Education Report: Education New Zealand end of year performance assessment

To:        Minister of Education
Date:     7 November 2018
Priority:  Medium
Security Level:  In Confidence
METIS No:    1137255
Drafter:  Jennifer Heersping
DDI: s 9(2)(a)
Key Contact:  Fiona O'Leary
DDI:         Round Robin: Yes
Messaging seen by Communications team: No

Purpose of Report

This paper provides our assessment of the 2017/18 performance of Education New Zealand (ENZ), and asks you to sign and send the letter to the Board chair of ENZ relating to the entity’s performance.

Recommended Actions

The Ministry of Education recommends you:

1. note our assessment of ENZ’s performance for the 2017/18 year

   Noted

2. note that in order to satisfy section 150(3) of the Crown Entities Act 2004, the responsible Minister must present ENZ’s Annual Report to the House of Representatives within five working days of receiving the report, or if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament

   Noted

3. note that ENZ will publish the Annual Report within 10 days of submitting the report to you to meet section 150(4) of the Crown Entities Act 2004.

   Noted

   a. note that you have the opportunity to provide an early indication of changes you would like to see in ENZ’s performance measurement through this report

   Noted

   b. sign and send the attached letter on ENZ’s performance to the ENZ Board Chair.
c. **proactively release** this Education Report as part of the next publication

[Signature]

Emily Fabling  
Deputy Secretary  
Strategy, Planning and Governance  
05/11/2018

[Signature]

Hon. Chris Hipkins  
Minister of Education  
16/11/18
Background

1. ENZ received its final audit report on 31 October 2018. Crown agents must produce and provide you with an Annual Report no later than 15 working days after receiving the final audit report. The entity must then publish the Annual Report no later than 10 working days after you receive it.

2. You are required to table ENZ’s Annual Report within five working days after you receive the report to satisfy section 150(3) of the Crown Entities Act 2004. If Parliament is not in session, you must table the report as soon as possible after commencement of the next session.

3. Crown agents can choose to provide you with a draft annual report for your input but it is not required. While ENZ has not provided you with a draft they have involved the Ministry of Education throughout the drafting process so that feedback could be provided and considered.

4. The Ministry in its monitoring function provides advice over the Crown agent Annual Report by reviewing and analysing the financial and non-financial data.

5. The analysis performed is to provide assurance and advice to you on:
   a. the form and content of ENZ’s Annual Report
   b. financial and non-financial performance, and
   c. areas where you may wish to consider enhancements, or seek further information through monitoring or entity advice.

6. ENZ will be developing a Statement of Intent (SOI) and Statement of Performance Expectations (SPE) next year. Planning for these documents is underway and your feedback on the Annual Report and the Letter of Expectations will be useful in giving early indications on expectations or changes you want to have considered in these documents.

7. Your feedback on the ENZ Annual Report can also be used to inform which measures and changes ENZ makes in the next SPE and SOI.

Annual Report overview

Statutory requirements for content

8. The Ministry’s view is that ENZ’s Annual Report for 2017/18 meets statutory requirements for content. The requirements for the content of an annual report are set out in sections 150-156 of the Crown Entities Act 2004 and include having compliant information about the entity’s:
   a. final audit
   b. responsibility and Board
   c. organisational capability, and
   d. annual financial statements.

9. ENZ has met requirements outlined by the State Services Commission for application of whole of government directions.

10. Detailed financial and non-financial performance analysis is provided in Annexes.
11. ENZ’s 2017/18 Annual Report signals a year of growth and change. Over the course of the year ENZ has been agile in aligning to changes to policy settings as well as the changing landscape of education, immigration and work.

12. Over 2018 the economic value of New Zealand’s International education sector has grown to $5.1 billion (up $800 million from 2015/16) despite an overall decrease in international student enrolments. This reflects the shift ENZ has made from a focus on volume, to high value and high quality education. This is a positive result considering the level of change and uncertainty in the sector. ENZ will need to continue to ensure shifts in marketing support changes and sustainability if the sector.

13. Over 2017/18 ENZ and the Ministry of Education led the development of the New Zealand International Education Strategy 2018 – 2030 (NZIES). ENZ has aligned all its core business activities to the NZIES and has been working across government to ensure work programmes are connected.

14. ENZ is currently working with the Ministry to develop an implementation plan for the NZIES by November 2018. The NZIES is signalling some big shifts to ensure positive outcomes for and great experiences for learners. This will require all education sector agencies to work in a more connected and collaborative way and work together to support student wellbeing, manage poor provider performance and increase the sustainability of the sector.

15. To support this focus on high value students, ENZ has continued to explore new opportunities in existing markets such as Europe (France, Italy and Germany) and the United States of America. In particular, ENZ has focused on increasing the number of students coming to New Zealand from secondary schools in these countries.

16. ENZ has continued to mature its digital marketing capability which has been facilitated by its strategic investment approach. By strengthening digital products and services such as MyStudyNZ, ENZ is able to expand its reach by diversifying into global products. Improved data and analytics for ENZ’s digital marketing will enable ENZ to better understand and meet the diverse needs of its customers. It also means ENZ can target interventions at specific points in a student’s journey, based on real time feedback and conversion rates.

17. ENZ have been working with international education providers, regional economic development agencies, local government and communities to grow international enrolments in the regions. ENZ have also been supporting the development of targeted regional strategies to strengthen the services and support available to students and promote activities and experiences student may have while in certain parts of the country.

18. To gauge the degree of ENZ’s alignment to the wider education portfolio work programme our monitoring engagement has been focused on interdependency management. We have seen positive indications ENZ is working with other education agencies and the Ministry to align deliverables. This will continue to be a monitoring focus.
Financial performance

19. ENZ’s financial performance in 2017/18 was close to budget, with a $0.064m deficit as opposed to a nil budget. There were no material differences between budget and actual revenue or expense line items.

20. ENZ is currently facing cost pressures. Historically, ENZ has managed this through prioritisation of projects and decreasing marketing spend. If ENZ is required to take on additional functions or roles without additional funding, or if current funding streams change, ENZ will need to reduce spending in other areas.

Recommendations for 2019/20

21. Given the change in Government priorities, when setting its 2019/20 – 2022/23 SOI and its 2019/20 SPE, ENZ will need to signal how it will work with other agencies and the sector to deliver on your priorities in a seamless, integrated manner that continues to build capability and enables change.

22. We expect to see ENZ continuing to explore smart and innovative ways to market products and services to international students. In doing so, it will be critical for ENZ to think through how it can best utilise its channels and networks. In particular, we expect ENZ to continue its work to understand how it can strengthen the New Zealand education brand, alongside other parts of the education sector.

23. To ensure sustainability of the sector, ENZ also needs to continue its focus on high value students and ensure its channels support this focus.

24. It may also be beneficial for ENZ to further explore what prevents some high value prospective students from completing the application process for visas and applying to study in New Zealand. Understanding this, will allow ENZ to target interventions and further increase the number of high value students coming to New Zealand.

25. ENZ has an opportunity to increase transparency of the return on investment for its marketing activities. Being able to show how ENZ has a direct impact on international students and in particular, supports positive outcomes, is increasingly important.

26. ENZ will need to continue working alongside NZQA and the Ministry to understand how and where agencies wellbeing programmes connect. This is important in ensuring international students are well looked after and that appropriate interventions are in place to ensure they have an excellent experience in New Zealand.

27. It will be important for ENZ to continue its shift from consulting to co-designing with customers and stakeholders. This will ensure ENZ can better meet the needs of all customers and should also drive improvements in its customer satisfaction measures.

28. Given the scale and complexity of the Education Portfolio Work Programme ENZ will also need to continue ensuring that the NZIES implementation plan aligns to key education reviews, timing of report backs and implementation.
29. To provide you with assurance on ENZ’s deliverables and responsibilities, we will be monitoring ENZ’s performance against the 2018/19 Letter of Expectations. Some areas to explore include:
   a. the degree of focus ENZ has on customers
   b. how ENZ segments customer groups to better understand how customer satisfaction and service varies between and within these groups,
   c. the level of cross-government collaboration occurring with partner agencies and sector stakeholders,
   d. the level of alignment with the Education Portfolio Work Programme,
   e. what ENZ’s work programme around agents is, and
   f. how ENZ will support and assess the impact it has on student wellbeing.

Proactive Release

30. It is intended that this Education Report is proactively released 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: Annual report and monitoring overview
Annex 2: Non-financial performance
Annex 3: Financial performance
Annex 4: Letter to Board Chair
Annex 1: Annual report and monitoring overview

**Highlights**

Key highlights from ENZ's 2017/18 Annual Report include:
- development and launch of the New Zealand International Education Strategy (NZIES) 2018 – 2030 alongside the Ministry of Education,
- further refining and improving intelligence and data products and services,
- increasing partnerships with local government, economic development agencies and communities, to support regional development and the number of international students enrolling to study in the regions, and
- contributing to an increase in the value of the international education industry despite a drop in enrolments.

**Focus for SPE and SOI development**

Focus areas for ENZ's next SPE and SOI include:
- better understanding how ENZ can support student wellbeing and the role each of the education agencies have in this,
- incorporation of NZIES key actions,
- exploring diversification opportunities,
- cross-agency and sector collaboration and co-design, and
- enhancing and implementing measures of social and cultural outcomes.

**Shifts in customers and services**

Shifts we have seen include:
- moving from an almost exclusively economic focus to having an economic and education focus,
- beginning to think through the social and cultural benefits of international education,
- improved collaboration, and
- alignment between operations, the NZIES, the Education Portfolio Work Programme and Government priorities.

**Monitoring and engagement focus across 2017/18**

Figure 1: Monitoring and engagement overview

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**Non-financial performance achievement over time**

Over time there has been a strong shift in focus from volume and economic value to quality and sustainability of the international education sector.

The increase in performance since 2015/16 is reflective of ENZ's focus on its strategic goals and activities undertaken to achieve them.

ENZ's performance, since it was established in 2011/12, reflects a trend we would expect to see as an entity tests, measures, and matures. We are pleased to see the progress ENZ has made in achieving its measures and the shift it has taken towards understanding its impact on outcomes for international students and New Zealanders.
A Crown entity assesses its performance against intentions and measures set out in its current accountability documents.

- Strategic intentions, impact measures and organisational capability measures are set out in its Statement of Intent (SOI).
- Output measures are set out in its Statement of Performance Expectations (SPE).

Letters of Expectations (LOEs) are generally issued by Ministers to drive the entity’s priorities across the year. Where timing allows, accountability documents are shaped by the current LOE.

As a monitoring department, the Ministry tracks the entity’s progress against the intentions and measures in the accountability documents and the LOE, and engages regularly with the entity on its implementation of key areas of work. The Ministry provides independent advice on the entity’s performance to the Minister on the entity’s performance and annual reporting.

### Summary of results

<table>
<thead>
<tr>
<th>Table 1. Summary of non-financial performance results</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th></th>
<th>2017/18</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOI</td>
<td>Capacity</td>
<td>SPE</td>
<td>SOI</td>
<td>Capacity</td>
<td>SPE</td>
</tr>
<tr>
<td>Met</td>
<td>1</td>
<td>3</td>
<td>12</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Not met</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Critical</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Non-critical</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>3</td>
<td>13</td>
<td>23</td>
<td>4</td>
</tr>
</tbody>
</table>

- Ratio of impact (SOI) vs output (SPE) measures:
  - 32% in 2016/17
  - 68% in 2017/18

Increase awareness of the contribution of international education to New Zealand – fell by 1% to 56% (now 63%).
Increase the number of international students enrolled to study in regions outside Auckland – This measure was previously the proportion of students so even though the number of students rose by 2,418 the target was still not met.

### Summary of results

- ENZ achieved 23 of its 28 measures in 2017/18, this is a significant improvement on the previous financial year.
- The five measures not met are explained on pages 11-12.

### Output measures

In 2017/18, ENZ achieved twelve of its seventeen output measures. ENZ also reported on six measures for the first time in 2017/18, including a number of measures about the performance of new digital information products and services.

### Impact measures

ENZ has produced an SOI every year since 2011/12, 2017/18 is the first year of ENZ’s new Statement of Intent (SOI) for 2017-21. The SOI has been has a stronger focus on volume to value in ENZ’s impact measures. In 2017/18 ENZ achieved all seven impact measures.

The current financial year (2018/19) will be reported against the 2018-22 SOI which reflects the NZIES and Government priorities.

Four of the impact measures in the 2018-22 SOI have targets for year-on-year increases which may be difficult to maintain. Focusing on an increase across the four year span of the SOI, rather than year-on-year increases could better reflect the fluctuation expected across years while also increasing overall.

The NZIES also includes a number of measures of the performance and outcomes of the New Zealand international education sector. Which measures ENZ are responsible for are still being worked through.
Annex 2: Non-financial performance

Education New Zealand end of year performance 2017/18

Customer facing measures

ENZ has six measures that are customer facing. These measures show ENZ’s performance through customer satisfaction of its services and support. Five are SPE measures and one is an SOI measure.

Figure 5. Customer facing measures

Measures achieved/met

1. Percentage of the Prime Minister’s Scholarship for Asia recipients who record that the scholarship has benefited their future career aspirations.
   - Result \(\rightarrow\) 96% agreed

2. Percentage of the Prime Minister’s Scholarship for Latin America recipients who record that the scholarship has benefited their future career aspirations.
   - Result \(\rightarrow\) 98% agreed

3. Percentage of industry members satisfied with the information and intelligence provided by ENZ.
   - Result \(\rightarrow\) 87% of industry users rated ENZ’s information and intelligence as ‘good’ or higher

4. Maintain the proportion of international students who were satisfied or very satisfied with their overall experience.
   - Result \(\rightarrow\) ‘met’ (ITP and university providers measured)

ENZ currently measures this result through student surveys completed on an annual basis. Due to costs constraints ENZ usually measures two provider types per year, repeating the survey every second year.

This measure is ENZ’s only customer facing measure which provides a gauge over the experience international students have while studying in New Zealand. This is important as it acts as an indicator of where performance needs to shift and additional support needs to be put in place. It is also a critical part of understanding student wellbeing as this is a critical component in having an excellent overall experience.

For every provider type student satisfaction has remained about 87% since the first set of surveys in 2011/12 and compares favourably to global data for student experience. While this is a good result, in order to meet the goals outlined in the NZIES ENZ will need to work with providers to boost satisfaction by up to 10% in some cases. It will be challenging to improve significantly on this.

Satisfaction for students studying secondary school has consistently remained higher by around 5%. While ENZ have not surveyed this segment since 2015/16 the results could suggest that students are receiving a better experience in secondary schools than tertiary institutions or that their expectations of what studying in NZ will be like, is closer to reality.

This measure has some limitations, such as being a point in time and being taken after study in New Zealand has started. In future, ENZ’s database marketing programme will enabled ENZ to be more agile and track the full lifecycle of the student journey from visa application, through study to alumni. This data will be more useful than point in time surveys as ENZ will have real time information that will allow ENZ to identify and raise issues with provider types and other government agencies more quickly.

Figure 6. Average student satisfaction by provider type
Annex 2: Non-financial performance

Customer facing measures not met

ENZ did not meet the 2017/18 targets for the following measures:

1. Percentage of users agree ENZ’s services and support have added value to their organisation
   - Result → 71% (≥2016/17 result = 75%)

2. Percentage of users that are satisfied with the quality of ENZ’s services and support
   - Result → 75% (≥2016/17 result = 77%)

Results are taken from industry surveys which are run on an annual basis.

For both of these measures the results for ENZ’s managed customers¹ is over 83%. This reflects ENZ’s approach to target services and support on this segment as they generate the most value.

The results for these measures are affected by environmental factors such as the level of growth and uncertainty in the sector, the reviews occurring, and changes to policy and regulatory requirements such as post-study work rights.

ENZ tells us that generally sectors experiencing growth have higher satisfaction than those under pressure.

Figure 7: User satisfaction

Figure 8: Satisfaction and value-add by sector

<table>
<thead>
<tr>
<th>University</th>
<th>Education services²</th>
<th>Schools</th>
<th>Regional EDAs¹</th>
<th>ITP</th>
<th>PTE</th>
<th>ELS</th>
</tr>
</thead>
<tbody>
<tr>
<td>93%</td>
<td>67%</td>
<td>73%</td>
<td>86%</td>
<td>74%</td>
<td>56%</td>
<td>38%</td>
</tr>
</tbody>
</table>

ENZ is identifying actions to improve performance against these measures including:

- increasing awareness of ENZ’s activities through targeted communications and engagement with and to the sector,
- ensuring products and services align with the NZIES which will help to manage expectations,
- supporting providers to build digital capability so that ENZ’s digital products can be fully utilised, and
- focusing on measuring the value add of, rather than satisfaction with, ENZ’s services and support to key international education stakeholders.

ENZ has focused considerable investment into digital channels and campaigns, student experience products and the Education New Zealand Recognised Agency (ENZRA) programme over 2017/18. It is too early for these to impact these results, but based on this we expect relevant performance measures to improve in the future.

These measures are also affected by timing of when the survey is taken. Depending on the time of year providers are under different levels of pressure, sequencing surveys throughout the year could give ENZ a more accurate result of overall satisfaction.

Industry-facing activity surveys taken throughout the year directly after an event received consistently high satisfaction and value-add ratings. ENZ is looking at how the inconsistency between the results of the activity surveys and the end of year surveys can be resolved and used to measure non-financial performance.

¹ Managed customers comprise of 46 large education providers, peak bodies and regional partners
² Education publishers, consultancy services and education technology businesses
³ Local government and regional Economic Development Agencies
Aside from the two customer facing measures ENZ did not meet its targeted performance for, ENZ has also not met three further measures which are detailed below. We are not concerned by these results and further explanation is included in the table 2 below.

Table 2: Other measures not achieved

<table>
<thead>
<tr>
<th>Target</th>
<th>Actual result</th>
<th>Comment</th>
</tr>
</thead>
</table>
| Usage of the Brand Lab: | 50,000 downloads 15,081 downloads | - This is a demand-driven activity.  
- Promoting use of Brand Lab has not been a priority for 2017/18 as ENZ is currently undergoing a brand refresh and this is yet to be reflected in the current Brand Lab products.  
- It is possible users may be reusing products once they have been downloaded. |
| Number of new and existing Prime Ministers' Scholarships for Asia (PMSAs) funded. | 450-550 PMSAs 253 PMSAs | - Fewer PMSAs were funded in 2017/18 because the cost per scholarship was higher than previous rounds and longer lengths of study.  
- The number of new and existing scholarships depends on multiple variables. These variables include the number of short and longer term applications the selection committee receives, the number of each type approved up to the limit of the annual funding, as well as students changing their study plans or withdrawing from study. These factors are hard to forecast across a large number of scholarships. |
| Develop and document an agreed approach for supporting growth in delivery of education services offshore | Approach agreed by 31 Dec 2017  
Approach was agreed 7 June 2018 | - This measure is removed in the 2018/19 SPE. |
Annex 3: Financial performance

Financial performance summary

ENZ's financial performance in 2017/18 was close to budget, with a $0.064m deficit as opposed to a nil budget.

There were no material differences between budget and actual revenue or expense line items.

It is pleasing to see that scholarship expenditure was slightly above revenue. This reverses a historic trend of scholarship surpluses.

Looking forward

ENZ has limited reserves to fund significant operating losses in the future and as such is planning on operating at close to a zero deficit/surplus position over coming years. ENZ manages this by having few, if any, multi-year commitments and can easily scale down activity if required.

Moving into 2018/19, ENZ has changed its approach to strategic initiatives with funds pooled centrally rather than being held by each function. This should assist in the financial management of the initiatives and make sure that all initiatives are aligned to the organisational objectives.

The allocation of new inbound scholarships are on hold, reflecting your feedback to ENZ about them. Additionally, there is uncertainty around the future of the Latin America scholarships. This may lead to a variation to budget in 2018/19.

Table 3: Financial performance

<table>
<thead>
<tr>
<th></th>
<th>FY18 Actual</th>
<th>FY18B</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crown - operating</td>
<td>27,424</td>
<td>27,807</td>
<td>25,674</td>
</tr>
<tr>
<td>Crown - EEL</td>
<td>3,265</td>
<td>3,265</td>
<td>4,145</td>
</tr>
<tr>
<td>Other</td>
<td>3,579</td>
<td>2,906</td>
<td>1,851</td>
</tr>
<tr>
<td></td>
<td>34,668</td>
<td>33,978</td>
<td>31,670</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(11,495)</td>
<td>(11,817)</td>
<td>(11,688)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(22,575)</td>
<td>(21,796)</td>
<td>(20,925)</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>(346)</td>
<td>(365)</td>
<td>(420)</td>
</tr>
<tr>
<td></td>
<td>(34,416)</td>
<td>(33,978)</td>
<td>(33,033)</td>
</tr>
<tr>
<td>Net surplus/(deficit)</td>
<td>(48)</td>
<td>0</td>
<td>(1,363)</td>
</tr>
<tr>
<td><strong>Scholarships</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net surplus/(deficit)</td>
<td>(16)</td>
<td>0</td>
<td>390</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net surplus/(deficit)</td>
<td>(64)</td>
<td>0</td>
<td>(973)</td>
</tr>
</tbody>
</table>

Figure 5: Operating performance
Financial position

ENZ's financial position at the end of 2017/18 was marginally better than budget due to the opening position being better than anticipated when the budget was approved.

There was a material difference between actual and budget current assets and current liabilities. This is down to the timing of when invoices were received and payments made to suppliers and additionally a difference in timing of when scholarships were awarded and actually paid.

The increase in both current assets and current liabilities cancel each other out and have no impact on equity. It did however result in a spike in the closing cash balance (Figure 8).

While ENZ's cash and working capital remain at a stable level, ENZ has limited capacity to fund future losses or invest in capital projects without putting its viability at risk (Figure 8).

ENZ has accumulated a surplus of scholarship funding, which is currently recorded on its balance sheet within current assets (Figure 9). As per comments on the previous page, it has been able to stabilise the surplus in the current year. Its performance in 2018/19 will be dependent on the uncertainty around the issuing of future scholarships.

### Table 4: Financial position

<table>
<thead>
<tr>
<th></th>
<th>As at 30 June 2018 Actual</th>
<th>As at 30 June Budget</th>
<th>As at 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>7,997</td>
<td>6,241</td>
<td>5,793</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>581</td>
<td>390</td>
<td>787</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>8,578</strong></td>
<td><strong>6,631</strong></td>
<td><strong>6,580</strong></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>6,099</td>
<td>4,400</td>
<td>2,880</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>85</td>
<td>0</td>
<td>96</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>6,184</strong></td>
<td><strong>4,400</strong></td>
<td><strong>2,976</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,394</td>
<td>2,231</td>
<td>3,604</td>
</tr>
</tbody>
</table>

**Figure 10. Financial position**

**Figure 11. Accumulated scholarship surplus**
19 NOV 2018

Charles Finny
Chair
Education New Zealand
PO Box 12041
WELLINGTON 6141

Dear Charles

I have received Education New Zealand's Annual Report for 2017/18, alongside the Ministry of Education's assessment. Thank you for sharing this information.

I am pleased to note that ENZ has performed well against the measures set out in its Statement of Intent (SOI) and Statement of Performance Expectations (SPE). I am pleased to see the progress made towards enhancing some of its measures to better understand its impact on the sector.

I appreciate your hard work, and would like to pass on my thanks to your colleagues on the Board and staff for their hard work and efforts throughout the year.

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