Export Education Levy
Annual Report

For the financial year ended 30 June 2016

Presented to the House of Representatives pursuant to section 238I(3) of the Education Act
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Note: All pictures in this report are sourced from the Education New Zealand BrandLab (http://thebrandlab.educationnz.govt.nz)
Background

This document reports on the administration of the Export Education Levy for the financial year ended 30 June 2016, as required by section 238I of the Education Act 1989 (the Education Act).

The Export Education Levy

In 2003, the Government introduced an industry levy to fund a wide range of development and risk management initiatives for the export education sector. The Export Education Levy is authorised according to section 238 of the Education Act. Regulations prescribing the levy first came into force on 10 January 2003.

Purposes to which Levy funds may be put

Section 238I of the Education Act states the purposes of the Export Education Levy:

(1) The purposes to which the funds of the levy may be put are as follows:

(a) the development, promotion, and quality assurance of the export education sector, which may include (without limitation) —
   (i) professional and institutional development; and
   (ii) marketing; and
   (iii) implementation of scholarship schemes; and
   (iv) research, and resource development; and
   (v) support (financial or otherwise) of other bodies engaged in the development, promotion, or quality assurance of the export education sector;

(ab) the making of payments as set out in subsections (1A) and (1B):

(b) the administration and audit of the code:

(ba) the funding of the operation of the International Student Contract Dispute Resolution Scheme provided for by section 238J:

(c) the general administration of the levy and associated purposes.

(1A) Subsection (1B) applies if —

(a) an international student is or was enrolled with a private training establishment for a course of study or training; and

(b) at the time of the student’s enrolment the private training establishment held a current registration under Part 18; and

(c) the private training establishment has not, cannot, or will not provide, in whole or in part, the course of study or training.

(1B) If this subsection applies, the funds of the levy may be used for any of the following:

(a) to make payment to any person to ensure the reimbursement of the student, in whole or in part, for tuition fees or for any payment other than tuition fees made by or on behalf of that student to the private training establishment in respect of the student’s course of study or training if, and to the extent that,
(i) the private training establishment has not refunded the tuition fees or other payment; and

(ii) the agency responsible for the administration of the levy approves the reimbursement of the student as necessary and appropriate in the circumstances:

(b) with the approval of the Minister, to reimburse the Crown for any sum provided by the Crown and paid to any person to ensure the reimbursement of the student, in whole or in part, for tuition fees or for any payment other than tuition fees made by or on behalf of that student to the private training establishment in respect of the student's course of study or training if, and to the extent that, -

(i) the private training establishment had not refunded the tuition fees or other payment; and

(ii) the agency responsible for the administration of the levy approved the reimbursement of the student as necessary and appropriate in the circumstances:

(c) with the approval of the Minister, to reimburse, in whole or in part, the agency responsible for the administration of the levy, or any Crown entity, for –

(i) costs incurred by that agency or Crown entity in placing the student with an alternative provider; or

(ii) other costs incurred by that agency or Crown entity as a direct result of the private training establishment not providing the course of study or training.

Government agencies’ responsibilities

Ministry of Education

Annual Report to Parliament
Section 238I(3) of the Education Act refers to the requirement for an annual report:

As soon as practicable after 1 July in each year, the agency responsible for the administration of the levy must present to the Minister an annual report on the administration of the levy, which must include audited financial statements prepared in accordance with generally accepted accounting practice; and the Minister must present a copy of the report to the House of Representatives.

Administration of the Levy collection and Account
The levy is collected from education providers by the Ministry of Education and held in an Export Education Levy Account, administered by the Ministry of Education. These funds are ring-fenced to ensure that strategic development work is on-going and securely resourced.

Refund of tuition fees to international students
The Ministry of Education, in conjunction with the New Zealand Qualifications Authority (NZQA), has responsibility for the refund of tuition fees for international students affected by the closure of private training establishments.
New Zealand Qualifications Authority

NZQA is responsible for the administration of the Education (Pastoral Care of International Students) Code of Practice 2016 (and the previous version of the Code to 30 June 2016). NZQA receives funding from the Levy to carry out the Code Administrator functions.

Education New Zealand

Education New Zealand (ENZ) is responsible for the promotions, market research and professional development projects which are partly funded from the Export Education Levy. The bulk of ENZ operations are funded by the Crown through Vote Tertiary Education.
Tuition fee income

The Export Education Levy is payable by any education provider that enrols international fee-paying students. The Levy is made up of a flat fee component of $185 (excluding GST) payable by each provider, together with 0.45% of tuition fee income (excluding GST). State and state integrated schools pay the Export Education Levy as a component of their International Student Levy.

Total tuition fee revenue to education providers in the 2015 calendar year exceeded one billion dollars ($1.03b). Tuition fee revenue from international fee-paying students grew by 17 percent over 2014 revenue. Tertiary Education Institutions (TEIs) earned 52% of this total, followed by private training establishments with 32%. The school sector accounted for 14% of tuition fee revenue.

Tuition fee revenue is a major contributor to the export education industry, valued at $3.5 billion for 2015/16.1

Table 1: Tuition fee income during the calendar years 2014 and 2015

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary schools</td>
<td>11.5</td>
<td>12.4</td>
<td>1%</td>
<td>1%</td>
<td>7%</td>
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<tr>
<td>Secondary schools</td>
<td>119.4</td>
<td>131.7</td>
<td>14%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Institutes of Technology/ Polytechnics (ITPs)</td>
<td>117.8</td>
<td>166.0</td>
<td>13%</td>
<td>16%</td>
<td>41%</td>
</tr>
<tr>
<td>Universities</td>
<td>343.4</td>
<td>371.8</td>
<td>39%</td>
<td>36%</td>
<td>8%</td>
</tr>
<tr>
<td>Private Training Establishments (PTEs):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- SDR* PTEs</td>
<td>124.2</td>
<td>144.9</td>
<td>14%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>- Non-SDR (i.e. unfunded) PTEs</td>
<td>145.2</td>
<td>186.9</td>
<td>16%</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Subsidiary Providers</td>
<td>22.3</td>
<td>16.3</td>
<td>3%</td>
<td>2%</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$883.8</strong></td>
<td><strong>$1,030.0</strong></td>
<td></td>
<td></td>
<td><strong>17%</strong></td>
</tr>
</tbody>
</table>

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Export Education Levy income and expenditure

Summary of income and expenditure

Income from the Export Education Levy for the year ended 30 June 2016 was $5,028,193. This is an increase of nearly 10% compared with the levy income for the year ended 30 June 2015. Combined with the income from interest received and other income, total income was $5,164,065.

Total expenditure during the financial year was $4,512,455. This left an operating surplus of $651,610 as reported in the Statement of Financial Performance for the year ended 30 June 2016.

After making allowance for the operating surplus this year, the total equity in the Export Education Levy Account as at 30 June 2016 was $5,545,845.
Export Education Levy income by sector

The following table shows the breakdown by education sector, for levy income received between 1 July 2015 and 30 June 2016. Universities contributed the highest proportion of the levy (35%), and private training establishments provided the second-highest proportion (30%).

Table 2: Export Education Levy income by sector, year ended 30 June 2016

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of providers</th>
<th>Levy Income $ excl GST</th>
<th>% income by sector, 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>558</td>
<td>$859,226</td>
<td>17%</td>
</tr>
<tr>
<td>ITPs</td>
<td>18</td>
<td>$813,214</td>
<td>16%</td>
</tr>
<tr>
<td>Universities</td>
<td>8</td>
<td>$1,761,945</td>
<td>35%</td>
</tr>
<tr>
<td>Private Training Establishments</td>
<td>149</td>
<td>$1,517,656</td>
<td>30%</td>
</tr>
<tr>
<td>Subsidiary Providers</td>
<td>9</td>
<td>$76,152</td>
<td>2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$5,028,193</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Expenditure

Industry work programme

ENZ has responsibility for managing and operating the international education industry work programme which is funded from the Export Education Levy. The levy funding is in addition to the allocation from Vote Tertiary Education.

During the 2015/16 financial year, ENZ spent $3,781,500 of levy funding on the industry work programme, working towards increasing the economic value of the industry from $2.6 billion in 2012 to $5.0 billion by 2025. This is consistent with one of the objectives of the Government’s Leadership Statement for International Education, released on 20 September 2011.

Marketing/promotions

ENZ’s marketing and promotions activities are mainly funded from Vote Tertiary Education, although the Export Education Levy contributes to the funding.

The Study in New Zealand website

The 2015/16 year saw a record performance for potential student referrals from ENZ’s student facing website to education institutions or agents. The total of 123,538 referrals doubled ENZ’s target of 60,000 for the year and 37 percent more than the 2014/15 total of 90,103.

In January 2016, the website domain transitioned from studyinnewzealand.com to studyinnewzealand.govt.nz. This government association provides visitors greater reassurance and enhances search engine optimisation.

Social media presence

ENZ’s social communities include Facebook, Twitter, Instagram, Weibo and WeChat. The total number of referrals from ENZ’s social community has increased by 56 percent since January 2016, with an average of 442 referrals per month.

Facebook

ENZ’s Facebook page continues to perform significantly higher than competitors and its community size is larger than Australia, Canada and Ireland. A measurement tool called ‘Likealyzer’ analyses the content shared, follower growth, engagement from followers and response rates to give a score out of 100. In March 2016, the Study in New Zealand Facebook page reached its best-ever Likealyzer score of 96, compared to an industry standard of 57.

ENZ ran a Facebook Market Page pilot in Japan, allowing targeted users to go to the Japan Market Page in Japanese rather than ENZ’s main global page in English. Early indications show a 34 percent increase in followers since January 2016 and a 92 percent increase in the reach of Japan specific posts. ENZ will consider the benefits of Market Pages in other languages in line with Country Activity Plans.

Twitter

ENZ uses Twitter to share news and information and to respond to enquiries. ENZ’s global Twitter page had 24,013 followers by June 2016 and its Saudi-specific Twitter page, with content in Arabic, had 38,748 followers. Twitter is the most popular social platform in Saudi Arabia.
Instagram
Generation Study Abroad Scholarship recipients from the United States were asked to be “Kiwi Ambassadors” on ENZ’s Instagram profile, providing all the content by sharing their New Zealand study adventures on Instagram. Their activity generated significant momentum, and the profile had 16,144 followers by June 2016. ENZ has used the content generated by these students across other platforms to tell authentic and engaging New Zealand education stories.

Weibo and WeChat, China
In February 2016, ENZ ran a social media campaign across its Weibo and WeChat platforms focused on raising awareness of New Zealand education, and showcasing good news stories that position New Zealand as an innovative place to study and a place where Chinese students are. ENZ engaged six key opinion leaders in China to help promote the campaign, and as a result gained 6,309 new followers across the two platforms.

Promoted New Zealand at events
There are two main recruitment seasons on the international education calendar; March to April and late August to November. During these times, ENZ participated in or ran 36 brand events in 14 countries, including both commercial and New Zealand only education fairs, to promote New Zealand as a study destination to students, their families and decision makers. ENZ also participated in the two main international education conferences in the United States (NAFSA) and Europe (European Association for International Education).

In addition, ENZ hosted 37 events for education agents, institutions and Immigration New Zealand to build and strengthen relationships. These events are also an opportunity for ENZ and Immigration New Zealand to update agents on the latest trends and policies within the market.

Developed education sector stories to market New Zealand education
The development of individual sector stories was identified by industry as a key activity in the overarching sector strategic roadmaps in June 2014. Three stories were launched during the 2015/16 year; the culmination of two years of extensive work and collaboration with industry.

The sector stories present a clear proposition for each of the University, School and Professional and Vocational Education (PAVE) sectors. This includes key messages articulating each sector’s unique benefits, as determined by the sectors themselves. Each story includes a sector film and visual assets that are available on the Brand Lab for download, including translated content.

The University Sector story focuses on the idea that when it comes to New Zealand universities, ‘every choice is exceptional.’ The PAVE story focuses on the visual device of hands to link with the message that PAVE is all about applied learning and real-world skills. The School Sector story focuses on real stories from parents of international students currently studying in New Zealand and tells a genuine, heartfelt and emotional story about how children from all around the world flourish here in New Zealand.

All three sector stories are already being used widely by the industry and ENZ for events, digital advertising, social media communication and Study in New Zealand website content.
Hosted media and agent familiarisation visits
ENZ took a more strategic focus in 2015/16 for media familiarisation visits. As well as education media, ENZ hosted influencers of a wider, more mainstream audience. The purpose of these visits was to raise awareness about New Zealand's unique offerings and the ways in which the New Zealand education system can meet different education needs.

In countries where social media is more influential, ENZ hosted key opinion leaders with a significant online presence. For example, from Saudi Arabia, ENZ hosted well-known social media and education influencer Loay Al Shareef. Loay profiles English language destinations via Snapchat (30-50,000 views per video), Twitter (80,000+ followers) and his Youtube channel Fallimha (600,000 subscribers).

In April 2016, ENZ hosted journalists from a range of Japanese media agencies: the Cheer Up English language study abroad website; the widely-distributed and highly-regarded Ryugaku (study abroad) Education Journal; and a representative from ENZ's in-market Public Relations agency, Hakuhodo. The programme showcased the strength of New Zealand’s school curriculum, the quality of our homestays, and some unique and creative programmes combining English, sports and hospitality. As part of this visit, ENZ also hosted the Editor-in-Chief of Japan’s Rugby Magazine in response to the demand for edu-sport programmes since the launch of the Game On English programme, which combine English language training with rugby coaching.

Media familiarisation visits continue to be an effective way of raising awareness of and promoting New Zealand as an education destination, and ENZ plans to continue hosting media in New Zealand on a regular basis.

Focus groups and in-depth interviews in Asia
ENZ’s research partner, TNS, conducted 16 focus groups and several in-depth interviews in China, India, Japan, Vietnam and Thailand during June and early July 2016. Interviewees included students considering international study, education agents and parents. The research was intended to ensure the questions asked in ENZ’s twice-yearly quantitative brand health monitor are still relevant, gather insight into the student decision making journey, and explore perceptions around the New Zealand ‘Think New’ education brand.

The research showed that there is scope to further target key messaging around New Zealand’s education offering, and that students’ perceptions of how they will benefit from a New Zealand education experience can vary significantly between countries. The research also provided a number of more in-depth insights into New Zealand’s education brand that ENZ will use to refine New Zealand’s brand positioning in different markets.

Developed new student personas
ENZ developed marketing personas alongside the development of the Think New branding in 2012. Personas provide a model of people using current products and services and can help in the development of new products and services. In line with the new market prioritisation model, ENZ determined that new personas would be valuable to provide a deeper understanding of ENZ’s target audiences.

ENZ undertook extensive research to develop four new personas, including targeted interviews with past, current and potential international students (including 16 students currently considering New Zealand) and five parents of current international students. The new personas that were developed are Adventurer, Contributor, Searcher and Future Maker. Each persona has differing motivators and expectations from their New Zealand education experience.
The development of the new personas included consideration of how the industry would use them to develop outstanding student experiences, what capabilities might be required to utilise them effectively, and what tools could be developed for industry. ENZ developed a training module for industry to better understand the personas and to explore how they can be used to focus recruitment and student experience activities. The student personas are now being incorporated into ENZ’s marketing activity, including digital advertising targeting and social media.

**Professional and institutional development**

ENZ ran two separate seminars in March 2016 at six locations around New Zealand. The seminars were on Personas: Understanding your Audience, and Creating Effective Digital Marketing Programmes. Feedback since the seminars has been that many institutions have adopted the use of personas within their marketing, and that there has been strong uptake of the School sector story material by schools. ENZ will work more closely with regional education groups to provide professional development in line with their requirements.

**Export Education Levy additional funding**

In October 2015, Cabinet approved the transfer of a total of $2.77 million additional funding to ENZ for promotion and regional development activities for the 2015/16 and 2016/17 financial years.

**United States**

ENZ appointed a fixed term Senior Market Manager in the United States from January 2016. The United States is predominantly a university market, and students rely on their existing universities for international study opportunities.

The 2016 NAFSA Annual Conference and Expo was held from 29 May to 3 June 2016 in Denver, US. The theme of the 2016 conference was ‘Building Capacity for Global Learning’. Approximately 11,000 delegates attended the 2016 conference with 38 percent of delegates coming from outside the US, representing 110 countries.

ENZ was a platinum sponsor of the 2016 conference, which provided New Zealand with a short speaking slot at the beginning of the opening plenary session, a 10-minute performance by Te Tini a Maui (a kapa haka group from Vancouver) during the opening plenary session and the screening of the university sector story at all plenary sessions throughout the conference.

ENZ supported the attendance of seven New Zealand universities and five ITPs at NAFSA. The New Zealand booth was noted as one of the best country booths at the conference. Feedback from New Zealand institutions at the conference suggested that the increased New Zealand presence and profile was highly successful, with a notable increase in new partners seeking out the New Zealand booth to talk to New Zealand institutions about potential partnerships.

**Colombia**

ENZ hosted four Colombian education agents in New Zealand on a 10 day visit, focusing on education offerings in Hawkes Bay, Wellington, Canterbury and Otago, and hosted two officials from Colombian scholarship/loan agency Colfuturo on a separate 10 day visit to New Zealand. The officials, who advise Colombian students on international study destinations, visited all eight New Zealand universities, meeting with the international offices to discuss partnership agreements and to better understand the unique offerings of each institution.
Other activity with education agents included awarding five Colombian agents matched funding towards dedicated marketing activities and campaigns promoting New Zealand, and hosting agent seminars in Bogota and Medellin. The matched funding was awarded from a Colombia-specific fund for marketing activities and campaigns run by education agents to promote New Zealand.

ENZ piloted a Game on English (rugby) programme with Colombia, in partnership with the Colombian Ministry of Foreign Affairs. A group of 12 high school students and three coaches undertook three weeks of English language classes at the Mount Maunganui Language Centre, and completed an elite rugby development programme at The University of Waikato Adams Centre For High Performance in Mount Maunganui via a new partnership with the Bay of Plenty Rugby Union. The team based values of rugby have been identified by Colombia as a key tool to positively empowering youth through sport and education. The students had a fully immersive New Zealand experience in the region, staying with local homestay families and learning about Maori culture including Kapa Haka.

Philippines
ENZ appointed a Public Relations agency, EON, in the Philippines, to generate positive media coverage of New Zealand. EON has been performing well, with strong media coverage generated from April 2016 around what the New Zealand education system can offer Filipino students, as well as several interviews conducted with ENZ as part of our involvement in a New Zealand Embassy’s Experience New Zealand event in May 2016.

ENZ ran its first agent seminar in Manila in March 2016 to aid in developing market intelligence on the Philippines. The seminar was attended by 8 New Zealand institutions and 31 education agents representing 18 education agencies.

Expanded the Regional Partnership Programme
ENZ expanded the Regional Partnership Programme (RPP). The RPP targets growing international education in partnership with education providers, representative groups, local government and economic development agencies in regions across the country.

Supported regional growth strategies
The RPP continued to support the growth strategies of 14 regions, with eight new strategies under development or launched (Christchurch, Manawatu, Nelson/Marlborough/Tasman, Queenstown, Southland, Waikato, Wellington and Whanganui). The Manawatu, Nelson/Tasman/Marlborough, Taranaki and Queenstown regional agencies appointed new co-funded international education coordinators, who are responsible for implementing their strategies. Activities include developing regional collateral, coordinating offshore missions and inbound familiarisation groups, new product development and enhancing the student experience.

Supported the enhancement of New Zealand’s regions’ online presence
ENZ undertook a project to develop digital collateral for the www.studyinnewzealand.govt.nz website to promote New Zealand’s regional education offerings, and to enhance understanding of the distinctively different educational experiences that New Zealand has to offer.
Alongside this, ENZ developed a regional portal on the website which will include information, search options, maps and other tools to enable potential students to learn more about studying, living and working in each selected region in New Zealand. The portal will enable ENZ to take a consistent approach to marketing the regions and ensure regional themes complement the overarching national story.

**Supported agent familiarisation programmes to New Zealand’s regions**
Fifteen representatives from key agencies in Colombia, Brazil, Saudi Arabia and South Korea were hosted on regional familiarisation visits during May and June 2016. One of the major objectives was to highlight the diversity of education provision and lifestyle in our regions, with each group visiting at least five provincial as well as metro centres. Emphasis was also placed on education pathways, applied learning and creative technologies. Networking events with New Zealand providers allowed the visiting agents to meet a wide range of existing and new partners.

**Hosted a regional pavilion at the Australia New Zealand Agent Workshop**
ENZ facilitated and organised a regional international education presence at the Australia New Zealand Agent Workshop in Melbourne in April 2016. Representatives from 11 regional organisations that are part of the RPP participated, along with Immigration New Zealand. This “one country, many regions” approach presented a compelling message to education agents from 170 global organisations and has led to some promising engagement between international education agents and New Zealand regions.

**Reimbursement of international students**
Under sections 238I(1A) and (1B) of the Education Act 1989, the responsible Minister is empowered to use Export Education Levy funds to reimburse expenses incurred in assisting international students affected by the closure of a private training establishment.

During the 2015/16 financial year a total of $9,442 was used from the Export Education Levy Account to reimburse three international fee-paying students from one private training establishment that closed. The provider was Helipro Aviation Training Ltd.

**Administration and monitoring of the Code of Practice**
The Education (Pastoral Care for International Students) Code of Practice 2016 was established under section 238F of the Education Act 1989. The Act requires a provider to be a signatory to the Code in order to enrol international students. A Code of Practice was first introduced in New Zealand in 2002. The Code was revised and a new version came into force on 1 July 2016 (refer to page 18).

NZQA is the appointed Administrator of the Code of Practice. During the financial year ended 30 June 2016 a total of $403,992 was spent on the administration of the Code by NZQA.
Key tasks of the Code Administrator (NZQA)

The key tasks of the Code Administrator (NZQA) under the Code to 30 June 2016 involved:

- Approval of applications to become a signatory to the Code
- Monitoring of Code compliance through administration of annual self-review and self-attestation return forms, and external evaluation and review (EER) reports undertaken by NZQA for the tertiary sector, and by the Education Review Office (ERO) for the schooling sector
- Investigation of identified areas of non-compliance and areas for improvement
- Seeking to resolve pastoral care issues requiring immediate attention
- Referring serious breaches to the International Education Appeal Authority (IEAA) which may impose an appropriate sanction or may recommend to the International Education Review Panel (the Review Panel) suspension or removal of the provider as a Code signatory
- Providing advice regarding the Code, and liaising and cooperating with other agencies and stakeholders involved with the care and safety of international students nationally and regionally (including ENZ, Immigration New Zealand, and the Ministry of Education).

Approval of signatories

As at 30 June 2016 there were 1,068 Code signatories. Table 3 shows signatories by sector and type of provider.

Table 3: Code Signatories by Sector and Provider Type to 30 June

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</thead>
<tbody>
<tr>
<td>Primary</td>
<td>523</td>
<td>528</td>
<td>529</td>
<td>525</td>
<td>494</td>
<td>472</td>
<td>458</td>
</tr>
<tr>
<td>Secondary</td>
<td>300</td>
<td>301</td>
<td>298</td>
<td>294</td>
<td>301</td>
<td>301</td>
<td>298</td>
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<tr>
<td>Composite</td>
<td>69</td>
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<td>74</td>
<td>73</td>
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<td>57</td>
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<tr>
<td>Total schools</td>
<td>892</td>
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<td>901</td>
<td>892</td>
<td>855</td>
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<td>Public Tertiary</td>
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<td>Education Institutions</td>
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<td>30</td>
<td>28</td>
<td>28</td>
<td>26</td>
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<tr>
<td>PTEs</td>
<td>270</td>
<td>269</td>
<td>260</td>
<td>243</td>
<td>231</td>
<td>228</td>
<td>226</td>
</tr>
<tr>
<td>Total tertiary</td>
<td>299</td>
<td>299</td>
<td>290</td>
<td>273</td>
<td>259</td>
<td>256</td>
<td>252</td>
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<tr>
<td>Total signatories</td>
<td>1,191</td>
<td>1,195</td>
<td>1,191</td>
<td>1,165</td>
<td>1,114</td>
<td>1,086</td>
<td>1,068</td>
</tr>
</tbody>
</table>

In addition the levy was collected from 10 “subsidiary” providers which are separate units operated by registered providers.

Ongoing monitoring of signatories

School sector overview

During the 2015/16 financial year, the ERO reviewed and reported on the quality of education and care for international students in 117 schools where at least one international student was enrolled. There was one referral from ERO to NZQA of non-compliance with the Code. The school subsequently requested withdrawal of its signatory status. There were no reports of non-compliance to the IEAA.

---

2 Although 1,068 providers were signatories to the Code of Practice only 803 actually enrolled international fee-paying students during 2015.
**Tertiary overview**

NZQA considers the educational outcomes for international students within every EER undertaken for Code signatories. A review of Code requirements is also part of all validation visits undertaken by the Risk Team. No instances of significant non-compliance with the Code were identified during 2015/16.

**Implementation of the new Education (Pastoral Care of International Students) Code of Practice 2016 (the new Code)**

The new Code, developed by the Ministry of Education, took effect on 1 July 2016. Guidelines and resources were published on the NZQA website, and a letter of expectations was sent to all providers advising them of the new Code, and highlighting their responsibilities under it.

Further work is underway for additional resources including translations of the Code and the self-review and attestations required by education organisations to demonstrate their compliance with the new Code by 1 December 2016.

**International Education Appeal Authority**

IEAA, which had three panel members, adjudicated on complaints received from international students or their authorised representatives, or those referred to it by NZQA as the Code Administrator concerning alleged breaches of the Code.

In 2015/16 the IEAA received 35 new complaints from international students. This is somewhat higher than in 2014/15 but continues a trend of a relatively low number of complaints since 2013.

Twenty-one of the 35 complaints (60%) concerned the refunding of fees. The remaining complaints centred on issues such as attendance and unfair treatment.

**Table 4: Complaints lodged with IEAA to 30 June**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Complaints</td>
<td>71</td>
<td>246</td>
<td>175</td>
<td>91</td>
<td>83</td>
<td>76</td>
<td>25</td>
<td>31</td>
<td>35</td>
</tr>
</tbody>
</table>

**Table 5: Complaints to IEAA for year ended 30 June 2016 by Provider Type**

<table>
<thead>
<tr>
<th>Provider Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary school</td>
<td>0</td>
</tr>
<tr>
<td>Secondary/Composite school</td>
<td>0</td>
</tr>
<tr>
<td>Public Tertiary Education Institution</td>
<td>11</td>
</tr>
<tr>
<td>English Language School</td>
<td>3</td>
</tr>
<tr>
<td>other Private Training Establishments</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
</tr>
</tbody>
</table>
International Education Review Panel

The International Education Review Panel considered recommendations made by the IEAA when a signatory had committed a serious breach of the Code, or had not satisfactorily complied with a sanction imposed. The Review Panel submitted an annual report to the Ministry of Education. No cases were referred by the IEAA to the Review Panel in 2015/16.

The IEAA and the Review Panel were replaced by a new Dispute Resolution Scheme from 1 July 2016.

Administration of the Export Education Levy

The administration of the Export Education Levy is carried out by the Ministry of Education. Costs include the administration of levy collection, management of the Levy Account funds, policy work associated with the levy, computer hardware and software costs and the publication of the annual report. Expenditure on administration during the year ended 30 June 2016 totalled $139,691.
Policy development

On 1 July 2016, both the Education (Pastoral Care of International Students) Code of Practice 2016 and the rules for the International Student Contract Dispute Resolution Scheme (DRS) came into force. The new Code of Practice replaced the previous version.

The new Code of Practice strengthens the review and sanctions processes for Code breaches, and outlines ten outcomes required of signatory providers. Guidelines to the Code for schools and tertiary providers were developed and published on the Code Administrator’s website.

The DRS provides a more accessible and effective forum to resolve contractual and financial disputes between international students and education providers. FairWay Resolution Limited has been appointed to administer the DRS, in line with the rules stipulated by the Governor General.

The existing IEAA and International Education Review Panel have been disestablished but continue to exist to complete all cases lodged with them before 1 July 2016. All complaints reported after 1 July will be addressed under the new Code of Practice and DRS rules.
Export Education Levy

Financial statements for the year ended 30 June 2016
Statement of responsibility

In Terms of Section 238I (3) of the Education Act 1989

The Ministry of Education as the agency responsible for administering the Export Education Levy has prepared these financial statements. The Secretary for Education accepts responsibility for the preparation of the annual financial statements and they have been prepared in accordance with generally accepted accounting practice.

Appropriate systems of internal control have been employed to ensure that all transactions are executed with appropriate authorisation, that all transactions are correctly processed and accounted for in the financial records, and that the assets are properly safeguarded.

In our opinion, the financial statements fairly reflect the financial position as at the end of the financial year and the financial performance and cash flows for the financial year ended 30 June 2016. We authorise the issuance of these financial statements on 31 October 2016.

Katrina Casey
Acting Secretary for Education

19 October 2016
INDEPENDENT AUDITOR’S REPORT

TO THE READERS OF
EXPORT EDUCATION LEVY’S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The Auditor-General is the auditor of the Export Education Levy (the Levy). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the Levy on her behalf.

Opinion

We have audited the financial statements of the Levy on pages 23 to 35, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of movement in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Levy on pages 23 to 35:

- present fairly, in all material respects:
  - Its financial position as at 30 June 2016; and
  - Its financial performance and cash flows for the year ended on that date.

- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 19 October 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Ministry of Education and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgment, are likely to influence readers’ overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Levy’s preparation of the financial statements that fairly reflect the matters to which they relate. We consider internal control 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 the Levy’s internal control.
An audit also involves evaluating:
- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgments made by the Ministry of Education;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Responsibilities of the Ministry of Education**

The Ministry of Education is responsible for preparing financial statements that:
- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Levy’s financial position, financial performance and cash flows.

The Ministry of Education’s responsibilities arise from Section 238(3) of the Education Act 1989.

The Ministry of Education is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Ministry of Education is also responsible for the publication of the financial statements, whether in printed or electronic form.

**Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

**Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Levy.

Stuart Mutch  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand
Description of Statement

The Statement of Financial Position reports the total assets and liabilities of the Export Education Levy. The difference between the assets and the liabilities is the equity.

<table>
<thead>
<tr>
<th>Description</th>
<th>30/06/16 Actual $</th>
<th>30/06/15 Actual $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>5,545,845</td>
<td>4,894,235</td>
</tr>
<tr>
<td>Cash at Bank</td>
<td>2</td>
<td>7,111,218</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>3</td>
<td>382,698</td>
</tr>
<tr>
<td>GST Receivable</td>
<td></td>
<td>134,928</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>7,628,844</td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>(2,031,152)</td>
</tr>
<tr>
<td>Accrued Creditors</td>
<td></td>
<td>(51,847)</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>(2,082,999)</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td>5,545,845</td>
</tr>
</tbody>
</table>

The accounting policies and notes are an integral part of the statement.
# Export Education Levy

## Statement of Financial Performance

### For the Year Ended 30 June 2016

### Description of Statement

The Statement of Financial Performance details the income and expenditure relating to all goods and services produced by the Ministry as agency for the Export Education Levy.

<table>
<thead>
<tr>
<th>Notes</th>
<th>30/06/16 Actual $</th>
<th>30/06/15 Actual $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export Education Levies</td>
<td>5,028,193</td>
<td>4,584,557</td>
</tr>
<tr>
<td>Interest Received</td>
<td>125,034</td>
<td>91,287</td>
</tr>
<tr>
<td>Other income</td>
<td>10,838</td>
<td>1,774</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>5,164,065</td>
<td>4,677,618</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fee</td>
<td>8,100</td>
<td>8,000</td>
</tr>
<tr>
<td>Export Education</td>
<td>4,504,343</td>
<td>2,939,373</td>
</tr>
<tr>
<td>Other Costs</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>4,512,455</td>
<td>2,947,405</td>
</tr>
<tr>
<td><strong>Net Surplus/(Deficit)</strong></td>
<td>651,610</td>
<td>1,730,213</td>
</tr>
</tbody>
</table>

The accounting policies and notes are an integral part of the statement.
EXPORT EDUCATION LEVY

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

Description of Statement

The Statement of Movements in Equity combines information about the net surplus with other aspects of the financial performance of the Export Education Levy to give a degree of measure of comprehensive income. This, together with the statement of Financial Position, provides information for assessing the return on investment in the Export Education Levy.

<table>
<thead>
<tr>
<th></th>
<th>30/06/16 Actual $</th>
<th>30/06/15 Actual $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity brought forward as at 1 July 2015</td>
<td>4,894,235</td>
<td>3,164,022</td>
</tr>
<tr>
<td>Add net surplus/(Deficit)</td>
<td>651,610</td>
<td>1,730,213</td>
</tr>
<tr>
<td>Total Recognised Revenues and Expenses for the Year</td>
<td>651,610</td>
<td>1,730,213</td>
</tr>
<tr>
<td>Total Equity as at 30 June 2016</td>
<td>5,545,845</td>
<td>4,894,235</td>
</tr>
</tbody>
</table>

The accounting policies and notes are an integral part of the statement.
## EXPORT EDUCATION LEVY

### STATEMENT OF CASH FLOWS

#### FOR THE YEAR ENDED 30 JUNE 2016

### Description of Statement

The Statement of Cash Flows summarises the cash movements in and out of the Export Education Levy Account during the year.

### Operating Activities

<table>
<thead>
<tr>
<th>Description of Statement</th>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash was Received From</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export Education Levy</td>
<td>5,019,238</td>
<td>4,409,407</td>
</tr>
<tr>
<td>Interest</td>
<td>138,184</td>
<td>68,163</td>
</tr>
<tr>
<td>Other Income</td>
<td>10,837</td>
<td>1,774</td>
</tr>
<tr>
<td>GST</td>
<td>129,476</td>
<td>14,406</td>
</tr>
<tr>
<td>Total</td>
<td>5,297,735</td>
<td>4,493,750</td>
</tr>
</tbody>
</table>

| Cash was Expended on                                           |            |            |
| Production of Outputs                                         |            |            |
| Personnel                                                     | (133,709)  | (138,025)  |
| Operating                                                     | (2,884,672)| (2,949,466)|
| Total                                                         | (3,018,381)| (3,087,491)|

| Net Cash Flows From Operating Activities                       | 2,279,354  | 1,406,259  |

| Cash at year start                                             | 4,831,864  | 3,425,605  |
| Cash at year end                                               | 7,111,218  | 4,831,864  |

The accounting policies and notes are an integral part of the statement.
Statement of Commitments

There are no commitments at 30 June 2016 (Nil for the year ended 30 June 2015)

Statement of Contingent Assets

There are no contingent assets at 30 June 2016 (Nil for the year ended 30 June 2015)

Statement of Contingent Liabilities

There are no contingent liabilities at 30 June 2016 (Nil for the year ended 30 June 2015)
Notes to the Financial Statements

Note 1- Summary of significant accounting policies

Statement of compliance and basis of preparation

Statement of compliance

The Export Education Levy (the Levy) is a scheme administered by the Ministry of Education in accordance with section 238H of the Education Act 1989 (the “Act”).

These financial statements have been prepared in accordance with section 238I of this Act, which requires compliance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The financial statements of the Export Education Levy comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards.

Measurement base

The financial statements have been prepared on a historical cost basis, unless otherwise stated.

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

Specific accounting policies

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of any entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded a fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. The Levy’s financial assets include: cash and short term deposits and trade and other receivables.

Subsequent measurement

Loans and receivables

This category of financial assets is the most relevant to the Levy. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
The losses arising from impairment are recognised in the statement of financial performance in other operating expenses for receivables. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 3.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the statement of financial position) primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Levy has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Levy has transferred substantially all the risks and rewards of the asset, or (b) the Levy has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

**Impairment of financial assets**

Financial assets are carried at amortised cost (loans and receivables). For financial assets carried at amortised cost, the Levy first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Collectability of trade receivables is reviewed on an ongoing basis. An impairment provision is recognised when there is objective evidence that the Levy will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment.

If the Levy determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.

Interest income (recorded as interest received in the statement of financial performance) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of accounts payable, net or directly attributable transaction costs. The Levy’s financial liabilities are accounts payable.
Subsequent measurement

Financial liabilities at amortised cost

This is the category of financial liabilities relevant to the Levy. After initial recognition, accounts payable are subsequently measured at amortised cost using the effective interest rate method. Accounts payable arise from exchange transactions.

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. Accounts payable are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in surplus or deficit.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or services potential will flow to the Levy and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from non-exchange transactions

Levies

Levy revenue is derived from levies paid by participating educational institutions when earned.

PBE IPSAS 23 requires revenue from non-exchange transactions such as levies, to be recognised as revenue as soon as the inflow of resources can be recognised as an asset in the financial statements, unless the inflow of resources meets the definition of and recognition criteria for a liability. Non-exchange revenue from levies can only be deferred and recognised as a liability if there is a condition attached to the income that requires an entity to use the income as specified by the grantor or return the cash (or other resources transferred under the grant) if the entity does not perform as specified.
Revenue from exchange transactions

*Interest Revenue*

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

**Expenditure**

Expenses are largely recognised as support to pay costs incurred by Education New Zealand and the operation of the Code of Practice office. Education New Zealand operates a work programme on behalf of the industry in the areas of professional development, marketing and research. This is recognised as an expense when the Export Education Levy refunds the Ministry of Education who initially pay Education New Zealand.

When a private training establishment does not provide the course of study or training and does not refund international students for tuition fees or any other payments, the Export Education Levy can be used to reimburse these students. This is recognised as an expense when the Export Education Levy fund refunds the Ministry of Education who initially pay the expense.

**Goods and Services Tax**

Revenues and expenses are recognised net of the amount of GST except:
- When the GST incurred on a purchase of services is not recoverable from the taxation authority, in which the GST is recognised as part of the cost of the expense item, as applicable; and
- In the case of receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

The Ministry of Education as agent for the levy is a registered person in terms of the Goods and Services Tax Act 1985. All statements are GST exclusive except for Accounts Payable and Accounts Receivable in the Statement of Financial Position.

**Equity**

Equity is measured as the difference between total assets and total liabilities. Equity is made up of the accumulated surplus or deficit since the formation of the Levy.

**Significant accounting judgements, estimates and assumptions**

The preparation of the Levy’s financial statements does not require management to make any significant judgements, estimates or assumptions.
Statement of cash flows

The year-end bank balance in the Statement of Cash Flows consists of bank accounts that form part of the day-to-day cash management of the Ministry as agency for the levy.

The cash flows are classified into two activities:

a) Operating Activities

Includes cash received from all income sources including the Export Education Levy, bank interest and cash payments made for the supply of goods and services.

b) Investing Activities

The sources and use of this cash include the purchase of operational fixed assets.

Comparatives

Where changes in presentation of the financial statements have been made, comparative figures have been amended to reflect the changes.

**Note 2 - Cash at Bank**

<table>
<thead>
<tr>
<th>Description</th>
<th>30/06/16 Actual $</th>
<th>30/06/15 Actual $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque Account</td>
<td>5,505,960</td>
<td>3,284,376</td>
</tr>
<tr>
<td>Short Term Investments</td>
<td>1,605,258</td>
<td>1,547,488</td>
</tr>
<tr>
<td><strong>Total Bank</strong></td>
<td><strong>7,111,218</strong></td>
<td><strong>4,831,864</strong></td>
</tr>
</tbody>
</table>

**Note 3 - Accounts Receivable**

<table>
<thead>
<tr>
<th>Description</th>
<th>30/06/16 Actual $</th>
<th>30/06/15 Actual $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Receivables (exchange transaction)</td>
<td>938</td>
<td>972</td>
</tr>
<tr>
<td>Accrued Interest (exchange transaction)</td>
<td>12,476</td>
<td>25,626</td>
</tr>
<tr>
<td>Levy income due but not received (non-exchange transaction)</td>
<td>369,284</td>
<td>360,328</td>
</tr>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td><strong>382,698</strong></td>
<td><strong>386,926</strong></td>
</tr>
</tbody>
</table>
### Note 4 - Export Education Levy Costs

<table>
<thead>
<tr>
<th>Notes</th>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

- **Professional & Industry Development** 5 936,164 132,869
- **Promotions/Marketing** 6 2,483,198 1,620,391
- **Research** 7 362,138 512,240
- **Other** 8 139,691 138,645
- **Code of Practice** 9 403,992 403,992
- **IEAA** 89,718 87,588
- **Dispute Resolution Service** 80,000 -
- **Bad debts written off** - 1,038
- **Support for students affected by failure of providers** 9,442 42,610

**Total Export Education Levy Costs**

<table>
<thead>
<tr>
<th></th>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,504,343</td>
<td>$2,939,373</td>
</tr>
</tbody>
</table>

### Note 5 - Professional & Industry Development

<table>
<thead>
<tr>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$</td>
</tr>
</tbody>
</table>

- **Regional Partnerships Programme** 182,845 123,000
- **Workshops, seminars and events** 5,726 9,869
- **Expansion of regional partnership programme** 747,593 -

**Total Professional Development**

<table>
<thead>
<tr>
<th></th>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$936,164</td>
<td>$132,869</td>
</tr>
</tbody>
</table>

### Note 6 - Promotions/Marketing

<table>
<thead>
<tr>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$</td>
</tr>
</tbody>
</table>

- **Agent and media familiarisation visits** 70,532 67,500
- **Advertising, events, fairs & marketing campaigns** 1,322,479 1,268,952
- **Brand, creative, traditional and digital media strategy, planning and buying** 74,345 139,930
- **Enhancements to digital property** 247,362 144,009
- **Market diversification: Columbia, USA, SE Asia** 768,480 -

**Total Promotion**

<table>
<thead>
<tr>
<th></th>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,483,198</td>
<td>$1,620,391</td>
</tr>
</tbody>
</table>

### Note 7 - Research

<table>
<thead>
<tr>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$</td>
</tr>
</tbody>
</table>

- **Market intelligence and brand health** 362,138 512,240

**Total Research**

<table>
<thead>
<tr>
<th></th>
<th>30/06/16</th>
<th>30/06/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$362,138</td>
<td>$512,240</td>
</tr>
</tbody>
</table>
### Note 8 - Other

<table>
<thead>
<tr>
<th></th>
<th>30/06/16 Actual</th>
<th>30/06/15 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing of annual report</td>
<td>161</td>
<td>270</td>
</tr>
<tr>
<td>Levy policy staff costs</td>
<td>47,957</td>
<td>50,787</td>
</tr>
<tr>
<td>Levy administration costs</td>
<td>85,752</td>
<td>87,238</td>
</tr>
<tr>
<td>Debt collection fees</td>
<td>204</td>
<td>-</td>
</tr>
<tr>
<td>other contracts</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Software maintenance</td>
<td>617</td>
<td>350</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td><strong>139,691</strong></td>
<td><strong>138,645</strong></td>
</tr>
</tbody>
</table>

### Note 9 - Administration of Code

<table>
<thead>
<tr>
<th></th>
<th>30/06/16 Actual</th>
<th>30/06/15 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>288,220</td>
<td>285,938</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>23,505</td>
<td>29,543</td>
</tr>
<tr>
<td>Communications</td>
<td>2,857</td>
<td>2,104</td>
</tr>
<tr>
<td>Office expenses</td>
<td>88,228</td>
<td>85,025</td>
</tr>
<tr>
<td>Resources</td>
<td>1,182</td>
<td>1,382</td>
</tr>
<tr>
<td><strong>Total Code Office</strong></td>
<td><strong>403,992</strong></td>
<td><strong>403,992</strong></td>
</tr>
</tbody>
</table>

### Note 10 - Financial Instruments

2016 financial instruments are categorised as follows:

<table>
<thead>
<tr>
<th>Loans and receivables</th>
<th>Financial liabilities at amortised cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>7,111,218</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>13,414</td>
</tr>
<tr>
<td>Levy income due but not received</td>
<td>369,284</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,031,152</td>
</tr>
<tr>
<td><strong>Total financial instruments</strong></td>
<td><strong>7,493,916</strong></td>
</tr>
</tbody>
</table>

2015 financial instruments are categorised as follows:

<table>
<thead>
<tr>
<th>Loans and receivables</th>
<th>Financial liabilities at amortised cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>4,831,864</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>26,598</td>
</tr>
<tr>
<td>Levy income due but not received</td>
<td>360,328</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>312,814</td>
</tr>
<tr>
<td><strong>Total financial instruments</strong></td>
<td><strong>5,218,790</strong></td>
</tr>
</tbody>
</table>
Note 11 - Related Party Disclosure

The Ministry of Education is a related party of the Export Education Levy. The Ministry of Education administers the Export Education Levy and provides policy advice to the government. These services are provided on an arm’s length basis.

The majority of the transactions with the Ministry of Education are reimbursements for payments made by the Ministry to third party providers.

Note 12 - Events after balance date

There are no material non-adjusting events after the reporting date.
Lifting aspiration and raising educational achievement for every New Zealander