

# Key findings and 2005 year in brief

Profile & Trends

2005

NEW ZEALAND'S TERTIARY EDUCATION SECTOR



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## AN OVERVIEW

A key focus for the tertiary education sector in 2005 has been the consolidation of the reforms of the previous three years. The emphasis in the Statement of Tertiary Education Priorities 2005/07, released during 2005, was on lifting the quality and relevance of what the sector offers students, research users and wider stakeholders and, consequently, improving outcomes for learners. A tertiary education system with a focus on quality and relevance will improve the value learners get for the time and money they invest in tertiary education, while it improves the return to society for its investment in the system.

Educational achievement has increased in recent years; proportionally more people hold a tertiary qualification – degree, postgraduate or vocational. Recent research on the employment outcomes of tertiary education shows that those with tertiary qualifications have higher earnings than others. However, between 2002 and 2005, those with school qualifications and qualifications below degree level have seen their earnings rise. This reflects the strong labour market, which has the effect of reducing unemployment among groups whose highest qualification is below degree level.

More people enrolled in tertiary education in 2005, although the full-time equivalent student count declined slightly. There was a significant decline in community education – a consequence of the government's wish to refocus community education on a small number of priority areas and its move to strengthen the quality and relevance of tertiary education provision below degree level. Student retention at degree and postgraduate levels continued to improve in 2005. Some disparities in tertiary education outcomes between ethnic groups persist. While the proportion of Māori holding a tertiary qualification below degree level is close to that for the rest of the population, growth in the proportion with a bachelors or higher degree has levelled off. The proportion of Pasifika students with degrees is growing but the proportion with tertiary qualifications is only just over half the proportion for the rest of the population. Completion rates among Pasifika students are lower than the rates in other ethnic groups. University research contract income from non-government sources increased in 2005.

## LOOKING TO 2006

Early in 2006, the government announced proposals to take further steps to improve the tertiary education system's contribution to New Zealand's goals of economic transformation, families – young and old, and national identity.

New Zealand's second strategy, the Tertiary Education Strategy 2007/12, is expected to be published in December 2006. The strategy is expected to build on the reforms that began with the creation of the Tertiary Education Advisory Commission, set up to advise government on future directions for tertiary education.

At the same time, the government set about making further changes to systems for planning, funding, monitoring and quality assurance. These reforms are designed to support the new strategy and will take effect from 2008.

In addition to aligning the tertiary sector more closely with national development goals, these changes aim to build public confidence in the sector and to give government and the sector more certainty. More information about these changes to the tertiary education system are outlined in the postscript to this report and in the forward-looking commentaries included in the chapters that follow.

## STATISTICS AND RESEARCH

*Profile & Trends 2005* has an associated set of statistical tables available on the Education Counts website. These statistics are used to inform the analysis contained in this report. These tables provide comprehensive coverage of the key trends in the sector's performance. The topics covered are: resourcing, financials, human resources, research, student support, targeted training programmes, the Secondary-Tertiary Alignment Resource, adult and community education, industry training, enrolments, equivalent full-time student units, participation rates, completion rates, retention rates, attrition rates, progression rates, and outcomes.

More tertiary education material, including information on the tertiary education strategy, providers, students and other relevant material can be found on the Education Counts website and on the websites of the Ministry of Education and the Tertiary Education Commission.



## Key findings and 2005 year in brief

The statistics in *Profile & Trends 2005* are for the year ended 31 December 2005 and have been sourced from the Ministry of Education, unless otherwise stated.

### TERTIARY EDUCATION IN NEW ZEALAND

New Zealand's tertiary education sector makes a wide range of learning available, from foundation skills to doctoral studies. The sector is a major contributor to the nation's innovation through its research activities. Almost 70 percent of all New Zealand's research papers come from the tertiary education sector.

A key feature of the New Zealand system is the integration of funding and provision across vocational education and training, higher education, workplace training, adult and community education, and tertiary education that takes place within the senior secondary school.

A large proportion of tertiary education is funded through the Student Component Fund, which covers all levels of tertiary education, from second-chance education to doctoral studies. Industry training provides workforce skills to a significant number of people. This training is designed by, and delivered in conjunction with, industry and leads to nationally recognised qualifications. There are also targeted training funds that provide fully subsidised education and training to disadvantaged groups.

The government also funds such learning as foundation education, adult literacy and English for speakers of other languages. It also provides funding to adult and community education organisations to support their work and development.

The results of learning through tertiary education can be viewed in terms of improving competencies and attainment, or progress towards attainment, of recognised qualifications. A competency includes all the skills, knowledge, attitudes and values needed to do something. The Ministry of Education has developed a New Zealand framework for key competencies for the tertiary education sector. The government has also established a Learning for Living programme to build adults' fluency, independence and range in language, literacy and numeracy so that they can use these competencies to participate effectively in all aspects of their lives.

The New Zealand Register of Quality Assured Qualifications incorporates all tertiary qualifications. It provides a standard structure for naming and describing qualifications across levels

and types of provision. It includes 10 levels of qualification from entry-level certificates to doctorates.

### GROWTH IN ENROLMENTS SLOWS

In 2005, there were 504,000 students enrolled in study programmes at tertiary education providers. Forty-seven thousand of these were international students. In addition, over 162,000 trainees were engaged in industry-based training, including 8,400 Modern Apprentices. There were 161,000 students enrolled in short courses in 2005. Non-formal education such as adult and community education attracted an estimated 360,000 enrolments. It is estimated that approximately 19 percent of the population aged 15 years or over participated in some form of tertiary learning with a tertiary education provider during 2005, including 5 percent undertaking formal learning in the workplace.

While more people studied in 2005, there was actually a decline of 1.2 percent when the numbers enrolled at tertiary education providers are converted to equivalent full-time student terms. A major factor contributing to the strong growth in enrolments in recent years was the increase in international students. This count trebled from 16,600 in 2000 to 50,500 in 2004. But in 2005, the number of international students fell by 3,060. By contrast, domestic enrolments increased by 20,700.

In 2005, 292,000 domestic students, or 58 percent, enrolled in government-funded tertiary education organisations participated in certificate-level study, compared with 69,000, or 14 percent, in diploma study, 153,000, or 30 percent, in bachelors-level study, and 36,000, or 8 percent, in postgraduate study. However, when converted to equivalent full-time student units, then bachelors-level study had the highest participation at 42 percent.

Around 119,000 domestic students completed 130,000 formally recognised qualifications in 2005. This represents an 11 percent increase on the previous year in the number of students who completed qualifications. An estimated 39 percent of domestic students who had started a qualification in 2001 had completed it by the end of 2005. The first-year attrition rate of students in government-funded tertiary education organisations who started a qualification in 2004 was 29 percent, up from 27 percent in the previous year.

## OUTCOMES OF TERTIARY EDUCATION

More New Zealanders have been participating in tertiary education in recent years and in 2005 there was a significant increase, from the previous year, in students completing a tertiary qualification. The overall rise was largely a result of an increase in the number of sub-degree qualifications awarded. There was also a significant increase in the number of students completing a postgraduate qualification, while the number of students completing bachelors degrees fell by 3.5 percent from the previous year.

One in two people in the New Zealand working-age population held a tertiary qualification in 2005. The group comprising all 'other' ethnicities had the highest proportion of its people with a bachelors degree or higher, followed by Europeans, Māori and Pasifika people.

The unemployment rate fell in 2005 for holders of bachelors and higher qualifications, other tertiary qualifications and school qualifications, while it remained unchanged for those without any qualifications. A stronger economy has led to the lower rates of unemployment in recent years. New Zealand's unemployment rates for the tertiary qualified are well below the average for the Organisation for Economic Co-operation and Development (OECD), according to the most recently available international comparisons.

International comparisons also showed that the New Zealand population's overall tertiary attainment in 2004 was well above the OECD average for females and slightly below the average for males. The New Zealand population's attainment of bachelors or higher qualifications was below the OECD average for both males and females, while the gender gap in New Zealand for tertiary qualifications, in favour of females, is now the second largest in the world, after Finland.

In 2006, the OECD calculated the internal rate of return to tertiary education for New Zealand for the first time. Rates of return were calculated for the individual (the private internal rate of return) and for the government (the public internal rate of return). The private tertiary return in 2003 was above the bond rate, meaning that even in a narrow financial sense, tertiary education is a good investment for a private individual. While the return to New Zealanders was higher than to the Danes and Swedes, it was below that of the Americans and the English. The relatively low rate of return in New Zealand reflects the fact that

there is less income disparity in New Zealand than in countries like the United States and the United Kingdom. The public return to tertiary education in New Zealand was again positive – it is financially a good investment for the government.

Another recent analysis looked at the earnings of students with loans who recently left study. This showed that those who completed a tertiary qualification had a higher median income, five years post-study, than those who did not complete their qualification. The income premium was higher for bachelors qualifications than for other tertiary-level qualifications. Analysis has also shown that the level and field of study and employment are factors influencing earnings.

The University of Auckland's economic contribution to the Auckland region was estimated to be \$4.4 billion in 2005 in a recent study. Similar studies in other regions have also shown that the presence of a major tertiary education provider carries a financial benefit for the community. Other recent studies on the outcomes of tertiary education showed that, on average, an additional year of education increases future income somewhere between 5 and 15 percent. Tertiary education also continues to contribute positively to New Zealand's health, social and family outcomes. In addition to making workers more productive, it leads to the creation of knowledge, ideas and technological innovation. In the area of health, for example, studies show that those with post-school qualifications have lower mortality rates than those with no, or only school, qualifications.

## LEVEL 1 TO 3 QUALIFICATIONS

Provision of qualifications at levels 1 to 3 of the New Zealand Register of Quality Assured Qualifications has continued to grow in a number of areas. Level 1 to 3 qualifications are equivalent to a senior secondary school education. The number of students enrolled in student component-funded level 1 to 3 certificates has continued to increase, although the volume of provision has stabilised when counted in terms of equivalent full-time students. Within this area, the number of students studying for less than six weeks has grown the fastest. There has been a decrease in the number of students in foundation education qualifications, offset by an increase in those in vocational qualifications. The number of students in courses of a week or less has also continued to increase.

There has been a continued increase in the provision of tertiary education opportunities in schools through the Secondary-



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Tertiary Alignment Resource funding and Gateway. The number of students in school and tertiary education institution-based adult and community education courses has decreased in response to policy changes.

In 2005, there were 483,000 students enrolled in formal education at levels 1 to 3. The largest number were student component-funded students (206,500) followed by students in courses of one week or less (136,000) and those in industry training (121,200). Up to 360,000 learners participated in non-formal education at this level. The actual total number is not known precisely as many learners will have participated in more than one area during the year. Of the non-formal learners, the largest numbers were involved in adult and community education through tertiary education institutions and schools.

Students accessing education at this level tend to be aged 25 and over. There has been a definite shift towards older-aged students in student component-funded provision. Approximately half of the students accessing adult and community education and courses of one week or less are aged 40 years or over.

There has been an increase in the proportion of students accessing student component-funded qualifications who are already in employment, and a corresponding decrease in the proportion unemployed or on benefits. The numbers of students in Training Opportunities and Youth Training (both targeted to people who are unemployed) have continued to decrease.

### MID-REGISTER QUALIFICATIONS AND WORKPLACE LEARNING

The recent substantial increases in level 4 qualifications and in workplace learning are notable features of the tertiary education system at a time when overall learner growth is slowing.

The number of learners in level 4 qualifications in provider-based learning increased significantly between 2004 and 2005. This contrasts with a relatively lower increase for those in level 5 to 7 diplomas and certificates and a slight fall in those enrolled in bachelors qualifications. From 2001 to 2005, the relative growth in the number of learners in level 4 qualifications in provider-based learning was 10 times greater than for those in bachelors qualifications. Over the same period, learners in level 5 to 7 certificate and diploma qualifications increased slightly more than for bachelors qualifications.

The number of learners in workplace learning, industry training and Modern Apprenticeships increased very significantly from 2004 to 2005. Between 2000 and 2005, the numbers of learners in the workplace increased twice as fast as those in provider-based tertiary education. This is in part due to the increased focus by industry and government on skills development and productivity growth in the workplace. Also, the success of the Modern Apprenticeships scheme, and its popularity with industry and young people, is reflected in the significant growth in participation.

### BACHELORS-LEVEL QUALIFICATIONS

The number of domestic students enrolled in bachelors-level study decreased slightly from 2004 to 2005, for the second consecutive year, after many years of steady growth. The decrease was mainly driven by a decreased participation rate of older students studying at bachelors level.

The number of domestic students completing bachelors degrees decreased from 2004 to 2005 as a result of a small drop in the completion rate. An estimated 41 percent of domestic students who started a bachelors degree in 2001 had completed after five years, compared with 42 percent for those who started in 2000. Asian and European domestic students had the highest rates of five-year completion of bachelors degrees, while Pasifika students had the lowest rates.

While international students enrolled in bachelors study continue to make up a growing proportion of bachelors-level students, the growth in international students enrolled in bachelors-level study slowed during 2005. International students completed bachelors degrees within five years at a higher rate than domestic students, with 48 percent of international students who started a bachelors degree during 2001 having completed after five years.

### POSTGRADUATE QUALIFICATIONS

The number of domestic students enrolled in postgraduate study increased between 2004 and 2005, continuing the steady growth in the number of postgraduate students over the last 10 years. The increase was driven by increased participation in postgraduate certificate and doctorate study.

The number of domestic students completing postgraduate qualifications also increased between 2004 and 2005. There was

a marked difference in the five-year completion rates of domestic students in the different postgraduate qualifications, largely reflecting the duration and the nature of the study for each of these qualifications. Domestic students starting a postgraduate certificate or a bachelors degree with honours in 2001 had the highest five-year completion rates.

After 10 years of strong growth, the number of international students enrolled in postgraduate study declined from 2004 to 2005. The largest drop was in students studying for postgraduate diplomas. New Zealand has one of the highest proportions in the OECD of foreign students enrolled at postgraduate level. International students generally have higher rates of qualification completion than their domestic counterparts.

## STUDENT SUPPORT

In 2005, the number of student loan borrowers fell for the first time since the Student Loan Scheme was introduced in 1992. On average, students borrowed \$150 more in 2005 than in 2004.

Higher tuition subsidy rates for the year ended June 2006 led to an increase in government's total financial support for students participating in tertiary education. Both the drop in the equivalent full-time student count and the greater proportion of students enrolling in courses that attract a lower per student funding rate were more than offset by the increase in the tuition subsidy base rates.

Uptake of student allowances for the year ended June 2006 fell slightly from the previous year, in spite of the new parental income limits introduced in 2005, which were intended to enable larger numbers of students to qualify. This may reflect increased enrolments by part-time students, plus more enrolments in shorter vocational courses, many of which do not attract student allowances.

## RESEARCH CONTRIBUTION

The research performance of the tertiary sector improved in several areas in 2005. In the area of research training, enrolments in doctoral degrees continued their rising trend in 2005. The number of people completing a doctorate of philosophy also rose in 2005, but at a slower rate than in previous years. The research contract income earned by the universities per academic staff member rose in real terms between 2004 and 2005. In addition, the share of the funding

won by the universities from contestable funds in Vote Research, Science and Technology increased between 2002 and 2004.

A study by the Ministry of Research, Science and Technology of indexed research publications by university authors, between 1997 and 2003, showed that total research publications produced by researchers in universities increased over the period, resulting in a greater share of New Zealand-authored papers originating from universities. Despite the rise in total research publications, a faster rise in the number of academic staff resulted in a decline in research productivity – measured by publications per full-time equivalent academic staff member – between 1999 and 2003.

## SECTOR CAPABILITY

The collective financial performance of the 33 tertiary education institutions was moderately strong during 2005. Liquidity and cash flow were both above the benchmark set for prudent operation of a tertiary education institution.

However, when compared to the performance between 2002 and 2004, performance in 2005 fell as the operating environment changed. The aggregate operating surplus fell to 2.3 percent of revenue – below the benchmark of 3 percent for the first time since 2000. At the same time, the indicators of liquidity and cash flow both worsened.

In large part, this decline in financial performance reflected factors such as the reduction in international student enrolments, changes to the funding of community education and the slowdown in the growth of enrolments in the wānanga.

While aggregate financial performance was moderately strong, there was considerable variation among the tertiary education institutions, with some recording a very strong performance, while nine institutions had an operating deficit in 2005, compared with six in 2004 and none in 2003.

Overall, the universities performed more strongly than the other sub-sectors. They experienced only a relatively small decline in international students, their income was more diversified than that of the other sub-sectors and they have had only relatively small community programmes, so their performance was not especially affected by the changes in funding of these programmes. The universities' collective surplus – 3.2 percent of revenue – was above the benchmark.



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By contrast, the polytechnics experienced a fall in income as international enrolments dropped and, as a result of community education funding changes, their combined operating surplus was 1.6 percent of revenue, while five polytechnics recorded an operating deficit.

The size of the workforce in public tertiary education institutions remained stable in 2005 compared to 2004.

A fall in academic staffing at universities in 2005 was offset by an increase in non-academic staff. While the number of students at universities also fell in terms of full-time equivalent students, the student per academic staff ratio increased slightly in 2005.

Staffing and student numbers fell at wānanga in 2005 with a small decrease in the student per academic staff ratio.

At institutes of technology and polytechnics, staffing levels remained stable in 2005 while the student per academic staff ratio fell due to a decline in equivalent full-time students.

The number of staff eligible for research funding from the Performance-Based Research Fund increased from 2003 to 2006 and the average age of the eligible researchers also increased in 2006.

Total expenditure on personnel for public tertiary education institutions increased in 2005, while personnel costs declined slightly as a percentage of total expenditure.

### INVESTING IN KNOWLEDGE AND SKILLS

Total government spending on tertiary education increased in the year ended June 2006. Expenditure on tertiary education, including operating and capital expenditure, was \$4,046 million in 2006. As a percentage of gross domestic product, both total expenditure and operating expenditure increased in 2006.

Total tertiary education expenditure accounted for 2.6 percent of gross domestic product while operating expenditure accounted for 1.9 percent.

The number of equivalent full-time student places funded by government decreased between 2004 and 2005. This is the first decrease in recent years and comes after a slowdown in growth in 2004. Despite the latest decrease in student numbers, government spending on tuition subsidies continued to increase in 2005, due to an increase in the base funding rates.

In 2005, the average domestic fee per equivalent full-time student increased for the second consecutive year, following two years of decreases. The latest increase reflected the transition from the fee stabilisation scheme to policies that will allow some modest fee increases. It also reflects a move away from enrolments in low or zero fee courses. There was a slowdown in international student enrolments in 2005 and, as a result, total international fees revenue decreased from 2004 to 2005.

## THE YEAR 2005 IN BRIEF

### JANUARY

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The Tertiary Education Commission publishes its Performance-Based Research Fund 2004 Annual Report. Tertiary education organisations are to receive more than \$43 million from the fund in 2005.

Unitec New Zealand, an Auckland-based polytechnic, files papers in the High Court in a \$3.5 million action against the Minister of Education and the New Zealand Qualifications Authority over a five-year delay in determining its application for university status.

The government announces that the Hon Russell Marshall will be the new chair of the Tertiary Education Commission. Mr Marshall is a former Minister of Education and, at the time of his appointment, he was New Zealand's High Commissioner to the United Kingdom.

The New Zealand University Students' Association releases its three-yearly income and expenditure survey of the financial and socio-economic situation of students at tertiary education institutions.

EdCentre, the online portal to education information, is launched. The portal is a cross-sector collaboration of the main government agencies responsible for managing the education system.

Nominations open for peer review panels to steer the 2006 Performance-Based Research Fund quality evaluation.

### FEBRUARY

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The government announces that New Zealand's third off-shore education counsellor will be located in Brussels, to help build links with European educators and policy leaders.

Forty-four students are awarded Top Achiever Doctoral Scholarships, worth nearly \$4.4 million, by the Tertiary Education Commission.

The Tertiary Education Commission releases the *Review of community education in selected tertiary education institutions* on the appropriate use of community education funding by institutions.

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The Tertiary Education Commission announces reviews of education and training provision to increase the strategic relevance of government-funded tertiary education.

The reviews will cover: selected non-degree qualifications in funding categories A1 and J1; the student component provision for one-third of private training establishments (the first part of a comprehensive three-year review); dive education; and overlapping provision issues between industry training and the student component.

The Teaching Matters Forum, a sector group appointed by Cabinet, held their inaugural meeting to discuss the proposal for a national centre for tertiary teaching excellence.

The government announces a package of actions, including the appointment of a Crown observer, in response to concerns raised about the tertiary education provider Te Wānanga o Aotearoa.

### MARCH

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The Tertiary Education Commission appoints Professor John Hattie as principal moderator, and Professor Carolyn Burns and Professor Mason Durie as deputy moderators, for the 2006 Performance-Based Research Fund quality evaluation.

The Ministry of Education publishes two reports on student loans: *Living with a student loan, a profile of student loan debt and repayment, post-study income and going overseas* and *Income of student loan scheme borrowers*.

The Ministry of Education publishes the report of a major research study conducted by Massey University: *Impact of student support services and academic development programmes on student outcomes in undergraduate tertiary study: a synthesis of the research*.

The Association of University Staff takes legal action against the University of Auckland after the university's failure to attend a preliminary national employment agreement negotiation.

Industry training figures (including Modern Apprenticeships) show that approximately 140,000 trainees were involved in 2004 (up by 13,000 on 2003).

The Tertiary Education Commission announces Janice Shiner, director general of Lifelong Learning at the Department of Education and Skills in England, will be its new chief executive. Janice Shiner takes up the position in July 2005.

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The New Zealand Vice-Chancellors' Committee publishes its *University Graduate Destinations 2004*. The report, based on a survey of the 29,000 people who became eligible to graduate in 2003, shows that the make-up of New Zealand's university graduate population is changing. There are more international graduates and greater ethnic diversity.

Five new projects are funded under the growth and innovation pilot initiatives programme. The programme was set up to further develop the linkages between tertiary education providers and industry in the biotechnology, design and information and communication technology sectors.

Dr Sondra Stein, project manager for the *Equipped for the Future Work Readiness Credential* in the United States, leads workshops in Auckland, Wellington and Dunedin, introducing the draft descriptive standards for the adult foundation learning sector.

The ministry produces and issues two discussion documents on learning outcomes in tertiary education for feedback: *Learning for living: draft descriptive standards and key competencies in tertiary education*.

The government announces the State Services Commission will review the way the Ministry of Education, the Tertiary Education Commission and the New Zealand Qualifications Authority work together in policy on senior secondary and tertiary education.

### APRIL

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The Employment Relations Authority refers a dispute between the Association of University Staff and the University of Auckland to the Employment Court, after mediation fails. The dispute relates to the university's refusal to meet with unions and other university employers for preliminary national employment agreement negotiations.

The government releases its Statement of Tertiary Education Priorities (2005/07). The statement will guide funding for the sector, and focuses on improving the quality and relevance of tertiary education.

The University of Canterbury and the Christchurch College of Education councils support a merger of the college with the university by January 2007.

The Tertiary Education Commission announces appointments to the chairs of 12 peer review panels for the 2006 Performance-Based Research Fund quality evaluation.

The Tertiary Education Commission calls for public submissions on whether it is in the national interest for Unitec New Zealand to become a university.

The Tertiary Education Commission starts public consultation on a proposed funding framework for Adult and Community Education.

The Teaching Matters Forum begins consultation with the tertiary sector on options for the form and function of the proposed national centre for tertiary teaching excellence.

The ministry publishes the *Tertiary Education Strategy 2002/07 Monitoring Report 2004*. This is the first annual report measuring progress towards the goals of the government's tertiary education strategy.

The government makes a pre-budget announcement of an extra \$21 million over the next four years for international education. The funding will lower the cost of doctoral study for new international students in New Zealand, and speed up the establishment of the off-shore education counsellor network with three new counsellors.

The government signs an education cooperation arrangement with India.

### MAY

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The chair of the board of the New Zealand Qualifications Authority, Professor Graeme Fraser, and the authority's chief executive, Karen Van Rooyen, resign. The board releases an independent report into its role and responsibilities for the 2004 scholarship examinations. The government appoints Catherine Gibson as interim chair for a three-month period.

An Employment Court decision requires the University of Auckland to participate with other universities in bargaining for multi-employer collective employment agreements.

The government provides Te Wānanga o Aotearoa with a short-term loan of \$20 million and starts the statutory process under the Education Act 1989 to dissolve the wānanga's council and appoint a commissioner.

The government calls for expressions of interest from groups to provide a tertiary education savings scheme. Under this scheme families would be able to make savings to be used to support their children in their tertiary education.

The government announces an additional 200 TeachNZ Scholarships for early childhood education teachers.

The third round of growth and innovation pilot initiatives is announced. The scheme makes \$4 million available for tertiary education organisations to build partnerships with industry.

The Association of University Staff publishes research findings on gender and promotion at Massey University, as a case study of human resources practices within universities. The work was completed by the New Zealand Council for Educational Research.

The University of Auckland and unions agree on staff pay increases, following mediation.

Budget 2005 provides an additional \$340 million over the next four years across the tertiary sector. It includes:

- \$45 million over four years to expand Modern Apprenticeships and industry training
- a \$76 million increase for the Performance-Based Research Fund over four years, raising it to \$190 million by 2009
- an increase in funding rates for strategically relevant subject areas, including science, trades, technical subjects, agriculture and horticulture – following a review of funding categories
- a 2.6 percent increase in student component funding rates to reflect inflation, and
- an additional \$57 million over four years to widen eligibility for student allowances and improve student support, including \$13 million for new bonded merit scholarships.

Fourteen students are awarded Enterprise Scholarships. The scholarships will support the students while they work on research degrees involving projects that are centred on and partially funded by a business.

Regional meetings are held to discuss and collect views from tertiary providers, tutors and learners on the proposed national centre for tertiary teaching excellence.

## JUNE

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The government appoints Karen Sewell, chief executive and chief review officer of the Education Review Office, as acting chief executive of the New Zealand Qualifications Authority.

The government approves the Tertiary Education Commission's refinements to the 2006 Performance-Based Research Fund, which include additional grades to identify new and emerging researchers.

A university tripartite forum, comprising the Minister of Education, vice-chancellors and union representatives, will be established to consider and resolve issues related to salaries in the universities. The group will focus on high-level strategic salary issues, and provide information to inform future budget and bargaining strategies.

Negotiations for new national collective employment agreements between university unions and vice-chancellors break down, and universities face national strike action.

The ministry publishes four reports on research performance: *The measurement of the research performance of tertiary education organisations: an analysis of the impact of weightings in the Performance-Based Research Fund*; *Research measures: comparing the old with the new*; *Research measures: comparing seven new measures of research performance in tertiary education*; and *An analysis of funding allocations for staff and research degree completions in the Performance-Based Research Fund*.

Government commits \$51 million over the next four years to adult foundation learning. The initiative is aimed at raising the quality of provision and building a sustainable infrastructure, and expanding access for adults currently not in foundation learning programmes.

The ministry publishes a report called: *How long do people spend in tertiary education?* The report includes new data on the differences in the duration of, attrition and completion among students in tertiary education in New Zealand.

The government announces its preliminary decision to dissolve the council of Te Wānanga o Aotearoa and appoint a commissioner.



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### JULY

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Thailand signs education agreements with the Universities of Canterbury, Otago and Waikato and with Lincoln and Massey Universities.

The High Court finds the government breached the Bill of Rights and the rules of natural justice in its handling of Unitec New Zealand's application for university status.

The Tertiary Education Commission appoints 172 academics as peer reviewers for the 2006 Performance-Based Research Fund quality evaluation. The appointees will form 12 panels to assess 41 subject areas.

The government approves a loan of \$4.8 million for the Western Institute of Technology in Taranaki. The institute's Crown loans rise to a total of \$9.3 million.

The Nelson Marlborough Institute of Technology receives \$0.5 million through the tertiary sector's Innovation and Development Fund to create new seafood training and education courses.

The State Services Commission's education sector review is published. It calls for the Ministry of Education, the New Zealand Qualifications Authority and the Tertiary Education Commission to work more closely together in order to build capability and leadership and to raise the quality of, and confidence in, senior secondary and tertiary education.

The government announces changes in tertiary education aimed at strengthening regional provision, and shifting funding to high-quality courses. The package includes:

- a quality reinvestment fund of \$180 million over five years to help polytechnics and wānanga align with core priorities
- increases in industry trainee and Modern Apprenticeship numbers
- changes to the funding framework for adult and community education
- improved monitoring systems in government agencies to ensure that both existing, and new, tertiary education provision is both relevant and of high quality, and
- a limit on growth in individual certificate or diploma qualifications – Tertiary Education Commission approval is to be required for increases above 200 equivalent full-time students per year.

The 2005 tertiary teaching excellence awards are announced. Dr Roger Moltzen, from human development and counselling at the University of Waikato, receives the supreme award.

Staff strike at the Universities of Auckland, Waikato and Canterbury and at Lincoln, Massey and Victoria Universities, following a breakdown in pay negotiations.

The Tertiary Education Commission announces 12 providers will receive \$0.8 million from the adult and community education new provider fund in the 2006 financial year. The fund was established in May 2004 to support previously unfunded and emerging providers whose programmes align well with the government's adult and community education priority areas.

The Teaching Matters Forum provides its final report to government, following consultation with the sector, on the proposed national centre for tertiary teaching excellence.

The Ministry of Education publishes a report of a research study and an accompanying summary: *Analysis of New Zealand data from the International Adult Literacy Survey – demographic predictors of low literacy proficiency*. The research provides a greater understanding of New Zealanders affected by literacy problems.

### AUGUST

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Operating principles for working together have been agreed by the Tertiary Education Commission, institutes of technology and polytechnics, and industry training organisations, in order to help address overlapping provision issues.

The government announces it will increase tuition subsidy rates for veterinary education.

The ministry publishes two reports on patterns of repayment of student loans: *Who doesn't pay back – the characteristics of borrowers who make no progress in reducing their student loans*, and *Paying off a student loan*.

Successful applicants from the 2004 to 2006 funding round of the government's partnerships for excellence programme are announced. They included the establishment of:

- an information and communications technology institute by the University of Canterbury in partnership with Jade Software and ICT companies

- an institute of health and innovation by the University of Auckland in partnership with private sector companies
- a centre for plastics innovation and technology also by the University of Auckland in conjunction with Plastics New Zealand and private sector companies
- an initiative by Massey and Lincoln universities to enhance research in the agricultural and life sciences (private sector partners include Meat and Wool New Zealand, the Agricultural Marketing and Research Development Trust, and key companies in the dairy and horticultural industries), and
- a research-based partnership between Massey University, Bomac Laboratories Ltd, Matamata Veterinary Services Ltd and other key companies in the equine industry.

The government announces that it has decided that Unitec New Zealand will not become a university.

A New Zealand Qualifications Authority working group releases a consultation document on its review of the common standard for school leaver entry into university.

University staff unions and vice-chancellors make a national umbrella agreement for resolving current industrial problems and working together to address major funding and salary issues.

The New Zealand Universities Academic Audit Unit publishes its report on its audit of Victoria University of Wellington.

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## SEPTEMBER

The government announces the science and technology qualifications that will attract Step Up Scholarship funding for students from middle- and low-income backgrounds.

Fifteen projects are awarded a total of \$6.7 million from the e-Learning Collaborative Development Fund.

The Innovation and Development Fund provides grants to 12 projects (worth \$8.4 million collectively) to tertiary education organisations for projects designed to develop their capacity to lift the skill base of the population and the relevance of the skill base to the New Zealand economy.

The combined university unions and the New Zealand Vice-Chancellors' Committee meet to discuss a joint paper on salaries and resourcing.

The Learning for Living project begins the second round of its exploratory projects that focus on professional development for adult foundation learning tutors.

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## OCTOBER

The New Zealand Qualifications Authority approves a new fee schedule for quality audits of private training establishments, government training establishments, wānanga and Unitec New Zealand.

The ministry publishes a report called: *What factors make a difference to getting a degree in New Zealand?* This report examines the demographic and study-related factors that are associated with successful completion of degree study.

The government introduces a bill to Parliament to give effect to its no-interest student loan policy. Interest charges for all students and New Zealand-based student loan borrowers will be abolished from 1 April 2006. An amnesty on loan penalties is also to be provided for borrowers who return to New Zealand or enter into acceptable arrangements with Inland Revenue for repayment during 2006.

Massey University, Dunedin College of Education and the Christchurch College of Education apply to the Tertiary Education Commission to raise fees above 5 percent in 2006.

Hon Dr Michael Cullen becomes the Minister for Tertiary Education, taking over from the Hon Trevor Mallard.

The Annual Report on the Student Loan Scheme is tabled in Parliament. It shows that loan borrowing in 2005 was \$980 million, down by \$22 million on 2004.

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## NOVEMBER

Six students are awarded Enterprise Scholarships by the Tertiary Education Commission.

Nineteen polytechnics and wānanga receive \$4 million from the Tertiary Education Commission's quality reinvestment programme to help them to make changes to their portfolios of provision.

The New Zealand Qualifications Authority consults with university councils and vice-chancellors on changes to the

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## Key findings and 2005 year in brief

literacy requirement of the common standard for school leaver entry into university.

The New Zealand Universities Academic Audit Unit publishes its report on its audit of the University of Canterbury.

The Ministry of Education publishes the report: *What determines the research performance of staff in New Zealand's tertiary education sector?* The report applies statistical modelling to determine what demographic and employment-related factors are associated with high research performance, as measured in the 2003 Performance-Based Research Fund quality evaluation.

The Tertiary Education Commission announces the areas of provision that will be included in year two of its three-year review of private training establishment qualifications.

## DECEMBER

The Office of the Auditor-General publishes the report *Inquiry into certain aspects of Te Wānanga o Aotearoa*. The inquiry found unacceptable practices for a public entity, including poor record-keeping and a consistent lack of documentation.

Private training establishments will receive \$2 million in reinvestment funding in 2006 to support qualifications of high strategic relevance.

The Tertiary Education Commission declines applications by the Dunedin College of Education, the Christchurch College of Education and Massey University to raise fees above 5 percent in 2006.

Seven tertiary education providers, the Tertiary Education Commission and New Zealand Trade and Enterprise sign agreements to provide more design internships.

The Tertiary Education Commission confirms the outcomes of four education and training reviews and one policy review (Aviation). The reviews looked at certificates and diplomas, the provision of dive and aviation training and overlapping of provision of vocational training.

The Tertiary Education Commission approves the profiles of 700 tertiary education organisations. These include 33 public tertiary education institutions, 360 private training establishments, 195 secondary schools and 15 other tertiary education providers, 13 rural education activities programmes and 38 industry training organisations.

Sue Suckling is appointed as chair of the New Zealand Qualifications Authority Board, effective from 1 April 2006.

Two research reports and their summary versions are published by the Ministry of Education: *Working in the light of evidence, as well as aspiration: adult literacy, numeracy and language teaching*, and *Pedagogy in practice: an observational study of literacy, numeracy and language teachers*.

Parliament passes amendments to the legislation on the Student Loan Scheme. The legislation provides for interest-free student loans and for the amnesty for borrowers non-resident on 31 March 2006. The amnesty will run from 1 April 2006 to 31 March 2007.

