

# Investment & Financing Trends in the Education Sector



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# Westpac New Zealand at a Glance

## Snapshot

- Est. 1861
- One of NZ's largest full service banks
- Rated AA- / A1 / AA-
- >1.3m customers & a large number of private and public sector education organisations
- >4,000 staff
- ~\$86bn assets
- Part of Westpac Group, est. 1817, market cap. A\$110bn, world's most sustainable bank

## Vision and Strategy

Our  
Vision

*To be one of the world's great service companies, helping our customers, communities and people to prosper and grow*

Our  
Strategy



## Community



- Committed to improving the social, environmental and economic well-being of New Zealand

# The International Education Sector



- **Now a major NZ industry**
- **Internationally mobile market**
- **Demand outlook strong**
- **Supply side challenges & opportunities**
- **Expect greater private sector participation**

**131,609 international students  
of which 28,154 are Indian**

**~15% of tertiary enrolments**

**33,000 jobs**

**Sector value \$4.5bn**

**\$3.8bn of export earnings - 4<sup>th</sup>  
largest export sector**

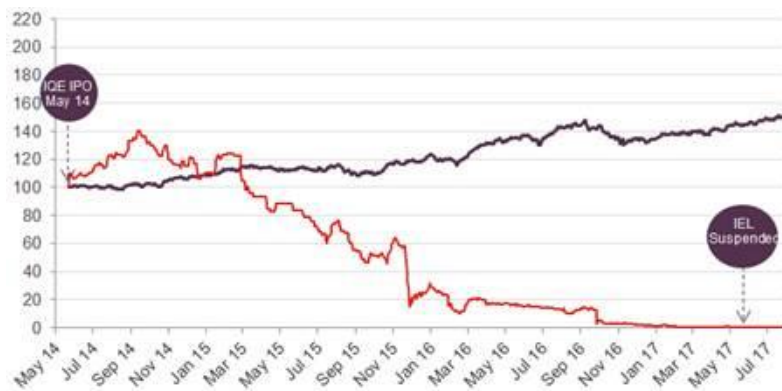
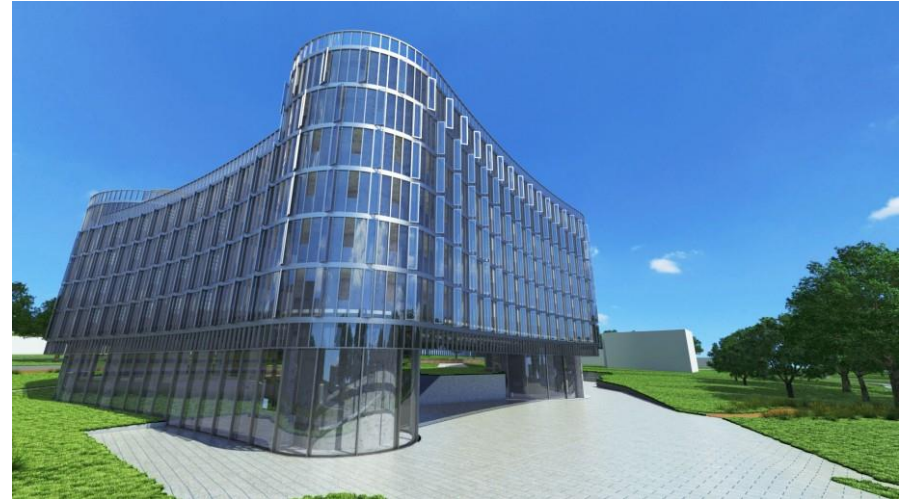
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**Globally, 5m students growing  
to 8m by 2025**

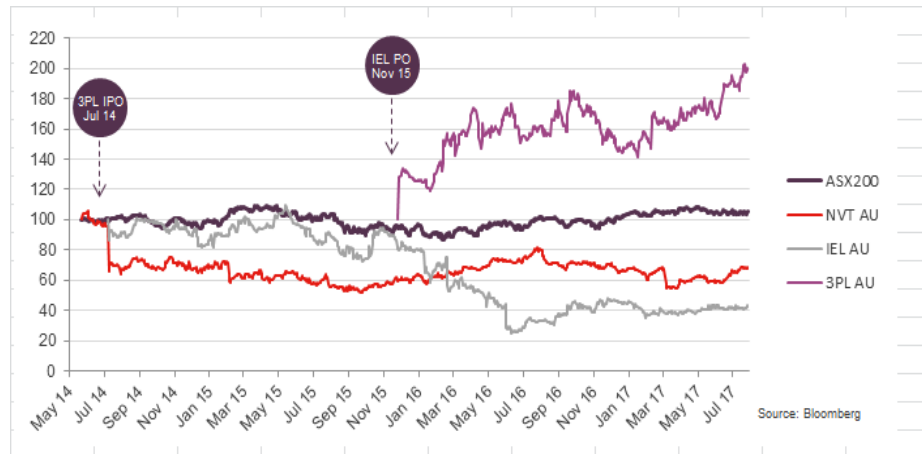


# Equity Investment Trends

- Increasing interest in sector from PE and Infrastructure Investors
- PBSA an emerging asset class
- Immature NZ and Australian listed investment market



Source: Bloomberg



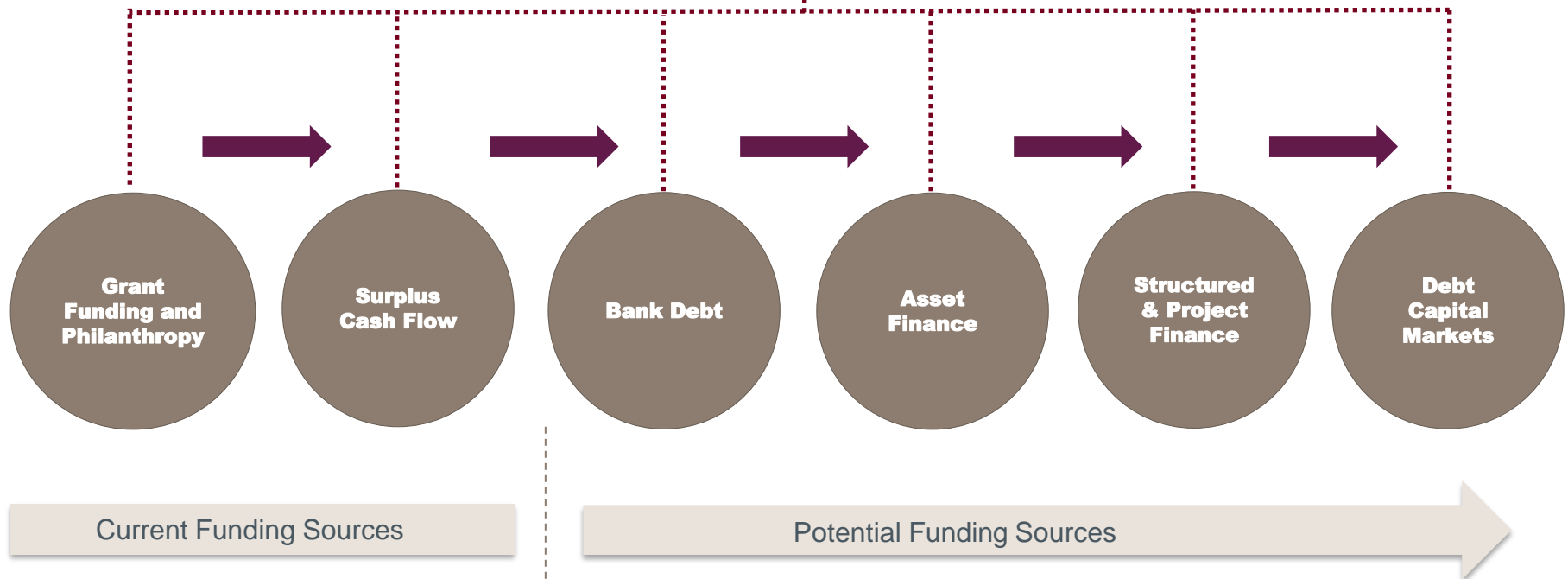
Source: Bloomberg

# Financing Trends

**Organisations are seeking capital for investment in product, infrastructure and market development**



**Need for diversified funding sources is leading to use of alternative funding solutions**



# School PPPs – Case Study

**MOE has procured three batches of schools using the PPP model (~\$600m Capex)**

- Hobsonville Point – 2 schools
- Schools II PPP – 4 schools
- Schools III PPP – 4 schools plus option for 2 more

**The PPP model can be used to procure other assets such as Student Accommodation**



**Hobsonville Point Primary School (top) and Secondary School (bottom)**

# How Westpac Can Help

- **Funding, risk management and transactional payment solutions**
- **International student accounts**



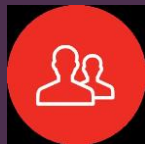
Relationships and  
service culture



Insight, expertise  
and capability



Delivering results  
for our customers



**We are people always helping people**





**Thank you**

