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Chapter 1: Key findings and the 2007 year in brief

Following the release of New Zealand's second tertiary education strategy in December 2006, tertiary education organisations and the government worked on the implementation of the reforms to the systems that steer and fund our tertiary education system. They also worked on developing the approach to quality assurance and monitoring.

The new tertiary education system is expected to better enable providers to contribute collectively to New Zealand's national goals. Throughout 2007, the Tertiary Education Commission worked with tertiary education organisations to develop three-year funding plans based on the distinctive contributions of the different types of tertiary education organisations.

The new funding system provides funding for teaching and learning of domestic students through the student achievement component; funding for research through the Performance-Based Research Fund and the centres of research excellence; and funding to build tertiary education provider capability through the tertiary education organisation component. A new tertiary education capital investment fund is also being established over the next three years.

New Zealand's latest *Household Labour Force Survey* showed that the number of adults who were tertiary qualified continued to grow. People with a bachelors degree or higher-level qualification comprised 18 percent of New Zealand's adult population in 2007, compared to 15 percent in 2006 and 9.2 percent in 1997.

After rising rapidly for many years, the number of students in provider-based education fell in 2007, while the number of learners in industry training continued to increase. The fall in provider-based students was due to a decrease in lower-level certificate study and fewer international student enrolments. On the other hand, the number of domestic students in qualifications at level 4 and higher increased in 2007. Bachelors-level study represented 41 percent of the domestic students. The number of people studying for doctorates continued to increase, principally because of the government's decision to treat international doctoral students as domestic for funding purposes – meaning lower fees for doctoral students from other countries.

2008 year

The implementation of the new tertiary education system began in January 2008. The three-year investment plans for 110 tertiary education organisations were finalised in 2008 and the remaining plans are expected to be finalised by 2009.

More information about the implementation of the new tertiary education system is outlined in the postscript to this report and in the forward-looking commentaries included in the chapters that follow.

Statistics and research

Profile & Trends 2007 has an associated set of statistical tables available on the Education Counts website – www.educationcounts.govt.nz. These statistics are used to inform the analysis contained in this report and the 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 tertiary education 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.

The statistics in *Profile & Trends 2007* are for the year ended 31 December 2007 and have been sourced from the Ministry of Education, unless otherwise stated.

Enrolments in 2007

In 2007, there were 579,000 students enrolled in all types of formal tertiary qualifications at providers. Forty thousand of these were international students and 76,700 were students in short courses of less than one week. In addition, 186,000 learners were engaged in industry-based training, including 10,800 modern apprentices. There were also 8,240 school students in Gateway programmes, which are designed to give school students workplace experience. Non-formal education such as adult and community education attracted an estimated 249,000 enrolments. It is estimated that approximately 13 percent of the population aged 15 years or over participated in some form of tertiary learning with a tertiary education provider during 2007 and a further 6 percent were undertaking formal learning in the workplace.

Following many years of strong growth, the number of students formally enrolled at tertiary education institutions fell by 1.4 percent from 2006 to 2007. From 2005 to 2006, the number of formal students also fell by 2.5 percent. The overall fall in enrolments in 2007 was driven by fewer domestic students in level 1 to 3 certificates and fewer international students at bachelors level and in level 5 to 7 diplomas. The number of domestic students at level 4 and above actually increased from 2006 to 2007.

Also, when converting the number of people in formal study to equivalent full-time students, study by domestic students at providers increased in 2007 – at every qualification level, except in lower-level certificates, which decreased, and at qualification level 4, which remained stable. The amount of study at bachelors-level increased in 2007 due to the ‘baby blip’ generation continuing to move from school into tertiary education. Study for bachelors degrees with honours, postgraduate certificates and postgraduate diplomas increased dramatically for domestic as well as international students. Doctoral study rose strongly from 2006 to 2007 with international enrolments being the main driver of this increase. Doctoral studies by international students have been funded on the same basis as for domestic students since 2006.

International enrolments fell in 2007, for the third consecutive year. Study by international students decreased at bachelors level, in level 5 to 7 diplomas and in lower-level certificates. Partially offsetting this decline were increases in the study of level 4 certificates, bachelors degrees with honours, postgraduate certificates and postgraduate diplomas and doctoral study. In terms of equivalent full-time students, international formal provider-based students represented 11 percent of all enrolments in 2007 compared to 12 percent in 2006.

In 2007, 257,000 domestic students, or 58 percent of all domestic students, enrolled in government-funded tertiary education organisations participated in certificate-level study. This compared to 59 percent of domestic enrolments at certificate level in 2006 and 61 percent in 2005. The number enrolled in diplomas was 63,100, or 14 percent of domestic enrolments, while 128,000, or 29 percent, undertook bachelors-level study, and 33,500, or 7.5 percent, were enrolled for postgraduate study. However, when converted to equivalent full-time student units, bachelors-level study had the highest proportion at 41 percent.

On the other hand, learners in workplace-based study increased by 5.5 percent from 2006 to 2007 and by 8.1 percent from 2005 to 2006. This continued growth in industry training led to the proportion of the population aged 15 years and over in industry training increasing in recent years.

In 2006, a total of 110,000 domestic students completed 114,000 formally recognised qualifications.¹ On the other hand, the completion rates at bachelor level or higher improved in 2006. An estimated 44 percent of domestic students who had started a qualification in 2002 had completed it by the end of 2006. The first-year attrition rate of students in government-funded tertiary education organisations who started a qualification in 2004 was 34 percent, up from 29 percent in the previous year. The relatively low unemployment rate was a contributing factor to the lower retention rate of students.

An article covering some of the findings from the 2007 survey of international students is included in chapter 5. A second article in that chapter provides a summary of the main findings of the Adult Literacy and Life Skills Survey conducted between May 2006 and March 2007. A third article discusses two analyses of the transitions made by students from school to tertiary study. The two studies discussed in this article used the 2004 NCEA results and answered questions such as ‘how does a student’s performance at school affect their decision to enter tertiary study?’ and ‘how does achievement at school affect students’ performance in tertiary study in their first year?’

1. Due to a change in the Ministry of Education’s data collection the completion rates to 2007 are not yet available.

Tertiary education in New Zealand

New Zealand's tertiary education sector makes a wide range of learning available, from foundation skills to doctoral studies. Through its research activities, the sector is a major contributor to the nation's innovation.

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 in 2007 was funded through the Student Component Fund, covering 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, leading to nationally recognised qualifications, was designed by, and delivered in conjunction with industry. There were also targeted training funds that provided fully subsidised education and training to disadvantaged groups.

The government funded such learning as foundation education, adult literacy and English for speakers of other languages.

It also provided 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 the skills, knowledge, attitudes and values needed to perform important tasks. The government has established the Learning for Living programme to build adults' fluency, independence and range of skills in language, literacy and numeracy so that they can use these competencies to participate effectively in all aspects of their lives. It also introduced the New Zealand Skills Strategy which takes a unified approach to ensure people and organisations are able to develop and use the skills needed in the workplaces of the future.

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.

Outcomes of tertiary education

The New Zealand population is becoming more skilled as more adults become tertiary qualified, with increasing numbers holding a bachelors degree or higher-level qualification. In 2007, about one in every two New Zealanders held a tertiary qualification: the proportion with a bachelors degree or higher rose from 15 percent in 2006 to 18 percent in 2007. Ten years earlier, people with a bachelors degree or higher-level qualification comprised 9.2 percent of New Zealand's adult population.

The proportions of Māori and Pasifika peoples holding a bachelors or higher-level qualification are steadily increasing, although they remain considerably lower than the national average. The difference in the proportion of males and females holding a bachelors or higher-level qualification has narrowed in all ethnic groups, and females with tertiary qualifications increased at a greater rate than males. In the younger age groups – those under 40 years of age – proportionately more women than men held a bachelors or higher degree. On the other hand, more young men than women held a non-degree tertiary qualification in 2007.

Strong economic growth coupled with tight labour markets continued in 2007 and this narrowed the gap in the unemployment rate between those with bachelors or higher-level qualifications and those holding a non-degree tertiary qualification. Also, the labour force participation rate increased in 2007 for those with only a school qualification or without any qualification. Consequently, the proportion of the labour force with a tertiary qualification fell slightly in 2007.

People with higher-level tertiary qualifications continued to show a significant earnings advantage over those with a lower-level qualification or no qualification. The median hourly earnings premium increased in 2007 for those with non-degree tertiary qualifications and school qualifications, compared with those with no qualification. This increase suggests a weakening of the labour market for people with no qualifications.

In 2007, the proportion of people aged 15 to 19 years not in employment or formal and informal study decreased slightly, while it increased for people aged 20 to 24 years.

The educational inheritance of New Zealanders is discussed in the chapter on tertiary education outcomes (chapter 4). The study analyses data from the Adult Literacy and Life Skills Survey held in 2006 and shows that adults whose parents had undertaken tertiary education were more likely to have a tertiary education. However, in 2006, people whose parents had only lower secondary education were more likely to have a tertiary education than they were 10 years earlier. In fact, an index of educational opportunity shows that educational opportunity has increased, not narrowed, since 1996.

A second article, also based on data from the Adult Literacy and Life Skills Survey, discusses how higher-level education is associated with greater skills. Also presented in the outcomes chapter is an article that looks at recent literature on the link between tertiary education and productivity and possible reasons why labour productivity has not grown as fast as may be expected given the growth in tertiary qualifications. Finally, the results of a study of the relationship between education and wellbeing are presented; these suggest that education can provide improvements in wellbeing but that skills and income are more important predictors of wellbeing.

Workplace-based learning

The number of learners in industry training has continued to increase at a steady rate in recent years, even while the increase in the numbers in provider-based education has been slowing. The main driver of this has been the continuous funding increases from both government and industry, reflecting a shared commitment to solve long-term skills shortages in key New Zealand industries and to improve labour productivity.

The number of learners in industry training increased significantly between 2006 and 2007, while there was a decline in student enrolments in equivalent provider-based study in the same period. This growth also surpassed the increase in workers in the labour force, so that the proportion of workers involved in industry training was higher in 2007 than in 2006.

The significant growth in participation in the Modern Apprenticeships scheme, a part of industry training, can be attributed to a programme of government funding increases and to its popularity with both industry and young people.

Gateway, established in 2001 to broaden educational options for senior school students by offering them workplace-based learning, has continued to expand. Over 8,240 secondary school students participated in Gateway in 2007. There are prospects for further growth in Gateway as it expands to all decile 7 to 10 integrated and state secondary schools in 2008.

Industry training, Modern Apprenticeships and Gateway programmes are all linked to the National Qualifications Framework. This means that participants earn credits towards national qualifications and in the case of Modern Apprenticeships and the majority of industry training programmes, participation is linked to the study of national certificates and diplomas. Learners in industry training can gain credits through flexible, limited and supplementary credit programmes, or study towards qualifications such as national certificates, national diplomas and, less frequently these days, trade certificates.

All three industry training programmes saw consolidation in credit achievement during 2007, with the number of credits attained remaining steady at over 3.5 million for the year, after very high growth in 2006. National certificate attainment was 29,400 in 2007. While this represented a decrease on the 2006 attainment, it continues the upward trend shown in previous years.

Level 1 to 3 provider-based qualifications

In 2007, students in level 1 to 3 qualifications represented 40 percent of all students in formal provider-based tertiary education.

Enrolments in level 1 to 3 certificates have continued to decrease across all areas of provision. The number of students in foundation education qualifications has decreased by 18 percent and the number in vocational qualifications by 4.1 percent. There have also been decreases in the number of people in training opportunities and youth training programmes.

A continued improvement in the labour market is one of the reasons for the decreased participation at this level. Most people entering level 1 to 3 certificates at providers were already in employment. Students in vocational certificates are enrolling for less than six full-time equivalent weeks.

The decreased participation has also been the result of continued reviews of the quality and relevance of provision at this level, as described in last year's edition of *Profile & Trends*. This has had a strong impact on the numbers in general foundation education qualifications and short courses. At the same time, the government has increased its support for quality provision of literacy, language and numeracy, with a particular emphasis on embedding this within vocational education.

The government is also investing in literacy, language and numeracy through an action plan covering the years 2008 through to 2012. A discussion on this plan is included in chapter 7.

Non-degree level 4 to 7 provider-based qualifications

In 2007, students in non-degree level 4 to 7 qualifications represented 29 percent of all students in formal provider-based tertiary education.

There have been changing patterns of participation in level 4 to 7 non-degree study in recent years. Between 2001 and 2005, there were five years of significant growth in the number of students enrolled in level 4 to 7 non-degree study. Then, in 2006, enrolments in all level 4 to 7 certificates and diplomas declined. In 2007, the pattern changed again: there was an increase in enrolments in level 4 certificates, while the number of students enrolled in level 5 to 7 certificates and diplomas has continued to decrease. International student numbers have also been declining since 2004, but this decrease in enrolments levelled off in 2007. The number of domestic students increased in 2007, after decreasing in 2006 for the first time in recent years.

In 2007, there were increases in the number of domestic students enrolled in level 4 to 7 non-degree study across all types of providers, except at wānanga. In 2007, more than half of all level 4 to 7 non-degree study occurred at polytechnics. The number of domestic students aged 25 years or over continued to dominate this level of study, with two-thirds of all domestic students being aged 25 years or over.

While the number of domestic students completing a level 4 certificate decreased significantly in 2006 (the latest available data) there were more students completing level 5 to 7 certificates or diplomas. The five-year completion rates also increased in 2006. Almost one in two domestic students who had started a non-degree level 4 certificate in 2002, and one in three who started a non-degree level 5 to 7 diploma, had completed that qualification by 2006.

A study that attempts to test the school of thought that 'seamless progressions into higher-level tertiary study are more likely to occur within an institution rather than through a student changing institutions' is included in chapter 8. The study tests this assumption against tertiary education data.

Bachelors and postgraduate qualifications

In 2007, students in bachelors and postgraduate qualifications represented 38 percent of all students in formal provider-based tertiary education.

There was an increase in the number of students enrolled in bachelors-level and higher study in 2007, compared with a drop in enrolments in 2006. In 2007, there was a significant increase in honours and doctoral students while numbers in bachelors and masters-level study decreased. There has been a continuing decrease in international students, from an all-time high in 2005. In comparison, domestic student numbers remained relatively unchanged in 2006, and increased in 2007 at bachelors, postgraduate and doctoral levels while remaining stable at masters level.

Universities continued to dominate bachelors-level and higher provision in 2007, with four in every five students at these levels studying at a university. All provider types experienced an increase in the number of students in 2007. The smallest percentage increase occurred in polytechnics, while the largest percentage increase occurred in enrolments in private training establishments. There was an increase in domestic students aged 25 years and over enrolled in bachelors-level and higher study in 2007, following a couple of years of declining enrolments, while the number of domestic students aged under 25 years continued to rise.

The number of students completing a bachelors-level or higher qualification increased slightly in 2006. This was due in part to an increase in the five-year completion rate for those domestic students who started study in 2002. Level 8 qualifications experienced the largest increase in domestic students completing qualifications. The five-year completion rates for bachelors-level or higher qualifications were highest for European and Asian domestic students in 2006.

A summary of a recently published report by the Ministry of Education on the cumulative cohort participation rate is included in chapter 9. The report looked at people born in 1978 and followed their participation pattern in tertiary education until 2007 when that cohort turned 29.

Student support

After several years of decrease, the uptake of student allowances began to increase in 2006, in response to changes made by government designed to widen access to allowances. This increase was continued in 2007 with a 5.1 percent increase in the number of recipients.

The uptake of student loans also rose in 2007 by nearly 4 percent. About 77 percent of eligible full-time students used the loan scheme in 2007 while 35 percent of eligible part-time students borrowed.

The total amount borrowed in 2007 was more than \$1.17 billion, an increase of more than 6 percent on the previous year. The median amount borrowed in 2007 was \$5,870, up nearly 4 percent on 2006.

More than half a million New Zealanders held loans on 30 June 2008 – 6.2 percent more than the number a year before. The median loan balance was \$10,900. More than 60 percent of those with loans owed less than \$15,000.

About half of those who left study in 1997 had repaid in full by 2006. Student loan repayment times for men and women do not differ much.

The findings of two studies using the integrated dataset for Student Loan Scheme Borrowers are presented in chapter 11. The first study, *Educational achievement of student support recipients*, reported the effect of the different types of student support on academic achievement. The second study, *Labour market outcomes of student support recipients*, is an extension of the first study and looks at the effect, or lack of effect, of the student support system on people's earnings. Finally, some historical background on government's support for tertiary study, together with the recent changes made to student support, is presented in an article entitled *The impact of student support policies*.

Research in the tertiary education sector

The research performance of the tertiary education sector improved in several areas in 2007. In the area of research training, enrolments in doctoral degrees increased substantially. This was driven by a significant increase in international enrolments, which occurred in response to a change in government policy to fund international doctoral students on the same basis as domestic students.

In the area of research output, the universities showed improvement in a number of areas. Overall, the amount of research contract income earned by the universities per academic staff member rose in real terms between 2005 and 2006. Total research output dropped slightly at two out of the three universities that reported research output in 2007. The academic impact of research by the New Zealand universities relative to the world average increased between 1998-2002 and 2003-2007 in eight of the 10 broad subject areas monitored. Three of those 10 subject areas – health, medicine and public health; mathematics; and information sciences and technology – had an academic impact above the world average in 2003-2007.

Chapter 12 contains a study that compares the New Zealand universities' pattern of research performance across four dimensions. The article also examines the performance of selected Australian universities across similar performance measures and makes comparisons between the two countries. Included in the chapter on research funding is a study examining the changes in research funding that have resulted from the introduction of the Performance-Based Research Fund. The study considers whether this has resulted in any 'undue' concentration of funding in a few research-intensive universities.

Sector capability

The financial performance of the public tertiary education institutions² recovered somewhat in 2007 after having declined since 2004. For the first time since 2004, the institutions collectively met all four benchmarks set for prudent operation of a tertiary education institution. The aggregate operating surplus rose from 1.9 percent of revenue to 3.4 percent – above the benchmark of 3 percent. Net cash flow strengthened. While the liquid assets measure – liquid funds as a percentage of annual operating cash outgoings – fell to 13 percent, this compares to a benchmark of 12 percent.

This result was achieved despite a difficult operating environment. The reduction in international student enrolments continued while institutions faced increases in costs. The government provided additional support for polytechnics and wānanga through the Quality Reinvestment Fund, which is designed to help institutions move to a more sustainable business model.

There was considerable variation among the tertiary education institutions, with some recording very strong performance, while six of the 31 institutions had an operating deficit in 2007, compared to 12 in 2006, nine in 2005, six in 2004 and none in 2003.

Overall, the universities performed more strongly than the other sub-sectors. Like other sub-sectors, they experienced a further decline in international students (of 18 percent) but their income was more diversified than that of the other sub-sectors. All universities recorded a surplus and, collectively, their surplus was 3.9 percent of revenue, compared to 3.1 percent a year earlier and to the benchmark of 3 percent.

The polytechnics had a stronger year than in 2006. The collective surplus, at 2.1 percent of revenue, was below the benchmark 3 percent, but substantially above the figure for the previous year (which was close to zero) and also above the 1.6 percent in 2005, but well down on the 7.7 percent result achieved in 2003, before the government made changes to the funding of community education. In 2007, polytechnic international enrolments dropped by 9 percent, following a 23 percent fall in 2006. In response to the changed operating environment, polytechnics moved to reposition their provision, supported by the Quality Reinvestment Fund. Polytechnics' costs continued to rise but at a slower rate. Cost per student increased by 5 percent, compared to the 14 percent increase they experienced in 2006 as they shifted out of shorter courses. In 2007, five of the 20 polytechnics recorded an operating deficit, compared to seven in 2006.

Another notable feature of 2007 was the improved performance of Te Wānanga o Aotearoa after several years of substantial rebuilding. This institution recorded a surplus of 4 percent of revenue. One consequence of this return to an operating surplus is that the three wānanga collectively recorded a surplus – 3 percent of revenue – for the first time since 2003.

In 2007, for the first time in three years, capital expenditure in the tertiary education institutions was below the operating cash surplus generated from operations, leading to an increase in cash reserves.

The overall number of staff employed by tertiary education institutions remained virtually unchanged from 2006 to 2007 while staff numbers in private training establishments decreased for the second consecutive year.

A small decrease from 2006 to 2007 in the number of academic staff at tertiary education institutions was offset by an increase in the number of non-academic staff. Over the same period, in private training establishments the decrease in the number of academic staff was slightly larger than the fall in the number of non-academic staff.

In the three wānanga, the student numbers fell at a slightly faster rate than the reduction in the number of teaching staff, lowering the 2007 student to academic staff ratio to 34 to 1 compared to 36 to 1 in 2006. The student to academic staff ratio in universities and polytechnics remained virtually unchanged.

Total expenditure on personnel in public tertiary education institutions rose from 2006 to 2007, while personnel costs as a percentage of total operating expenditure was 57 percent in 2007, unchanged from 2006.

An analysis of the income information as collected by the 2006 Population and Dwellings Census revealed that the gender gap in the technical and higher education workforce is reducing at lower grades but increasing at higher grades and in leadership positions. An article on this income analysis of the tertiary education workforce is included in chapter 15.

2. In 2007, there were 33 public tertiary education institutions. However, to allow comparisons to be made over time, the data from the colleges of the education has been merged with that of the universities in this report unless otherwise stated. In January 2007, the last two colleges of education, the Christchurch and Dunedin Colleges of Education, merged with the University of Canterbury and the University of Otago, respectively.

Investing in knowledge and skills

Operating expenditure and total government expenditure on tertiary education was well above 2002/03 levels in nominal and real terms. In the year ended June 2008, tertiary education operating expenditure rose in all categories except operating expenditure on student loans. That category of expenditure fell as a result of accounting changes in the loan scheme which meant that a greater share of the borrowings was treated as capital and less as operating.³

Total government spending on tertiary education, including operational costs and capital expenditure, was \$4.8 billion in 2008, compared to \$4.9 billion in 2007. As a percentage of gross domestic product, total expenditure and operating expenditure decreased in 2008, mainly as a result of a fall in the operating costs of the Student Loan Scheme, resulting from accounting changes in the loan scheme. Total tertiary expenditure accounted for 2.7 percent of gross domestic product while operating expenditure accounted for 1.9 percent. The main difference between the operating and total expenditure was the amount of Student Loan Scheme lending that was treated as a capital expense.

The number of equivalent full-time student places funded by the government increased in 2007. Government spending on tuition subsidies also increased as a result of increases in the number of student places and in funding rates.

The average domestic student fee per equivalent full-time student increased by 6 percent at public tertiary education institutions. Part of this increase was due to a continued move away from enrolments in low-cost or zero-fee courses. The number of international students continued to fall in 2007 and as a result total international fees revenue also continued to fall in 2007.

An article examining the pattern in government-funded equivalent full-time students by age group and qualification level is included in chapter 16. The article looks at how the Statement of Tertiary Education Priorities 2005/07 has impacted on the allocation of resources in the tertiary education sector between 2001 and 2007. A second article in chapter 16 compares the funding of tertiary education in New Zealand with that in other OECD countries.

3. Previous editions of *Profile & Trends* excluded operating expenditure on the Student Loan Scheme.

2007 YEAR IN BRIEF

January

The Tertiary Education Commission allocates \$9.7 million through the Innovation and Development Fund for 11 new projects fostering innovation in tertiary education. The projects include a Biomolecular Interaction Centre in Canterbury, implementation of e-learning guidelines across the tertiary sector, and establishment of a National Energy Research Institute.

The New Zealand Universities Academic Audit Unit publishes its audit report of Lincoln University. The report is the eighth and last report of Cycle 3 academic audits of universities administered between 2003 and 2006. The focus for Cycle 3 audits was: teaching quality, programme delivery, and achieving learning outcomes.

The Organisation for Economic Co-operation and Development publishes a report on the New Zealand tertiary education system as part of the *OECD thematic review of tertiary education 2004-2007*. Overall, the expert panel found many positive aspects in New Zealand's tertiary education system. Twenty-four countries participated in the review.

February

The Tertiary Education Commission funds \$6.6 million for joint projects between the tertiary sector and business through the Growth and Innovation Pilot Initiatives. The funding supports 11 new tertiary sector-based projects in the areas of biotechnology, design, and information and communications technology.

Former Prime Minister Jim Bolger is announced as the new chancellor of the University of Waikato.

The Tertiary Education Commission announces appointments to senior leadership positions in its restructured senior management team.

March

Fifty New Zealand doctoral students are awarded more than \$4.7 million for the next three years as part of the Top Achiever Doctoral Scholarships.

April

Unitec New Zealand's chief executive and president John Webster announces he will retire at the end of the year.

The Tertiary Education Commission publishes its *Investment guidance 2008-2010*, setting out the factors that will guide its funding decisions for the tertiary education sector in the next three years.

Polytechnics International New Zealand wins a multi-million dollar contract to set up a new polytechnic in the Kingdom of Bahrain. Former Christchurch Polytechnic Institute of Technology chief executive John Scott is to lead the project team.

The New Zealand Teachers' Council publishes its *Graduating teacher standards*, the first national standards for new teachers. The standards aim to ensure a consistent quality of graduating teachers.

The government publishes a discussion document on its *International education agenda 2007-2012*.

The Ministry of Education publishes three research reports – *Participation in tertiary education: a birth cohort approach* and *He tini manu reo: learning te reo Māori through tertiary education*, and *Tertiary education enrolments for 2006*.

May

The government publishes the Medical Education and Training Workforce Taskforce report *Reshaping medical education and training to meet the challenges of the 21st century*. The report recommends a training board to ensure a sustainable medical education and training programme.

The Tertiary Education Commission publishes the results of the 2006 Performance-Based Research Fund quality evaluation. The University of Otago gains the highest overall average quality score while the University of Auckland has the highest number of 'A' category researchers and also has the highest Performance-Based Research Fund earnings per staff member.

Massey vice-chancellor Professor Judith Kinnear announces her retirement, to take effect at the end of her five-year term early in 2008.

Budget 2007 sets aside \$285.1 million of operating funding over four years and \$79.7 million of capital funding over four years for tertiary education. The package is partially funded by money released from resetting the baseline for non-degree provision below the current cap. It includes:

- \$129 million over four years to support universities to build their capability and strengthen their international competitiveness
- \$21 million of operating funding and \$55 million of capital funding over the next two years for institutes of technology and polytechnics to support several capability-enhancing initiatives, and
- \$35 million of capital funding over the next two years in the Quality Reinvestment Programme.

Budget 2007 also expands other tertiary investment through:

- \$76.3 million of operating funding over four years and \$2.2 million of capital funding over the next two years in initiatives that will improve skill levels among people in employment
- \$14 million over four years for the Performance-Based Research Fund to fund research by tertiary education organisations

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- \$6 million over four years for wānanga to boost their research capability and activity, particularly in the area of Māori knowledge, and
- \$16.2 million of operating funding over four years to ensure that more full-time tertiary students are eligible for government assistance by increasing the student allowances parental income thresholds.

The government announces an \$11.2 million capital injection for the New Zealand School of Music – a collaboration between Victoria and Massey universities.

Manukau Institute of Technology deputy chief executive Peter Coolbear is appointed founding director of Ako Aotearoa, the new National Centre for Tertiary Teaching Excellence.

June

The government announces seven centres of research excellence will receive new funding. This includes six existing centres and one new one (the Riddet Centre for foods and biologicals – hosted by Massey University). Funding is to be phased out for one existing centre, the New Zealand Institute of Mathematics and its Applications hosted by the University of Auckland. This centre's loss of recognition does not reflect the quality of its research; rather it related to the extent to which it met the collaboration criteria for centres of excellence.

Tertiary Education Commission chair Russell Marshall announces his retirement from the position.

The Institutes of Technology and Polytechnics of New Zealand appoints Dave Guerin as its new executive director, following Martin Eadie's departure to take up a position with the Polytechnics International New Zealand project to establish a new polytechnic in the Kingdom of Bahrain.

Tertiary Teaching Excellence Awards are presented, with the supreme award going to Selena Chan, of the Christchurch Polytechnic Institute of Technology.

The Ministry of Education publishes the research reports *Te whai i ngā taumata atakura: supporting Māori achievement in bachelors degrees* and *Measuring the returns on investment in tertiary education three and five years after study*.

July

Ako Aotearoa opens at Massey University's Wellington campus.

The Ministry of Education publishes the research report (*ex*) *Citing research: a bibliometric analysis of New Zealand university research 1981-2005*.

August

The new Tertiary Education Commission chair is to be David Shand, a public financial management specialist with extensive New Zealand and overseas experience in academia and the public sector.

The government announces a \$50 million capital injection for the Auckland University of Technology.

Twenty-eight top New Zealand students are awarded just under \$3 million in Top Achiever Doctoral Scholarships for the next three years.

The Ministry of Education publishes the research report *Quality vs impact: a comparison of Performance-Based Research Fund quality scores with citations*.

The government announces a \$10 million boost for international education.

September

The New Zealand Vice-Chancellors' Committee appoints Penny Fenwick as

its new executive director, to succeed Lindsay Taiaroa, who retires at the end of the year.

The government announces it will invest nearly \$8 million over the next two years to boost research capacity in nursing, veterinary science, and information and communications technology, as part of the Building Research Capability in Strategically Relevant Areas Fund.

The government announces a common regulatory framework to ensure that all tertiary education organisations involved in industry training are subject to the same requirements, to address provision funded through the student component and through the Industry Training Fund.

The Ministry of Education publishes an introductory report on the Adult Literacy and Life Skills Survey.

The three tertiary education unions vote on a merger, with the Association of Staff in Tertiary Education (ASTE) and the Association of University Staff (AUS) approving amalgamation but the Tertiary Institutes Allied Staff Association members rejecting it. ASTE and AUS decide to pursue a two-way merger.

The Ministry of Education publishes the research report *Does the Student Loan Scheme discourage students from returning to study?*

October

Immigration Minister David Cunliffe announces changes to the student immigration policy. The major initiatives are:

- extension of the Graduate Job Search Permit from 6 to 12 months
- extension of the Practical Experience Work Permit from two to three years to comply with the registration requirements of professional bodies, and

- changes to the requirements for work access for English language students.

Massey University announces Cabinet Minister and architect of the tertiary education reforms Steve Maharey as the next vice-chancellor.

Pete Hodgson takes over the tertiary education portfolio from Dr Michael Cullen in a Cabinet reshuffle.

November

Brian Donnelly's Private Member's Bill – the Education (Establishment of Universities of Technology) Amendment Bill – is referred to the Education and Science Select Committee.

The Ministry of Education publishes *Profile & Trends 2006: New Zealand's tertiary education sector*, and the research reports *Tertiary education choices of school leavers* and *Linking students: a review of the method used to link students in historical New Zealand tertiary education data*.

December

The Institutes of Technology and Polytechnics of New Zealand launches Te Pane Takiao, a new gateway website to tertiary education e-learning resources.

The Education (Tertiary Reforms) Amendment Bill receives its third and final reading in Parliament. The reforms will take effect from 1 January 2008.

Robin Hapi (Ngāti Kahungunu) is appointed a commissioner of the Tertiary Education Commission.

The University of Auckland decides to give itself the power to limit entry to all its courses from 2009, citing changes to government funding policy and its goals for a greater proportion of postgraduate students.

The Ministry of Education releases two reports on the Adult Literacy and Life Skills Survey – the survey headline results and background information, and how numeracy and document literacy are distributed through sub-populations of the New Zealand adult population.

The Tertiary Education Commission announces the 2008 funding allocations. Universities will receive an additional 5.4 percent, or \$60 million, in funding next year while polytechnics will receive an additional 1.2 percent, or \$6 million, and wānanga an additional 8.7 percent, or \$11 million.

The Ministry of Education publishes two reports – the *Student Loan Scheme Annual Report for the year ended 30 June 2007* and the *State of Education New Zealand: 2007*.

The Ministry of Education publishes the research reports *Comparing the academic impact of research by New Zealand and Australian universities 1981-2005* and *Persistence in doctoral research: analysing the impact of the Performance-Based Research Fund on the retention of doctoral students*.