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FOREWORD BY THE SECRETARY FOR EDUCATION

The tertiary education system creates the skills and knowledge that New Zealand needs for a thriving economy and society – the skills and knowledge New Zealanders need to build and sustain healthy communities, a dynamic democracy and a growing, knowledge-based economy.

New Zealand’s Tertiary Education Sector: Profile & Trends 2004 is the seventh annual survey of the tertiary education sector in this country to be produced by the Ministry of Education. The survey aims to provide a summary of the important characteristics and overall performance of the tertiary education sector in 2004. It outlines and comments on key trends and developments to provide the sector, education agencies and other people with accurate and comprehensive information about tertiary education in order to inform debate and to assist strategic development.

The year 2004 saw another year of implementing the key changes of the Tertiary Education Strategy 2002/07 and moving closer to aligning the tertiary education system with the government’s social, economic and environmental goals. It was a year where growth in the system slowed significantly and key strategic issues such as quality and relevance came further to the fore.

The respective roles of government, tertiary education organisations and stakeholders, and the relationships between them, are becoming more clearly defined. The government sought confirmation of its priority areas for 2005 to 2007 from stakeholders in its Statement of Tertiary Education Priorities 2005/07, a discussion document released in 2004. The profiles submitted by tertiary education organisations in 2004 saw a system responding to its communities and allowing stakeholders to increase their influence over the system.

The drive for achieving better tertiary education for all students saw emphasis placed on management and assurance of high-quality teaching and learning in 2004. High-quality teaching at degree level also requires high-quality research activity. A significant highlight of 2004 was the release of the first assessment of research excellence under the Performance-Based Research Fund. That new system aims to improve the quality of New Zealand’s academic research. In 2004, the government announced the tertiary teaching and learning quality project, which will investigate how existing quality assurance arrangements can be enhanced to support better teaching and learning. This project will also see the establishment of a National Centre for Tertiary Teaching Excellence. At the same time, there was further work on the development of the performance measure in Student Component funding.

This year’s survey differs from previous years in that, in its learner profiles, it analyses enrolments and achievement by the level of the qualification in line with the New Zealand Register of Quality Assured Qualifications. This has enabled a specific focus on the different paths that make up our tertiary education system and which cater for the different needs and abilities of a more diverse student body. This year’s report also includes new information on the tertiary education workforce and special foci on women, Asian students and international students in tertiary education.

Some of the information in this year’s report has been provided by colleagues in different agencies and organisations with responsibilities for tertiary education outside the Ministry of Education. In particular, the Tertiary Education Commission has been of great assistance. I would like to thank all contributors for the data, time and assistance they have provided in helping the Ministry to prepare this report.

I trust you will find the information presented in Profile & Trends 2004 to be relevant and useful to your understanding of the tertiary education sector as a whole.

Howard Fancy
SECRETARY FOR EDUCATION
DEFINITIONS

ACADEMIC YEAR
The academic year is defined in the Education Act 1989 as a calendar year, 1 January to 31 December.

ADULT AND COMMUNITY EDUCATION (ACE)
Adult and Community Education (ACE) enables adults to engage in a range of educational activities in a context that is relevant to the learner. Most ACE provision does not lead to a qualification. There are few barriers to participation. Provision is generally focused on personal development and skill enhancement, while there are also social, civic and community benefits. A range of providers deliver ACE, including schools, tertiary education institutions (TEIs), other tertiary education providers (OTEPS), such as Literacy Aotearoa, and community groups.

CENTRE OF RESEARCH EXCELLENCE (CoRE)
The seven Centres of Research Excellence (CoREs) support leading-edge, innovative research of international standard that fosters excellence and contributes both to New Zealand's national goals and to knowledge transfer. The CoREs are primarily inter-institutional research networks, with the researchers working together on a commonly agreed work programme. Each CoRE is hosted by a TEI. The host institution's responsibilities include the overall management and co-ordination of the research plan, support for knowledge transfer, and network activities.

COLLEGE OF EDUCATION (CoE)
A college of education (CoE) is a public tertiary education institution that is characterised by teaching and research required for the pre-school, compulsory and post-compulsory sectors of education, and for associated social and educational service roles. These colleges also offer other programmes in addition to teacher education, for instance business and social work qualifications. Following a series of mergers between colleges of education and universities, the number of colleges has reduced, from six in 1990 to two in 2005.

COURSE
A course is a component of a qualification and may be known as a paper, module or unit. A course is usually related to an enrolment event. A course has aims and curriculum content and includes assessment that measures the extent to which the learning outcomes sought from that course have been met. A course or collection of courses forms a programme of study which, if completed successfully, results in the award of a qualification.

DECILE
A school's decile provides an index of the socio-economic communities from which a school draws its students. Decile 1 schools are the 10 percent of schools with the highest proportion of students from low socio-economic communities, whereas decile 10 schools are the 10 percent of schools with the lowest proportion of these students. A school's decile does not indicate the overall socio-economic mix of the school.

DISTANCE EDUCATION
Distance education occurs when students and the instructor are separated by geographic distance or when the majority of the educational delivery is not connected in time to the learning. The student's learning is usually facilitated using correspondence study, audio conferencing, video conferencing, email or the internet.

EFTS (EQUIVALENT FULL-TIME STUDENT)
EFTS (Equivalent Full-time Student) is a unit for counting tertiary student numbers. The basis of the EFTS system is that a student taking a normal year's full-time study counts as 1.0 EFTS unit or the equivalent of 120 credits on the National Qualifications Framework. The courses taken by part-time students are proportions of 1 EFTS unit, eg 0.75 EFTS.

EFTS-BASED TUITION SUBSIDIES
The Student Component of the Integrated Funding Framework uses EFTS as a measure in the allocation of funding. Government funding of the Student Component is a subsidy; it is a contribution towards the cost of tertiary education and training that meets part, but not all, of the cost of provision of a course. These subsidies are paid to approved tertiary education providers on behalf of domestic students enrolled in quality-assured courses leading to quality-assured qualifications.

e-LEARNING
e-Learning is education, both formal and informal, which uses electronic delivery methods such as internet-based learning delivery packages, CD-ROM, video conferencing, websites or email to manage the relationship between teacher and learners.
FISCAL YEAR

The government’s accounting year is based on the fiscal year, which is a 12-month period starting on 1 July and finishing on 30 June.

FORMAL STUDENT

For the purposes of statistical reporting, a tertiary student is considered to be a formal student when enrolled in a formal programme of study of more than one week’s full-time duration (ie an EFTS value greater than 0.03). The programme must lead to a qualification approved by an authorised certifying body or issued by an institution.

FULL-TIME

Any programme of study of 32 weeks or more and at least 0.8 EFTS is designated full-time/full-year. A programme of study that has a lower EFTS value on a pro rata basis is called part-time. Any programme of study of at least 12 weeks but less than 32 weeks and at least 0.3 EFTS or the equivalent on a pro rata basis (eg 24 weeks and 0.6 EFTS) is designated full-time/part-year. The definition of full-time given here is also used for the purposes of eligibility for student loans and allowances and the definition used in applying the student loan full interest write-off.

GOVERNMENT TRAINING ESTABLISHMENT (GTE)

A government training establishment (GTE) is a government department or a Crown entity, other than a TEI, approved by the Minister of Education and registered by the New Zealand Qualifications Authority (NZQA) as a tertiary education provider. GTEs offer training subject to the approval and accreditation requirements of the Education Act 1989.

INDUSTRY TRAINING ORGANISATION (ITO)

Industry training organisations (ITOs) facilitate workplace learning for trainees in employment by setting national skill standards for their industry. In addition to providing leadership to industry on skill and training needs, ITOs develop appropriate training arrangements for their industry, organise appropriate training, monitor training quality and arrange for the assessment of trainees. ITOs also provide information and advice to trainees and their employers.

INSTITUTE OF TECHNOLOGY

The term ‘institute of technology’ is a synonym for ‘polytechnic’ (qv).

INTEGRATED FUNDING FRAMEWORK

The Integrated Funding Framework is a tertiary funding framework which will, over time, support the alignment of the tertiary system with the Tertiary Education Strategy 2002/07 (TES). The framework, operating in the context of charters, profiles and the assessment of strategic relevance, will ensure that research effort and funding for student enrolments are concentrated in areas of high performance and high strategic relevance.

ISCED LEVEL

ISCED refers to the International Standard Classification for Education, developed by UNESCO. It is used by countries and international agencies as a means of compiling internationally comparable statistics on education. It identifies the level of that educational provision. For tertiary education, the applicable classifications are:

- post-secondary/non-tertiary (ISCED 4) – although these programmes are considered tertiary in the New Zealand tertiary education policy and funding framework, they straddle the boundary between upper secondary (ISCED 3) and tertiary education. In many other countries, ISCED level 4 qualifications are classified as not being part of the tertiary education sector. Examples of such programmes include pre-degree foundation courses and national certificates which lead to higher qualifications
- first stage of tertiary education (ISCED 5) – where programmes are largely theoretically-based and are intended to provide qualifications for entry into ISCED 6 or a profession with high skills requirements. Level 5A represents more academically or theoretically-based study, while level 5B represents more vocationally-oriented study. ISCED level 5A programmes include bachelors degrees, honours degrees, masters degrees, and postgraduate diplomas or certificates, while two-year, sub-degree diplomas are normally classified as ISCED level 5B, and
- second stage of tertiary education (ISCED 6) – programmes leading to an advanced research qualification. Only PhD qualifications fit into this category.

NATIONAL CERTIFICATE OF EDUCATIONAL ACHIEVEMENT (NCEA)

The National Certificate of Educational Achievement (NCEA) is New Zealand’s main national qualification for senior school students. It forms part of the National Qualifications Framework. NCEA level 1 replaced School Certificate in 2002, level 2 replaced
Sixth Form Certificate in 2003 and level 3 of NCEA replaced University Bursaries in 2004. The NCEA sets national standards that show the separate skills and knowledge the student has to achieve for each subject. Students can gain NCEA credits for all learning in regular school curriculum subjects. NCEA provides the bridge between school, the workplace and lifelong learning.

**NATIONAL QUALIFICATIONS FRAMEWORK (NQF)**

The National Qualifications Framework (NQF) is a framework for registering the unit standards-based system of national qualifications developed by NZQA. Unit standards are categorised by field of study, which is further broken down into sub-fields and domains. Standards and national qualifications are also categorised by level of student achievement. Certificates can be awarded up to level 4. Diploma qualifications can be awarded at levels 5, 6 or 7 on the Framework, level 7 being equivalent to the level achieved at the end of a first degree. Levels 8, 9 and 10 are postgraduate study.

**NOMINAL TERMS**

Sums quoted in nominal terms use the dollar value with no adjustment for the effects of inflation over time.

**NZSCED**

NZSCED refers to the New Zealand Standard Classification for Education, a subject-based classification system for courses in tertiary education. The classification system consists of three levels – broad, narrow and detailed fields. It is used to improve the quality and consistency of statistics collected by the Ministry of Education and other education agencies in relation to tertiary study.

**OTHER TERTIARY EDUCATION PROVIDER (OTEP)**

Other tertiary education providers (OTEPs) are organisations that deliver programmes of tertiary education or in support of tertiary education of some national significance, and that are recognised by the Minister of Education under section 321 of the Education Act 1989, eg the New Zealand Schools of Dance and Drama.

**PART-TIME**

Part-time is an expression which can apply to either the qualification or the student. A qualification offered part-time has the same EFTS value, but is studied over a longer period of time than its full-time equivalent. A student may elect to study a full-time qualification on a part-time basis, by enrolling in fewer courses than the normal student full-time workload. For the purposes of the student loan full interest write-off, part-time means any programme of study that is not full-time (eg a programme of study of 32 weeks that is less than 0.8 EFTS). Some qualifications are specifically designed for part-time study, eg the Massey University MBA.

**PASIFIKA**

Pasifika peoples comprise a diverse range of peoples from the South Pacific region or people within New Zealand who have strong family and cultural connections to Pacific Island countries. Pasifika peoples include those who have been born in New Zealand or overseas. It is a collective term used to refer to people of Samoan, Cook Island, Tongan, Niuean, Tokelauan, Fijian or other Pasifika ethnic groups.

**PERFORMANCE-BASED RESEARCH FUND (PBRF)**

The Performance-Based Research Fund (PBRF), which is part of the Integrated Funding Framework, is a means of allocating research funding to tertiary education providers. It seeks to reward excellence in research in tertiary education organisations and to improve the average quality of research in the tertiary sector. The PBRF allocates funding on the basis of an evaluation of the quality of research, a provider’s external research income and its postgraduate research degree completions.

**PERFORMANCE MEASURE**

The Student Component Performance Measure is a mechanism that is in development and that is to be used to allocate a portion of Student Component funding. The Performance Measure funding will be allocated on the basis of providers’ performance against a number of performance indicators.

**POLYTECHNIC**

A polytechnic is a public tertiary institution that is characterised by a wide diversity of vocational and professional programmes. Polytechnics are now referred to as institutes of technology and polytechnics (ITPs).

**PRIVATE TRAINING ESTABLISHMENT (PTE)**

A private training establishment (PTE) is defined in the Education Act 1989 as ‘an establishment, other than [a public tertiary education] institution, that provides post-school education or vocational training’. PTEs include not only privately-owned providers but also those operated by iwi, trusts and other organisations.
PROGRAMME

A programme of study is a collection of courses, classes or work in which a student enrolls and which contributes to meeting the requirements for the award of one or more qualifications.

QUALIFICATION

A tertiary education qualification is a course or suite of courses that together, provide a coherent study path leading to a prescribed set of learning outcomes. Completion of that course or suite of courses and other prescribed conditions leads to the award of a qualification. Tertiary education qualifications are quality assured and registered on the New Zealand Register of Quality Assured Qualifications.

REAL TERMS

Sums quoted in real terms have been adjusted for the effects of inflation over time.

REGISTER OF QUALITY ASSURED QUALIFICATIONS

The New Zealand Register of Quality Assured Qualifications is a comprehensive list of all quality assured qualifications in New Zealand. The development of the register has led to a standardisation of qualifications and a common basis for comparison of qualification ‘size’. As part of the registration process, providers are required to state the learning outcomes expected of those who successfully complete each qualification. One consequence of the register is to help students and the public to understand qualifications. This will enhance learners’ ability to transfer credit by the establishment of a common system of credit. The public can access information held in the register through the KiwiQuals website, www.kiwiquals.govt.nz.

SKILL ENHANCEMENT

Skill Enhancement is vocational training for young Māori and Pasifika peoples. It is designed to meet the skills required for an identified industry, leading to qualifications recognised by the industry and incorporating workplace learning in the industry. Programmes leading to qualifications at level 3 or above on the NQF, or the equivalent, are expected to meet the needs of both learners and the labour market and provide support for the learners. Skill Enhancement is delivered in two strands, Rangatahi Māia for young Māori, and Tupulaga Le Lumana’i for young Pasifika peoples.

STRATEGIC DEVELOPMENT COMPONENT

The Strategic Development Component is part of the Integrated Funding Framework designed to support the strategic development of the system. It is a combination of a number of funds including institutional base grants, grants to support participation and achievement by Māori and Pasifika students, grants to support students with disabilities and new e-learning and polytechnic regional economic development funds.

STUDENT ALLOWANCES

Student allowances are grants designed to provide assistance to those students who are unable to support themselves or do not have access to alternative sources of support while undertaking full-time study.

STUDENT COMPONENT

The Student Component is the largest single element of the Integrated Funding Framework and is used to subsidise the costs of tuition carried out in tertiary education organisations. The component has replaced the EFTS (equivalent full-time student) funding system.

TERTIARY EDUCATION

Tertiary education in New Zealand means all post-secondary education; it includes learning undertaken in the workplace as well as with providers.

TERTIARY EDUCATION INSTITUTION (TEI)

Tertiary education institutions (TEIs) are public providers of tertiary education. There are five kinds of institution as defined in section 159 of the Education Act 1989: universities, ITPs, CoEs, wānanga and ‘specialist colleges’. There were no specialist colleges in New Zealand in 2004.

TERTIARY EDUCATION ORGANISATION (TEO)

Tertiary education organisations (TEOs), as defined in section 159B of the Education Act 1989, are all the institutions and organisations that provide or facilitate tertiary education and training. These include public tertiary education institutions (TEIs), private training establishments (PTEs), other tertiary education providers (OTEPS), government training establishments (GTEs) and industry training organisations (ITOs).
TERTIARY EDUCATION PROVIDER (TEP)
Section 159 of the Education Act 1989 defines tertiary education providers (TEPs) as tertiary education institutions, private training establishments and government training establishments. The definition does not include industry training organisations.

TERTIARY-TYPE A
The Organisation for Economic Cooperation and Development (OECD) classifies qualifications into Tertiary-type A education and Tertiary-type B. Tertiary-type A programmes (ISCED 5A) are largely theory-based and are designed to provide sufficient qualifications for entry to advanced research programmes and professions with high skill requirements. They have a minimum cumulative theoretical duration (at tertiary level) of three years’ or more full-time equivalent study, although they typically last four or more years.

TERTIARY-TYPE B
Tertiary-type B programmes (ISCED 5B) are typically shorter and focus on practical technical or occupational skills for direct entry into the labour force. They have a minimum duration of two years’ full-time equivalent study at tertiary level.

TRAINING INCENTIVE ALLOWANCE (TIA)
The training incentive allowance is designed to provide financial assistance to people receiving certain Work and Income benefits to assist them to undertake employment-related training.

TRAINING OPPORTUNITIES
The Training Opportunities programme is targeted towards job seekers, usually aged 18 years or more, long-term unemployed with low qualifications, people with disabilities, certain Work and Income benefit recipients, refugees, ex-prisoners, or Work and Income priority clients. Training is free for trainees, usually includes work-based learning and is designed to provide trainees with practical pathways to employment or further education.

TUITION FEES
Tuition fees are the fees charged to students for tuition by tertiary education providers.

TUITION SUBSIDIES
Tuition subsidies are the money that is appropriated by the government through Vote Education and used to provide subsidies through the Student Component for valid student enrolments offered by recognised providers.

UNIVERSITY
A university is a public tertiary education institution that is primarily concerned with advanced learning and knowledge, research and teaching to a postgraduate level.

WĀNANGA
A wānanga is a public tertiary institution that provides programmes with an emphasis on the application of knowledge regarding ahuatanga Māori (Māori traditions) according to tikanga Māori (Māori custom).

YOUTH TRAINING
Youth Training provides a bridge towards employment, further education or training for school leavers with low or no qualifications. It aims to raise the educational and vocational achievement of eligible young people while providing opportunities for them to explore work options. Youth Training is characterised by innovation, providing a diverse range of learning opportunities shaped according to the learning needs and vocational goals of the young person. It develops young people as independent learners preparing for the world of work.
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<td>AAA</td>
<td>Foundation for Research, Science and Technology</td>
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<td>ACE</td>
<td>Full-time equivalent</td>
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<td>Government training establishment</td>
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TECHNICAL NOTES

Chapters 7 to 11: Learners in tertiary education

Presentation
Blank cells relate to data that is missing, not available or not applicable.

Notes on which students are included
Data relates to students enrolled at any time during the year with a tertiary education provider in formal qualifications of greater than 0.03 EFTS.
Data relates to domestic students only.
Data excludes all non-formal learning and on-job industry training.
Data excludes those PTEs and OTEPs which neither received tuition subsidies nor were approved for student loans or allowances.
Data before 2000 excludes all PTE and OTEP students.
Data relates to students in public tertiary education providers only.

Notes on how things are defined
EFTS relates to the academic EFTS value of the qualification for the current enrolment year.
Data relates to students completing a formal qualification at a tertiary education provider. Data for 2004 includes approximately 17,000 students in mainly level 1 to 3 short qualifications in ITPs, which have not historically been counted. Therefore, some 2004 totals are not strictly comparable with earlier years.
The participation rate is the percentage of the population aged 15 and over who were enrolled at any time during the year.
The age-standardised participation rates are standardised to the 2004 national age distribution (i.e., they represent the rate a group would have if they had the same age distribution as the 2004 national age distribution).
Retention, completion and progression data for any group with fewer than 30 students has been excluded.
The five-year completion rate is defined as the percentage of students starting a qualification in one year who have successfully completed it five years later.
The five-year retention rate is defined as the percentage of students starting a qualification in one year who have completed it or who are still studying five years later.
The first-year attrition rate is defined as the percentage of students starting a qualification in one year who have not completed and are not enrolled in the following year.
The direct higher-level progression rate is the percentage of students completing a qualification who are enrolled in the following year.
The five-year higher-level progression rate is defined as the percentage of students completing a qualification who enrolled in a higher-level qualification over the following five years.
Type of progression relates to the highest level of any qualification enrolled in, compared with the highest level of any qualification completed in the year before.

Notes on how students and totals are counted
Totals also include those students with unknown values.
Unless otherwise stated, students who identify with more than one ethnic group have been counted in each group. Consequently, the sum of the students in each group may not add to the total.
Prioritised ethnicity reporting reduces multiple ethnic responses to a single ethnic response.
Students who were enrolled in more than one sub-sector have been counted in each sub-sector. Consequently, the sum of each sub-sector may not add to the total number of students.
Students who were enrolled at more than one qualification level have been counted in each level. Consequently, the sum of the students in each level may not add to the total number of students.
Students who studied in more than one field of study have been counted in each field. Consequently, the sum of the students in each group may not add to the total number of students.
For comparison reasons, providers are counted, in all years, in the sub-sector they belonged to in 2004, regardless of whether their sub-sector was different in the past.
'Total' completion, retention, attrition and progression rates include those students who have changed qualification level or sub-sector, whereas rates for individual levels or sub-sectors do not.
Notes on specific fields

Study load relates to the total equivalent full-time student value of all qualifications enrolled in during the year.

‘Prior activity’ relates to the student’s main activity at 1 October in the year prior to formal enrolment.

Further information

In parallel with the publication of Profile and Trends 2004, the Ministry of Education is also releasing a set of tables on tertiary education on its website: www.minedu.govt.nz/goto/tertiaryanalysis. These tables give most of the data that underlies the analyses in this publication.
INTRODUCTION

New Zealand’s Tertiary Education Sector: Profile & Trends 2004 is the seventh annual survey undertaken by the Ministry of Education of the New Zealand tertiary education sector. It provides an overview of the performance and key characteristics of the sector in 2004.

In 2004, the key focus of the tertiary education sector continued to be the development and implementation of the government’s tertiary education reforms. The reforms are fundamentally about shifts in ways of thinking and relating, and increasing the influence and role of key stakeholders over the tertiary system. The ultimate aim of the reforms is to develop a system that is more closely connected to national development goals and to other sectors of society and the economy, so that the tertiary education system makes an effective contribution to New Zealand’s national development.

Profile & Trends 2004 looks in detail at the tertiary education system and its agencies, at tertiary education organisations (TEOs) and at the options available for students in tertiary education. The financial performance of TEOs is discussed in Chapter 3 and government funding for tertiary education in Chapter 6. The report considers enrolments and student achievement, both at tertiary education providers (TEPs) and in workplace training programmes. Four chapters examine enrolments in and achievement of qualifications in accordance with their level on the register of qualifications. Another chapter considers the types of TEPs in the light of their capability and changes occurring in 2004. Chapter 4 examines the human resources in TEPs. A chapter on the outcomes of tertiary education reviews the evidence – drawn from sources such as the Census and the Household Labour Force Survey (HLFS) – for the employment and income outcomes of tertiary education. Chapter 12 describes the financial support available for students. Another chapter explores the research undertaken by TEPs, followed by a chapter on the funding of research in tertiary education.

The statistics provided in this report are derived mainly from TEOs’ statistical reports to the Ministry of Education. Information and statistics have also been provided by the Tertiary Education Commission (TEC), the New Zealand Qualifications Authority (NZQA), the Ministry of Social Development (MSD), Inland Revenue (IRD), Career Services rapuara, Statistics New Zealand (SNZ) and a range of other government agencies, as well as the Industry Training Federation (ITF) and quality assurance agencies.

KEY FINDINGS

What the sector provides

Tertiary education in New Zealand provides a wide range of learning opportunities spanning foundation skills to doctoral studies. The sector also contributes to the national innovation system through its research activities; more than 60 percent of all New Zealand’s research output comes 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 (ACE) and tertiary education within the senior secondary school.

The majority of formal learning in 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 also provides training to a significant number of people in the workplace. The training is designed by and delivered in conjunction with industry and counts towards recognised qualifications. There are also targeted training funds which provide fully-subsidised education and training to disadvantaged groups.

The government also funds a range of non-formal learning. It provides funding to ACE organisations to support their work and development. There is specific funding for foundation education, adult literacy and English for Speakers of Other Languages (ESOL) provision. In 2004, the main funding for non-formal learning was for ACE through schools and tertiary education institutions (TEIs).

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 discussion document offering 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 qualifications recognised and assured by NZQA, universities, institutes of technology and polytechnics (ITPs) and colleges of education (CoEs). It provides a standard structure for naming and describing qualifications across levels and types of provision. It describes 10 levels of qualification from entry-level certificates to doctorates.

Overview of the sector

There were some 455,000 domestic and 50,400 international students enrolled in tertiary education qualifications during 2004. In addition, over 139,500 trainees engaged in industry-based training, including 7,200 Modern Apprentices. It is estimated that around 670,000 (or 21 percent of the population aged 15 years and over) participated in some form of formal tertiary study during 2004.

2004 saw the continuation of a period of growth in the tertiary sector that began in 2000. Over 14 percent of the population aged 15 years and over were enrolled in government-funded TEOs during 2004, the highest participation rate in New Zealand’s history. Domestic student numbers rose 6 percent, while international student numbers grew by 7 percent and industry training numbers grew by 10 percent.

Around 62 percent of domestic students in government-funded TEOs participated in certificate-level study, compared with 12 percent in diploma study, 28 percent in bachelors-level study, and 7 percent in postgraduate study. However, if the number of students was converted to equivalent full-time students (EFTS), then bachelors-level study, with 40 percent, is the level with the highest participation.

Over 128,000 domestic students completed 140,500 formally-recognised qualifications in 2004. This represents a 16 percent increase in the number of students who completed qualifications over the previous year. An estimated 39 percent of domestic students who had started a qualification in 2000 had completed it by the end of 2004. The first-year attrition rate of TEO students who started a qualification in 2003 was 33 percent, down from 39 percent in the previous year.

Learners in level 1 to 3 qualifications

Qualifications at levels 1 to 3 of the New Zealand Register of Quality Assured Qualifications are equivalent to a senior secondary school education. The qualifications provide second-chance learning, foundation skills and entry-level trade and vocational skills. The only type of qualification that can be issued at this level is a certificate. Certificates are generally used to prepare learners for employment or further education and training.

In 2004, there were 385,200 students enrolled in formal tertiary education at levels 1 to 3. The largest number were Student Component-funded students (216,000) followed by those in industry training (101,000). Up to 500,000 learners participated in non-formal education at this level.2 Of these, the largest numbers were involved in ACE through TEIs and schools.

From 1999 to 2004, the number of learners in level 1 to 3 qualifications funded through the Student Component increased from 76,000 to 216,100, a nearly threefold increase. However, in EFTS terms, the increase was around 80 percent. This difference is a result of a large increase in the number of people undertaking study of less than seven weeks full-time equivalent at certificate level during the year.

The increase in short study periods at this level is largely undertaken to meet immediate, work-related skill needs, many of which have traditionally been funded by employers. However, some of these enrolments may also be due to students being attracted into courses which they are not ready for nor supported to complete. In 2004, nearly a third of students undertaking these short periods of study (28 percent) were enrolled in first aid and occupational health certificates.

A significant proportion of the study for level 1 to 3 certificates is in foundation education qualifications, focused on developing general skills, such as employment, study and life skills. In 2004, there were 76,000 students studying for qualifications in these areas.3 They represented 35 percent of students, and 35 percent of EFTS, in level 1 to 3 certificates funded through the Student Component in 2004. In 2004, there were around 150,800 students enrolled in vocationally-oriented certificates4 at levels 1 to 3, funded through the Student Component. Overall, 44 percent of level 1 to 3 students who started formal study in 2003 neither completed nor enrolled for further study in 2004. Of students...

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1 The actual total number is not known as many learners will have participated in more than one area during the year.
2 Foundation education covers study towards qualifications in mixed field programmes (with a focus on foundation education), English language, ESOL and te reo Māori. Subject data, on the current classification, is available back to 2001 only.
3 That is, all qualifications not included as foundation education qualifications at levels 1 to 3.
who started study in 2000, 36 percent were still studying or had completed at this level by the end of 2004. Of the students starting in 2000, 32 percent had completed a certificate at this level by the end of 2004.

From 1998 to 2003, progression rates for formal students completing level 1 to 3 certificates have fluctuated, while the number of students completing has increased substantially. Progression to further study at the same or a higher level in the year following completion has ranged between 35 and 42 percent of students. Progression to further study at a higher level in the year following completion has ranged from 18 to 22 percent.

Training Opportunities and Youth Training provide foundation and vocational skills for people disadvantaged in terms of employment and educational achievement. Numbers in both programmes have steadily declined as the labour market has improved. In both programmes, the number of credits achieved by trainees has declined overall, while the proportion of trainees moving into employment has increased.

The provision of tertiary education within the senior secondary school has increased. The Secondary-Tertiary Alignment Resource (STAR) funding is now made available on a per-student basis. The number of student enrolments in TEPs using this funding has increased. The Gateway programme has been substantially increased to include more schools and more students, with a greater proportion of students achieving credits towards the National Certificate of Educational Achievement (NCEA) or other national qualifications through their participation.

The government has continued to provide funding for adult literacy through the Adult Literacy Learning Pool. In 2004, up to 3,000 learners accessed opportunities through this pool. The Workplace Literacy Fund supported 17 workplace literacy projects, involving over 800 learners. Around 8,000 learners accessed ESOL through the National Association of ESOL Home Tutors and other ESOL services.

Secondary schools provide ACE programmes in addition to their regular daytime curriculum. In 2004, there were 174,000 enrolments in school community education programmes, a decrease of 14 percent from 2003 and the lowest number of enrolments since 1999.

In 2004, 288,600 students enrolled in ACE provided by public TEIs, representing a total of 519,900 course enrolments. From 2002 to 2003, the number of students and course enrolments had more than doubled. From 2003 to 2004, student numbers continued to rise but at a much lower rate. In terms of EFTS, there was a decline of 8 percent in EFTS down to 18,250.

The growth in EFTS has resulted in funding increasing from $51 million in 2002 to $113 million in 2003 before falling back to $105 million in 2004. This overall growth has led to significant policy changes. For 2005, the funding rate was lowered. A ring-fenced funding pool for TEI ACE will be introduced for 2006. From 2007, funding for all ACE provision will be through a single pool of funding that will see all funding linked to the government's ACE priorities.

Learners in level 4 to 6 qualifications

Levels 4 to 6 provide continuing pathways for learners progressing from lower levels (such as school leavers) and also give entry points into the system for those seeking:

- to gain vocation-ready qualifications
- to change careers, or
- to obtain prerequisite qualifications for higher-level programmes such as bachelors degrees.

One of the most noticeable trends in tertiary education over the last five years has been the increase in level 4 provision and its uptake by non-traditional student groups.

The number of provider-based learners at levels 4, 5 and 6 increased by nearly 85 percent between 2000 and 2004, reaching nearly 112,000 in 2004. The number of domestic students at level 4 alone grew by 451 percent over this period, with TEIs enrolling 27,000 more mature students, 14,000 more Māori students and 3,000 more Pasifika students. It is likely that many of these students were seeking to improve their employment situations, given that a third of those who entered in 2004 held no qualifications and 62 percent of them were previously employed before studying.

The bulk of the increase in participation at level 4 occurred in the wānanga, where student numbers increased from just 137 in 2000 to 16,000 in 2004. The ITPs also significantly increased their level 4 enrolments from under 6,000 in 2002 to 18,000 in 2004.

Overall, when compared with other levels, levels 4, 5 and 6 have high rates of attrition and low rates of completion. At level 4, 42 percent of those who started a certificate in 2003 neither

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4 These figures are GST inclusive and include fee stabilisation for 2002 and 2003.
completed it nor enrolled again in 2004. Of the students starting a level 4, 5 or 6 qualification in 2000, only around 30 percent had completed it by 2004, compared with 39 percent for all students at any level.

**Workplace learners**

The workplace provides an increasingly important vehicle for tertiary learning, largely as a result of the Industry Training Strategy and initiatives such as Modern Apprenticeships. During 2004, nearly 140,000 trainees were learning under industry training agreements, an increase of 10 percent from 2003, and over 72 percent since 2000. Employer participation in industry training increased by 7 percent from 29,000 employers in 2003 to 31,000 in 2004.

Almost three quarters of industry trainees are men, although the proportion of women undertaking industry training has nearly doubled between 1996 and 2004. There were 23,500 Māori in industry training in 2004, representing 17 percent of all industry trainees, compared with 11 percent in 1996, and up from around 21,700 in 2003. Pasifika trainees represented 6 percent of all industry trainees, a similar share to that in 2003, but up from 2 percent in 1996.

Nearly a third of trainees are aged between 20 and 29, while a further 25 percent are aged between 30 and 39. The number of trainees aged between 15 and 19 has increased significantly since 2000 and numbered 14,180 in 2004, or just over 10 percent of all trainees, reflecting the impact of the government’s Modern Apprenticeships initiative introduced during 2000.

In the year 2003, more than 20,300 national certificates were completed by industry trainees, with 44 percent completed at level 4. Industry trainees achieved nearly 2.9 million credits towards national qualifications, an average of nearly 21 credits per trainee.

There were more than 7,000 Modern Apprentices at 31 December 2004, up 15 percent from 2003. Modern Apprenticeships were available in 31 industries, with an average of just over 231 in each. Around 8 percent were women, 14 percent Māori and under 2 percent Pasifika. The average age of apprentices was 17 years, with around half of all trainees aged 17 or 18.

**Learners in bachelors-level qualifications**

Over 126,600 domestic students (28 percent) at government-funded TEOs studied at bachelors level in 2004, a decrease of 0.9 percent from 2003. This is the first decrease in domestic students studying at bachelors level in recent years. At 4.0 percent of the population aged 15 years and over, the rate of participation at bachelors level has remained relatively unchanged from 2003. Almost 99 percent of all bachelors-level students studied at public TEIs in 2004.

Māori students studying at bachelors level made up 16 percent of all Māori students in tertiary education in 2004, compared with the overall average of 28 percent. There were 15,000 Māori students studying at bachelors level in 2004, up 79 percent since 1994. There were nearly 7,000 Pasifika bachelors-level students in 2004, up 147 percent since 1994. Domestic Asian students are the second largest ethnic group in bachelors-level study.

Bachelors-level students are younger on average than sub-degree and postgraduate students. Students aged under 25 years made up 59 percent of all domestic bachelors-level students. There were 32,900 domestic students aged 25 to 39 years enrolled in bachelors-level study in 2004, down 5.2 percent from 2003. Domestic students aged 40 years and over were the fastest-growing age group in bachelors-level study.

The share of women in bachelors-level study has increased from 56 percent in 1994 to 60 percent in 2004. There is a greater gender difference for Māori and Pasifika students than for other ethnic groups. Māori women make up 67 percent of all Māori bachelors-level students and Pasifika women make up 62 percent of all Pasifika students.

A total of 23,000 domestic students completed 24,000 bachelors-level qualifications in 2004. An estimated 42 percent of domestic students who started a bachelors-level qualification in 2000 had completed after five years. The actual six-year completion rate for students studying full-time on a full-year basis was 69 percent, compared with 48 percent for all students.

**Learners in postgraduate tertiary education**

There were 31,000 domestic and 4,000 international students enrolled in postgraduate study during 2004. Since 1994, the number of postgraduate domestic students has increased by 67 percent, while the percentage of the population aged 15 and
over participating in postgraduate study rose from 0.5 percent in 1994 to 1.0 percent in 2004. There were 16,000 students enrolled in honours or postgraduate certificate/diploma study in 2004, 11,000 students enrolled in masters study, and nearly 4,000 students enrolled in doctorate study.

Universities continue to be the largest provider of postgraduate education, with 89 percent of all domestic postgraduate students enrolled in a university. The higher the level of postgraduate study the more likely it is to be done at a university. During 2004, almost all doctorate study was done at a university.

While Māori and Pasifika are under-represented in postgraduate study their share has been increasing every year. Of all postgraduate students 8.8 percent are Māori and 2.9 percent are Pasifika. Pasifika students were the fastest-growing ethnic group in postgraduate study in the six years between 1999 and 2004.

Postgraduate-level domestic students have an older age profile than bachelors-level students. During 2004, 34 percent of postgraduate students were aged 40 years and over and 22 percent were aged 18 to 24 years. Domestic students studying at doctorate level were older than those studying at honours and postgraduate certificate/diploma and masters levels.

The number of women enrolled in postgraduate study has grown at a faster rate than the number of men. The number of men has decreased over the last six years, down 6.2 percent in 2004 from 13,000 in 1999, largely due to a decrease in the number of men studying at honours and postgraduate certificate/diploma level over this period. The largest gender difference is in the 40 and over age group where there are almost twice as many women in postgraduate study as there are men.

A total of 9,590 domestic students completed postgraduate qualifications in 2004, a 2.1 percent increase over the number of students who completed postgraduate qualifications in 2003. An estimated 57 percent of domestic students who started a postgraduate qualification in 2000 had completed after five years. There was a marked difference in five-year completion rates at the three levels of postgraduate study, largely reflecting the duration of the qualification at each level.

**Student support**

In New Zealand, the government provides support for tertiary students through tuition subsidies, student allowances, training incentive allowances and a number of other scholarships and awards.

In 2004, 157,000 students borrowed under the Student Loan Scheme, 72,000 students received student allowances and 21,000 students received training incentive allowances.

In 2004, 21,079 people repaid their student loans. Since the loan scheme began in 1992, more than 28 percent of student loans have been repaid in full.

**Outcomes of tertiary education**

An increasing number of New Zealanders are attaining tertiary-level qualifications. Between 2000 and 2004, the number of students completing tertiary education qualifications increased by 86 percent. This growth in completions is reflected in the New Zealand population as a whole. HLFS data shows that an increasing proportion of the population aged 15 and over holds a tertiary education qualification. Between 1994 and 2004, the number of people with a bachelors degree or higher rose by 119 percent.

New Zealand compares favourably with the OECD average in measures of educational attainment. In 2003, 40 percent of New Zealand’s population aged 25 to 64 years had achieved a tertiary-level qualification, compared with the OECD average of 27 percent.

The attainment of tertiary-level qualifications has a positive impact on the likelihood of employment. HLFS and OECD data shows the relationship between high qualifications and low unemployment. In 2004, the unemployment rate of those whose highest qualification was a bachelors degree or higher was 2.7 percent. People with other tertiary qualifications had an unemployment rate of 3 percent, while the rate for those with no qualifications was 6 percent. The unemployment rate for those with a tertiary education in the population aged between 25 and 64 years has shown a gradual improvement compared with the OECD average since 1998. The rate for New Zealand, at 3.5 percent in 2003, fell below the OECD average in 2001.

In general, income levels increase with the level of tertiary education qualifications. HLFS data showed that people with tertiary education qualifications received higher income than those with lower or no qualifications. In 2004, the median weekly income of people with a bachelors degree or higher was $731,
compared with $537 for people with other tertiary qualifications and with $285 for those with no qualifications. Analysis of the Integrated Dataset of Student Loan Scheme Borrowers reinforces the findings that higher qualifications lead to higher income levels and provides evidence that successful completion of a tertiary education qualification reduces disparities in median income levels between ethnic groups.

Research in tertiary education

The tertiary education system plays a key role in furthering research and innovation in New Zealand. The advancement of knowledge through education and research is a core function of the tertiary education sector. The sector also undertakes significant research focused on adapting, transferring and exploiting domestic and international knowledge and technology. It does this alongside, and sometimes in partnership with, other research organisations, industry and business, community organisations, and government. The tertiary education sector is responsible for the largest share of the country’s research output. Most importantly, the tertiary education sector is responsible for the training of the research workforce and for producing graduates with skills, knowledge and attributes that enable them to contribute to the innovation system.

There has been a significant increase in research output in the universities over the last eight years. The number of research outputs reported by the universities increased by 31 percent over the seven years between 1997 and 2003. The new Performance-Based Research Fund (PBRF) has provided good information on the quality of research conducted in the tertiary education sector. The seven older universities achieved significantly higher scores in the PBRF than other participating TEOs and have won the great majority of PBRF funding.

The numbers enrolling in and completing doctoral qualifications at the universities have increased steadily over the last seven years. Completions of Doctor of Philosophy (PhD) degrees rose by 33 percent between 1998 and 2004. The number of women awarded PhD degrees in 2004 as a proportion of all those earning doctoral qualifications was 48 percent in 2004, compared with 39 percent in 1998. The gradually increasing representation of women among those awarded doctoral qualifications reflects the enrolment trends. The number of Māori awarded PhD degrees is very low in relation to the number of Māori completing all qualifications, but has risen sharply since 1998.

The most common broad areas of study for doctoral degrees completed over the period 1998 to 2004 were the social sciences (18 percent), the biological sciences (21 percent), the physical sciences (15 percent) and the humanities (11 percent). These four areas collectively represented two thirds of all doctoral completions from New Zealand tertiary education institutions (TEIs) over those seven years.

In 2004, the TEIs had a total research income of nearly $430 million, excluding GST, up from less than $300 million in 2000, an increase of 45 percent. The universities earned 97 percent of the total in 2000, rising to 98 percent in 2004.

Research income in the universities in 2004 represented 19.6 percent of all university income, compared with 20.8 percent in 2003 and 19.1 percent in 2000. Between 2000 and 2004, total research income in the universities grew 46 percent in nominal terms or about 33 percent adjusted for price movements. Vote Education research funding in the universities grew by 51 percent over that time, while research contract income grew 54 percent. Research contracts account for around 14 percent of all university income.

Part of the research contract income of the universities is won from government contestable research funds. Research income from these research sources was nearly $100 million in 2003, representing 26 percent of all university research income in 2003, compared with 30 percent in 2000. Revenue from these funds grew by 13 percent between 2002 and 2003. That 13 percent increase between 2002 and 2003 needs to be seen alongside a rise of around 6 percent in the funding available for disbursement through those funds over that period.

Research contract income from ‘other’ sources represented rose by 45 percent between 2000 and 2003. By 2003, that form of income made up 39 percent of all university research income. This compares with 36 percent in 2000. The importance of the increase in that source of income is that it shows that the universities are increasingly meeting the needs of the business community and other organisations for new knowledge.

Investing in knowledge and skills

The government’s expenditure on tertiary education decreased by about 2 percent between 2003/04 and 2004/05, from $3.8 billion to $3.7 billion. Of this sum, 51 percent funded tuition subsidies, 26 percent student loans and 10 percent student
allowances, while a further 6 percent funded other training programmes including industry training, Skill Enhancement and transition programmes such as Youth Training and Training Opportunities.

Total spending on tuition subsidies increased by 5 percent from $1.8 billion to $1.9 billion in 2004. There was an increase of 1 percent in the number of government-funded places between 2003 and 2004 from 246,000 to 248,000. Since 1999, the number of EFTS places has risen by 46 percent and the total value of tuition subsidies by 59 percent. The average amount of tuition subsidies per EFTS increased by 4 percent in TEOs between 2003 and 2004.

Between 1997 and 2000, the average domestic tuition fee per EFTS rose by 43 percent for all TEIs. Between 2001 and 2003, the average fee declined by 24 percent, reflecting the policy of fee stabilisation and a shift of enrolments towards low-cost or zero-fee courses. Between 2003 and 2004, the average fee at TEIs increased by 3 percent.

The financial performance of TEIs has been helped by the increase in enrolments of international students since 2000. Between 2000 and 2004, total revenue from international student fees rose by 307 percent to reach $432 million. International student revenue represented 13 percent of all TEI income in 2004, compared with 4 percent in 2000.

THE YEAR 2004

January

- The government announces the tertiary teaching and learning quality project, which will investigate how existing quality assurance arrangements can be enhanced to support better teaching and learning.

February

- The report of the Technical Working Group on the introduction of the performance measure in the Student Component of the tertiary education funding framework is published.
- The government announces a $3.2 million work programme for the international education sector. The programme is funded by the export education levy and includes research, quality assurance, promotion and professional development programmes.
- Figures are published on the Modern Apprenticeship scheme, showing 6,259 trainees across 30 industries in December 2003.
- The student loan interest rate stays at 7 percent for the year beginning 1 April 2004. The rate consists of two parts: the base interest rate, which will rise from 4.2 percent to 5.5 percent, and the interest adjustment rate, which will fall from 2.8 percent to 1.5 percent.

March

- The Ministry of Education publishes Retention, Completion and Progression in Tertiary Education 2003. This report provides the first New Zealand estimates of the rate of qualification completions in tertiary education.
- An international education exchange programme between New Zealand and European Union universities for postgraduate students is announced. The programme will be jointly funded by the TEC and the European Commission, with participating institutions also making a small contribution.
- Auckland and Victoria universities are granted a High Court interim injunction blocking the release of the March 2004 TEC report on the PBRF. The universities challenged the inclusion in the report of comparisons between the New Zealand universities in the PBRF exercise and British universities in the Research Assessment Exercise.

April

- The New Zealand Vice-Chancellors’ Committee (NZVCC) publishes University Graduate Destinations 2003, which shows New Zealand’s university system is now producing more than 2,300 international graduates a year.
- The TEC releases its PBRF report Evaluating Research Excellence: The 2003 Assessment. It is the first comprehensive and systematic assessment of quality in the tertiary education research sector.
- The TEC chairperson, Dr Andrew West, leaves to take up the position of chief executive of AgResearch. Deputy chairperson
Kaye Turner is appointed acting chair, and board member Shona Butterfield is appointed acting deputy chairperson. Professor Graeme Fraser is appointed as a new board member to replace Dr Ian Smith, who is leaving to take up the position of head of the Australian Nuclear Science and Technology Organisation in Sydney.

May
- The TEC's newly-established interim Learners' Advisory Committee meets for the first time. The committee will provide a learners' perspective on implementation of the tertiary education reforms.
- The TEC releases a consultation paper, Distinctive Contributions of Tertiary Education Organisations, for discussion about future roles for TEOs.
- Unitec New Zealand resumes its request for university status.
- Budget 2004 allocates $149 million over four years to the tertiary sector. The funding includes:
  - a one-off increase of 0.9 percent in Student Component funding rates for 2005, bringing the total increase for that year to 3.2 percent
  - $25.3 million to introduce a single funding rate of $3,200 for all industry training organisations
  - a $21.5 million fund for ITPs to develop plans for engaging with industry
  - $1.1 million to expand the Skill New Zealand campaign with Business New Zealand and the Council of Trade Unions to support workers to undertake work-based training, and
  - a $1.5 million fund to build tertiary education sector capability.
- Budget 2004 also includes:
  - a $110 million package for students which includes an expansion of the Student Allowances Scheme, more funding for Student Job Search, and expanded access to the Student Loan Scheme
  - a $40 million package of initiatives for the international education industry. This includes the establishment of 400 international education scholarships and study awards as well as funding to boost quality, for promotion and marketing, and for innovation in the sector, and
  - new funding of $16.5 million over four years for ACE to build the capability of ACE providers and introduce quality assurance arrangements to the sector.

June
- A Chinese language version of the Guide to Living and Studying in New Zealand for International Students, aimed at better preparing Chinese students for living and studying in New Zealand, is released by the government.
- The Experiences of International Students in New Zealand: Report on the Results of the National Survey is published. It reports on a national survey of 3,000 international students commissioned by the Ministry of Education to get information on issues such as the factors influencing students' choice of New Zealand as a study destination, educational experiences and academic progress, and satisfaction with institutional services and facilities.
- The 2004 Tertiary Teaching Excellence Awards are announced, with the University of Auckland physics lecturer Dr Gary Bold awarded the supreme prize.
- A joint government, business and union campaign to raise skill levels in four key industries is launched. The campaign targets tourism, furniture, retail and hospitality employers and promotes the benefits of on-the-job training customised to meet their industry needs. It is being run under the banner of the Skill New Zealand campaign to lift participation in industry training.

July
- The University of Auckland receives $1 million for projects that will encourage innovation and an entrepreneurial culture between the university and industry. The projects are funded by the TEC's new contestable Growth and Innovation initiative.
- A new approach to funding ACE programmes is announced. The TEC's priorities for funding are programmes that target learners whose initial learning was unsuccessful; raise foundation skills; strengthen communities by meeting community learning needs; encourage lifelong learning; and strengthen social cohesion.
- New Zealand's free online career planning tool, KiwiCareers Pathfinder, is launched.
• A consortium of the Institution of Professional Engineers New Zealand, major ICT enterprises, industry associations and TEOs gets $135,000 to establish postgraduate qualifications in entrepreneurial and advanced engineering technical skills. The project is one of the Growth and Innovation pilots funded by the TEC.

• A $400,000 pilot programme to develop industry training within the biotechnology sector is announced. The pilot is part of the government’s Growth and Innovation Framework and has been developed in partnership with Massey University, Palmerston North.

• The ICT in Canterbury project gets $1.76 million in government funding to close skill gaps in Canterbury’s information and communications technologies. The project is a partnership between local businesses and TEOs, funded through the TEC’s Growth and Innovation pilot initiative.

• The government announces that the Auckland College of Education will merge with the University of Auckland on 1 September 2004.

• The government announces that next year fees will be reduced for more than 10,000 students whose courses were temporarily exempt from the fee and course costs maxima (FCCM) policy introduced this year.

• Guidelines are published for providers of courses and qualifications leading to teacher registration. The guidelines have been developed collectively by NZQA, Institutes of Technology and Polytechnics Quality (ITP Quality), the Colleges of Education Accreditation Committee (CEAC) and the New Zealand Teachers’ Council.

August

• Victoria University of Wellington and the Wellington College of Education apply to merge, and a consultation process starts.

• A $406,000 programme to boost product design skills in industry is launched. The programme is a partnership between Otago Polytechnic and industry, and is funded through the TEC’s contestable Growth and Innovation pilot initiative.

• Details are announced of international education initiatives which were allocated $40 million over four years in the Budget. The initiatives will be managed by Education New Zealand.

• The University of Auckland gets up to $20 million from the government’s Partnerships for Excellence scheme – a public/private sector tertiary education investment scheme. It gets up to $10 million for its new Institute for Innovation in Biotechnology, which aims to turn research ideas into business propositions, and a further grant of up to $10 million for its Starpath project, a programme to encourage students to enrol in tertiary studies.

September

• The Faculty of Education is established at the University of Auckland. It incorporates the former Auckland College of Education and the university’s School of Education.

• Two reports, the Industry Training Report 2003 and the June 2004 quarter figures on Modern Apprenticeships, are published. More than 126,000 trainees participated in industry training in 2003, up more than 20,000 on 2002. There were 6,874 Modern Apprentices by 30 June, 374 above the target.

• The Education (Establishment of Universities) Amendment Bill, which aims to improve the process for establishing universities, is tabled in Parliament.

• The Aotearoa New Zealand Social Sciences Research Network is officially launched. The $8 million project, co-ordinated by Massey University, aims to improve the research capacity of social sciences. The Network is made up of senior researchers from the University of Auckland, Massey University, the University of Canterbury, Lincoln University, Victoria University of Wellington, Waikato University and the Family Centre in Lower Hutt.

• New scholarships are announced for students training to teach in Māori and Pasifika languages. Around 300 scholarships will be awarded each year, worth up to $20,000 each. The new scheme will cost about $4 million a year when fully implemented.

• A $41.4 million new scholarship scheme is announced to assist people from low-income backgrounds to train to be early childhood education teachers.

• The government releases details of the Institutes of Technology and Polytechnics Business Links Fund. The fund received $21.5 million over four years in Budget 2004.

• Step Up Scholarships are to be extended to enable more university students from low-income backgrounds to study in a wider range of fields.
Introduction and overview

• The government releases a discussion paper on its priorities for the tertiary education system to 2007. Top priorities are tackling skill shortages and promoting excellence in tertiary sector teaching.

• The government announces a funding package to help address New Zealand’s skills shortages and build skill levels in critical areas of the workforce. The package includes funding for an additional 1,000 Modern Apprenticeship places this financial year; approximately 5,000 additional funded industry training places during 2005; and a pilot providing post-placement support and training for former Work and Income clients who have completed Training Opportunities.

• Enterprise Scholarships worth more than $550,000 over three years are awarded to 22 postgraduate students working on research projects that have significant commercial potential. Companies support the scholarship winners by contributing dollar for dollar to the Enterprise Scholarships funding provided by the TEC.

• The New Zealand Association of Private Education Providers (NZAPEP) appoints Nadja Tollemache, former Chief Ombudsman and Banking Ombudsman, as an independent Quality Commissioner to investigate student complaints against private tertiary education providers.

October

• The government’s Gateway programme to help students move into the workforce or further education is to be extended to 55 more secondary schools.

• The first four research projects funded by the Ministry of Education’s new Tertiary e-Learning Research Fund are under way. The projects are focused on learners, teaching, staff development and organisational issues.

• The PBRF Sector Reference Group releases four new consultation papers on aspects of the next PBRF round for comment.

• The Annual Report on the Student Loan Scheme is tabled in Parliament. It shows that the forecast average repayment time has reduced to 9.3 years, down from 10.3 in June 2002. More than $440 million was repaid in 2003/04. The amount repaid since the scheme began – more than $2.3 billion – is around a quarter of all the debt that has been incurred. More than 140,000 New Zealanders have now repaid their student loans in full.

• It is announced that the TEC will move to a more conventional governance arrangement, as an established Crown entity, with a part-time Chair and Deputy Chair. This acknowledges that the TEC has moved on from its establishment phase.

• The new Student Component Performance Measure for universities, ITPs, CoEs, wānanga and private providers will be based on student satisfaction surveys and course retention and completion rates. The Performance Measure completes the set of changes to the way tertiary institutions are funded. Previous changes included the regulation of tuition fees, the PBRF, and the introduction of new funds that providers can apply for.

November

• The Tertiary Teaching Awards Committee calls for nominations for 2005. The awards recognise and encourage excellence in tertiary teaching and provide an opportunity for teachers to further their careers and share good practice with others.

• A new European Union/New Zealand pilot education exchange programme is launched. It will give New Zealand students the opportunity to study in Europe.

• The government announces the Wellington College of Education will merge with Victoria University of Wellington from 1 January 2005.

• The TEC’s first full annual report is tabled in Parliament.

• The export education levy paid by international education providers is to stay at its current rate for next year. There will be a review of the levy in 2005.

• The government announces a National Centre for Tertiary Teaching Excellence will be established next year, with the government to provide up to $4 million a year for its operating costs.

• Two new reports on industry training provide further evidence that the government’s strategy of partnering with training institutes, the business community and workers is delivering results. Independent research by the New Zealand Institute for Economic Research shows workplace learning can create gains in productivity as high as 20 percent. The Industry Training Federation (ITF) has released a report showing that the number of workers who can benefit from industry training could potentially double by 2007.
December

• More than 7,000 young people are now in Modern Apprenticeships, which are available in 31 industries.

• Details of the University Entrance review are announced by the NZQA. The working group will be made up of NZQA and university representatives and will report back in October 2005.

• A Ministry of Education report highlights record tertiary participation and a significant jump in qualification completions. The report, New Zealand’s Tertiary Education Sector: Profile & Trends 2003, shows that more than 13 percent of the population aged 15 and over was enrolled in formal tertiary education in 2003, the highest-ever participation rate in New Zealand’s history.

• The Export Education Innovation Programme is announced. The initiative, announced in Budget 2004, will support educators who can demonstrate they have a viable and innovative offshore export education plan.

• The TEC is to fund 87 private training programmes next year from the Strategic Priorities Fund. A total of $9.8 million was allocated.

• The government announces the first 20 overseas students to receive New Zealand International Postgraduate Research Scholarships.

• NZQA approves and accredits Te Whare Wānanga o Awanuiārangi to offer doctorate degrees in Māori studies, indigenous studies, environmental studies and education.

• As a result of changes in cabinet portfolios, Education Minister Trevor Mallard assumes direct responsibility for the tertiary education sector, a role previously exercised by the then Associate Minister, Steve Maharey.