



Education Report: Education New Zealand Interim Letter of Expectations

To:	Minister of Education		
Date:	10 July 2020	Priority:	Medium
Security Level:	In Confidence	METIS No:	1234641
Drafter:	Nicole Benkert	DDI:	s 9(2)(a)
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Messaging seen by Communications team:	No	Round Robin:	Yes - ENZ

Purpose of Report

Attached to this report is a draft Interim Letter of Expectations (LOE) for Education New Zealand (ENZ) for your consideration and feedback (Annex 1). The draft incorporates comments from ENZ and Steve Maharey, the ENZ Board Chair.

Recommended Actions

The Ministry of Education recommends you:

EITHER

- a. **provide feedback** on the draft interim LOE by 17 July 2020, so that the interim LOE can be completed by the end of July

☒ **Yes** / ☐ **No**

OR

- b. **agree** to sign and send the LOE to the ENZ Board Chair

☐ **Agree** / ☒ **Disagree**

- c. **proactively release** this Education Report, alongside the final LOE, once completed

☒ **Release** / ☐ **Not release**



Jan Breakwell
Acting Deputy Secretary
Strategy, Planning and Governance
10/07/2020



Chris Hipkins
Minister of Education

26 / 7 / 2020

Background

- 1 In the context of Covid-19 and its severe impacts on the international education sector, some of the work of Education New Zealand (ENZ) has changed significantly and performance measures need to be amended. The Strategic Recovery Plan for International Education (the Recovery Plan) agreed by Cabinet on 22 June 2020 sets out a new international education work programme building on the vision and objectives of the International Education Strategy 2018-2030.
- 2 An interim Letter of Expectations (LOE) that remains in place for the duration of the Recovery Plan is required to state your expectations specifically for the Covid-19 Response and Recovery and confirm ENZ's leadership role in this context. An outline of the interim LOE was provided to you on 3 July 2020 [METIS 1234368]. The interim LOE will sit alongside the current LOE from 2018, which sets expectations for the wider education sector.
- 3 We will provide you with more detail on how ENZ has performed against its current LOE in our advice on Quarter 3 and 4 of the 2019/20 financial year, by the end of July 2020.

Draft Letter of Expectations

- 4 We have structured this draft interim LOE to highlight ENZ's role in Phase 2 and 3 of the Recovery Plan; and to provide clear expectations about governance arrangements and operational measures.
- 5 ENZ's will lead Phase 3 of the Recovery Plan and continue to lead general consultation and engagement with providers and international students. ENZ will support the Ministry of Education (the Ministry), which is leading Phase 2.
- 6 On behalf of the Secretary for Education, ENZ will convene and chair a Senior Officials Group that will be established to support governance and implementation of the Recovery Plan. All agencies responsible for individual work streams under the Recovery Plan will report to the Senior Officials Group.
- 7 Current decision rights of the Minister of Education, the Secretary for Education, and the ENZ Board remain unchanged.
- 8 ENZ will undertake a financial review so that, where possible, discretionary expenditure can be reprioritised and appropriate trade-offs made to reflect the new market environment.
- 9 In preparing this draft interim LOE, we consulted with ENZ, ENZ's Board Chair and relevant policy groups in the Ministry.

Next steps

- 10 We require any feedback on this draft interim LOE by 17 July 2020, so that it can be finalised at the same time as governance arrangements are put in place (due by the end of July 2020). If you any have feedback on this draft, we will send you an updated version no later than 24 July 2020.
- 11 You can sign and send the draft interim LOE now if you do not wish to provide any feedback.

- 12 If your expectations of ENZ change significantly after you send the interim LOE to the Board Chair, you may send a supplementary letter at any time.

Proactive Release

- 13 It is intended that this Education Report is proactively released alongside the final LOE, 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 1: Draft interim Letter of Expectations



Hon Steve Maharey
Chair
Education New Zealand
Level 5, 160 Lambton Quay
Wellington 6022
Steve@maharey.co.nz

Dear Steve

Education New Zealand Interim Letter of Expectations

I am writing to convey the Government's priorities for international education in the context of Covid-19, and my expectations for your role in achieving these. This interim letter needs to be considered alongside my Letter of Expectations (LOE) of 2018, which conveyed government priorities for the education system, and the enduring LOE for Crown entities.¹ In addition to the priorities set out in this letter, Education New Zealand (ENZ) needs to be aware of and informed by any guidance or direction to Crown entities set by Government.²

Cabinet agreed to the Strategic Recovery Plan for International Education (the Recovery Plan) on 22 June 2020. The Recovery Plan outlines short and medium term work streams to ensure the international education sector is rebuilt following the impacts of COVID-19. The expectations outlined in this letter will remain in place for the duration of the Recovery Plan.

Building on the vision and objectives of the International Education Strategy (IES), the Recovery Plan is a system-wide framework to address current challenges and seize opportunities. It extends the IES objectives through the inclusion of a focus on sector resilience, reduction of Crown risk, activation of opportunities for innovation and the public value international education can generate for New Zealand.

Supporting the recovery and transformation of International Education will contribute to the wider government COVID-19 response and recovery. Education sector Crown entities need to work alongside each other and other agencies, in an agile manner, to ensure a whole-of-government approach is taken to managing the response and recovery. In the short term, I expect all education entities to focus on supporting the wellbeing of students, and providing timely and accurate communication to students, families and providers.

ENZ's role

ENZ will *support* the Ministry, which is the lead for the workstream to strengthen the current international education system. This includes:

- reviewing cross-government macro policy settings to guide the recovery and shape the future of international education
- ensuring education, immigration and other settings are aligned to guide the recovery and shape the future of international education

¹ <https://ssc.govt.nz/resources/enduring-letter-of-expectations-to-statutory-crown-entities-2019/>

² Cabinet Office circular CO (19) 5: Te Tiriti o Waitangi / Treaty of Waitangi Guidance for policy makers; and National Cyber Security Centre (NCSC) guidance for public sector Chief Executives.

- strengthening the regulatory system to improve education quality and support recovery
- strengthening the education offer to international students through tactical use of education, immigration and other policy settings.
- reducing Crown risk and increasing sector resilience
- re-focusing our international presence.

ENZ will *lead* the workstream focusing on transforming to a more sustainable future state through a targeted investment plan and work programme. The key work streams in this phase include:

- diversifying products and services to extend reach including enabling providers to deliver offshore
- supporting, transitioning and growing international education businesses
- activating partnerships and global citizenship opportunities
- international education engagement.

I expect that ENZ will continue to lead general consultation and engagement with providers and international students, particularly through its website and social media channels. ENZ will also continue its role in terms of student promotion and attraction through marketing campaigns to ensure we can drive and convert demand when circumstances allow.

Whether as lead or in a supporting role, ENZ must take an open and transparent approach to working in partnership with government agencies and the wider international education sector.

Governance

Due to the system-wide nature of the work, a Senior Officials Group will be established to support governance and implementation of the Recovery Plan. On behalf of the Secretary for Education ENZ will be responsible for convening and chairing the Group.

As the lead for the transformation to a future sustainable state, ENZ will report to the Senior Officials Group on the overall progress of its implementation. All agencies responsible for individual work streams under any phases of the Recovery Plan will report to the Senior Officials Group

Current decision rights of the Minister of Education, the Secretary for Education, and the ENZ Board remain unchanged.

ENZ needs to have constructive relationships with Ministers and a 'no surprises' approach to keeping me informed of all matters of significance within my portfolio responsibilities.

Operational impact

I expect ENZ to be transparent with its investment and operations, and to ensure its work programme is delivering benefits for New Zealand consistent with the IES and the Recovery Plan.

ENZ will need to consider how the Recovery Plan will impact its current work programme. I expect ENZ to carry out a financial review and analysis of critical success factors. Where possible, discretionary expenditure must be reprioritised and appropriate trade-offs made to reflect the new market environment. ENZ will communicate the results of this review to me alongside proposals for reprioritisation of expenditure through the regular reports I receive from ENZ and the Ministry.

I also expect ENZ to assess and report its performance to me through the usual channels.

Response

I would appreciate your response by 20 August 2020, detailing how you propose to meet the expectations in this letter. This should be developed in conjunction with the Ministry of Education's Monitoring Team and International Division.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'CH', is written above the name Chris Hipkins.

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