



# Education Report: Education New Zealand draft Statement of Performance Expectations 2021/22

| То:                                    | Hon Chris Hipkins, Minister of Education |              |                 |  |
|--|--|--------------|-----------------|--|
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| Drafter:                               | Nicole Benkert                           | DDI:         | 9(2)(a)         |  |
| Key Contact:                           | Fiona O'Leary                            | DDI:         |                 |  |
| Messaging seen by Communications team: | No                                       | Round Robin: | GAVC, ENZ, MBIE |  |

# Purpose of Report

This paper provides our advice on the draft Statement of Performance Expectations (SPE) 2021/22 produced by Education New Zealand (ENZ), which your office received on 30 April 2021.

According to the Crown Entities Act 2004 (the CE Act) you are required to give your feedback to ENZ within fifteen working days (by 21 May 2021) of receipt of the document. A draft letter from you to Steve Maharey, Chair of the ENZ Board, is attached for this purpose.

# Summary

- The Ministry of Education (the Ministry) monitors the performance of ENZ with the Ministry of Business, Innovation and Employment (MBIE) as a secondary monitor. As part of our work we seek assurance on performance of ENZ's core functions as well as its strategic impact areas.
- This report sits alongside ENZ's draft SPE. Our advice focuses on the performance measures; high-level financial commentary on the draft SPE is included in Annex A.
- The draft SPE meets statutory requirements for timing and content.
- ENZ has indicated it intends to develop a new Statement of Intent (SOI) in 2021/22.
- ENZ has retained all its pre-COVID performance measures but has changed the targets of some to a lower level due to the pandemic. We suggest ENZ makes further changes to its measures to better reflect current and future policy settings. ENZ's preference is that major changes to measures are made as it develops a new Statement of Intent (SOI) which it intends to publish in December 2021. It will be important ENZ works closely with policy teams of key partner agencies so that any necessary changes are made at the appropriate time. Conversations about how shifts are reflected in its SOI will be ongoing across the year.



- ENZ has developed four new performance measures. A detailed analysis on these is provided in this report.
- ENZ was granted an exemption under Section 15D(2)(b)(ii) of the Public Finance Act so it is not required to report against measures under the Tertiary Scholarship and Awards appropriation.

# Recommended Actions

The Ministry of Education recommends that you:

- note that you are being provided with ENZ's draft SPE for your consideration and a. feedback, as required by the Crown Entities Act 2004 (the CE Act)
- b. note that no major changes to ENZ's performance measurement framework have been included in the draft SPE, and that ENZ prefers to make these in future iterations of its SPE and as it develops a new SOI, which it intends to publish in December 2021

Noted

note our assessment that ENZ's draft SPE meets requirements in the CE Act for timing C. and content

Noted

d. note that you are required to provide any comments to ENZ on its draft SPE within 15 working days (by 21 May 2021) of receiving it to meet the requirement in the CE Act. We have provided the attached draft letter for this purpose (see Annex B)

Noted

sign and send the attached draft letter to Steve Maharey, Chair of the ENZ Board, by e. 21 May 2021 (see Annex B)

Agree / Disagree

f. agree this Education Report is proactively released as part of the next publication once ENZ has published its final SPE

> Not release Release /

**Emily Fabling Deputy Secretary** 

Strategy, Planning and Governance

Hon Chris Hipkins Minister of Education

23/5/21 13/05/2021

### Proactive release

It is intended that this Education Report is proactively released once ENZ has published its final SPE, as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

#### Annexes

Annex A: High-level financial context Letter to the Board Chair Annex B:

# Background and statutory requirements

- 1. The Crown Entities Act 2004 (the CE Act) sets out the statutory requirements that a Crown entity must comply with when preparing and publishing its Statement of Performance Expectations (SPE).
- 2. This report has been written in consultation with the Ministry of Business, Innovation and Employment (MBIE) as secondary monitor of ENZ, the Ministry of Education (the Ministry) and ENZ.

## Requirements for content

- 3. Requirements for SPE content are set out in Section 149E of the CE Act. In summary an SPE must identify each reportable class of outputs, explaining what the class of output is intended to achieve, the expected revenue and expenses and how performance will be assessed. It must also contain forecast financial statements, prepared in accordance with generally accepted accounting practice.
- 4. The Ministry considers ENZ's draft SPE to meet statutory requirements in respect of content.

# Requirements for timing

- 5. Section 149L of the CE Act sets out the process for providing the SPE to the responsible Minister:
  - A draft SPE must be provided to the responsible Minister no later than two months before the start of the financial year to which it relates.
  - The responsible Minister ideally would provide any comments on the draft within 15 working days of receipt.
  - The entity must consider any comments on the draft and provide the final SPE to the responsible Minister as soon as practicable after receiving the comments, but before the start of the financial year.
  - The entity must also publish the documents online.
- 6. In addition to an annual SPE, a new SOI must be completed at least once every three years, although you can require an entity to prepare one at any time under Section 139A of the CE Act. ENZ has not provided an updated SOI this year; however, it has indicated it will provide one in December 2021. You will have the opportunity to feed back on the draft SOI and we will provide advice alongside it. ENZ's current SOI covers the period 2019/20 to 2022/23.
- 7. ENZ's draft SPE was provided to you on 30 April 2021 meeting the first statutory deadline<sup>1</sup>. We expect ENZ to meet the remaining statutory deadline for its SPE<sup>2</sup>.
- 8. You have been provided with ENZ's 2021/22 draft SPE for feedback. You have 15 working days to provide your comments to ENZ (Section 149L of the CE Act). A draft letter is provided for this purpose and should be sent by 21 May 2021 (Annex B).

<sup>&</sup>lt;sup>1</sup> Draft SPEs must be provided to the responsible Minister no later than two months before the start of the financial year to which they relate.

<sup>&</sup>lt;sup>2</sup> The entity must consider the comments (if any) on the drafts and provide the final SPE to the responsible Minister as soon as practicable after receiving the comments, but before the start of the financial year. It must also publish the documents online.

- As part of this process, you can give input to further develop the strategic direction of the final SPE, as well as the long-term development of the ENZ overall performance measurement framework.
- 10. SPEs (which capture measures) are aligned to the delivery of SOIs (which capture intent) and set expectations for entities progressing government priorities. Annual and quarterly reports are where entities provide assurance that they are delivering on what is required.
- 11. Since ENZ last published an SOI there has been much change in the operating environment. ENZ will need to continue to adjust its operational focus and performance, to factor the high-level strategic plans for the education system and the impacts of the COVID-19 pandemic. This is a challenge for all three of the education Crown entities we monitor, as there may be a disconnect between new system level output measures, and the SOI input measures and strategic drivers. These were produced prior to the COVID-19 pandemic, and before all of the key Education Work Programme EWP 2021 priorities were known.
- 12. As indicated in Figure 1 below, your feedback can also help shape all parts of the entities' accountability and performance management frameworks, which inform how the entities operate.

Figure 1 Setting expectations through the performance management framework



- 13. As it takes some time to fully develop new or alter existing performance measures, you may wish to add a requirement which sees ENZ provide you with further assurance over this area as part of its quarterly and annual reporting.
- 14. A draft Letter of Expectation for ENZ was submitted to your office on 15 January 2021 [METIS 1244606], and revised versions on 7 April 2021 and 19 April 2021. Once sent, the Letter of Expectation also forms part of the entity's overall strategic direction-setting.

#### System context

# **International Education and Covid-19**

- 15. The education system is undergoing significant change while experiencing the impacts of the COVID-19 pandemic. This is a challenging environment in which to assess and measure performance. For ENZ, the system context continues to evolve and change as the ongoing challenges and opportunities arising from the pandemic are better understood.
- 16. The international education sector has been particularly hard-hit requiring a higher degree of flexibility and agility of ENZ than for the other education Crown entities. The COVID-19 pandemic hit the sector unevenly, and while the domestic uplift in student numbers has mitigated the effects for some parts of the sector, it has not for others. Enhancing the capability and capacity to work through this transitional period and prepare for the desired

- future operating state while working alongside and supporting the sector remains paramount for ENZ.
- 17. The complexity in the system, and the changing and development of policy settings across many parts of the system, means ENZ's performance needs to be cognisant of immigration, education and the sector environment when developing measures and reviewing performance. Partnering with other Government departments to understand and develop measures will benefit ENZ in the long run.
- 18. Traditional performance measures of the international education system, such as volume-based measures in the short to medium-term, will not be relevant for the current operating environment. The shift in activities to support the changes in the system, such as moving to more innovative practices and understanding how to measure a shift to increased value, will mean new measures need to be developed. Some of the new activity or shifts in the system is difficult to measure now and will be better considered as part of a refreshed SOI.
- 19. The timing of the SPE makes it difficult for ENZ to align measures to the upcoming changes in the system because policy settings are still being confirmed. The measures, however, need to be realistic to the system as it is. ENZ will be better placed to incorporate new measures in the SOI, which will be developed later this year.
- 20. While ENZ considers how it will best support the delivery of a potentially refreshed Recovery Plan (i.e. the Transition Roadmap), it will also need to consider the other changes in the system while developing its internal performance framework, that is:
  - the continued performance of the existing system while changes are being implemented
  - how it will measure and track the programmes of change set out to support the EWP 2021 priorities
  - how its measures align to and demonstrate its performance and impact against key system strategies such as the National Education Learning Plan (NELP) and the Tertiary Education Strategy (TES), and
  - how it builds good intervention logic and impact analysis along with data to support its understanding of its performance in the complex system.
- 21. We have outlined below some of the challenges and opportunities which may impact upon the way performance or activities are understood or reported on by the entities.

#### Te Tiriti o Waitangi and equity for Māori

- 22. The Education and Training Act 2020 (E&T Act) makes explicit the need to shift performance within the education sector to achieve better outcomes for Māori and their whānau. It is good to see the entities thinking through how this can be demonstrated as part of its SPE and performance management frameworks.
- 23. As part of its future performance frameworks and measurement development around embedding Te Tiriti o Waitangi (Te Tiriti) organisationally, it will be important for ENZ to consider how it will:
  - continue to build internal capability to better understand mātauranga Māori as a unique educational offering in Aotearoa New Zealand,
  - consider how it will partner with Māori and respect tino rangatiratanga in its marketing activities, and
  - how it will enable equitable access of international opportunities for Māori students when the environment allows for this.

## **Education system priorities and strategies**

- 24. In the development of the SOI, it will be important for ENZ to ensure performance measures align and support the strategic direction of the education system. We would particularly expect to see performance measures against work programmes and strategies critical to implementation of these education system drivers, including:
  - the NELP
  - the TES, and
  - the Government's priorities for the education system as outlined within the EWP 2021.
- 25. Driving organisational performance against these strategic priorities may be better reflected through the redevelopment of the SOI. We would particularly expect to see performance measures against work programmes and strategies critical to implementation of these education system drivers, including:
  - New Zealand International Education Strategy 2018-2030 (NZIES), and
  - The Strategic Recovery Plan for International Education.
- 26. Additionally, in developing the SOI and its four-year plan, it will be important for ENZ to consider the downstream impacts, and the desired outcomes the system changes are trying to achieve for learners.
- 27. We would expect future SPEs (from 2022 onwards) to be better aligned and reflective of performance against these system drivers and the changes in the operating environment.

#### Other Government priorities

- 28. The education Crown entities are not required to report against the whole of government requirements for ICT, property, and procurement functional leadership as part of their SPE documents. Instead this should be covered in the entities' annual reports (Section 151 of the CE Act).
- 29. By December 2022, the entities will be required to measure, verify, and report on their carbon emissions annually, to be compliant with the recently announced whole of government expectation for the public sector to be carbon neutral by 2025. We will continue to work with ENZ as part of our monitoring engagement processes to report to you on its compliance with these requirements.

# Commentary on ENZ's draft SPE 2021/22

- 30. ENZ's draft SPE needs to be considered in conjunction with its SOI 2019-2023 and other strategic documents, such as the NZIES and the Recovery Plan. ENZ prefers not to make changes to its draft SPE and would rather consider new measures as part of developing its four-year plan, which will inform its next SOI. Decisions on the final SPE will sit with the ENZ Board.
- 31. There is current significant work underway to report back to Cabinet on the next stage of the Recovery Plan. As the draft SPE 2021/22 is on a legislative timeframe, with your feedback due by 21 May 2021, there was limited scope for ENZ to align key priorities and develop corresponding measures.
- 32. In your feedback against ENZ's previous SPE 2020/21 [METIS 1230051] you wanted to clearly see:
  - shifts from the pre-COVID strategy to a post-pandemic strategy,
  - signalling around market diversification,

- a volume to value shift, and
- a repositioning of ENZ as the leader of the international education delivery system rather than a marketing agency.
- 33. The development of the new SOI, planned for 2021/22, will provide the opportunity for ENZ to fully respond to your previous feedback and better align the SOI and the new four-year plan with the refresh of the Recovery Plan (implementation plan) and any associated policy shifts. We expect these documents to reflect a critical reset of strategic priorities while New Zealand continues to respond to and recover from the impacts of the COVID-19 pandemic.
- 34. ENZ's draft SPE 2021/22 needs to reflect a realistic view of the outlook for the international education sector. It is our view that ENZ should reflect a greater focus on high-value students in its SPE as it is clear that onshore international student numbers are unlikely to significantly increase in the short-term. Partnership with other key agencies should be emphasised and it is important ENZ is consistent with wider Government messaging. ENZ has advised focus on increasing onshore students was included as it reflects the "Early return of students" workstream of the Recovery Plan.
- 35. We recognise it is difficult for ENZ to develop performance measures in this complex and challenging environment when the impacts of COVID-19 have been longer than expected. It will be important for ENZ to work with policy teams of key partner agencies, like the Ministry and MBIE, when it develops its new SOI later this year and moving forward in its SPE next year. We recommend ENZ works with key policy agencies to confirm if any measures should be changed, added, or removed as part of its ongoing continuous improvement approach.
- 36. We will continue to work with ENZ to retain visibility and increase transparency about the prioritisation of activities and the shifting of resources as part of our monitoring relationship.
- 37. Our high-level commentary on ENZ's SPE financial position is provided in Annex A. We note that this position may change as a result of the financial review due to you at the end of May 2021.

#### **Analysis of performance measures**

- 38. The draft SPE 2021/22 positions ENZ firmly as the lead for international education delivery in New Zealand guided by the vision and direction of the NZIES and the system-wide framework of the Recovery Plan. Under the Recovery Plan, ENZ has a dual role to support the Ministry to strengthen the international education system and lead the transformation to a more sustainable future state. ENZ also has a major role in coordinating and chairing the Chief Executives' Group on behalf of the Secretary for Education.
- 39. ENZ's performance measures are linked to two appropriations: International Education Programmes and Tertiary Scholarships and Awards.

# International Education Programmes

- 40. ENZ has opted to retain all six performance measures from last year's SPE but lowered some of the targets to reflect the impact of the COVID-19 pandemic. This makes sense in the current context of uncertainty around the future of international education and any pending government decisions.
- 41. ENZ has also developed four new measures, the first being:
- An increase in onshore international student numbers.

- 42. This is a volume-based measure that we consider may not be achievable in the current environment. It does not have a specific percentage target as the year 2020 is used as a baseline year and the numbers will depend on the re-opening of the border. As a result, there is a strong possibility that this measure is not met in 2021/22.
- 43. Our advice is that ENZ should not lose the focus on higher value students and needs to ensure this remains a key priority for the medium and longer-term. We would further advise that more work is needed on defining what "recovery" and "high value" looks like.
- 44. ENZ has advised the measure was included to reflect the "Early return of students" workstream and was also included as an Estimates measure.
- 45. We suggest ENZ works together with the Ministry on this as it develops its next SOI and SPE so that an appropriate measure can also be reflected in Estimates.
- Improved confidence and resilience within the international education sector.
- 46. ENZ plans to survey the sector on improvements to confidence and resilience. To be able to measure this, ENZ will need to define confidence and resilience, and be clear about activities that would contribute to this.
- Facilitating cross-Government collaboration via the Chief Executives' Group and strengthening links with international Ministers.
- 47. This is an activity-based measure and does not describe the desired impact or outcome for a well-facilitated Chief Executives' Group. We believe this could be refined between now and the final SPE.
- Number of students studying towards a New Zealand qualification through ENZ's offshore study partners or partner qualifications
- 48. This measure aligns well with the transformation to a future sustainable state work stream of the Recovery Plan and will be one of the key indicators on whether we have achieved the NZIES outcomes.

#### Tertiary Scholarships and Awards

49. This appropriation is designed to provide scholarships and other awards to students, researchers, and teachers within New Zealand and overseas. Due to the COVID-19 pandemic, scholarships were not awarded in 2020/21 and there is a lack of certainty when this work will re-start. So as not to provide performance measures and outcomes for this appropriation, ENZ sought and received an exemption under Section 15D(2)(b)(ii) of the Public Finance Act.



#### **Opportunities for improvement**

- 51. The importance of Te Tiriti and te ao Māori is woven into the content of ENZ's draft SPE; however, there are no corresponding measures. We recommend ENZ could consider adding an internal measure on how it is building its organisational capability.
- 52. Cross-government work is crucial to the successful management of the early return of student cohorts and the re-set of the international education sector once the borders open. In addition to the Ministry, key partners in this are Immigration New Zealand, MBIE, and the Ministry of Foreign Affairs & Trade, among others. ENZ plays an important role in leading cross-government work via the Chief Executives' Group and needs to enable robust decision-making and ensure government agencies speak with one voice. We suggest that interdependencies and work with key government partners are made more explicit in the final SPE.
- 53. We are expecting to see findings from ENZ's financial review by the end of May 2021. Any findings or resulting decisions will need to be reflected in future SPE and SOI developments.
- 54. We will seek supplementary information through quarterly reporting to provide confidence that ENZ is performing its core functions. In particular, we will seek further information about business planning and how this aligns with the SPE and future strategic priorities.

# How we will stay on top of performance

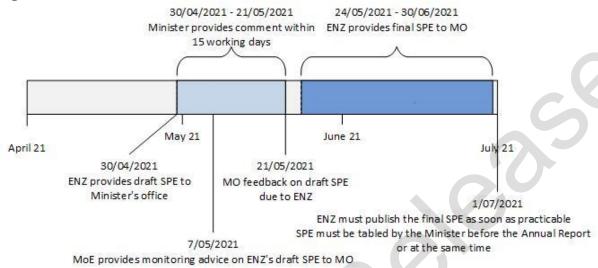
- 55. As the monitoring agency, we will work with ENZ to monitor performance against its 2021/22 SPE by:
  - seeking comprehensive information on the delivery of its core regulatory functions as ENZ increases its focus on embedding the key education system priorities, strategies, and work programmes,
  - using monitoring frameworks to assess entity performance against key areas of growth and risk, such as equity, digital and data services and investment,
  - using ENZ's annual report to provide you with trend analysis of performance over time,
  - engaging with officials across ENZ and the Ministry on key change projects, and
  - facilitating bi-yearly joint Chair meetings between the Chairs of the Crown agencies and education Boards so they can consider sector issues, share lessons learned and issues arising.
- 56. We will continue to work with ENZ on its performance framework as it continues to mature its measures. To this end, we are currently working in partnership with ENZ to better understand its value chain, and how this will help drive strategic outcomes. We will also work closely with ENZ on the development of its next SOI which it intends to publish in December 2021.

#### Next steps

- 57. As ENZ sent its 2021/22 draft SPE to you on 30 April 2021, under Section 149L of the CE Act, you will have 15 working days to forward any comments to ENZ. We have provided a draft letter from you to Steve Maharey, Chair of the ENZ Board, for this purpose (Annex B). This will need to be sent by 21 May 2021 (see Figure 2 below).
- 58. ENZ must consider your comments. It then provides the final SPE to you as the responsible Minister no later than the start of the financial year. After providing the final documents, the Crown entity must publish them on its website as soon as practicable.

59. The SPE must be tabled by the responsible Minister. This can be done before the Annual Report for the previous year is presented or at the same time (Sections 149 and 149L of the CE Act).

Figure 2: SPE timeline



# Annex A: High-level financial context

# Summary

ENZ is budgeting for no surplus in the 2021/22 financial year (FY22). This is the same position as the forecast for the 2020/21 financial year (FY21).

Its balance sheet is budgeted to remain in the same overall position as the FY21 forecast position, which is stable for an organisation of its size.

The actual position for FY22 will likely look different to that displayed in the SPE, subject to the outcome of budget bids and any decisions following the financial review, which the Ministry are actively engaging with ENZ on.

Given the ongoing financial review, which will be reported in detail to you by the Ministry once finalised by ENZ, and the above comment on potential Budget bids changing the financial performance from that shown in Table 1, there is limited merit in analysing the prospective FY22 financial information included within the SPE beyond the above overarching comments.

However, it is worth noting that ENZ has limited capacity to fund any initiatives outside of its baseline due to the minimal reserves it retains.

| Table 1. Statement of financial performance |          |          |          |          |  |  |  |
|---|----------|----------|----------|----------|--|--|--|
| \$'000                                      | FY22B    | FY21F    | FY20     | FY19     |  |  |  |
| Operating                                   |          |          |          |          |  |  |  |
| Revenue                                     |          |          |          |          |  |  |  |
| Crow n - operating                          | 37,514   | 32,694   | 31,444   | 30,564   |  |  |  |
| Other                                       | 368      | 371      | 2,596    | 1,668    |  |  |  |
|   | 37,882   | 33,065   | 34,040   | 32,232   |  |  |  |
| Expenditure                                 |          |          | ,        |          |  |  |  |
| Personnel expenses                          | (13,153) | (13,000) | (13,301) | (12,010) |  |  |  |
| Other operating expenses                    | (24,492) | (19,835) | (20,494) | (19,899) |  |  |  |
| Depreciation & amortisation                 | (237)    | (230)    | (306)    | (283)    |  |  |  |
|   | (37,882) | (33,065) | (34,101) | (32,192) |  |  |  |
| Net surplus/(deficit)                       | 0        | 0        | (61)     | 40       |  |  |  |
| Scholarships                                |          |          |          |          |  |  |  |
| Revenue                                     | 3,750    | 2,175    | 2,050    | 4,550    |  |  |  |
| Expenditure                                 | (3,750)  | (2,175)  | (1,625)  | (4,536)  |  |  |  |
| Net surplus/(deficit)                       | 0        | 0        | 425      | 14       |  |  |  |
| Overall                                     |          |          |          |          |  |  |  |
| Net surplus/(deficit)                       | 0        | 0        | 364      | 54       |  |  |  |

| Table 2. Statement of financial position |           |            |           |           |  |  |  |
|--|-----------|------------|-----------|-----------|--|--|--|
|  | As at 30  | As at 30   |           |           |  |  |  |
|  | June 2022 | June 2021  | As at 30  | As at 30  |  |  |  |
| \$'000                                   | (Budget)  | (Forecast) | June 2020 | June 2019 |  |  |  |
| Assets                                   |           |            |           |           |  |  |  |
| Current assets                           | 5,680     | 5,533      | 7,738     | 6,075     |  |  |  |
| Non-current assets                       | 182       | 329        | 559       | 778       |  |  |  |
|  | 5,862     | 5,862      | 8,297     | 6,853     |  |  |  |
| Liabilities                              |           |            |           |           |  |  |  |
| Current liabilities                      | 3,050     | 3,050      | 5,241     | 4,234     |  |  |  |
| Non-current liabilities                  | 0         | 0          | 244       | 171       |  |  |  |
| Total liabilities                        | 3,050     | 3,050      | 5,485     | 4,405     |  |  |  |
|  |           |            |           |           |  |  |  |
| Equity                                   | 2,812     | 2,812      | 2,812     | 2,448     |  |  |  |



# **Hon Chris Hipkins**

MP for Remutaka

Minister for COVID-19 Response Minister of Education Minister for the Public Service Leader of the House



9 June 2021

Steve Maharey Chair Education New Zealand PO Box 12041 Wellington 6141

steve@maharey.co.nz

#### Dear Steve

I have received ENZ's draft Statement of Performance Expectations (SPE) 2021/22, as well as the Ministry of Education and the Ministry of Business, Innovation and Employment's assessment and advice. Thank you for providing me with this information.

ENZ and the international education sector have been significantly impacted by the Covid-19 pandemic and this has meant some of ENZ's usual activities have been impacted or put on hold until such time as international borders fully reopen. Currently this looks unlikely to occur until 2022, at the earliest, and there will be a phased approach. Even when the borders fully reopen, the international education sector is very unlikely to return to the position existing prior to the Covid-19 pandemic.

I understand that ENZ is presently doing work on its new four-year plan in anticipation of the borders eventually fully reopening. This work will require consultation with a range of internal and external stakeholders, including myself, and will ultimately lead to ENZ revising its Statement of Intent (SOI). I understand this is currently expected to occur before the end of the 2021 calendar year. Once a revised SOI is in place, this will need to flow through to the SPE and is likely to impact on the future performance measurement framework (including the actual performance measures).

As a result, I understand that ENZ prefers not to change the 2021/22 SPE. I think, however, that some measures could be refined to ensure an accurate view of ENZ's impact is captured for 2021/22:

"improved confidence and resilience of the international education sector" – this is outside ENZ's control,

"facilitating cross-Government collaboration via the Chief Executives' Group and strengthening links with International Ministers" – this should have a specified outcome.

Showing the impact ENZ is having continues to be especially important from a sector perspective. ENZ needs to continue to work alongside the sector to understand how it can provide support in managing the impacts of the pandemic in the short term as well as over the longer-term recovery phase.

It is crucial for ENZ to work closely with policy teams of key partner agencies on the development of a new SOI, where I expect to see strategic measures that clearly align with the next iteration of the Strategic Recovery Plan for International Education and the International Education Strategy 2018-2030.

The SOI also needs to reference the future sustainability of the industry, diversification, and the shift to higher-value international students. It is important I am kept up to date on ENZ's thinking, particularly around the development of the new four-year plan, so I can have confidence that related activities are appropriately aligned to my priorities.

I am looking forward to receiving information about ENZ's financial review at the end of May 2021 and on its new four-year plan.

Yours sincerely

**Chris Hipkins Minister of Education** 

cc Grant McPherson, Chief Executive, Education New Zealand

cc Emily Fabling, Deputy Secretary, Strategy, Planning and Governance, Ministry of Education