employees and fixed-term staff on long-term agreements participate in regular performance conversations with managers. Integral to this process are self-assessments and performance planning, and identifying development and learning opportunities.

We review remuneration each year and consider market conditions, performance, affordability, and the guidance from Te Kawa Mataaho Public Service Commission. For 2021/22, our approach to reviewing remuneration was guided by fair pay principles, recognising many of our staff had not received a pay increase for at least 2 years.

### **Harassment and bullying prevention**

We are committed to providing a work environment that is free from any form of workplace harassment, including bullying. Our workplace harassment prevention policy provides expectations of behaviour, and clear guidelines and processes to assist managers and staff in the resolution of any workplace harassment when complaints are raised.

### **Safe and healthy environment**

A safe and healthy working environment is integral to our positive workplace culture. Staff again rated the organisation very highly in the staff engagement survey for initiatives in this area.

All staff worldwide have 24/7 access to Employee Assistance Programme services. Our focus on flexible work hours and locations has assisted with managing stress, especially during the COVID-19 crisis.

The use of sick leave and annual leave is monitored monthly. Managers, assisted by the People, Culture and Capability team, work with staff who are advised to put leave plans in place.

Our Board takes a very active interest in staff wellbeing and receives regular updates.

### Being a workplace with equal employment opportunities

We actively seek to be a good employer through our values, our policies on recruitment, retention and development, and our engagement with staff. We actively support staff in their professional development, and will continue to focus on

talent management, succession planning, and retention.

Gender diversity is a feature of all our selection panels and broad ethnic representation is common.

### Reviewing our programmes and policies

Our employment policies are reviewed regularly to ensure compliance with legislation and to maintain their relevance.

Throughout the year, we remind staff about certain policies, such as the Protected Disclosures (also known as ‘Whistleblower’) Policy and Privacy Policy. The reminders ensure these policies remain visible.

We also retain an ongoing focus on the Leave Policy. This includes ensuring staff are aware of parental leave, the availability of domestic violence leave, sick leave, and so on.

The policies that we refreshed and created in 2021/22 included:

- the Safety and Wellbeing Policy, and
- the COVID-19 Vaccination Policy.



### Panel pledge

Our gender balance on panels highlights our commitment to diversity by actively encouraging all voices.

### Strengthening cultural competence and addressing bias

Cultural competence means recognising our own worldview and understanding and valuing cultural and social norms reflected in our diverse public service. Culture can broadly include but is not limited to ethnicity, nationality, age, gender, sexual orientation, disability, religious or faith affiliation, and more.

Our values reflect our aspirations to fulfil our responsibilities for building our Māori–Crown relations based on the Te Arawhiti Māori–Crown Relations Capability Framework.

Based on expectations from our Minister, we have refreshed our Rautaki Māori approach across our organisation. We have also hired 2 additional staff to enhance our efforts in this area.

Our Wellington-based staff are supported and funded to attend a workplace introductory Māori course at Victoria University. In this course, they learn basic te reo Māori skills with a focus on office communication, and they gain an understanding of Māori cultural concepts and protocols as they relate to the workplace.

We have also implemented multiple 8-week te reo Māori courses for staff based in New Zealand. And, we have implemented 'Te Rito', a bicultural training resource specifically designed for the public sector, as outlined earlier in this report.

Our multicultural staff, based across the globe, demonstrate our commitment to promoting workforce diversity.

Training for staff in the area of unconscious bias was developed in-house and delivered across the organisation in 2021/22.

### Employee-led Networks

Our employee-led networks have the flexibility and space to connect with others, such as our employee-led, organisation-wide meditation sessions.

The refresh of our values, Ngā Manapou, was led by staff. Staff also initiated an internal waiata group. This group also connects with the wider Ko Tāu Rourou cross-agency waiata group.

### Building inclusive leadership and relationships

We continue to use the Team Management Index to identify the working preferences of staff and to enhance how our staff and teams work together.

We regularly run group sessions with managers and their teams to enhance the quality of relationships throughout the organisation.

### Staff engagement survey

We also conduct annual staff engagement surveys to gauge the strength of our workplace culture, inform the organisational development work plan, and identify further initiatives towards making our organisation a positive place to work.

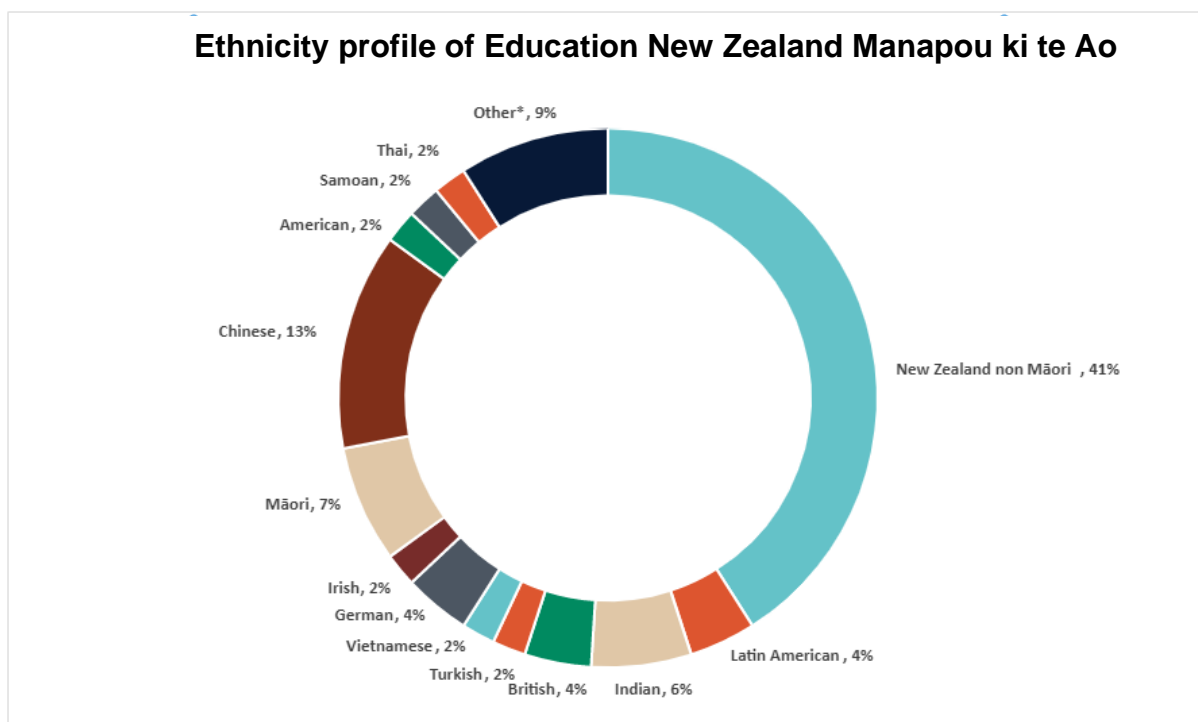
In 2022, we ran a staff engagement pulse survey which achieved a 94% response rate. This was in lieu of a full engagement survey, because we had already received considerable feedback from staff regarding the Fit For Purpose proposal earlier in the year (refer pages 32-33). Results included a strong recognition of our efforts to ensure staff safety and wellbeing and to provide flexible work approaches.



**Our workforce profile at 30 June 2022**

**89.6** Full-time equivalent staff

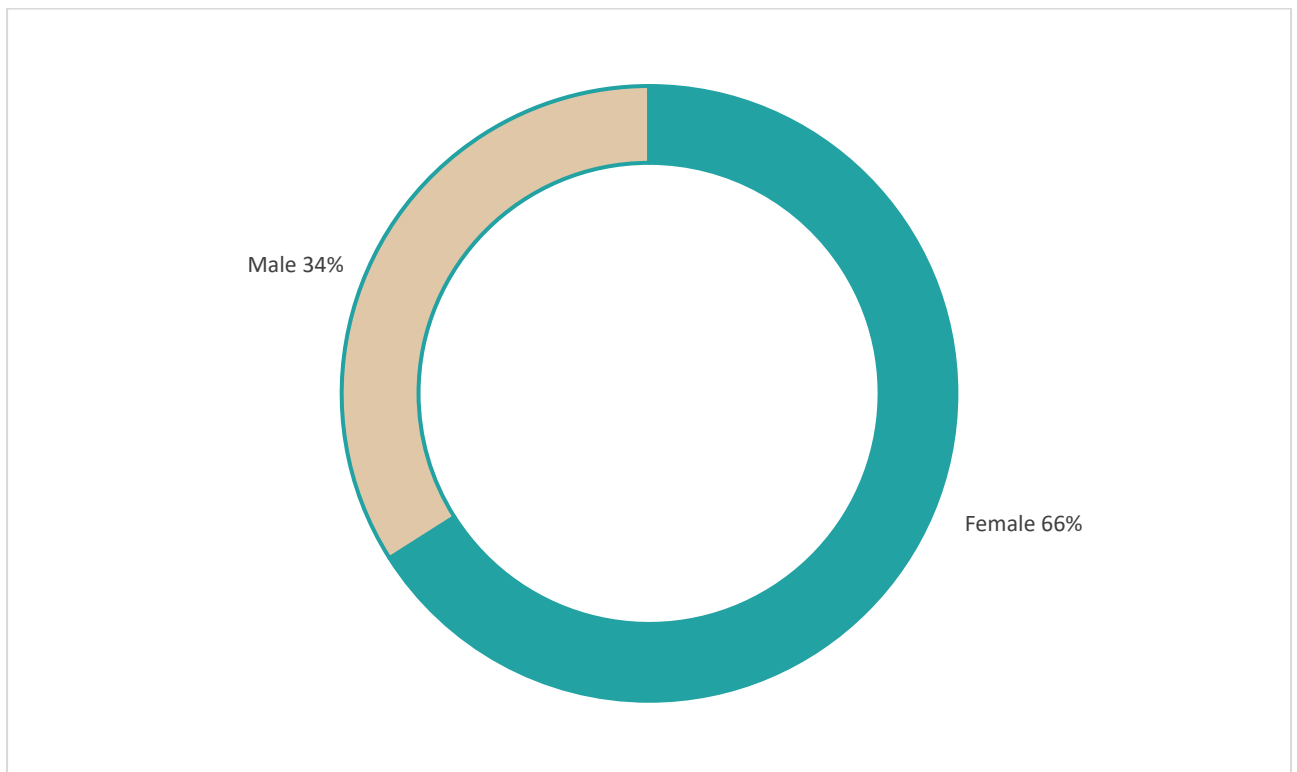
**Our ethnicity profile**



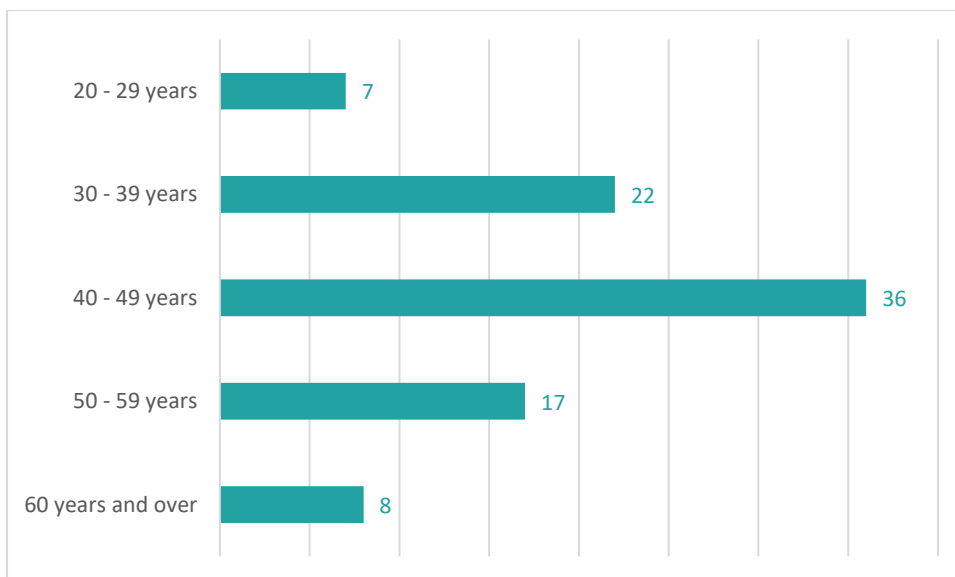
**Disability profile**

No one among our current staff has reported a disability. We invite staff to disclose any disabilities once they have been accepted for employment, so we can make any necessary adjustments to the work environment. Our offices are accessible to people with disabilities.

### Our gender profile



### Our age profile



## Statement of Responsibility

## Tauākī Kawenga

We are responsible for the preparation of Education New Zealand's financial statements and statement of performance, and for the judgements made in them.

We are responsible for any end-of-year performance information provided by Education New Zealand under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Education New Zealand for the year ended 30 June 2022.

Signed on behalf of the Board:



**Steve Maharey** | Board Chair  
21 March 2023



**Lyn Provost** | Deputy Chair  
21 March 2023

# Statement of Performance | Tauākī Whakatutukinga

**This Statement of Performance reports on the performance measures in our Statement of Performance Expectations 2021/22. It covers the period from 1 July 2021.**



**Total appropriations**

\$000	2021/22 Actual	2021/22 SPE <sup>22</sup>
Revenue – Crown	41,414	41,264
Revenue – Other	303	68
<b>Total Revenue</b>	<b>41,717</b>	<b>41,332</b>
<b>Expenditure</b>	<b>41,619</b>	<b>41,332</b>
<b>Surplus</b>	<b>98</b>	<b>-</b>

**International education programmes**

\$000	2021/22 Actual	2021/22 SPE
Revenue – Crown	37,664	37,514
Revenue – Other	303	68
<b>Total Revenue</b>	<b>37,967</b>	<b>37,582</b>
<b>Expenditure</b>	<b>37,866</b>	<b>37,582</b>
<b>Surplus/Deficit</b>	<b>101</b>	<b>-</b>

**Tertiary Scholarships and Awards**

\$000	2021/22 Actual	2021/22 SPE
Revenue – Crown	3,750	3,750
<b>Total Revenue</b>	<b>3,750</b>	<b>3,750</b>
<b>Expenditure</b>	<b>3,753</b>	<b>3,750</b>
<b>Surplus/Deficit</b>	<b>(3)</b>	<b>-</b>

**Appropriation funding**

\$000	2021/22 Actual	2021/22 Final Budget
<b>Vote Tertiary Education</b>		
<b>Non-departmental output expense</b>		
International education programmes	37,664	37,514
<b>Benefits and related expenses</b>		
Tertiary Scholarships and Awards	3,750	3,750
<b>Total baseline</b>	<b>41,414</b>	<b>41,264</b>

<sup>22</sup> 'SPE' stands for our Statement of Performance Expectations 2020/21.

See note 21 in Part 4, Financial Statements: 'Explanation of major variances against budget' for an explanation of the difference between 2021/22 Actual 'Revenue – Crown' versus 2021/22 SPE 'Revenue – Crown'.

### **Our international education programmes**

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 delivering an excellent student experience, achieving sustainable growth and developing global citizens.

### **What is intended to be achieved with this appropriation?**

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

Performance measure	Actual 2020/21	Target 2021/22	Actual 2021/22	Status 2021/22
Supporting the rebuild of the international education sector by leading the implementation of the government's Strategic Recovery Plan's 'Transforming to a more sustainable future state' workstream, with:				
An increase in onshore international student numbers. <sup>23</sup>	2020: 71,646	Achieved	2021: 40,386 <sup>24</sup>	Not achieved
Increased ENZ engagement and collaboration with providers and businesses to support a diversified international education sector. <sup>25</sup>		Establish baseline	76.15% <sup>26</sup>	Establish baseline
Facilitate engagement and collaboration via the Chief Executive's Group to ensure greater alignment across government agencies		Achieved	4 annual engagements	Achieved

<sup>23</sup>This is a new measure, intended to measure the 'early return of students' activity set out in the Recovery Plan. This activity focuses on the return of students, when it is safe to do so, as an important part of the sector's recovery. We have used the 2020 international student enrolment number as a baseline. Onshore international students are non-residents of New Zealand and have expressly entered New Zealand with the intention of study. These students include international PhD students, exchange students, students of the New Zealand Aid Programme, foreign research post-graduate students, and full fee-paying international students who have entered New Zealand. ENZ is provided with annual enrolment data which is collated by the Ministry of Education.

<sup>24</sup>This was not achieved because the New Zealand borders were closed, limiting numbers of new international students. In addition, some international students already in New Zealand left when either their visa expired or for other reasons and were unable to return to New Zealand because of the closed borders.

<sup>25</sup>This is a new measure, intended to reflect ENZ's role in leading the 'Transforming to a more sustainable future state' workstream as set out in the Recovery Plan. We work with the sector to support a diversified international education sector. This measure reflects the longer term, multi-year nature of the sector's recovery from the COVID-19 pandemic.

<sup>26</sup>ENZ surveyed the New Zealand international education sector to establish the baseline for improved engagement and collaboration. Weighted average scores for 4 questions were calculated and added together to provide the baseline measure. The scores for questions were: strongly disagree =1; disagree =2; neutral =3; agree =4; strongly agree =5). The 4 questions used were:

- I am satisfied with the quality of engagement ENZ provides my organisation.
- I am satisfied with the frequency of engagement my organisation has with ENZ.
- Collaboration with ENZ adds value to my organisation.
- ENZ provides support to diversify the international education sector.

Performance measure	Actual 2020/21	Target 2021/22	Actual 2021/22	Status 2021/22
to support the implementation of the Recovery Plan <sup>27</sup>				
Improved confidence and resilience within the international education sector.		New measure	Not measured <sup>28</sup>	
Number of students studying towards a New Zealand qualification through ENZ's offshore study partners or partner qualifications. <sup>29</sup>		Benchmark year	Not measured	
Percentage of facilitated customers <sup>30</sup> that agree ENZ's services and support have added value to their organisation.	75%	≥ 75%	82%	√
Percentage of users satisfied with the information and intelligence provided by ENZ. <sup>31</sup>	74%	≥ 87% of users rate it as good or higher	83% <sup>32</sup>	Not achieved

<sup>27</sup>This is a new measure for 2021/22 and is intended to reflect ENZ's role in supporting the implementation of the Recovery Plan and the expected impacts of the Recovery Plan. ENZ's work with managing the International Education Chief Executives' Group will contribute to the rebuild and reset of the New Zealand education sector over the long term. This measure reflects the longer term, multi-year nature of the sector's recovery from the COVID-19 pandemic. The description of this measure in ENZ's Statement of Performance Expectations differs from the description in the 2021/22 Vote Tertiary Appropriations. This change was the result of a decision by ENZ's Board to better reflect ENZ's role in supporting the Chief Executive's Group.

<sup>28</sup> This measure was included in ENZ's measures for the Estimates of Appropriations for 2021/22, however it was reworded as 'Increased ENZ engagement and collaboration with providers and businesses to support a diversified international education sector' in ENZ's Statement of Performance Expectations for 2021/22 in line with a decision by ENZ's Board to better reflect the intent of the measure, which was to demonstrate ENZ's support for the sector.

<sup>29</sup>This new measure reflects the partnership between UK-based Universities Consortium (NCUK), Universities New Zealand and ENZ. This partnership will allow students to begin a New Zealand university qualification without leaving home. This initiative supports the 'Transforming to a more sustainable future state' workstream of the Recovery Plan by building the sector's transnational education capability and providing greater resilience to future student mobility impacts. Reporting for this measure has not aligned with financial year timelines and we have therefore not been able to provide an accurate result for 2021/22.

<sup>30</sup>Facilitated customers' are large education providers, peak bodies, and regional partners that ENZ business development managers actively work with to provide growth-focused services and targeted support.

<sup>31</sup>This data was collected as part of the facilitated customers industry survey. This year we also gave non-facilitated customers the same question.

<sup>32</sup> We asked the question 'to what extent do you agree or disagree that the information and intelligence provided by ENZ is useful for my organisation's decision making'. 73% of facilitated customers agreed or strongly agreed to this and 52% of all respondents agreed or strongly agreed. Although the target was not met, the result is an improvement on the previous year.



Performance measure	Actual 2020/21	Target 2021/22	Actual 2021/22	Status 2021/22
Percentage of Active Visits <sup>33</sup> on ENZ's <i>studyinnewzealand.govt.nz</i> website.	78%	≥ 75%	78% <sup>34</sup>	√
Percentage of Active Visits on ENZ's <i>studywithnewzealand.govt.nz</i> website.		≥ 75%	73% <sup>35</sup>	Not achieved
Number of registrations to ENZ's Student Membership Programme through <i>studyinnewzealand.govt.nz</i> website.	49,435	55–70,000	34,665 <sup>36</sup>	Not achieved
Number of registrations to NauMai NZ. <sup>37</sup>	3,939	2,000	884 <sup>38</sup>	Not achieved
Number of key messages about the benefits to New Zealand from international education delivered by third parties.	133	100	Not measured <sup>39</sup>	

<sup>33</sup>'Active visits' are defined as those where the visitor engages with the website content. For example, the user clicks links, scrolls, and views multiple pages or video. It is considered a measure of both the quality of the traffic to the website and the quality of the content on the website.

<sup>34</sup>This is data up to 7 December 2021 when the *studyinnewzealand.govt.nz* website was decommissioned.

<sup>35</sup>This is data from 8 December 2021 when the *studywithnewzealand.govt.nz* website was commissioned to replace the *studyinnewzealand.govt.nz* website. Due to a change in the new analytics platform that was being used, the methodology for this measure changed as of 8 December 2021. The definition of an active visit was the same as for the *studyinnewzealand.govt.nz* website. This includes the length of time that a visitor is on the website (30 seconds).

<sup>36</sup> Following the change from the *studyinnewzealand.govt.nz* website to the *studywithnewzealand.govt.nz* website, ENZ stopped recording this information on 7 December 2021. Therefore the 2021/22 result reports on the period 1 July to 15 December 2021.

<sup>37</sup> ENZ's NauMai NZ is the official government digital platform tailored for an international student audience to provide clear, timely information for international students. The reduced target is based on the current trend of running at 6% of this year's target for student population and on border closures.

<sup>38</sup> Efforts to maintain the visibility and value of NauMai NZ, throughout the pandemic, have contributed to the ongoing growth of the NauMai NZ database. Growth has been limited during the year given the reduced numbers of international students in New Zealand. Engagement (active visitors) with the website continues to be high.

<sup>39</sup> The data for this measure is not collected by the new provider. However, we surveyed online a representative sample of New Zealanders about their perceptions of the value of international education to New Zealand. The survey built on earlier surveys run in 2020 and 2021 by The Research Agency (TRA). 73% of respondents are aware of the contribution of international education to New Zealand (Impact measure).

### **Our scholarship programmes: Tertiary Scholarships and Awards**

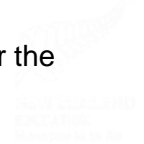
This appropriation is limited to providing scholarships and other awards in the tertiary sector to students, researchers and teachers, within New Zealand and internationally. We receive funding through this appropriation to fund the

Prime Minister's Scholarship for Asia and the Prime Minister's Scholarship for Latin America. The administration costs for running the scholarship programmes sit within the International Education Programmes appropriation.

### **What is intended to be achieved with this appropriation?**

This appropriation is intended to achieve access to wider international educational opportunities for skilled New Zealanders to enhance their existing skills. Funding of \$3.750m was fully allocated to group applicants in 2021/22

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for payments of Tertiary Scholarships and Awards under the Education and Training Act 2020.



# Annual Financial Statements Tauākī PŪTEA Ā-TAU



## Statement of comprehensive revenue and expense for the year ended 30 June 2022

\$000	Note	2022 Actual	2022 Budget	2021 Actual
<b>Revenue</b>				
Revenue from the Crown - Operating	1	37,664	37,514	32,694
Revenue from the Crown - Scholarships	1	3,750	3,750	127
Other revenue	2	193	-	245
Interest revenue		110	68	76
<b>Total revenue</b>		<b>41,717</b>	<b>41,332</b>	<b>33,142</b>
<b>Expenditure</b>				
Personnel costs	3	14,576	13,153	13,509
Other expenses	4	23,078	24,192	19,216
Scholarship expenses	5	3,753	3,750	178
Depreciation and amortisation expenses	9, 10	211	237	253
<b>Total expenditure</b>		<b>41,618</b>	<b>41,332</b>	<b>33,156</b>
<b>Surplus / (Deficit)</b>		<b>99</b>	<b>-</b>	<b>(14)</b>
<b>Other comprehensive revenue / (expense)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive revenue / (expense)</b>		<b>99</b>	<b>-</b>	<b>(14)</b>

The accompanying notes form an integrated part of these financial statements.

## Statement of financial position as at 30 June 2022

\$000	Note	2022 Actual	2022 Budget	2021 Actual
<b>Assets</b>				
Current assets				
Cash and cash equivalents	6	6,129	830	914
Receivables	7	497	50	527
Investments	8	5,000	4,500	4,500
Prepayments		274	300	1,111
<b>Total current assets</b>		<b>11,900</b>	<b>5,680</b>	<b>7,052</b>
Non-current assets				
Property, plant, and equipment	9	176	65	87
Intangible assets	10	136	117	267
<b>Total non-current assets</b>		<b>312</b>	<b>182</b>	<b>354</b>
<b>Total assets</b>		<b>12,212</b>	<b>5,862</b>	<b>7,406</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	11	7,934	2,000	3,402
Employee entitlements	12	1,172	800	912
Provisions	13	-	-	-

<b>Total current liabilities</b>		<b>9,106</b>	<b>2,800</b>	<b>4,314</b>
<b>Non-current liabilities</b>				
Employee entitlements	12	127	250	184
Provisions	13	82	-	110
<b>Total non-current liabilities</b>		<b>209</b>	<b>250</b>	<b>294</b>
<b>Total liabilities</b>		<b>9,315</b>	<b>3,050</b>	<b>4,608</b>
<b>Net assets</b>		<b>2,897</b>	<b>2,812</b>	<b>2,798</b>

The accompanying notes form an integrated part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2022

\$000	Note	2022 Actual	2022 Budget	2021 Actual
Balance		2,798	2,812	2,812
<b>Comprehensive revenue and expense</b>				
Total comprehensive revenue / (expense)		99	-	(14)
<b>Balance at 30 June</b>		<b>2,897</b>	<b>2,812</b>	<b>2,798</b>

The accompanying notes form an integrated part of these financial statements.

## Statement of cash flows for the year ended 30 June 2022

\$000	Note	2022 Actual	2022 Budget	2021 Actual
<b>Cash flows from operating activities</b>				
Receipts from the Crown - Operating		37,664	37,514	32,694
Receipts from the Crown – Scholarships		3,750	3,750	127
Receipts from other revenue		183	-	319
Payments to suppliers		(23,566)	(27,942)	(22,953)
Payments to employees		(12,287)	(13,153)	(11,493)
Goods and services tax (GST)		47	-	(444)
<b>Net cash flow from operating activities</b>	<b>14</b>	<b>5,791</b>	<b>169</b>	<b>(1,750)</b>
<b>Cash flows from investing activities</b>				
Payments for new term deposits		(3,000)	-	(2,000)
Interest received		94	68	66
Purchase of property, plant, and equipment		(170)	(90)	(48)
Receipt from sale of property, plant & equipment		-	-	18
Receipt from maturity of term deposits		2,500	-	2,500
<b>Net cash flows from investing activities</b>		<b>(576)</b>	<b>(22)</b>	<b>536</b>
<b>Net cash flows from financing activities</b>				
Net increase/(decrease) in cash and cash equivalents		5,215	147	(1,214)
Cash and cash equivalents at the beginning of the year		914	683	2,128
<b>Cash and cash equivalents at the end of the year</b>		<b>6,129</b>	<b>830</b>	<b>914</b>

The accompanying notes form an integrated part of these financial statements.

# Notes to the Financial Statements

## 1. Statement of accounting policies

### Reporting entity

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

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

These financial statements are for the year ended 30 June 2022 and were approved by the Board on 21 March 2023.

### Basis of preparation

ENZ's financial statements have been prepared on a going concern basis.

### Statement of compliance

The 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), which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared and presented in accordance with Tier 1 PBE accounting standards. ENZ qualifies under

the Tier 1 reporting framework as it is a public benefit entity with total annual expenditure in excess of \$30 million.

The financial statements comply with PBE accounting standards.

Education New Zealand was required under section 156(3)(b) of the Crown Entities Act 2004 to complete its audited financial statements and service performance information by 31 December 2022. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

### Measurement base

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

### Presentation currency and rounding

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

### Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to ENZ are:

### Amendment to PBE IPSAS 41 Financial instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. ENZ has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in

PBE IFRS 9. ENZ does not intend to early adopt the standard.

### **PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. ENZ has not yet determined how the application of the PBE FRS 48 will affect its statement of service performance. ENZ does not plan to adopt the standard early.

### **Significant accounting policies**

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

#### **Revenue**

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

#### **Revenue from the Crown**

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

#### **Other revenue**

Participants were not charged to attend events while ENZ trialled an online delivery approach. We recovered some of the cost of the 2022 NAFSA: Association of International Educators Conference and other events that promote education in New Zealand (education and fairs and agent seminars) from participants.

#### **Interest revenue**

Interest revenue is recognised using the effective interest method.

### **Co-funding expenditure**

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

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

Co-funding arrangements with unfulfilled conditions are recognised as a future commitment – see note 13 Provisions.

### **Foreign currency transactions**

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

### **Operating leases**

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

### **Scholarships**

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

Scholarship costs are recognised as expenditure on awarding of the scholarship.

### **Cash and cash equivalents**

Cash and cash equivalents include cash held on-call with the bank.



## Receivables

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

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

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

## Investments

### Bank term deposits

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

### Property, plant, and equipment

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

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

### Additions

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

Work in progress (assets under construction) is recognised at cost.

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

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

## Disposals

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

## Depreciation

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

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

## Intangible assets

### Software development

Any costs directly attributable to developing internal software applications and digital

services in order to bring them into operation are recognised as an intangible asset.

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

### **Amortisation**

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

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Internally developed software	4 years	or
	25.0% per annum	

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### **Impairment of property, plant and equipment and intangible assets**

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

### **Payables**

Payables are recorded at their face value.

### **Employee entitlements**

#### **Short term employee entitlements**

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

current rates of pay. This includes salaries and wages accrued up to balance date and annual leave earned, but not yet taken, at balance date.

ENZ recognises a liability and an expense for a bonus where there is a likelihood it will be paid.

### **Long term employee entitlements**

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

### **Superannuation schemes**

#### **Defined contribution schemes**

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

#### **Provisions**

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

#### **Co-funding arrangements**

See Statement of Accounting Policies: Co-funding expenditure, for further information.

#### **Lease make-good**

Where there is an indication or expectation from the lessor that a building is to be returned to its original condition at the end of the lease period, a provision for the estimated cost to make good the premise is made – see note 13 Provisions. Lease make-good provisions are recorded at cost and are

recognised on a straight-line basis over the period of the lease.

### Equity

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

### Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

### Income tax

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

### Budget

The budget was approved by the Board and presented in ENZ's Statement of Performance Expectations 2021-2022. The

budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. See note 21 Explanation of major variances against budget, for further information where Actual differs to Budget.

### Critical accounting judgments, estimates and assumptions

In preparing these financial statements we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances.

ENZ has exercised judgment when recognising expenditure on co-funding agreements, to determine if conditions of the arrangement have been fulfilled. Unfulfilled conditions are treated as future commitments – see note 13 Provisions.

A provision has been made for future restoration costs relating to make-good clauses on office rental leases. The calculation of this provision requires assumptions as to the extent, if any, that landlords will enforce the lease make-good clauses and estimates of the cost of restoration. These uncertainties may result in future actual expenditure differing from amounts currently provided. Provisions are periodically reviewed and updated, based on information available at the time. The carrying amounts are disclosed in note 13 Provisions.

## 2. Other revenue

\$000	2022 Actual	2021 Actual
Other revenue under exchange transactions		
Recoveries for events and fairs	107	11
Gain on sale of property, plant and equipment	-	18

Other revenue	48	31
<b>Total other revenue under exchange transactions</b>	<b>155</b>	<b>60</b>
Other revenue under non-exchange transactions		
Other revenue	38	185
<b>Total other revenue under non-exchange transactions</b>	<b>38</b>	<b>185</b>
<b>Total other revenue</b>	<b>193</b>	<b>245</b>

### 3. Personnel costs

\$000	2022 Actual	2021 Actual
Salaries and wages	11,882	11,286
Other personnel related costs	697	626
Contractors	1,377	1,364
Retirement costs	178	29
Employer contributions to KiwiSaver	286	255
Increase / (Decrease) in annual leave	144	(71)
Increase in post-employment benefits	12	20
<b>Total personnel costs</b>	<b>14,576</b>	<b>13,509</b>

### 4. Other expenses

\$000	2022 Actual	2021 Actual
Audit fees to Audit New Zealand for audit of financial statements	70	83
Board member remuneration	125	130
Advertising, events, and fairs	4,360	4,602
Research, policy, and other advice (including CRRF)	13,126	9,801
Staff travel	517	225
Operating lease expenses	503	441
Co-funding arrangements	824	270
Other operating expenses	3,553	3,664
<b>Total other expenses</b>	<b>23,078</b>	<b>19,216</b>

See Note 22 'Impact of COVID-19 on expenditure' – for an explanation of the difference between 2022 and 2021 Actual expenditure.

## Operating lease

ENZ has lease agreements in place for Wellington until 31 July 2023, Auckland until 31 October 2022, and Christchurch has no set end date but terminable upon three months' notice.

The future aggregate minimum lease and sub-lease payments to be made under non-cancellable operating leases were as follows:

\$000	2022 Actual	2021 Actual
Not later than one year	435	520
Later than one year and not later than five years	27	480
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>462</b>	<b>1,000</b>

## 5. Scholarship expenses

\$000	2022 Actual	2021 Actual
New Zealand International Doctoral Research Scholarships	-	127
Prime Minister's Scholarships for Asia	2,749	48
Prime Minister's Scholarships for Latin America	1,004	3
<b>Total scholarship expenses</b>	<b>3,753</b>	<b>178</b>

Prime Minister's Scholarships for Asia and Latin America are granted to scholars, researchers, and teachers to undertake placements abroad and to participate in reciprocal education exchange arrangements with partner countries in selected areas of priority study, teaching and research. These scholarships are funded through the Awards for outbound New Zealand students appropriation. New scholarships were awarded in 2021/22 of \$3.750 million.

## 6. Cash and cash equivalents

The on-call account earned interest at rates set by the bank. ENZ had cash and cash equivalents at 30 June 2022 of \$6.129 million (30 June 2021: \$0.914 million).

## 7. Receivables

\$000	2022 Actual	2021 Actual
Receivables under exchange transactions		
Interest receivable from bank	17	11
Receivables from the sale of services	50	39
<b>Total receivables under exchange transactions</b>	<b>67</b>	<b>50</b>
Receivables under non-exchange transactions		
Goods and services tax (GST) receivable	-	477
Total receivables under non-exchange transactions	<b>430</b>	<b>477</b>
<b>Total receivables</b>	<b>497</b>	<b>527</b>

The aging profile of receivables at 30 June 2022 was:

\$000	2022 Actual	2021 Actual
Not past due	490	508
Past due by 1 – 30 days	7	19
Past due by 31 – 60 days	-	-
<b>Total</b>	<b>497</b>	<b>527</b>

All receivables greater than 30 days in age were past due. There were no movements in the provision for impairment of receivables in 2021/22 (2020/21: nil).

## 8. Investments

Our investments comprised of term deposits with maturity dates no greater than 180 days. Investments are measured at face value plus accrued interest, with no allowance for expected losses. ENZ had investments of \$5.000 million at 30 June 2022 (30 June 2021: \$4.500 million).

## 9. Property, plant, and equipment

Movements for each class of property, plant and equipment were as follows:

\$000	Furniture & office equipment	Computer hardware	Motor vehicles	Leasehold improvements & make-good	Total
Cost					
Balance at 1 July 2020	102	632	69	332	1,135
Additions/transfers at cost	-	48	-	-	48
Disposals	(39)	(385)	(69)	-	(493)
<b>Balance at 30 June 2021</b>	<b>63</b>	<b>295</b>	<b>-</b>	<b>332</b>	<b>690</b>
Balance at 1 July 2021	63	295	-	332	690
Additions/transfers at cost	-	170	-	-	170
Disposals	-	(56)	-	-	(56)
<b>Balance at 30 June 2022</b>	<b>63</b>	<b>409</b>	<b>-</b>	<b>332</b>	<b>804</b>
Accumulated depreciation					
Balance at 1 July 2020	95	493	69	330	987
Depreciation expense	4	101	-	4	109
Elimination on disposal	(37)	(385)	(69)	(2)	(493)
<b>Balance at 30 June 2021</b>	<b>62</b>	<b>209</b>	<b>-</b>	<b>332</b>	<b>603</b>
Balance at 1 July 2021	62	209	-	332	603
Depreciation expense	1	80	-	-	81
Elimination on disposal	-	(56)	-	-	(56)
<b>Balance at 30 June 2022</b>	<b>63</b>	<b>233</b>	<b>-</b>	<b>332</b>	<b>628</b>
Carrying amounts					
Balance at 1 July 2020	7	139	-	2	148
Balance at 1 July 2021	1	86	-	-	87
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>176</b>

### Capital commitments

As at 30 June 2022, ENZ had nil commitments in respect of property, plant and equipment (30 June 2021: nil).

## 10. Intangible assets

ENZ's intangible assets are all classified as internally developed software. At 30 June 2022 the assets in this class consisted of ENZ digital properties and the IT operating environment.

There have been no indicators that the useful economic lives of our internally developed software assets will be materially different to that estimated when they became available for use.

Movements for the internally developed software asset class were as follows:

\$000	Internally developed software	Assets under construction	Total
Cost			
Balance at 1 July 2020	1,340	-	1,340
Additions/transfers at cost	-	-	-
Disposals	(337)	-	(337)
<b>Balance at 30 June 2021</b>	<b>1,003</b>	<b>-</b>	<b>1,003</b>
Balance at 1 July 2021	1,003	-	1,003
Additions/transfers at cost	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2022</b>	<b>1,003</b>	<b>-</b>	<b>1,003</b>
Accumulated depreciation			
Balance at 1 July 2020	929	-	929
Depreciation expense	144	-	144
Elimination on disposal	(337)	-	(337)
<b>Balance at 30 June 2021</b>	<b>736</b>	<b>-</b>	<b>736</b>
Balance at 1 July 2021	736	-	736
Depreciation expense	131	-	131
Elimination on disposal	-	-	-
<b>Balance at 30 June 2022</b>	<b>867</b>	<b>-</b>	<b>867</b>
Carrying amounts			
Balance at 1 July 2020	411	-	411
Balance at 1 July 2021	267	-	267
<b>Balance at 30 June 2022</b>	<b>136</b>	<b>-</b>	<b>136</b>

## Capital commitments

As at 30 June 2022, ENZ had nil commitments in respect of property, plant and equipment (30 June 2021: nil).



## 11. Payables

\$000	2022 Actual	2021 Actual
Payables under exchange transactions		
Creditors	5,502	2,458
Accrued expenses	1,433	931
<b>Total payables under exchange transactions</b>	<b>6,935</b>	<b>3,389</b>
Payables under non-exchange transactions		
Fringe benefit tax payable	9	13
Co-funding payable	-	-
Scholarships payable	990	-
<b>Total payables under non-exchange transactions</b>	<b>999</b>	<b>13</b>
<b>Total payables</b>	<b>7,934</b>	<b>3,402</b>

## 12. Employee entitlements

\$000	2022 Actual	2021 Actual
Current Portion		
Accrued salaries and wages	340	224
Annual leave	832	688
<b>Total current portion</b>	<b>1,172</b>	<b>912</b>
Non-current portion		
Post-employment benefits	127	184
<b>Total non-current portion</b>	<b>127</b>	<b>184</b>
<b>Total employee entitlements</b>	<b>1,299</b>	<b>1,096</b>

Post-employment benefits are accrued for offshore employees where there is a requirement to make an end of service payment under local labour laws and regulations. During the year one staff member received post-employment benefits totalling \$1,568.

## 13. Provisions

\$000	2022 Actual	2021 Actual
Current portion		
Co-funding arrangements	-	-
<b>Total current portion</b>	<b>-</b>	<b>-</b>
Non-current portion		
Lease make-good	53	53
Deferred rent	29	57
<b>Total non-current portion</b>	<b>82</b>	<b>110</b>

<b>Total provisions</b>	<b>82</b>	<b>110</b>
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Movements for each class of provision were as follows:

\$000	Co-funding arrangements	Lease make-good	Deferred rent	Total
<b>Cost</b>				
Balance at 1 July 2020	54	53	-	107
Additional provisions made	-	-	57	57
Amounts used	(54)	-	-	(54)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>53</b>	<b>57</b>	<b>110</b>
Balance at 1 July 2021	-	53	57	110
Additional provisions made	-	-	-	-
Amounts used	-	-	(28)	(28)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>53</b>	<b>29</b>	<b>82</b>

### Co-funding commitments

As at 30 June 2022, ENZ had nil commitments (30 June 2021: nil).

### Lease make-good

ENZ is required to return any leased premise to its original state at the expiry of the lease. See note 1 Statement of Accounting Policies: Critical accounting judgments, estimates and assumptions, for further information.

### Deferred rent

ENZ signed a new lease agreement for Wellington until 31 July 2023. A rent-free period was provided as an incentive which will be recognised across the duration of the new agreement.

## 14. Reconciliation of net deficit to net cash flow from operating activities

\$000	2022 Actual	2021 Actual
<b>Surplus</b>	99	(14)
Add non-cash items		
Depreciation and amortisation expense	211	253
<b>Total non-cash items</b>	<b>211</b>	<b>253</b>
Add / (Less) items classified as investing or financing activities		
Interest received	(94)	(66)
Gain on disposal of property, plant, and equipment	-	(18)
<b>Total items classified as investing or financing activities</b>	<b>(94)</b>	<b>(84)</b>
Add / (Less) movements in statement of financial position items		
(Increase) / Decrease in receivables	(17)	(380)
(Increase) / Decrease in prepayments	838	(681)

Increase / (Decrease) in payables	4,531	(418)
Increase / (Decrease) in provisions	(27)	3
Increase / (Decrease) in employee entitlements	204	15
(Increase) / Decrease in Goods and Services tax (GST)	47	(444)
<b>Net movements in working capital items</b>	<b>5,576</b>	<b>(1,905)</b>
<b>Net cash flow from operating activities</b>	<b>5,792</b>	<b>(1,750)</b>

## 15. Contingent assets and liabilities

ENZ had no contingent assets as at 30 June 2022 (30 June 2021: none).

ENZ had no contingent liabilities as at 30 June 2022 (30 June 2022: none).

## 16. Related party transactions

Education New Zealand is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those it is reasonable to expect that we would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (e.g. Government departments and Crown funded tertiary institutions) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

### Related party transactions required to be disclosed

There were no material related party transactions required to be disclosed.

### Key management personnel

ENZ's key management personnel are the Board, Chief Executive, and the Senior Leadership team. The remuneration and full

time equivalent of key management personnel was:

\$	2022 Actual	2021 Actual
Board members Remuneration	124,671	129,300
Full-time equivalent members	0.85	0.91
Leadership Team Remuneration	1,822,594	1,508,540
Full-time equivalent members	7.00	5.56
<b>Total key management personnel remuneration</b>	<b>1,947,265</b>	<b>1,637,840</b>
<b>Total full-time equivalent personal</b>	<b>7.85</b>	<b>6.47</b>

The full-time equivalent for Board members was determined using the number of days of commitment to ENZ per annum, as set out in each member's letter of appointment to the Board. The full-time equivalent for the Senior Leadership team, including the Chief Executive, was determined using the contracted hours, as set out in each member's employment agreement.

## 17. Remuneration

### Board remuneration

\$000	2022 Actual	2021 Actual
S Maharey (Chair)	34	34

L Provost (Deputy Chair)	21	21
Z Jalil (from 31 January 2022)	7	-
L Sissons	17	17
R Tuwhangai	17	17
D Wilson	17	17
V Spackman (to 22 December 2021)	8	17
S Vijayakumar (Future Director) (to 31 January 2022)	4	7
<b>Total remuneration</b>	<b>125</b>	<b>130</b>

No Board members received compensation or other benefits in relation to cessation.

### Employee remuneration

During the year 56 employees received remuneration and other benefits that exceeded \$100,000 per annum as follows:

Remuneration range	2022 Actual	2021 Actual
\$100,000 – 109,999	4	3
\$110,000 – 119,999	12	7
\$120,000 – 129,999	6	8
\$130,000 – 139,999	9	4
\$140,000 – 149,999	4	5
\$150,000 – 159,999	5	6
\$160,000 – 169,999	3	4
\$170,000 – 179,999	-	2
\$180,000 – 189,999	1	2
\$190,000 – 199,999	2	-
\$200,000 – 209,999	1	-
\$210,000 – 219,999	-	2
\$220,000 – 229,999	2	-
\$240,000 – 249,999	2	1
\$250,000 – 259,999	1	3
\$290,000 – 299,999	1	-

\$310,000 – 319,999	1	-
\$340,000 – 349,999	-	1
\$350,000 – 359,999	-	1
\$360,000 – 369,999	1	-
\$390,000 – 399,999	-	1
\$440,000 – 449,999	1	-
<b>Total employees</b>	<b>56</b>	<b>50</b>

During the year four staff members received compensation and other benefit payments in relation to cessation totalling \$178,375 (2020/21: three staff members received \$120,187).

We hold Directors and Officers Liability and Professional Indemnity insurance which provides protection to Board members and senior management for wrongful acts or professional mistakes committed whilst carrying out their duties associated with the management of the organisation.

### 18. Events after balance date

There were no significant events after balance date.

### 19. Financial instruments

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

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

#### A. Financial instrument categories

The carrying amounts of financial assets and liabilities were:

\$000	2022 Actual	2021 Actual
Cash, receivables, and investments		
Cash and cash equivalents	6,129	914
Receivables	497	527
Investments	5,000	4,500
<b>Total cash, receivables, and investments</b>	<b>11,626</b>	<b>5,941</b>
Payables		
Payables	7,934	3,402
<b>Total payables</b>	<b>7,934</b>	<b>3,402</b>

## B. Financial instrument risks

Our activities expose us to the following financial instrument risks: market risk, credit risk and liquidity risk. We have policies and procedures to manage the risks associated with financial instruments. These policies and procedures do not allow us to enter any transactions that are speculative in nature.

### Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

We limit our exposure to fair value interest rate risk by placing funds in bank term deposits with maturity dates no greater than 180 days. ENZ does not actively manage our exposure to fair value interest rate risk.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

ENZ maintains an on-call bank account denominated in New Zealand dollars. However, we do purchase goods and services overseas that require us to enter transactions denominated in foreign currencies. This activity exposes us to currency risk.

### Credit risk

Credit risk is the risk that a third party will default on its obligations causing us to incur loss.

In the normal course of business ENZ is exposed to credit risk from cash and term deposits held with banks and receivables. For each of these the maximum credit exposure is best represented by the carrying amount in the statement of financial position. There have been no defaults in the payment of interest or return of principal on our term deposits. ENZ limits its credit risk by only placing funds in an on-call account or term deposits held with banks registered in New Zealand that have a minimum Standard and Poor's credit rating of AA-.

### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings.

The credit quality of ENZ's financial assets as at 30 June 2022 was:

\$000	2022 Actual	2021 Actual
Counterparties with credit ratings AA-		
Cash at bank and term deposits	11,129	5,414
Receivables	17	10
<b>Total counterparties with credit ratings AA-</b>	<b>11,146</b>	<b>5,424</b>
Counterparties without credit ratings		

Receivables with no defaults in the past	480	517
<b>Total counterparties without credit ratings</b>	<b>480</b>	<b>517</b>

## Liquidity risk

### Management of liquidity risk

Liquidity risk is the risk that ENZ will not have enough cash on hand to meet commitments as they fall due. ENZ manages liquidity risk by continuously monitoring cash flow requirements.

### Contractual maturity analysis of financial liabilities

Our financial liabilities were payables. All our payables fell due within three months. The carrying amount of payables was equivalent to the contractual cash flows, as ENZ expected to make all payments by the due date.

## 20. Capital management

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

ENZ is subject to the financial management and accountability provisions of the Crown Entities Act 2004. The Act imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives. ENZ has complied with the provisions of the Act for the year ended 30 June 2022.

## 21. Explanation of major variances against budget

Explanations for major variances from the budgeted figures presented in the Statement of Performance Expectations 2021-2022 are as follows:

International Education Programmes Revenue – Crown Actual a minor surplus of Budget \$0.1m on a budget of \$41.6m because:

The pathways (offshore delivery) project was almost completed to plan however ENZ had an underspend of \$0.3m as ENZ paused to reassess the programme whilst additional advice was sought on some of the Education centre opportunities.

Seed funding investment across the regions for selected projects across social licence, student experience and long-term retention was delivered.

In-market agent co-investment was delivered, and new digital development activity funded.

## 22. Impact of COVID-19 on expenditure

In preparing these financial statements we have made estimates and assumptions concerning the future. ENZ has not identified any material uncertainties in our financial statements due to the ongoing impact of COVID-19.

Since COVID-19 ENZ has continued to prioritise financial support and innovation funding for sector peak bodies, regional investment, increased focus on social license, professional development for the sector, and the provision of data and market insights for Industry and other stakeholders.

The major shifts in annual operating expenditure from 2020/21 to 2021/22 are outlined below.

Advertising, events, and fairs expenditure decreased slightly from \$4.602m to \$4.360m because COVID-19 restrictions continued to prevent any face-to-face events being held offshore, instead ENZ ran a series of virtual student fairs and events. ENZ has continued to maintain awareness and brand protection campaign activity and completed agent co-investment across key student recruitment markets.

Research, policy, and other advice (including CRRF) expenditure increased from \$9.801m to \$13.126m because ENZ commenced, or continued initiatives designed to support the sector and regions:

- As part of the International Education strategic recovery, funding of \$4.150m was received from the COVID-19 response and recovery plan to undertake a programme of work to diversify education products and services. Pilot projects were identified for investment and in April 2021 an open-to-all product innovation fund was launched. ENZ tested a rented digital platform pilot which hosts online education products and continued to explore an owned digital platform pilot. ENZ also worked with global host institutions identified through a global RFP process and NZ Universities to develop education pathway products under a New Zealand Education Centre initiative. The initiative is currently paused, while we review whether this consortium or group approach remains the best approach, given the growing transnational education capabilities of our universities.
- Funding of \$3.0m was also received from the COVID-19 response and recovery plan for brand, marketing, and communications. In May ENZ ran the I AM NEW Global Brand Campaign which was leveraged at NAFSA and ICEE global events and supported by Study with New Zealand digital services.
- Expenditure included all costs relating to the production of the Broader Impact Valuation report.
- ENZ continued to invest in building social license for international education in New Zealand.
- ENZ co-branded and subsidised the continued rollout of the New Zealand Global Competence Certificate (NZGCC)

- Funding was provided for an online programme of events focused on student wellbeing and keeping students connected utilising NauMaiNZ to provide advice and information on options and activities to keep international students in New Zealand engaged and connected whilst COVID-19 travel restrictions continued.

Staff travel expenditure increased from \$0.225m to \$0.517m as domestic travel restrictions were removed and some international travel recommenced, with staff accompanying the Prime Minister's delegation to Singapore and Japan along with the Education Minister's delegation to NAFSA in the United States and key student recruitment markets in South America.

Co-funding expenditure went from \$0.270m to \$0.824m. ENZ provided funding to regional economic development agencies to deliver a range of initiatives including improving the long-term retention of students, student experience and building social license at a regional level.

Other operating expenses were similar decreasing slightly from \$3.664m to \$3.553m:

- ENZ continued to invest into providing financial support for sector peak bodies, and regular professional development workshops and updated online resources to help retain the capability and skills that will be needed to rebuild the sector.
- Ongoing COVID-19 travel restrictions prevented agent and media familiarisations from going ahead and the New Zealand International Education Conference from being held.

The Prime Minister's Scholarships for Asia and Latin America were awarded to successful recipients. Funding of \$3.750m was fully allocated to group applicants in 2021/22.

# Independent Auditor's Report

# Pūrongo Kaiarotake Motuhake

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## To the readers of Education New Zealand's financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of Education New Zealand (ENZ). The Auditor-General has appointed me, Matthew Geddes, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of ENZ on his behalf.

### Opinion

We have audited:

- the financial statements of ENZ on pages 52 to 71, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of ENZ on pages 12 to 32 and 45 to 50.

In our opinion:

- the financial statements of ENZ on pages 52 to 71:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2022; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information on pages 12 to 32 and 45 to 50:
  - presents fairly, in all material respects, ENZ's performance for the year ended 30 June 2022, including:
    - for each class of reportable outputs:



- . its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
    - . its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
  - . what has been achieved with the appropriations; and
  - . the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- o complies with generally accepted accounting practice in New Zealand.

### ***Our audit was completed late***

Our audit was completed on 21 March 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the Crown Entities Act 2004, section 156(3)(b). This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Board for the financial statements and the performance information**

The Board is responsible on behalf of ENZ for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of ENZ for assessing ENZ's ability to continue as a going concern. The Board is also

responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of ENZ, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

### Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to ENZ's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ENZ's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within ENZ's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on ENZ's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ENZ to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 11, 33 to 44, 51 and 76 to 79 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of ENZ in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board. Other than in our capacity as auditor, we have no relationship with, or interests, in ENZ.

*Matthew Geddes*

Matthew Geddes  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## Appendix one: Our statutory functions | Āpitihianga tuatahi: Ā mātou mahi āture

Our 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: Glossary and abbreviations | Āpitihanga tuarua: kuputaka me ngā whakapotonga

ENZ's markets	ENZ's markets were Brazil, Chile, China, Colombia, the European Union, India, Indonesia, Japan, Republic of Korea, Malaysia, the Philippines, Saudi Araba, Thailand, the United States of America and Viet Nam
International students	International students are non-residents of New Zealand and have expressly entered New Zealand with the intention of study or have enrolled with 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
Recovery Plan	The Strategic Recovery Plan for International Education
Pastoral Code	The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021

## Appendix three: Our Board | Āpitihianga tuatoru: Tō Mātou Poari

Our Board is made up of between 5 and 7 members appointed by the Minister of Education. The Board is responsible for the governance of Education New Zealand. This includes setting our strategic directions and our monitoring performance.

The Board regularly meets to carry out governance functions and address major challenges that may affect international education. On the Board's behalf, the Audit and Risk Committee monitors the financial and risk management of Education New Zealand.

### Board Members at 30 June 2022



#### **Steve Maharey (Chair)**

Steven Maharey is an independent director and consultant on a wide range of social and political issues. He was previously the Vice-Chancellor of Massey University, and

he was a Member of Parliament and Senior Minister in the New Zealand Government (1999 to 2008).

Earlier in his career, he was a Senior Lecturer in Sociology and a Junior Lecturer in Business Administration at Massey University.



#### **Lyn Provost (Deputy Chair)**

Lyn Provost was Controller and Auditor-General from October 2009 until 2017. From 2001 to 2009 she was the first female

and civilian Deputy Commissioner of New Zealand Police. Lyn is currently a

member of the International Auditing and Assurance Board.

Lyn is also the Chair of our Board's Audit and Risk Committee.



#### **Dr Linda Sissons**

Dr Linda Sissons is a highly experienced chief executive in the tertiary education sector. Currently Chief Executive at UCOL,

she was most recently Chief Executive at the Primary Industries Training Organisation from 2016 to 2019. Her earlier Chief Executive roles were at Taratahi Agricultural Training Centre (2015 to 2016), Wellington Institute of Technology (2001 to 2015), and Hutt Valley Polytechnic (1999 to 2001).

Dr Sissons was made a Companion of the New Zealand Order of Merit in 2006 for services to vocational education.

## Rachael Tuwhangai



Rachael is a descendant of the Tainui Waka and of Waikato-Maniapoto. She is Co-Director of [MAPSS](#) (Māori and Pasifika Support Services) which focuses on the intersection between indigenous peoples and improving social outcomes. She is

a former academic of the University of Auckland's Faculty of Education; Education Manager of the Auckland South Corrections Facility, and a former Secondary School Teacher.

Rachael holds a number of independent directorships for government organisations and charitable trusts including The Auckland Museum, Voyce: Whakarongo mai, Variety Children's Charity, the Auckland Community Law Centre, and the Maniapoto Māori Trust Board.

## Daniel Wilson



After positions at several schools in Auckland and London, Daniel Wilson was appointed to the Leadership team at Manurewa High School in 2007, firstly as

Deputy, then Associate Principal. In 2015, Daniel moved to Nelson to take up the position of Principal at Nayland College.

Daniel is also the Lead Principal and Governance Chairperson for the Top of the South Trades Academy. Daniel continues to work with various national and regional advisory groups.

## Shruthi Vijayakumar



Shruthi sat on the ENZ Board for 12 months as part of the New Zealand Institute of Directors' Future Directors Programme, finishing in February 2022. Shruthi currently runs her own coaching and

facilitation business, is a co-founder of Emerge Institute and teaches at Auckland University of Technology.

## Ziena Jalil



Formerly an international student, Ziena is an award-winning business and public sector leader, with 20 years experience working in New Zealand and Asia. Her other governance roles

include the Asia New Zealand Foundation, Unitec, Manukau Institute of Technology, DNA and the Cancer Society of New Zealand. Ziena joined the ENZ Board in February 2022.

Ziena has received several international awards for her work promoting New Zealand trade and education in Asia, and advises businesses looking to grow in the region. Her previous executive roles include Regional Director (South and Southeast Asia) for Education New Zealand, New Zealand Trade Commissioner to Singapore, and Head of North Asia Marketing and Communications for New Zealand Trade and Enterprise.

