



CHAPTER EIGHT

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AN OVERVIEW

After five years of significant growth in the number of students enrolled in level 4 to 7 non-degree study, there was a decrease in 2006 of students enrolled in both level 4 certificates and level 5 to 7 certificates and diplomas. While international student numbers have been declining since 2003, the number of domestic students decreased for the first time in recent years in 2006.

There were decreases in the number of domestic students enrolled in level 4 to 7 non-degree study across all types of providers in 2006, except private training establishments. Despite a decrease in domestic students enrolled in polytechnics in 2006, a significant increase in numbers between 2003 and 2005 has resulted in them providing more than half of all level 4 to 7 non-degree study. The number of domestic students aged 25 years and over declined in 2006; however this age group continued to dominate this level of study with two-thirds of all domestic students aged 25 years and over.

The number of domestic students completing a level 4 certificate decreased significantly in 2006. While the number of domestic students completing a level 5 to 7 certificate or diploma also decreased, the rate of decrease was less than that for level 4 certificates. The five-year completion rates increased, with almost two in five domestic students who had started a level 4 to 7 non-degree qualification in 2002 completing that qualification by 2006.

THE 2007 YEAR

There are early indications that enrolments in level 4 to 7 non-degree study will flatten out in 2007. Reasons for this may include the continued effect of the government's prioritisation of the provision of non-degree qualifications in recent years and the effect of a strong labour market.

The results of the Tertiary Education Commission reviews are likely to be evident in the 2007 provision. Another third of private training establishment provision was reviewed in 2006, which had an impact on the funding decisions for 2007. As the review of the provision funded in categories A1 and J1 resulted in some qualifications being phased out, student numbers in these qualifications will continue to decrease. It also resulted in providers looking to increase provision in more relevant areas.

The continued strong labour market is also likely to have an ongoing impact on provision at this level, with fewer students seeking study and more students likely to leave study without completing a qualification.

A priority outcome of the tertiary education strategy is to have more young New Zealanders achieving at level 4 and above. This focus is likely to move enrolments away from level 1 to 3 certificates and into level 4 certificates as well as level 5 to 7 certificates and diplomas.

Mid-register qualifications provide continuing pathways for students progressing from school and they create entry points into the system for those seeking to gain vocation-ready qualifications or change careers. The level of complexity of study approximates to advanced trades, technical and business qualifications. They can also be used as prerequisite qualifications for higher-level programmes such as bachelors degrees. All qualifications at level 4 are certificates while those at levels 5 to 7 are either certificates (advanced level) or diplomas.

FEWER LEVEL 4-7 NON-DEGREE STUDENTS

For the first time in recent years there was a decrease in 2006 of students enrolled in both level 4 certificates and level 5 to 7 non-degree study.

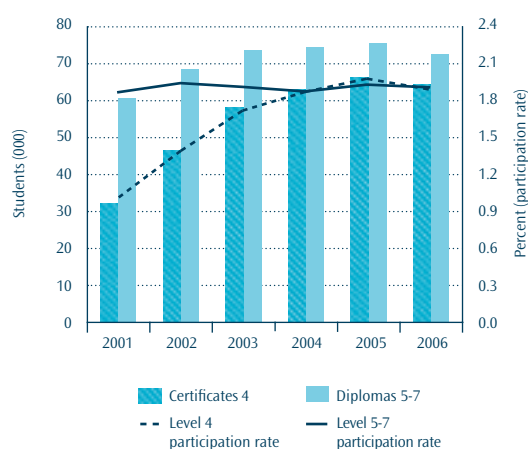
Students enrolled in level 4 to 7 non-degree study in 2006:

Total	134,000	(down 3.2% on 2005)
Certificates 4	64,300	(down 3.0% on 2005)
Diplomas 5-7*	72,600	(down 3.9% on 2005)

Expressed as equivalent full-time students, enrolments in level 4 to 7 non-degree study totalled 66,900 in 2006 (down 7.0 percent on 2005).

*This category includes level 5 to 7 certificates.

Figure 8.1// Participation in level 4 to 7 non-degree study¹



DOMESTIC/INTERNATIONAL

Figure 8.2// Distribution of domestic and international level 4 to 7 non-degree students

The number of international students enrolled in level 4 to 7 non-degree study declined between 2003 and 2006. However, enrolments by domestic students declined for the first time, in recent years, in 2006.

Students enrolled in level 4 to 7 non-degree study in 2006:

Domestic

Total enrolments	121,000	(down 1.3% on 2005)
Participation rate	3.7%	(3.8% in 2005)
Expressed as equivalent full-time students	58,400	(down 3.9% on 2005)

Twenty-seven percent of all domestic students were enrolled in level 4 to 7 qualifications.

International

Total enrolments	13,200	(down 18% on 2005)
Expressed as equivalent full-time students	8,480	(down 24% on 2005)

Ten percent of all students enrolled in level 4 to 7 qualifications were international.



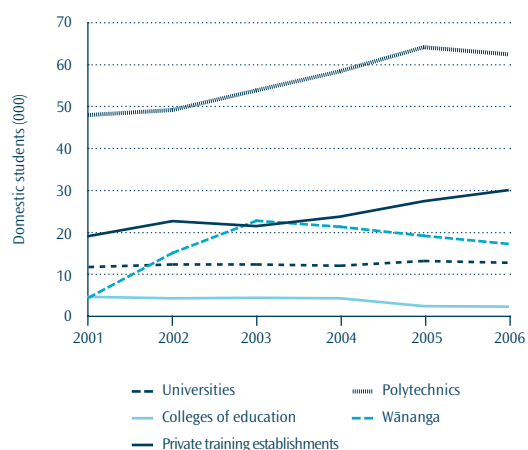
TYPE OF PROVIDER

Figure 8.3// Level 4 to 7 non-degree domestic students by type of provider

There was a decrease in the number of domestic students across all types of providers in 2006, except for private training establishments. The significant growth in domestic students enrolled in polytechnics between 2001 and 2005 means they provided over half of all level 4 to 7 non-degree study in 2006.

Domestic students enrolled in level 4 to 7 non-degree study in 2006:

Universities	12,400	(down 3.8% on 2005)
Polytechnics	62,100	(down 2.8% on 2005)
Colleges of education	1,670	(down 9.0% on 2005)
Wānanga	16,900	(down 9.9% on 2005)
Private training establishments	29,700	(up 9.5% on 2005)



1. The participation rate is the percentage of New Zealanders aged 15 years and over enrolled at this level.

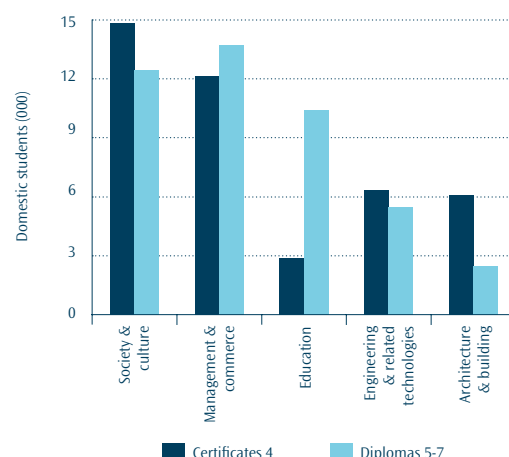
FIELD OF STUDY

Just under half of all domestic students in level 4 to 7 non-degree study were enrolled in management and commerce and society and culture in 2006. The top five fields of study included education, engineering, and architecture and building. These five fields of study together constituted 71 percent of all domestic enrolments in level 4 to 7 non-degree study.

Domestic students enrolled in level 4 to 7 non-degree study in 2006:

Society and culture	26,900	(down 2.3% on 2005)
Management and commerce	25,600	(down 15% on 2005)
Education	13,200	(down 5.6% on 2005)
Engineering and related technologies	11,800	(up 3.7% on 2005)
Architecture and building	8,540	(up 13% on 2005)

Figure 8.4// Top five fields of study for level 4 to 7 non-degree students



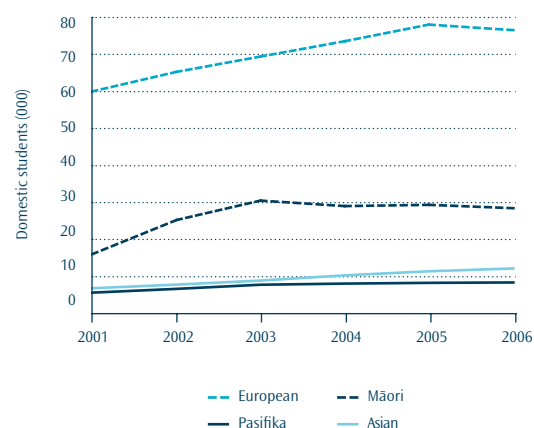
ETHNIC GROUP

The number of Māori students enrolled in level 4 to 7 non-degree study has been declining since 2003, although Māori still participated in this level of study at a higher rate than other ethnic groups.

Domestic students enrolled in level 4 to 7 non-degree study in 2006:

European	76,400	(down 2.0% on 2005)
Māori	28,200	(down 3.3% on 2005)
Pasifika	8,220	(up 1.8% on 2005)
Asian	11,900	(up 6.9% on 2005)
Other	5,030	(up 7.6% on 2005)

Figure 8.5// Level 4 to 7 non-degree domestic students by ethnic group



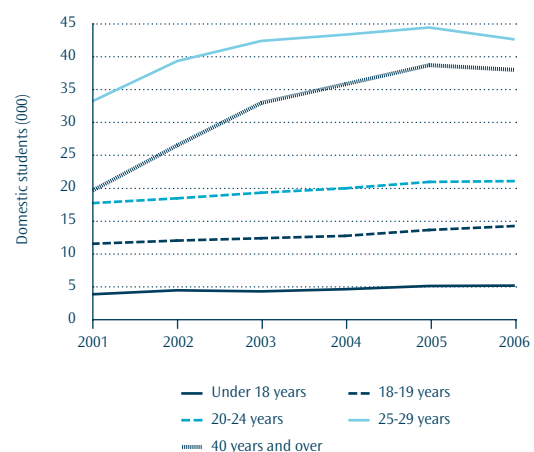
AGE AND GENDER

More domestic students aged 25 years and under enrolled in level 4 to 7 non-degree study in 2006, while the number of those aged 25 years and over declined. Nevertheless, students aged 25 years and over continued to dominate this level of study, making up two-thirds of domestic students.

Domestic students enrolled in level 4 to 7 non-degree study in 2006:

Under 18 years	5,050	(up 1.2% on 2005)
18 to 19 years	14,100	(up 5.1% on 2005)
20 to 24 years	21,000	(up 0.9% on 2005)
25 to 39 years	42,500	(down 4.0% on 2005)
40 years and over	37,900	(down 1.8% on 2005)
Female	67,200	(down 1.7% on 2005)
Male	53,500	(down 0.8% on 2005)

Figure 8.6// Level 4 to 7 non-degree domestic students by age group



FIRST-TIME STUDENTS AND PRIOR ACTIVITY

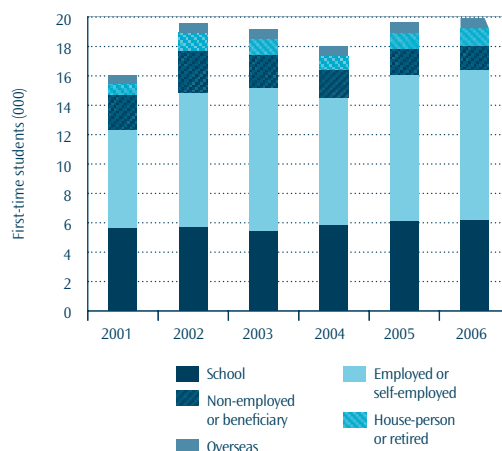
Figure 8.7// Distribution of first-time domestic students in level 4 to 7 non-degree study by prior activity

First-time students enrolled in level 4 to 7 non-degree study increased in 2006 for the second consecutive year.

Prior activity of first-time domestic students enrolled in level 4 to 7 non-degree study in 2006:

Total first-time students	19,900	(up 1.4% on 2005)
Secondary school	6,200	(up 0.7% on 2005)
Employed or self-employed	10,200	(up 3.4% on 2005)
Non-employed or a beneficiary	1,620	(down 9.2% on 2005)
House-person or retired	1,170	(up 6.1% on 2005)
Overseas	718	(no change from 2005)

Note: Prior activity refers to a student's main activity at 1 October in the previous year. Care is needed in interpreting trends, as many students' predominant activity in the previous year may be different from what they were doing at 1 October. In addition, data on whether a student is new to tertiary education or not has traditionally been less reliable than other fields.



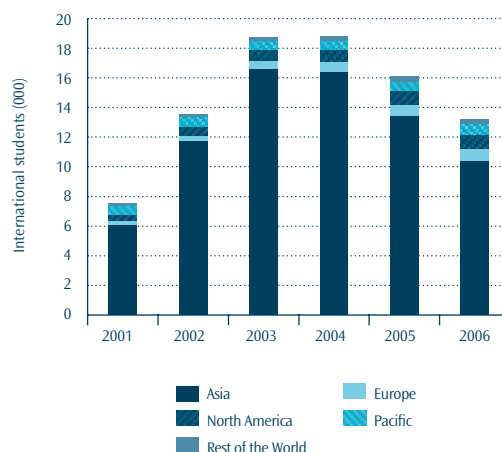
INTERNATIONAL STUDENTS

Figure 8.8// Level 4 to 7 non-degree international students by region of origin

The number of international Asian students enrolled in level 4 to 7 non-degree study decreased significantly in 2006. Despite this decline, they still made up over three-quarters of all international students.

International students enrolled in level 4 to 7 non-degree study in 2006:

Asia	10,400	(down 22% on 2005)
Europe	972	(up 2.6% on 2005)
North America	788	(up 3.7% on 2005)
Pacific	688	(up 20% on 2005)
Rest of the world	308	(down 13% on 2005)



COMPLETION OF QUALIFICATIONS

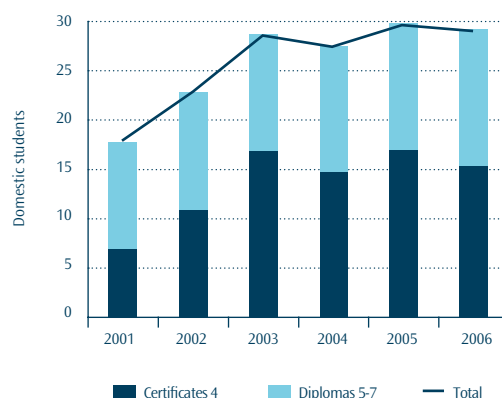
Figure 8.9// Domestic students completing level 4 to 7 non-degree qualifications

The number of students completing level 4 certificates decreased significantly in 2006. However, there was a significant increase in the number of students completing level 5 to 7 certificates and diplomas.

Domestic students completing qualifications in 2006:

Total	29,000	(down 2.1% on 2005)
Certificates 4	15,400	(down 9.7% on 2005)
Diplomas 5-7*	13,800	(up 7.9% on 2005)

*This category includes level 5 to 7 certificates.



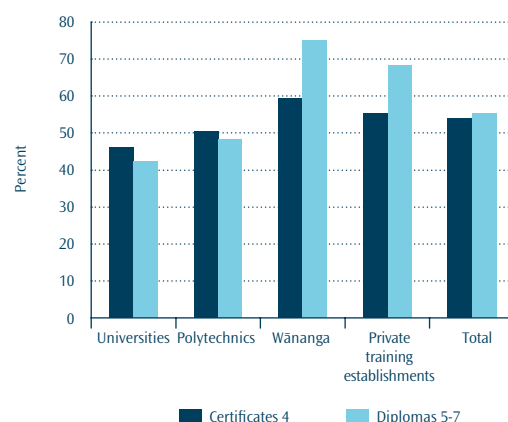
FIRST-YEAR RETENTION

Figure 8.10// First-year retention rates in level 4 to 7 non-degree study by sub-sector

Fewer students who started study in 2005 completed their qualification or returned to study in 2006 in both level 4 certificates and level 5 to 7 certificate and diploma study.

Domestic students who started study in 2005 and either completed or continued study in 2006:

Total	56%	(down from 60% in 2005)
Universities	43%	(down from 44% in 2005)
Polytechnics	51%	(down from 60% in 2005)
Wānanga	63%	(up from 56% in 2005)
Private training establishments	62%	(no change from 2005)



FIVE-YEAR COMPLETION

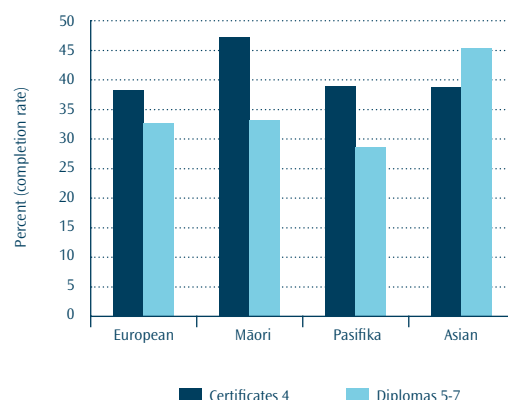
Figure 8.11// Five-year completion rates in level 4 to 7 non-degree study by ethnic group

Māori students were more likely to complete a level 4 to 7 non-degree qualification within five years than domestic students from other ethnic groups.

Domestic students who started study in 2002 and had completed by 2006:

Total	39%	(up from 35% in 2005)
European	36%	(up from 35% in 2005)
Māori	45%	(up from 37% in 2005)
Pasifika	36%	(up from 32% in 2005)
Asian	41%	(up from 38% in 2005)

Note: These completion rates are for students starting in 2002.



SKILL ENHANCEMENT PROGRAMMES

Figure 8.12// Learners enrolled in Skill Enhancement

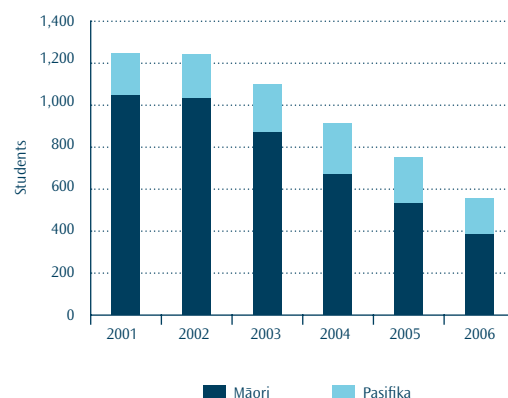
Skill Enhancement aims to provide young Māori and Pasifika peoples with qualifications at level 3 and above. These qualifications lead to employment at higher occupational levels in fields where they are under-represented.

While Māori account for the majority of learners in Skill Enhancement programmes, their participation decreased by over 60 percent between 2001 and 2006. Pasifika participation decreased by 13 percent over this period. These decreases are likely to be because of the stronger employment market.

Learners enrolled in Skill Enhancement programmes in 2006:

Total	558	(down 26% on 2005)
Māori	386	(down 27% on 2005)
Pasifika	171	(down 21% on 2005)

Source: Tertiary Education Commission.



TRANSITIONS INTO TERTIARY EDUCATION

Participation in tertiary education is a natural progression for many school leavers, whether it is to study for a degree at university or to undertake training as part of a Modern Apprenticeship. There are very real benefits to society as well as to the individual in participating in and completing tertiary qualifications. Tertiary qualifications improve people's labour force participation and lead to higher incomes. In addition, tertiary education is associated with increased labour productivity and improved health and life satisfaction (Smart, 2006).

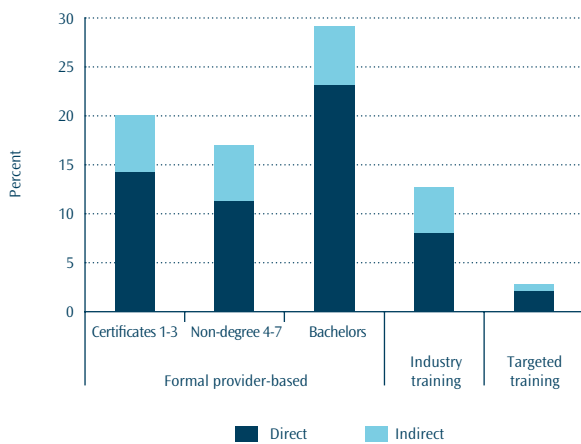
Students who enrol in tertiary education directly from school are more likely to complete a qualification than students who enter from the workforce or unemployment (Ussher, 2006). Given the benefits of tertiary education and the greater success of students who engage in tertiary education soon after leaving school in terms of completing qualifications, effective and appropriate transitions between school and tertiary education are an important part of a well-functioning education system.

Of the 53,000 students who left school during 2004 after having gained some credits on the National Qualifications Framework, 65 percent had enrolled in some form of tertiary education by the end of 2006. This included 52 percent of the school leavers who made a direct transition and 13 percent who made an indirect transition; that is, they had taken a year off between school and tertiary education.

The most popular type of tertiary education among school leavers was bachelors-level study at tertiary education providers. Of the 2004 school leavers 29 percent transitioned into this type of tertiary education, including 23 percent who transitioned directly.

The figures in this article are based on a newly created longitudinal unit record-level dataset which follows a student through their accumulation of National Qualifications Framework credits in senior secondary school and enrolment into tertiary education, including industry training. Because the senior secondary school data comes from the National Qualifications Framework, the dataset is missing those students who gained no credits on the framework, including those who exclusively undertook alternative qualifications such as the International Baccalaureate. Given this and other data differences, the rates published in this article may differ from those previously published by the Ministry of Education, which have been based on aggregate-level data.

Figure 8.13 // Transition rates of 2004 school leavers by level and type of tertiary study



Around 8 percent of 2004 school leavers went directly into industry training and 5 percent made an indirect transition. This includes 4 percent of 2004 school leavers who commenced Modern Apprenticeships. School leavers who went into industry training were more likely to make an indirect transition from secondary school than other students. Of those 2004 school leavers who moved into industry training, 36 percent made an indirect transition, compared to 21 percent of students who moved directly into formal provider-based programmes. This could be due to school leavers who go directly into the labour force and delay formal learning, whether through their personal choice or that of their employer.

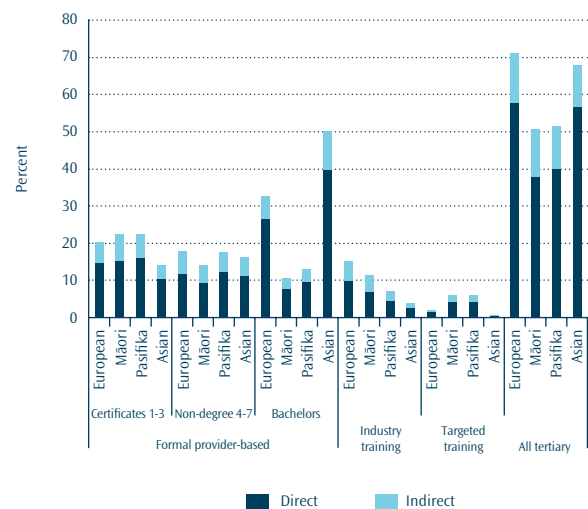
Ethnic differences

Overall, European school leavers moved into tertiary education at a higher rate than other ethnic groups. Of the 2004 school leavers, 71 percent of Europeans started tertiary education, compared to 68 percent of Asians, 52 percent of Pasifika and 51 percent of Māori. Māori and Pasifika school leavers were more likely to go into targeted training programmes or level 1 to 3 certificate study than other ethnic groups but less likely to go into bachelors-level study. European school leavers were more likely to transition into industry training than other ethnic groups.

Asian school leavers were more likely to undertake bachelors-level study than other ethnic groups. Of the 2004 school leavers, 50 percent

of Asians transitioned into bachelors-level study, compared to 33 percent of Europeans, 13 percent of Pasifika and 11 percent of Māori. In contrast, Asian school leavers were less likely to transition into level 1 to 3 certificate study, industry training or targeted training programmes than other ethnic groups. European and Asian school leavers were more likely to move into bachelors-level study than any other level of study. Māori and Pasifika, however, were more likely to undertake level 1 to 3 certificate studies than any other level of study.

Figure 8.14 // Transition rates of 2004 school leavers by ethnic group and by level and type of tertiary study



What difference does school qualification make?

The proportion of school leavers who started tertiary education directly from school increased with higher-level secondary school qualifications. Of those students who left school in 2004 with between 1 and 13 credits on the National Qualifications Framework, just 33 percent transitioned into tertiary education, compared to 88 percent of students who left school in 2004 with a level 3 qualification. There was a significant increase in almost every step up in highest school qualification level, so while 33 percent of school leavers with between 1 and 13 credits moved into tertiary education, a step up to between 14 and 39 credits meant an increase to 40 percent of school leavers.

There were, however, very different trends between different types and levels of tertiary study. The proportion of school leavers who started

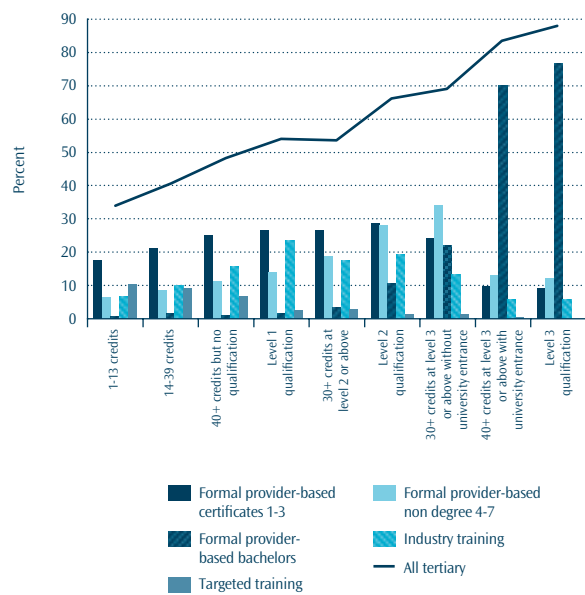
targeted training programmes actually decreased with higher school qualifications. This is not surprising given that these programmes are targeted at people with no or low school qualifications.

Having a higher-level school qualification did not necessarily improve the transition rates of school leavers into industry training. The proportion of school leavers undertaking industry training reached a peak for students with a level 1 qualification and then decreased for those school leavers with higher-level school qualifications. School leavers with a level 3 qualification transitioned into industry training at a similar rate to those who left school with between 1 and 13 credits.

Three-quarters of 2004 school leavers who had achieved a level 3 qualification undertake bachelors-level study. Indeed, 81 percent of those 2004 school leavers who had achieved the university entrance standard transitioned into bachelors-level study, compared to just 9 percent of school leavers who did not achieve a university entrance standard. This is not surprising given that most degree programmes require the university entrance standard as a minimum for entrance.

Those school leavers who had achieved any secondary school qualification up to a level 2 qualification went into level 1 to 3 certificate tertiary study at similar rates. These transition rates varied from 17 percent for 2004 school leavers with between 1 and 13 credits and up to 29 percent for those with a level 2 qualification. School leavers with a level 2 qualification were more likely to go into level 5 to 7 non-degree study than school leavers with other school qualifications. Of those 2004 school leavers with a level 2 qualification, 28 percent transitioned into level 5 to 7 non-degree study.

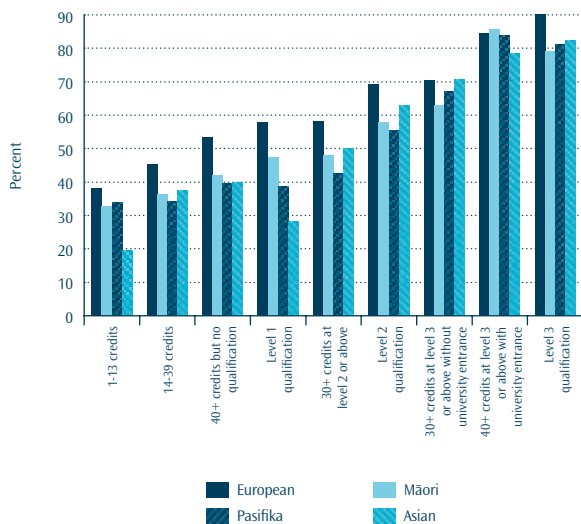
Figure 8.15 // Transition rates of 2004 school leavers by highest school qualification and by level and type of tertiary study



The differences in transition rates between ethnic groups, specifically the lower rates for Māori and Pasifika, were reduced once the effects of highest school qualification are taken into account. When a student left school with any school qualification higher than a level 2 qualification the transition rates were very similar among ethnic groups. While this trend generally held true across all school qualifications, there were some exceptions, particularly that European school leavers with lower-level school qualifications were more likely to go into tertiary education than other ethnic groups.

While more Māori students leave school with no or low qualifications than other ethnic groups (Ministry of Education, 2006), when Māori students did achieve at secondary school their transition rate into tertiary education was as high as that of other ethnic groups. As Earle (2007) points out, in order for more Māori to participate and achieve in higher levels of tertiary education, the most important change that can be made is to increase the number of Māori secondary school students achieving university entrance or better.

Figure 8.16 // Transition rates of 2004 school leavers by highest school qualification and ethnic group



slightly lower at 11 percent. This is a strong indication that the differences that exist in transition rates into tertiary education associated with ethnic group, academic achievement, and socio-economic status may not exist for transition into industry training.

There was a large disparity among school leavers from different decile schools when moving into bachelors-level study. School leavers from decile 9 or 10 schools were over four times more likely to go into bachelors-level study than school leavers from decile 1 or 2 schools. Around 45 percent of 2004 school leavers from decile 9 or 10 schools went into bachelors-level study compared to 11 percent of school leavers from decile 1 or 2 schools.

School leavers from low-decile schools were more likely to move into level 1 to 3 certificate study than school leavers from high-decile schools. However, the transition rates into level 4 to 7 non-degree study were very similar for school leavers across all decile schools. School leavers from decile 1 to decile 4 schools were more likely to start level 1 to 3 certificate study than any other level, while school leavers from decile 7 to decile 10 schools were more likely to undertake bachelors-level study than any other level.

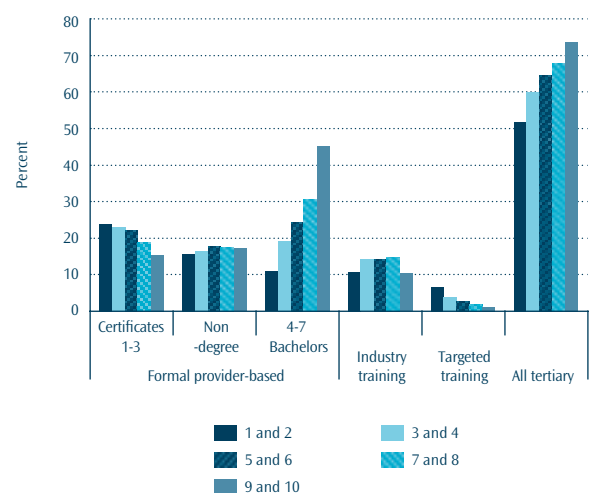
School decile differences

School leavers from high-decile schools were more likely to transition into tertiary education than school leavers from low-decile schools. Almost three-quarters of students who left a decile 9 or 10 secondary school in 2004 went into tertiary education, compared to 52 percent of school leavers who left a decile 1 or 2 school.

Again, quite different patterns existed for transitions into different types and levels of tertiary study. School leavers from low-decile schools were more likely to go into targeted training programmes than school leavers from other schools. Around 7 percent of students who left a decile 1 or 2 secondary school in 2004 went into targeted training programmes, compared to 1 percent of those who left a decile 9 or 10 school.

The differences that existed between school leavers from different decile schools for transitions into all tertiary education were not so obvious for transition into industry training. This was particularly so across school leavers from decile 3 to decile 8 schools, where 2004 school leavers went into industry training at the same rate of 14 percent. The rate for transition into industry training for school leavers from decile 1 or 2 schools and decile 9 or 10 schools was

Figure 8.17 // Transition rates of school leavers by school decile and by level and type of tertiary study



Once again, the effect of highest school qualification reduces the differences among school leavers from different decile schools. When school leavers from low-decile schools achieved the same school qualifications as school leavers from high decile schools, they transitioned into tertiary education at very similar rates.

For a fuller picture of the transitions from secondary school to tertiary education refer to the tertiary education reports on www.educationcounts.edcentre.govt.nz

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