

# profile & trends

NEW ZEALAND'S TERTIARY EDUCATION SECTOR

02

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## FOREWORD BY THE SECRETARY FOR EDUCATION

I am pleased to introduce *New Zealand's Tertiary Education Sector Report: Profile & Trends 2002*. This is the fifth annual survey of the tertiary education sector in New Zealand produced by the Ministry of Education. The aim of this report is to provide a summary of the overall performance and key characteristics of the tertiary education sector in 2002. It is important that the sector and government agencies have accurate and comprehensive information about current performance and future trends in order to inform debate about the role of tertiary education and to help shape the sector's planning.

The key focus for the tertiary education system in 2002 was to advance the tertiary education reforms. The reforms aim to develop a system more closely connected to national development goals. They are fundamentally about shifts in ways of thinking and relating. They require a change in the dynamics of relationships throughout the tertiary sector. Tertiary providers are expected to be much more responsive to the needs of communities, businesses, iwi and students. Government sees tertiary education as an important means of achieving goals and supporting strategies in other areas of policy. The reforms are also about increasing the influence and role of key stakeholders over the tertiary system and, in doing so, increasing the potential contribution the tertiary education system makes to New Zealand's national development.

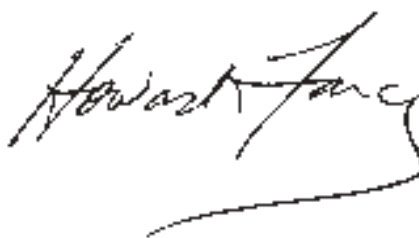
As part of the reforms, the government has published the *Tertiary Education Strategy 2002/07*. The structure of this report reflects the themes of the Strategy. Each of the six strategies forms the focus for a chapter of the report. There are chapters on foundation skills, skills for a knowledge economy, Māori and Pasifika students in tertiary education, research in tertiary education and system capability and quality. There is also a chapter that explores the outcomes of tertiary education. Major areas of activity that are not explicitly tied to one of the six strategies are given coverage in their own chapters. These include chapters on policy developments, student support and funding, while some of the developments that occurred outside the timeframe of the report are covered in the postscript.

The report reveals a tertiary education sector that is responding well to many of the challenges it faces. The report shows that participation has continued to rise. Māori participation, in particular, has grown and there has been a further significant increase in international student numbers. Tertiary education institutions have diversified their sources of income and have improved their financial performance on a range of measures.

While the report shows a system responding to a changing environment, there are new challenges for the sector. The need to enhance performance and quality, the implementation of the tertiary education reforms and the need to build on the progress made in participation will provide challenging work for the sector and further benefits to our society in the coming years.

A considerable amount of information in this year's report has been provided by different agencies and organisations with responsibilities for tertiary education outside the Ministry of Education. I would like to thank all contributors for the data and assistance they have provided in preparing this report.

I trust you will find the information presented this year to be relevant and useful to your understanding of the tertiary education sector as a whole.



**Howard Fancy**  
SECRETARY FOR EDUCATION

## DEFINITIONS

### ACADEMIC YEAR

January-December (calendar year).

### ADULT AND COMMUNITY EDUCATION (ACE)

Community education programmes are provided by both TEIs and schools. Government-funded school community education programmes include adult basic education (such as numeracy, literacy and English for Speakers of Other Languages), Māori language and culture, training for volunteer community workers, parent education courses, and courses developed to meet defined community need for personal development (such as life skills, anger management and self-defence courses for women).

### COURSE

A component of education encompassing teaching, learning, research and/or assessment. A paper/module/unit standard may all be different types of courses. A course or collection of courses forms a programme of study which, if completed successfully, results in the award of a qualification.

### EFTS (EQUIVALENT FULL-TIME STUDENT)

The EFTS system is a method of counting tertiary student numbers. The basis of the EFTS system is that a student taking a normal year's full-time study equals 1.0 EFTS unit and the courses taken by part-time students are proportions of one EFTS unit, eg 0.75 EFTS.

### EFTS-BASED TUITION SUBSIDIES

EFTS-based tuition subsidies are provided by the government as a contribution towards the cost of tertiary education and training. These subsidies are paid to approved tertiary education providers on behalf of domestic students enrolled in quality-assured courses leading to quality-assured qualifications. The amount of the tuition subsidy will be calculated according to the equivalent full-time student (EFTS) formula. From 1 January 2000, tertiary education institutions and private training establishments received the same rate of tuition subsidy.

### EFTS UNITS

An EFTS (equivalent full-time student) unit is a standard unit of measurement of student enrolments. It is defined and calculated on the basis that a student workload that would normally be carried out by a full-time student in a single academic year is 1.0 EFTS unit.

### FISCAL YEAR

July-June (government accounting year).

### FORMAL STUDENT

For the purposes of statistical reporting, a formal student is one who is enrolled in a course or courses of study leading to a qualification approved by an authorised certifying body or to an approved award issued by an institution. Formal students are enrolled in courses of more than one week's full-time duration (ie an EFTS value greater than 0.03).

### FULL-TIME

For student loan and allowances eligibility purposes, full-time means any period in excess of 12 weeks (0.3 EFTS) ie full-time/part-year. Another definition used for statistical purposes by the Ministry applies to any course over 32 weeks (0.8 EFTS) ie full-time/full-year. This is the definition of full-time for the student loan full interest write-off.

### GOVERNMENT TRAINING ESTABLISHMENTS (GTEs)

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

### 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 and identifies the level of that educational provision. For tertiary education the applicable classifications are:

- education at the tertiary level, first stage, of the type that leads to an award not equivalent to a first university degree – ISCED 5
- education at the tertiary level, first stage, of the type that leads to a first university degree or equivalent – ISCED 6, and
- education at the tertiary level, second stage, of the type that leads to a postgraduate university degree or equivalent – ISCED 7.

## **NATIONAL QUALIFICATIONS FRAMEWORK**

The National Qualifications Framework (NQF) is the unit standards-based system of national qualifications developed by the New Zealand Qualifications Authority. Unit standards are categorised by field of study, which is further broken down into subfields and domains. Standards and national qualifications are also categorised by level of student achievement, up to level 4, Certificate Level. 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. Level 8 is 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 at universities, polytechnics, colleges of education, wānanga and private training establishments in receipt of government funding. The classification system consists of three broad levels of detail (broad, narrow and detailed fields). It is used to improve the quality and consistency of statistics collected by the Ministry of Education and other collection agencies in relation to tertiary study.

## **OECD (ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT)**

## **OTHER TERTIARY EDUCATION PROVIDERS (OTEPs)**

Other tertiary education providers (OTEPs) are those organisations that deliver programmes of study of some national significance, and are recognised by the Minister of Education under section 321 of the Education Act 1989. Because the delivery of these programmes of study is in the national interest, these providers have a special relationship with the Crown.

## **PART-TIME**

An expression which can apply to either the study undertaken or to the student. Where a course of study that is normally offered on a full-time basis, is studied part-time, it has the same EFTS value as its full-time equivalent but is studied over a longer period of time. Where this option is available, a student may elect to study on a part-time basis by enrolling in fewer courses than the normal full-time student workload.

For the purposes of a student loan full interest write-off, part-time means any study that is not full-time (ie less than 0.8 EFTS).

## **PASIFIKA PEOPLES**

A diverse range of peoples from the South Pacific region or people within this country who have strong family and cultural connections to Pacific Island countries. Pasifika peoples are not homogenous and include those who have been born in New Zealand or overseas. It is a collective term used to refer to men, women and children of Samoan, Cook Islands, Tongan, Niuean, Tokelauan, Fijian and other Pasifika or mixed heritages. It includes a variety of combinations of ethnicities, recent migrants or third, fourth or fifth generation New Zealand-born.

## **PRIVATE TRAINING ESTABLISHMENTS (PTEs)**

A private training establishment (PTE) is defined in the Education Act 1989 as 'an establishment, other than an institution, that provides post-school education or vocational training'. In the context of this report, the term is generally used for private training establishments registered with the New Zealand Qualifications Authority (NZQA). The category includes not only privately owned providers, but also those operated by iwi, trusts and the like.

## **QUALIFICATION**

An official award given in recognition of the successful completion of a programme of study, which has been quality assured by a recognised quality assurance agency. All recognised qualifications must be registered on the Qualifications Register.

## **REAL TERMS**

Sums quoted in real terms have been adjusted for the effects of inflation over time, using the Consumer Price Index (CPI).

## **SKILL ENHANCEMENT**

Skill Enhancement training is aimed at young Māori and Pasifika people aged between 16 and 21. The emphasis is on training for the workforce with a minimum of 20 percent of the training being conducted in the workplace. Skill Enhancement training is offered at private training establishments, polytechnics, marae and wānanga, and training is available in a wide range of skills and industries.

## **STUDENT ALLOWANCES**

Student allowances are income-tested 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.

## TERTIARY EDUCATION

Tertiary education comprises all involvement in post-school learning activities and includes industry training and community education.

### TERTIARY EDUCATION INSTITUTIONS (TEIs)

Tertiary education institutions (TEIs) are Crown entities and thus required to follow standard public sector financial accountability processes. There are four kinds defined in the Education Act 1989: universities, polytechnics, colleges of education and wānanga. Each tertiary education institution is governed by its own council.

### TERTIARY EDUCATION PROVIDERS (TEPs)

Tertiary education providers are all the institutions and organisations that provide tertiary education. These include public tertiary education institutions (TEIs), private training establishments (PTEs), other providers (OTEPs) and government training establishments (GTEs).

### TERTIARY-TYPE A

The 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.

### 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.

### TIA

The Training Incentive Allowance (TIA) is designed to provide financial assistance to people receiving a domestic purpose benefit, an invalid's benefit, a widow's benefit, or an emergency maintenance allowance to enable 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 benefit recipients, refugees, ex-prisoners, or Work and Income New Zealand 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

Fees charged for tuition by public and private tertiary education providers.

### TUITION SUBSIDIES

Money that is appropriated by the government for Vote Education that is used to provide EFTS-based tuition subsidies for valid student enrolments offered by recognised providers.

## UNIVERSITY NAME ABBREVIATIONS

Auckland University of Technology	AUT
Lincoln University	LU
Massey University	MU
University of Auckland	UA
University of Canterbury	UC
University of Otago	UO
University of Waikato	UW
Victoria University of Wellington	VUW

## YOUTH TRAINING

Youth Training programmes offer a range of practical skills training for school leavers, under 17 year olds, students who have no more than two School Certificate passes, or students with no formal qualifications higher than Sixth Form Certificate. The training covers both job-specific and general workplace skills and is linked to the National Qualifications Framework. Youth Training is free and available from a diverse range of approved training providers around New Zealand.



## INTRODUCTION

*New Zealand's Tertiary Education Sector Report: Profile & Trends 2002* is the fifth annual, comprehensive Ministry of Education survey of the tertiary education sector. It provides an overview of the performance and key characteristics of the New Zealand tertiary education sector in 2002.

The key focus in the tertiary education sector in 2002 was to advance the Government's tertiary education reforms. The aim of the reforms is to focus on system performance. This includes developing a system that is more collaborative and more closely connected to national development goals and to other sectors of society and the economy. The reforms require significant shifts in ways of thinking and relating. They are also about increasing the influence and role of key stakeholders over the tertiary system and, in doing so, increasing the potential contribution by strengthening the connections and linkages to the tertiary education system. Research funding is being more strongly linked to performance and the contribution it makes to teaching and learning.

The Education (Tertiary Reform) Amendment Act 2002 was passed towards the end of 2002, to give effect to the Government's tertiary education reforms. The Act introduced key mechanisms to steer the tertiary education sector and create a more strategic and coherent system. It:

- established the Tertiary Education Commission (TEC)
- provided the statutory basis for the Tertiary Education Strategy (TES) and the Statement of Tertiary Education Priorities (STEP), and
- provided the basis for the key steering instruments to be used by TEC as it implements the TES – especially charters and profiles.

# chapter one

## INTRODUCTION AND OVERVIEW

*The Tertiary Education Strategy 2002/07* was launched by the Associate Minister of Education (Tertiary Education), in May 2002. The Strategy set out the Government's key goals for the sector and described how these goals were aligned to key national development goals. An interim STEP was published in July 2002.

In April 2002, a Transition Tertiary Education Commission (T-TEC) was established to provide for a smooth transition to the Tertiary Education Commission (TEC).

Among the most significant developments in the sector in 2002 were a continued increase in the number of Māori enrolments in tertiary education, a further large increase in enrolments at wānanga, especially Te Wānanga o Aotearoa (TWOA) and significant growth in the number of international students. Growth in wānanga and international students accounted for 93 percent of the increase in students in 2002.

This report looks in detail at the pathways students follow to enter tertiary education. It considers enrolments and student achievement, both at tertiary education providers and in workplace training programmes. Two chapters specifically examine the participation and achievement of Māori and Pasifika learners. A chapter on the outcomes of tertiary education reviews the evidence – mainly drawn from sources such as the Census – for the employment and income outcomes of tertiary education. The report also explores the research undertaken by tertiary education providers and looks at the capability of the sector by discussing the management, governance and financial performance of providers. The way the government funds the sector and provides financial support for students is also discussed.

The statistics provided in this report are derived mainly from tertiary education providers' statistical reports to the Ministry of Education. Information and statistics have also been provided by the New Zealand Qualifications Authority, the Tertiary Education Commission, the Industry Training Federation, quality assurance agencies, the Ministry of Social Development, Inland Revenue, Career Services and a range of other government agencies.

Some statistical information is based on a 'snapshot' of students and staff taken on 31 July 2002. Other figures relate to the full year 2002. The tables and graphs in the report identify whether mid-year or full-year statistical information has been used. Further statistical data is available on the Ministry of Education website at [www.minedu.govt.nz](http://www.minedu.govt.nz). Information on government expenditure is often based on the July to June fiscal year, but is sometimes presented on a calendar year basis.

Information has been included from private training establishments that are government-funded and those that are not government-funded, although data available from the latter is more limited than data from other providers. Students studying in community courses, foundation courses, and in secondary schools through the Gateway and Secondary-Tertiary Alignment Resource (STAR) schemes are also included in some of the statistical information in this report.

The report covers industry training facilitated by Industry Training Organisations and transition programmes, such as the Youth Training and Training Opportunities programmes. This report provides limited information about other areas of the sector, such as non-institutional forms of industry training and in-house company training courses. While these are important aspects of tertiary education, the analysis in this report is generally focused on institutional provision.

## KEY FINDINGS

### STUDENT PARTICIPATION IN TERTIARY EDUCATION

In July 2002, 319,886 students were formally enrolled in tertiary education. It is estimated that over 425,000 learners studied in some form of tertiary education in 2002 as a whole.

The number of students continued to grow in 2002, with the number of formally enrolled students rising by 11.3 percent between July 2001 and July 2002 and by 29.7 percent since July 1997.

Over one in ten (10.5 percent) of the population aged 15 and over were enrolled in formal tertiary education on 31 July 2002, the highest level in New Zealand's history.

In public tertiary education institutions (TEIs), the number of students enrolled in a formal programme of study increased by 13 percent from 2001 to 2002. This is the highest level of growth experienced since 1995. Much of the growth has occurred in wānanga, which experienced an increase of 144 percent between 2001 and 2002 and 826 percent from 2000. Discounting the growth in wānanga, the growth of enrolments at TEIs was only 6.4 percent.

The number of students formally enrolled at private training establishments (PTEs) increased by 3.3 percent between July 2001 and July 2002, compared with 32 percent in the previous year. The reduced rate of growth was due to the effects of the moratorium introduced by the Government in mid-2002 on new PTEs and new PTE qualifications. Almost all the growth in this sub-sector was in international student numbers.

International student numbers rose again in 2002. After a drop in the late 1990s as a result of the Asian economic crisis, international enrolments grew by 52.2 percent in 2002, following growth of 51.7 percent in 2001 and 30.4 percent in 2000. The growth was largely attributable to the increase in the number of students from China. Enrolments by students from China have grown by over 1,500 percent since 1997. International students form about 8.4 percent of all tertiary students, up from 2.2 percent at 31 July 1994.

In 2002, 87,413 new students entered tertiary education. Only 31 percent of those entering were school leavers.

Nearly 47 percent of the students formally enrolled in tertiary education in 2002 were aged 25 or under, while those over 40 years were a rapidly growing subset of the total student population. Students aged 40 and over represented 24.2 percent of all students, up from 13.7 percent in 1994. Women constituted 58 percent of enrolments on 31 July 2002.

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. By December 2002, 83,456 students were learning under industry training agreements, an increase of 26 percent from 2001. Nearly 33,000 students were involved in transition programmes such as the Youth Training, Training Opportunities and Skill Enhancement programmes.

Of the 319,886 students studying for recognised qualifications on 31 July 2002, 37.7 percent were enrolled at degree-level, 8 percent in postgraduate qualifications, 38 percent in certificates and 17 percent in diplomas.

The most popular fields of study in 2002, were society and culture including, among other things, law, economics, philosophy, and sociology, making up 21.8 percent of total students. This was followed by management and commerce making up 21.6 percent of total students.

Students with disabilities in tertiary education grew by 17.9 percent between 1998 and 2002. In 2002, students with disabilities represented 4.8 percent of all students, up from 2.7 percent at 31 July 1998.

At the time of going to publication, formal completion data for 2002 was not available. The summary below relates to trends up to 2001.

Patterns of qualification completions broadly followed enrolment patterns. A total of 64,408 students completed nearly 68,823 programmes of study in TEIs, a 6.2 percent increase over the year 2000 and a 19 percent increase over the number of completions in 1997. More than half of all qualification completions in TEIs were at degree or postgraduate level.

There was a 47 percent increase in the number of students completing qualifications in PTEs in 2001. The majority of qualification completions within PTEs were lower-level awards, with certificates and diplomas comprising 72 percent and 22 percent of awards respectively.

### PATHWAYS TO TERTIARY EDUCATION

A total of 133,233 enrolments were supported by STAR funding. In addition, 1,162 students participated in a new transition programme called Gateway (launched in 2001) which enables senior secondary students to undertake formal workplace learning while they are still at school. Of those students who participated in Gateway in 2002, 22 percent moved on to full-time employment and 65 percent carried on to further training or education.

In 2002, the Adult Literacy Innovation Pool supported 36 programmes in 10 regions, including family literacy projects for Māori and Pasifika learners and refugee communities. The total number of adult literacy learners increased by 1,043 in 2002. Literacy Aotearoa provided literacy education to about 7,300 learners while 7,389 adult learners received English for Speakers of Other Languages (ESOL) tuition and resettlement support.

In 2002, 208,519 enrolments were made at Adult and Community Education programmes provided by 29 tertiary education institutions. This represented a rise of 145 percent since 2000. The number of school community education enrolments rose by about 1 percent in 2002 to 179,146.

In 2002, there were 11,512 EFTS in foundation-type courses at TEIs funded through the student component EFTS-based tuition subsidy system. This is a rise of 132 percent on 2001 (when there were 4,965 EFTS) and 955 percent on 2000 (1,091 EFTS). One of the reasons for the scale of the expansion of foundation enrolments at TEIs since 2002, is related to the growth in wānanga over that time. Wānanga recorded 67 percent of the total foundation EFTS in 2002.

In 2002, 19,198 trainees participated in Training Opportunities programmes. Of these trainees, 65 percent achieved positive outcomes. Fifty-one percent moved on to employment and 15 percent into further education and training, within two months of completing the programme. Over the same period, 12,530 trainees undertook Youth Training programmes. Over two-thirds (71 percent) of trainees who left Youth Training in 2002 moved on to further training or employment within two months of completing the programme.

### TERTIARY EDUCATION OUTCOMES

According to Census 2001, the proportion of the population aged 15 and over who reported having no qualifications was 27.6 percent, while the proportion reporting having bachelors or higher degree was 11.8 percent. The proportion with no qualifications has been falling since the Census of 1996 while the proportion with degree-level qualifications rose 9.6 percent.

The level of educational attainment for males and females was very similar in the population at large. There were significant differences between different age groups however. In younger age groups, more women held higher qualifications while over the age of 40, men were more likely to have higher qualifications.

The proportion of New Zealanders who completed diploma-level qualifications in 2001 is higher than the OECD mean in every age group. The proportion holding a degree-level qualification is similar to the OECD mean.

In 2001, 62 percent of New Zealanders completing a first degree were female, compared with the mean for OECD countries of 55 percent. In the same year, 41 percent of New Zealanders completing advanced research programmes were female, compared with the OECD mean of 38 percent.

The labour force participation for those aged 15 and over was 66.7 percent according to Census 2001. The labour force participation for males (73.8 percent) was significantly higher than that for females (60.1 percent). Those with no qualifications had a labour force participation rate of 55 percent, compared with a rate of 85 percent for those with a higher degree.

In general, income levels increase with the level of qualifications. On average, university graduates in full-time employment receive about 70 percent more income than those with no more than School Certificate (now NCEA level 1).



### MĀORI PARTICIPATION IN TERTIARY EDUCATION

Māori participation in tertiary education has been growing steadily over the 1990s, but it grew significantly from 19.4 percent in July 2001 to 22.1 percent of all domestic students in July 2002, whereas Māori comprised 12.8 percent of the total population aged 15 and over.

Māori enrolments have grown much faster than enrolments by other ethnic groups. Māori now have higher participation than non-Māori, even after adjusting for differences in the age profile of the Māori population. Māori participation is higher than non-Māori for all age groups except the 18 to 24 year old age group. 17.2 percent of the Māori population aged 15 and over were formally enrolled in 2002, compared with 11.4 percent in 2000. By contrast, 9.5 percent of the non-Māori population aged 15 and over were in tertiary education in 2002. The proportion of Māori undertaking study on a part-time basis has also risen sharply since 2000 after falling since 1997. Māori students are older than non-Māori.

Growth in Māori participation has occurred mainly in the three public wānanga. In particular there was strong growth in the number of enrolments in Te Wānanga o Aotearoa (TWOA). TWOA grew by 73 percent in the 2002 academic year, while the other two wānanga grew by 29 percent. On a full-year basis, 41.4 percent of Māori in tertiary study were enrolled in wānanga in 2002. Seventy-nine percent of students who attended wānanga during 2002 were Māori.

Māori women have a significantly higher rate of participation than Māori men.

However, Māori remain under-represented in enrolments and completions in higher-level qualifications. Sub-degree enrolments represented 77 percent of all formal enrolments by Māori and only 3.2 percent of all Māori tertiary students study at postgraduate level, compared with 9.2 percent for non-Māori.

Māori constituted 15 percent of the total number of Modern Apprentices, 48 percent of the trainees in Youth Training programmes and 42 percent of Training Opportunities trainees.

### PASIFIKA PARTICIPATION IN TERTIARY EDUCATION

Pasifika students comprise nearly 5 percent of enrolments in tertiary education. While the actual number of Pasifika students in TEIs has increased, the proportion of Pasifika students in the general population has increased more slowly from 4.2 percent in 1997 to 4.9 percent.

The increase of 4,365 Pasifika students (44 percent) since 1997 is half that of Māori (89.5 percent) in relative terms and twice that of non-Pasifika students (21.9 percent).

Growth in Pasifika enrolments has shifted away from PTEs to wānanga in 2002. The most popular place for Pasifika students is still at university, making up 33.1 percent of enrolments of Pasifika students.

Enrolments by Pasifika women have grown by 56 percent since 1997, while enrolments by Pasifika men have grown by 30 percent over the same period. Pasifika females made up 59 percent of total Pasifika students in 2002.

The majority of Pasifika students (64 percent) enrol in sub-degree level study compared to 54 percent of non-Pasifika students. Pasifika students are under-represented at postgraduate level. Only 4 percent of all Pasifika students studied at the postgraduate level, compared with 8.1 percent non-Pasifika students.

In 2001, 3,801 Pasifika students completed qualifications at tertiary education providers.

## RESEARCH OUTCOMES

As part of the tertiary education reforms, the Government developed new means of promoting and financing research in the tertiary education sector in 2002. The two most important are Centres of Research Excellence (CoRE) and the Performance-Based Research Fund (PBRF). The first CoREs were selected in March 2002 while the Government set out its decisions on the PBRF during 2002. The PBRF will be implemented progressively from 2004 to 2007.

The universities were responsible for the great majority of research activity in the tertiary education sector. They reported a total of 16,686 university publications and other research outputs in 2002, down by 7.4 percent on 2001 but up by 13 percent over the six years 1997 to 2002. In 2002, there were 2.3 publications per full-time equivalent academic staff member.

The value of the research top-up component of tuition subsidies in 2002 was \$115.3 million, of which 93.3 percent was allocated to the universities and 4.7 percent to polytechnics.

The research contract income earned by the universities was \$235 million, an increase of 7.6 percent since 2001. Research contract income represents nearly 13.1 percent of all revenue in universities. The average research contract earning per FTE academic staff member in universities was \$32,130 in 2002.

The number of enrolments in doctoral degrees increased by 5 percent in 2002. In 2002, women constituted 48 percent of all doctoral enrolments.

## PROVIDERS, SYSTEM CAPABILITY AND QUALITY FOR OUR KNOWLEDGE SOCIETY

In 2002, the tertiary education sector included 36 public tertiary education institutions and around 890 registered private training establishments.

The number of private training establishments (PTEs) recognised for government tuition subsidies has increased significantly over the last decade. In 2002, 84 new PTEs were registered for the first time. During 2002, 234 existing PTEs were recognised for government funding in the form of tuition subsidies and access to student loans and allowances. PTEs provide learning opportunities for around 17 percent of enrolled tertiary education students.

## FINANCIAL TRENDS AND PERFORMANCES AT TERTIARY EDUCATION INSTITUTIONS

The combined income of TEIs grew by 53 percent between 1996 and 2002 to reach \$2,744 million, of which 46.1 percent came from the Government's tuition subsidies and 28.8 percent from student fees. This is a reflection of increased student numbers and increased income from sources other than government funding and student fees. The total fee income from international students has increased more than 638 percent and income from research contracts has nearly doubled over this period. Colleges of education and wānanga are most heavily reliant on government funding. Polytechnics have the highest proportion of their income being generated by student fees (34.6 percent).

The average expenditure per EFTS in TEIs was \$11,846 in 2002, compared with \$12,170 in 2001.

In 2002, the reported net operating surplus for the public tertiary sector was \$114 million (4.2 percent of income), compared with a surplus of 2.9 percent of income in 2001. However, six TEIs reported a net operating deficit in 2002. Capital expenditure across the sector was \$354 million in 2002, slightly more than the capital expenditure in 2001 (\$334 million).

Collectively, the TEIs have assets valued at \$4,826 million. While there was considerable variation in the performance of TEIs, collectively they met or exceeded all four of the Ministry of Education's prudential benchmarks during 2002.

At the end of December 2002, TEIs employed 25,786 FTE staff up from 24,265 in December 2001, an increase of 16.9 percent between 1997 and 2002. Wānanga had a significant increase in the number of FTE staff (886 percent) between 1997 and 2002. This was due to Te Wānanga o Aotearoa's fourfold increase in student numbers between 2000 and 2002.

## RESOURCING TERTIARY EDUCATION IN NEW ZEALAND

The Government's budget for tertiary education increased by an estimated 8.1 percent in 2002/03 to \$3,562 million. Of this sum, around 48.2 percent funded student tuition subsidies, 26.7 percent funded student loans and 11.5 percent funded student allowances. A further 5.3 percent funded training for other programmes including industry training and transition programmes such as the Youth Training and Skill Enhancement programmes.

Total spending on EFTS tuition subsidies has increased by 14.8 percent from \$1,409 million to \$1,617 million in 2002. There was an increase in the number of funded EFTS places in 2002 from 194,322 to 220,340, an increase of 13.4 percent. Since 1997, the number of places has risen by 49.1 percent and the total value of tuition subsidies by 42.6 percent. The average tuition subsidy per EFTS place in TEIs increased by 1.2 percent between 2001 and 2002.

The number of places funded at wānanga grew by 192.4 percent between 2001 and 2002. The number of funded places at private training establishments also increased by 15.9 percent to reach 26,510.

Between 1997 and 2001, there was a significant rise in total tuition fee revenue of 58.6 percent. In 2002, fee revenue declined by 1.3 percent for all TEIs, despite the increase in student numbers over that time. This trend reflects the fee stabilisation policy implemented in 2001 and the move to zero fees at some providers.

## FINANCIAL SUPPORT FOR STUDENTS

In 2002, 150,575 tertiary students borrowed through the Student Loan Scheme to finance their study. This was an increase of 1.6 percent on the number of borrowers in 2001.

The student loan uptake rate increased from 55 percent of eligible students in 2000 to 56 percent in 2001 and to about 57 percent for 2002.

The average amount borrowed in the 2002 academic year was \$6,204, an increase of 1.1 percent on the average borrowing in 2001.

The average cumulative debt with Inland Revenue was \$12,643 per borrower in June 2002, an increase of 1.2 percent on the average debt in 2001.

At 30 June 2002, around 54 percent of student loan balances with Inland Revenue were under \$10,000, while 2.1 percent had a loan balance of over \$80,000.

At 30 June 2002, the total number of loans fully repaid since the scheme began was 106,918.

During the 2001/02 income year, 243,146 borrowers received a total interest write-off of \$168.5 million. A total of \$413.8 million has been written off in interest since 1992 with 80.6 percent of this amount being written off in the 2001 and 2002 fiscal years.

In 2002, 68,486 full-time students received student allowances, down by 2.5 percent from 70,219 in 2001. In addition, 10,279 students received assistance through either an A or B Bursary award, an increase of 5.7 percent on 2001.

The total numbers of students receiving a single student 25 years and over allowance rose by 26.1 percent between 1999 and 2002. Women represented 45 percent of that number to reach 8,870.

The largest group of allowances recipients (30,294 students or 38 percent of allowances recipients) was in the single 16 to 24 years of age category. Entitlement to this allowance type is dependent on a parental income test. The numbers of students in this category declined by 7.5 percent between 2000 and 2002. In this group women represented 53 percent of recipients.

The number of students with dependants in receipt of allowances reached 8,523 in 2002, a rise of 2.8 percent.

The amount of money paid out in student allowances in 2002 was \$355.1 million, an increase of just over 9 percent from \$325.6 million in 1999. Over this same period the accommodation benefit increased by 6.2 percent.

## THE YEAR 2002

### JANUARY

- The inaugural Tertiary Teaching Excellence Awards are announced. Three categories are included: Sustained Excellence, Excellence in Innovation, and Excellence in Collaboration; each of which will offer a \$20,000 award. There is also a Prime Minister's Supreme Award of \$30,000.
- Nationwide consultation on the first draft of the Tertiary Education Strategy begins and will run to the end of February, through regional workshops, hui and fono.
- Modern Apprenticeship numbers reach 2,000, an increase of 25 percent in three months.

### FEBRUARY

- Student Loan Scheme headline interest rates are to be held at seven percent for a third consecutive year.
- Pilot Tertiary Education Learning and Assessment Centres are to be established at Kaitaia and Porirua. They will offer support and advice to people with low-level school qualifications, to help them with study and exploring career options.

### MARCH

- *Highways and Pathways*, the report of the E-Learning Advisory Group chaired by Shona Butterfield, is published. The report focuses on learners and their needs, and includes recommendations for: government leadership; responses to Māori; quality assurance; funding; infrastructure and intellectual property.
- Five Centres of Research Excellence (CoREs) are announced. There had been 45 applications for the \$60 million fund. The successful five were chosen by an independent panel. The research focus and host institution of the CoREs will be:
  - Molecular Ecology and Evolution (Massey University)
  - Molecular Biodiscovery (University of Auckland)
  - Māori Development and Advancement (University of Auckland)
  - Advanced Materials and Nanotechnology (Victoria University of Wellington), and
  - Mathematics and its Applications (University of Auckland).
 In November 2003 two further CoREs were announced.
- A discussion paper, *Supporting Learning Pathways*, on credit recognition and transfer is released to all secondary and tertiary education providers. The Gateway programme is evaluated after one year. Gateway enables senior secondary students to learn towards national qualifications in real workplaces. Over 1,000 students in 24 schools and more than 200 employers have been involved. Employers, students and schools all endorse the programme.

### APRIL

- StudyLink (formerly Work and Income Student Services) reports that there have been 59,000 applications for student allowances and 134,000 for student loans.
- The Tertiary Consultative Group meets for the first time. It is made up of people from representative tertiary education sector organisations plus employer and worker organisations; public and private tertiary providers and industry training organisations; quality assurance bodies, tertiary students and staff; and government agencies.

## MAY

- *Building Futures*, the final report of the Training Opportunities and Youth Training review team, is published.
- The confirmed *Tertiary Education Strategy 2002/07* is released. It includes national goals, the key change messages for the tertiary system, and six strategies to: strengthen system capability; help achieve Māori development aspirations; raise foundation skills; develop specialist and generic skills; educate for Pasifika peoples' inclusion and development; and strengthen research, knowledge creation and uptake.
- Budget 2002 includes the announcement of a new tertiary funding system that will be aligned to both the TES and the tertiary reform legislation. The Integrated Funding Framework will include: funding for teaching and learning (part of which will be the Student Component); funding for research; targeted funding through a Strategic Development Fund. Specific tertiary funding increases (over four years) announced included:

• Industry Training Fund	\$14 million
• Modern Apprenticeships	\$41 million
• Gateway initiative	\$14.2 million
• Adult literacy	\$8 million
• Performance-Based Research Fund (PBRF)	\$90.2 million
• Research consortia	\$25.2 million
• E-learning support	\$4.5 million
• Polytechnic Regional Development Fund	\$5 million
• Strategic Development Fund	\$10 million
• Fee Stabilisation	\$214.3 million

## JUNE

- 14 tertiary educators are honoured at the inaugural Tertiary Teaching Excellence Awards.
- An experts group is announced to advise the development of the Performance-Based Research Fund. The chair is to be Professor Marsten Condor, University of Auckland.
- Eight members of the Tertiary Education Commission are announced. The six new members will join chair Dr Andrew West and deputy-chair Professor Kaye Turner, who were both appointed in August 2001.

## JULY

- The *Interim Statement of Tertiary Education Priorities (STEP)* for 2002/03 is published. It includes: key principles for this and future STEPs; the objectives and priorities within each of the six strategies of the TES, to be given immediate emphasis during 2002/03. The priorities are to be essentially the infrastructure and processes to support the TES.
- A Partnerships for Excellence framework is announced. This will be the formal mechanism through which joint public/private investments can be made at tertiary education institutions.
- A three-month trial of charters and profiles is launched by the Transition-Tertiary Education Commission. Sixty-one tertiary education organisations are to take part. T-TEC aims to create good-practice documents and processes and to encourage TEOs to align with the STEP.

## AUGUST

- More than 3,000 people (1,972 of them under the age of 18) are now in Modern Apprenticeships. This is an increase of 23 percent in three months and ahead of target. The goal is 6,000 by December 2003.
- The Collaborating for Efficiency project is initiated. The project will seek out and share best practice across the public tertiary sector, and facilitate the development of collaborative strategies amongst TEIs, including the sharing of services and innovations to increase efficiency and effectiveness.

**OCTOBER**

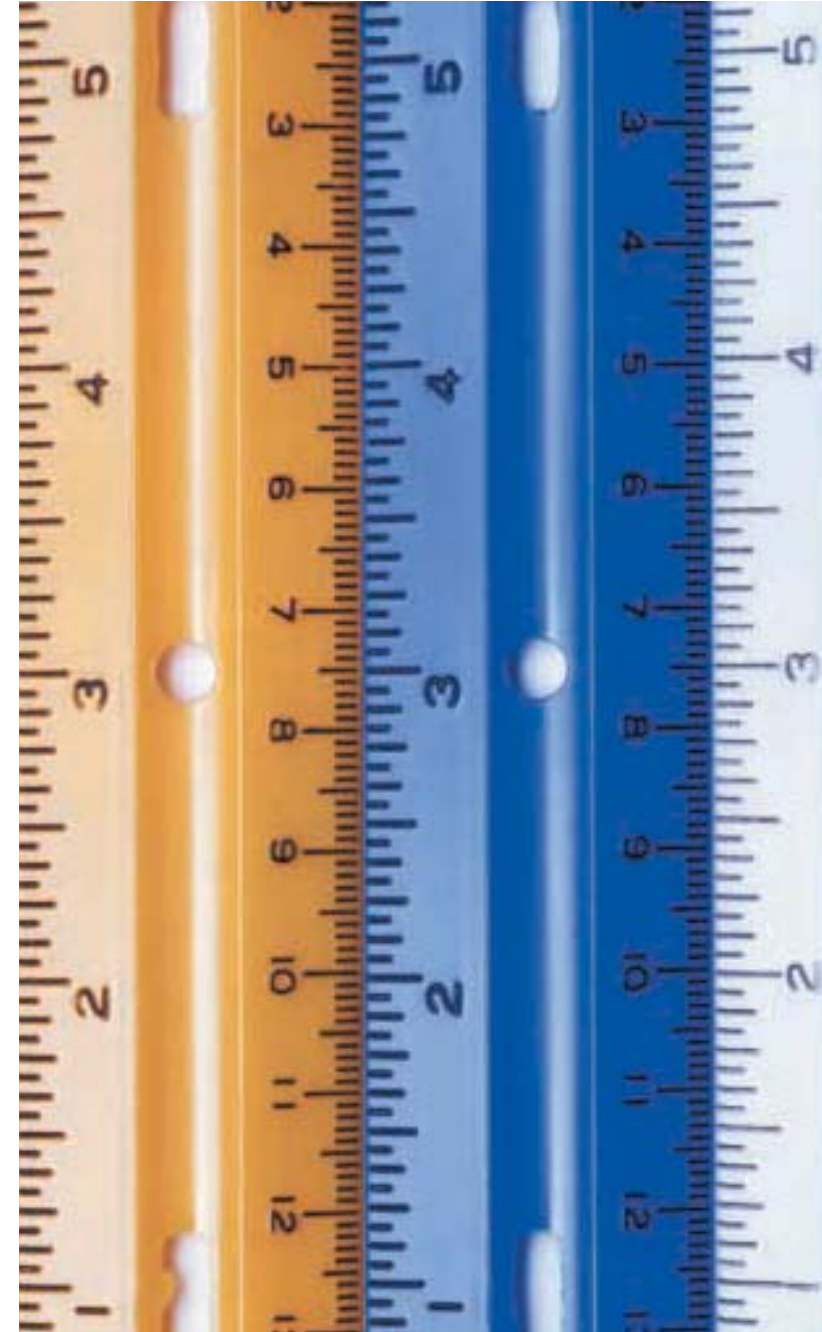
- The annual report of the Student Loan Scheme is tabled in Parliament. The report notes that half of all student loan borrowers have balances of less than \$9,069.
- The number of schools involved in the Gateway scheme is increased by 38 to 62.

**NOVEMBER**

- A review of the governance of TEIs is announced. It will be conducted by Professor Meredith Edwards of the University of Canberra.
- Two further Centres of Research Excellence are announced. Their research focus and host institution will be:
  - Advanced Bio-Protection Technologies (Lincoln University), and
  - Growth and Development (University of Auckland).

**DECEMBER**

- A reference group of 14 experts drawn from tertiary education organisations, staff associates and student bodies to advise on the development of fee maxima, for implementation in 2004, is appointed.
- The Education (Tertiary Reform) Amendment Act 2002 and the Industry Training Amendment Act 2002 are both passed by Parliament. The former lays down objectives for tertiary education in New Zealand, and establishes: the TEC; the TES and the STEP; a system of charters and profiles linked to funding approvals; and an integrated funding framework linked to the TES and the STEP. The new industry training legislation gives effect to the decisions of the 2001 review and improves the effectiveness and responsiveness of the industry training system.



## INTRODUCTION

The recent reforms to the tertiary education system were intended to create a more connected system. There are several critical shifts inherent in the reforms:

- a shift in focus from growth in participation and competition for enrolments to a focus on performance – in terms of student achievement, research outputs, and increased connections with key sectors of New Zealand
- recognition that the tertiary education sector represents a significant part of New Zealand's intellectual and human capital and, through this, the tertiary education system has the potential to make a big difference to New Zealand's national development, and
- recognition that building and focusing the sector's capability better would contribute to better social and economic outcomes.

Increased 'connectedness' implied a shift in the dynamics of relationships with the tertiary sector. In particular, the government is looking for tertiary providers to be much more responsive to the needs of communities, businesses, iwi and students. The reforms represented a shift in thinking within government about the tertiary sector – tertiary education is no longer seen simply as an education intervention but an important means of achieving goals and supporting strategies in other areas of policy.

The reforms are fundamentally about shifts in ways in thinking and relating. They are also about increasing the influence and role of key stakeholders over the tertiary education system and, in doing so, increasing the potential contribution the tertiary education system makes to New Zealand's national development. They are designed to shift the way providers thought about performance and relationships.

## chapter two

TERTIARY REFORMS IN 2002

### THE KEY ELEMENTS OF THE REFORMED SYSTEM

The *Tertiary Education Strategy 2002/07* (TES) published in May 2002, set out the Government's key goals for the sector and described how these goals are aligned to key national development goals. This document, developed following extensive consultation with the sector, business, community groups and agencies of government, is intended to provide a framework for the planning of tertiary education organisations. The *Statement of Tertiary Education Priorities* (STEP), which is developed from the Strategy, sets out those areas of the Strategy that are to be the particular focus in the short to medium term. An interim STEP was published in July 2002.

While the TES and the STEP set the focus for planning, the reforms have also set out the shape of planning and accountability by tertiary education organisations. Each funded organisation is required to have a charter that sets out its strategy for the medium term, while its shorter-term plans are to be set out in an annual profile.

The Tertiary Education Commission (TEC) is primarily responsible for implementing the TES. The Commission has the role of assessing charters and profiles, using an assessment of strategic relevance.

### THE EDUCATION (TERTIARY REFORM) AMENDMENT ACT 2002

The Education (Tertiary Reform) Amendment Act 2002 incorporates the changes to education legislation needed to implement the Government's tertiary education reforms. It is designed to ensure the provision of high-quality education that is aligned with national and tertiary education goals, and to safeguard the public investment in tertiary education.

As part of the Government's reform of the tertiary education system, it has identified three crucial interrelated elements upon which to focus. These are an emphasis on the tertiary education system's capability to achieve:

- excellence – because increased skills, knowledge and research alone are not sufficient without a focus on improving quality
- relevance – because without a focus on our nation's needs, tertiary education will not be able to make an effective contribution to New Zealand's development, and

- access – because to maintain our progress both socially and economically we must make the most of all our people's potential.

This Government views the achievement of these three characteristics as critical if New Zealand is to create a knowledge society that is recognised internationally for its quality and its creative and innovative people.

The Act introduced the following key mechanisms to steer the tertiary education sector and create a more strategic and coherent system:

- the TES which sets the strategic direction for the tertiary education system and the *Statement of Tertiary Education Priorities* (STEP) which sets out the medium-term priorities for the TES, government agencies, and TEIs
- the establishment of TEC to implement the TES through the allocation of funding and building of capability and relationships in the tertiary sector
- the introduction, for all tertiary education organisations, of charters and profiles which articulate the strategic direction and activities of tertiary education organisations and show how they will contribute to developing the strategic focus and capability of the system as a whole. The STEP provides criteria for determining the alignment of charters and profiles with the TES
- allocation of funding based on approval of charters by the Minister and of profiles by TEC following strategic dialogue between TEC and TEOs
- funding reforms that will support the development of system capability and focus the tertiary system on areas that are important to the future development of New Zealand and New Zealanders
- better integration of the Industry Training system, the Training Opportunities and Youth Training programmes and the Adult and Community Education sector within the wider tertiary education system
- strengthening of the New Zealand Qualifications Authority (NZQA) quality assurance mechanisms so that it will be able to make early interventions that will result in a better quality tertiary education provision.

These features of the system and the progress towards them are described in more detail below.

### THE TERTIARY EDUCATION COMMISSION (TEC)

In April 2002, a Transition Tertiary Education Commission (T-TEC) was established to provide for a smooth transition to the Tertiary Education Commission. Throughout 2002, T-TEC worked with Skill New Zealand and the Ministry of Education to advance the development of the elements of the new system.

The Tertiary Education Commission was established on 1 January 2003. The Commission, incorporating Skill New Zealand and the Tertiary Resourcing Division of the Ministry of Education, is governed by a Board that reports to the Minister.

The Commission has the following key functions:

- giving effect to the *Statement of Tertiary Education Priorities*
- negotiating charters and profiles with tertiary providers
- allocating funds to tertiary education providers and Industry Training Organisations (ITOs)
- building the capability of tertiary providers and ITOs, and
- conducting applied policy and programme research from a monitoring and evaluation perspective.

On 11 June 2002, the Associate Minister of Education (Tertiary Education) announced the members of the Commission. They are:

- Dr Andrew West (Chair)
- Associate Professor Kaye Turner (Deputy Chair)
- John Blakey, Chief Executive of the Forest Industries Training Organisation
- Shona Butterfield, Chief Executive of The Open Polytechnic of New Zealand
- Jim Donovan, Managing Director, Isambard Ltd and a member of the Government's ICT Taskforce
- Andrew Little, National Secretary of the Engineering, Printing and Manufacturing Union
- Tina Olsen-Ratana (Ngati Porou), Manager of Te Kōkiri Marae at Seaview and a board member of the New Zealand Qualifications Authority, and
- Dr Ian Smith, Deputy Vice-Chancellor (Research, Enterprise, and International) at the University of Otago.

### THE TERTIARY EDUCATION STRATEGY (TES)

To ensure that the tertiary education system contributes to national goals for economic and social development, a Tertiary Education Strategy has been developed through a national consultative process, which sets out priorities for strategic investment in the system. By providing a reference point for the activities of all agencies and organisations in the sector, the strategy will help achieve the paradigm shift sought by Government across all areas of the system.

The Associate Minister of Education (Tertiary Education) launched the *Tertiary Education Strategy 2002/07* in May 2002.

The Strategy articulates how the tertiary education system will:

- contribute to New Zealand's goals for economic and social development
- produce the knowledge that New Zealand needs to be a world leader in innovation
- produce the skills and competencies that New Zealanders need in order to fuel our economic growth, and
- develop the capabilities within the sector to meet the needs and expectations of enterprise and communities.

There are six specific strategies contained within the overarching Strategy:

- Strengthen System Capability and Quality
- Te Rautaki Mātauranga Māori – Contribute to the Achievement of Māori Development Aspirations
- Raise Foundation Skills so that all People can Participate in our Knowledge Society
- Develop the Skills New Zealanders Need for our Knowledge Society
- Educate for Pacific Peoples' Development and Success, and
- Strengthen Research, Knowledge, Creation and Uptake for our Knowledge Society.

### THE STATEMENT OF TERTIARY EDUCATION PRIORITIES (STEP)

The *Statement of Tertiary Education Priorities* details how tertiary education organisations and government education agencies will work to implement the Government's priorities for the tertiary education system as set out in the TES. The STEPs will also inform decision-making by the TEC about organisational activities and education provision.

All STEPs will be underpinned by the following key principles:

- providing a transparent set of practical guidelines for the implementation of the TES
- balancing the Government's priorities with the autonomy of tertiary education organisations to apply the Strategy and the STEPs differently depending on their different roles and the needs of their communities of interest
- awareness of government that no single tertiary education organisation can implement all aspects of the Strategy alone
- working in partnership to achieve the objectives and priorities of the Strategy and STEPs, and
- government providing clear and unambiguous priorities as a guide to planning by tertiary education organisations, government departments and agencies.

The interim STEP was published in July 2002. The STEPs guide the activities and education provision of all tertiary education providers and Industry Training Organisations (ITOs). A STEP for 2003/04 has since been gazetted and is discussed in chapter 12.

### CHARTERS AND PROFILES

One of the key features of the reformed tertiary education system is the new system of charters and profiles. All tertiary organisations that seek funding from TEC will have to have a charter and profile. A tertiary education organisation's charter and profile will set out its strategy and planned activities and explain how those activities contribute to the TES and to the system as a whole.

Charters are high-level governance documents providing a broad description of the provider's or ITO's mission and role in the tertiary education system. The charter indicates the type of education and other activities that the provider or ITO will position itself to deliver and the organisation's engagement with other providers and/or stakeholders. Charter approval is the first prerequisite for eligibility for public funding for quality assured providers.

The annual profile is to describe in greater detail the organisation's strategic direction, activities, policies and performance targets for the next three years. Profiles will be required of all publicly funded tertiary education providers and ITOs. The Commission is responsible for negotiating and agreeing on the composition of profiles. The profile contributes to a more detailed map of the tertiary education sector and establishes more consistent monitoring, reporting and accountability for publicly funded organisations.

Approval of the charter and profile is a prerequisite for access to public funding. The requirement for charters and profiles is included in the Education (Tertiary Reform) Amendment Act 2002. The system was trialled in 2002 and will be implemented for the 2004 academic year.

## THE INTEGRATED FUNDING FRAMEWORK

A new funding framework has been established to complement the goals and instruments in the tertiary education reforms and the TES. Its purpose is to resource, empower and to work in tandem with the other instruments of the tertiary reforms to ensure the goals of the TES are attained. It is built from a mix of funding modes and has three broad elements:

- funding for teaching and learning (through a combination of mechanisms including the new Student Component, the Industry Training Fund, Modern Apprenticeships, Training Opportunities and Youth Training, Gateway, Adult Literacy, Community Education, English for Speakers of Other Languages (ESOL) and other foundation education and Learning and Assessment Centres)
- funding for research (through Centres of Research Excellence funding and the new Performance-Based Research Fund), and
- targeted funding, through a Strategic Development Component.

The framework as a whole will have the following general features:

- Funding will be delivered to tertiary providers and ITOs as a bulk grant.
- No funding will be delivered until TEC approves part or all of the provider's or ITO's profile for funding purposes.
- The funding framework will be aligned with the goals of the *Tertiary Education Strategy 2002/07*.
- Over time, more funding will be put into high-performance areas that align with the Government's strategies and the *Statement of Tertiary Education Priorities*.

The policy also allows for a system of fee/course cost maxima, designed to ensure the affordability of tertiary education for New Zealanders.

The new funding framework will be largely in place from 2004, with funding levels for that year being announced in the 2003 Budget.

## FUNDING CHANGES FOR PTEs

In the 2002 Budget, the Government announced a package of funding changes for tertiary education for 2003. This package provides a transition year to the introduction of the new integrated funding framework from 2004.

A reduction in the tuition subsidy rates for Private Training Establishments (PTEs) of 9.5 percent was announced in the Budget. This reduction was intended to reflect the removal of a 'notional capital component' from PTE funding. The Government also announced a cap on equivalent full-time student (EFTS)-based funding of \$146 million for PTEs. This cap is to be managed in 2003 through:

- a partial cap on the number of EFTS-funded places in PTEs for 2003, in the first instance, limiting each PTE to the number of EFTS for which they were funded in 2001, and
- the creation of a strategic priorities fund, to be allocated by TEC, for growth in PTEs above their 2001 EFTS levels in priority areas of tertiary education well aligned to the TES.

## FEE STABILISATION

The Government has a goal of making tertiary education more affordable for students. During 2001, the Government announced a 5.1 percent increase in funding rates for 2002 for tertiary providers who agreed to maintain their fees for domestic students at 2001 levels. In total, the Government provided an additional \$68.7 million in 2002 to keep student fees at the same level as the year 2001.

The offer was made to all eligible tertiary education providers including universities, polytechnics, colleges of education, wānanga, PTEs, and some other tertiary education providers, such as the Schools of Dance and Drama.

An additional 4.5 percent increase in funding rates was made available in 2003 for providers that agreed to keep fee levels stable.

### CENTRES OF RESEARCH EXCELLENCE (CoREs)

Centres of Research Excellence have been established to support world-class research that will contribute to New Zealand's development as a knowledge society. The funding will encourage a greater concentration of intellectual and financial research resources in the tertiary sector and encourage greater networking. Centres of Research Excellence (CoREs) are inter-institutional research networks with researchers working together on a commonly agreed research plan. The first centres were selected in March 2002.

Each centre is hosted by a tertiary education institution and has demonstrated excellence in research collaboration with other stakeholders. Any tertiary education institution was eligible to become a CoRE host. The initial allocation was worth \$40.6 million over the following four years with a \$20 million capital contingency fund available to purchase strategic research assets. The following CoREs have been established:

- the Allan Wilson Centre for Molecular Ecology and Evolution – Host Institution: Massey University
- the Centre for Molecular Biodiscovery – Host Institution: University of Auckland
- New Zealand Institute of Mathematics and its Applications – Host Institution: University of Auckland
- Nga Pae o te Maramatanga (Horizons of Insight) – The National Institute of Research Excellence for Māori Development and Advancement – Host Institution: University of Auckland in collaboration with Te Wānanga o Aotearoa, and
- the MacDiarmid Institute for Advanced Materials and Nanotechnology – Host Institution: Victoria University of Wellington with contributions from the University of Canterbury.

Two further CoREs were created in early 2003.

A further \$27 million over three years with an additional \$40 million capital expenditure was announced in the 2002 Budget to provide funding for additional CoREs.

### THE EFFICIENCY STUDY

The Government has also established a group of working parties (including a range of sector representatives) to promote greater efficiencies within the tertiary sector through the identification and sharing of best practice. This work is funded for the 2002/03 year and has both a diagnostic and facilitative focus.

The review aimed to identify and recognise good practice and actively facilitate the implementation of recognised good practice through collaborative strategies, such as shared services, innovation and course delivery and design (this should focus on students, teaching, learning outcomes and research/development) and also activity-based costing.

### RECOGNISING EXCELLENCE – TERTIARY TEACHER AWARDS

The new government-funded tertiary teacher awards recognise that outstanding tertiary-level teaching is essential to the success of New Zealand as a knowledge society. The total funding for the awards for the years 2000/01 to 2004/05 will be \$1 million.

The four annual awards of up to \$50,000 provide national and professional recognition for excellent teachers in the tertiary education sector. The awards will be used to further the career of the recipient. The initial rewards were made to:

- Welby Ings, Auckland University of Technology
- Tracey Poutama-Mackie, People Potential Limited
- Nick Ashill, Victoria University of Wellington
- Dr Tim Bell, University of Canterbury
- Dr Delwyn Clark, University of Waikato
- Liz Fitchett, Waiariki Institute of Technology
- Jill Smith, Auckland College of Education
- Tim Wilkinson, Otago University
- Dr Tony Wright, Massey University
- Nola Campbell, Marilyn Taylor, Bill Ussher and Russell Yates, University of Waikato, and
- Oriel Kelly, Manukau Institute of Technology.

Prime Minister's Supreme Award:

Welby Ings, Principal Lecturer

School of Art and Design

Auckland University of Technology

Welby Ings is a leading design educator with outstanding commitment, integrity, creativity and love for teaching. He is held in the highest regard by both his students and colleagues due to his commitment to excellence and his particular gift to communicate that commitment to those around him. Welby's teaching is based on five basic principles – assessment, reflection, co-operative planning and reflective appraisal, research and passion. Welby has been previously recognised as a recipient of one of the AUT inaugural University Distinguished Teaching awards in 1999.

The tertiary teacher award scheme is administered by the New Zealand Qualifications Authority (NZQA), with the awards decided by a panel convened by NZQA, including academics and student representatives. All tertiary education teachers are eligible, including those in private providers. The best examples of tertiary education teaching will be shared nationally through an annual publication of best practice.

#### REVIEW OF TRAINING OPPORTUNITIES AND YOUTH TRAINING

The Training Opportunities and Youth Training programmes are educational programmes targeted at people with low or no qualifications and, in the case of Training Opportunities, who have histories of unemployment.

In 2001/02, a review of these programmes was undertaken, focusing on the key policy issues and possible policy directions. The review team was made up of sector experts and officials from the Department of Labour and the Ministry of Education. The team completed its work and submitted its final report in March 2002.

The review recommendations reflect three key directions for the future of these initiatives:

- that programme delivery should be flexible to meet the changing needs of learners and the labour market
- that programmes should be better integrated within the range of educational opportunities and employment assistance, with better co-ordination between government agencies, and
- that programme outcomes should be better specified to focus on sustainable employment, and/or further education and training.

#### E-LEARNING

Investment in e-learning is central to New Zealand's ongoing ability to participate in a high-technology world. While there are plenty of initiatives already happening in this area, the Government has established an E-Learning Advisory Group to co-ordinate and integrate current developments.

The Group is made up of 10 experts from tertiary education and from the information and communication technology sector and will provide advice to the Ministry of Education on New Zealand's e-learning infrastructure and capability, as well as future strategy.

The E-Learning Advisory Group released its report *Highways and Pathways: Exploring New Zealand's E-Learning Opportunities* in March 2002. The Advisory Group recommended the phased implementation of the following initiatives:

- the establishment of a tertiary e-learning consortium, comprising institutions with appropriate expertise in the area. The consortium would be funded by government to co-ordinate the development of e-learning within the tertiary sector
- the creation of a single electronic point of entry, a portal, for people to gain access to a wide range of information, services and resources offered by New Zealand's tertiary education sector. Over time it is envisaged that students would be able to enrol, learn, be assessed and transfer credit between providers and programmes using this portal, and
- the establishment of a Collaborative Development Fund (CDF) to provide capital for tertiary providers to access funds to develop their e-learning capability.





## INTRODUCTION

Raising the levels of foundation skills across the population is an area of key importance to our future economic and social development and, as such, is one of the goals of the *Tertiary Education Strategy 2002/07* (TES).

Foundation skills are those skills that underpin the ability to learn and participate fully in a knowledge society – including participation in the workforce. They include literacy, language and numeracy. The TES calls for a more systematic approach to supporting participation, retention and success in tertiary education for those lacking foundation skills. The challenge for New Zealand is to build on existing tertiary education initiatives that have demonstrated success in building the foundation skills of those who have not experienced success in the education system. Many initiatives are underway which are designed to help those with no or few foundation skills to enter tertiary education, to enhance their prospects for success at higher levels of study and to enable them to gain employment.

It is difficult to identify precisely the extent of foundation education undertaken by the tertiary sector. The programmes and courses where adult learners have an opportunity to develop foundation skills are provided by tertiary education institutions (TEIs), private education providers, adult and community education providers, and in industry. The Adult Literacy Strategy and the Adult ESOL (English for Speakers of Other Languages) Strategy provide a range of specialist programmes for specific groups of learners. Adult and Community Education provides another approach to participation.

## chapter three

PATHWAYS IN TERTIARY EDUCATION  
RAISING FOUNDATION SKILLS

## SUPPORTING STUDENTS TO ENTER TERTIARY EDUCATION

As the requirement for both generic and specialist skills in the workforce increases, it is becoming increasingly essential to provide assistance to people who lack the foundation skills or confidence to further their education through tertiary study.

### THE SECONDARY-TERTIARY ALIGNMENT RESOURCE (STAR)

The Secondary-Tertiary Alignment Resource (STAR) scheme has been available to secondary schools since 1996, enabling them to purchase courses, not conventionally available from schools, which lead to credits on the National Qualifications Framework. Unlike some other forms of funding for schools, STAR is not targeted at any particular group of students (for instance 'at-risk' students) but is instead available to all students. Those in Years 11, 12 or 13 may undertake full courses while short 'taster' courses may be taken by those in Years 9 and 10. Secondary schools apply for STAR funding annually. The funding is based on the number of equivalent full-time student (EFTS) places allocated to a school.

STAR's main purpose is to assist senior secondary school students in finding suitable pathways into work or further study at secondary or tertiary level by enabling schools to:

- facilitate smooth transition from schooling to employment, access to employment – including work-based learning – or access to tertiary study or training, and
- improve retention in senior secondary schooling.

A number of findings of a review of STAR conducted by the New Zealand Council for Educational Research (NZCER)<sup>1</sup> during the period March 2002 to March 2003 are set out below:

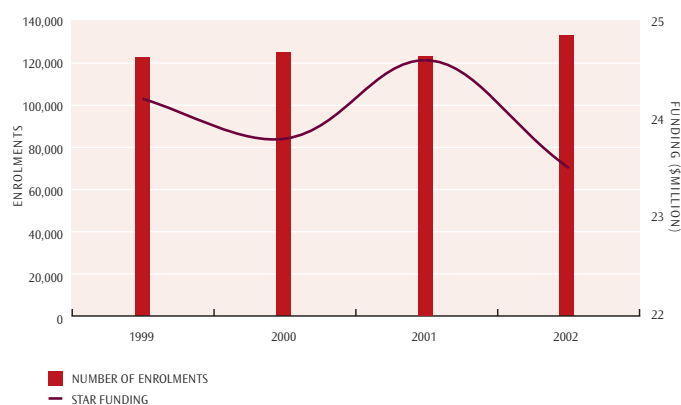
- The study reported that nearly all schools reported offering industry-related courses to students. Over half also offer short 'taster' courses to both junior and senior students. Almost half of the STAR courses running were described as 'tasters' or general skills courses. More than half of the schools reported that they offer courses specifically to meet the academic needs of students.
- Most STAR co-ordinators use external providers to deliver 'tasters' and senior level STAR courses. Just over a third of schools used external providers to deliver more than half of their STAR courses.

- Across all schools, Year 11 to 13 students had high participation rates in STAR-funded courses (between 40 and 60 percent). Nearly all schools had a system for assessing student needs and these systems varied widely. Nearly all co-ordinators reported using STAR to meet vocational or work experience needs. Two-thirds reported using it to keep students at school. Nearly two-thirds also reported that STAR met some students' needs for basic life skills.

Funding for STAR in 2002 was \$23.5 million, down from \$24.6 million in 2001 and \$23.8 million in 2000. In 2001, \$4.0 million was diverted from the STAR funding pool to the Gateway programme's 2001 and 2002 pilot years.

The total number of enrolments in STAR programmes was 133,233 in 2002, 123,305 in 2001, 124,482 in 2000 and 122,910 in 1999.

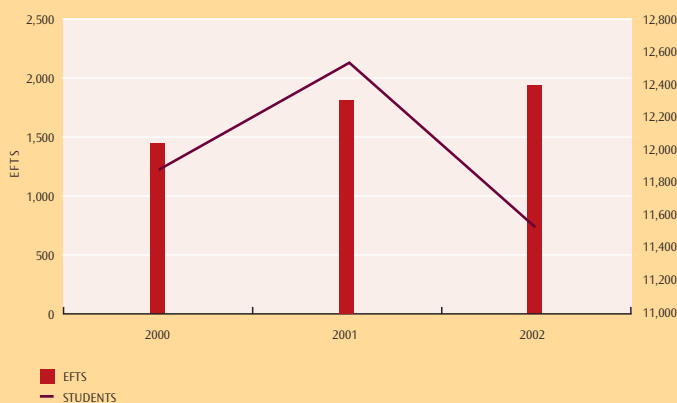
FIGURE 3.1: ENROLMENTS AND FUNDING FOR SECONDARY-TERTIARY ALIGNMENT RESOURCE (STAR), 1999-2002



Around 16 percent of all STAR enrolments were in tertiary providers (PTEs and TEIs) contracted by schools to provide STAR courses. The number of students taking STAR courses in tertiary providers has declined by 3 percent from 11,881 in 2000 to 11,529 in 2002. The number of enrolments by those students at PTEs and TEIs, however, has increased by 22 percent – from 17,608 in 2000 to 21,450 in 2002. The number of STAR-funded EFTS at TEIs and PTEs has increased by 34 percent, from 1,448 to 1,939 over the same period. Thus, while there may be fewer students undertaking STAR programmes at tertiary providers now, those who are enrolled are undertaking more study.

<sup>1</sup> Vaughn, K. and Kenneally, N. (March 2003) *A Constellation of Prospects, A Review of STAR, Report to the Ministry of Education, New Zealand Council for Educational Research.*

**FIGURE 3.2: STUDENTS AND EFTS IN SECONDARY-TERTIARY ALIGNMENT RESOURCE (STAR) AT PTEs AND TEIs, 2000-2002**



**GATEWAY**

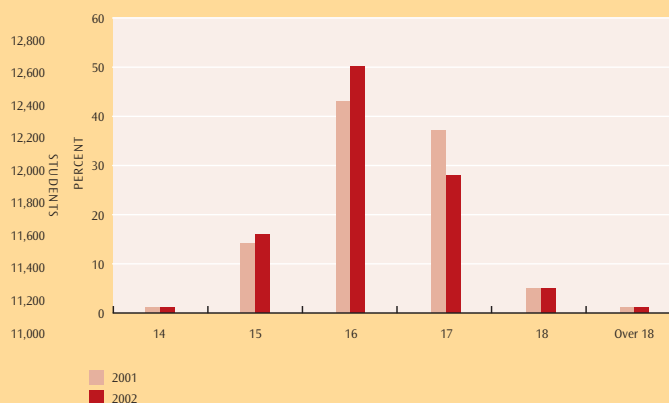
Launched in January 2001, Gateway is designed to broaden educational options for senior secondary school students by offering them workplace learning opportunities integrated into their general education provision. This workplace learning leads to assessment for credits linked to the National Qualifications Framework (NQF) and therefore counts towards national qualifications started in school. The programme is designed for decile one to five schools only. Students pursue individual learning programmes, gaining new skills and knowledge in a workplace or their local community as well as credits on the NQF.

Gateway contributes to the Government’s Youth Transition Goal that by 2007 ‘all 15 to 19 year olds will be engaged in education, training, work or other options that will lead to long-term economic independence and well-being’.

During 2002, a total of 1,162 students participated in Gateway, a 15 percent increase in student numbers on 2001, bringing the total number of students who have taken part since the start of Gateway to 2,170.

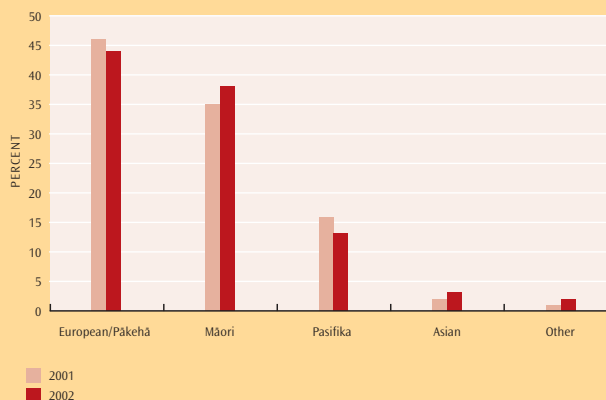
During 2002, 61 percent of students were male and 39 percent were female, almost identical figures to 2001. In both 2001 and 2002, most (95 percent) of students were less than 18 years old when they entered the programme.

**FIGURE 3.3: STUDENTS IN GATEWAY BY AGE, 2001-2002**



Gateway targets low decile schools where Māori and Pasifika students are over-represented. Gateway has been successful in attracting both these groups. Thirty-eight percent of students self-identified as Māori and 13 percent as Pasifika peoples, 44 percent as European/Pākehā, 3 percent as Asian and 2 percent as other ethnicities.

**FIGURE 3.4: STUDENTS IN GATEWAY BY ETHNIC GROUP, 2001-2002**

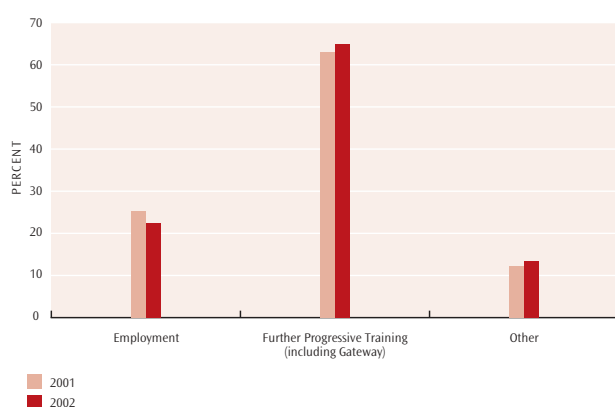


During 2002, students were placed in more than 40 different industries with the top five – hospitality, automotive, retail, tourism, and engineering – accounting for 37 percent of all students.

Gateway is improving retention in senior secondary schooling and providing pathways from school to employment (including work-based learning) or tertiary study. Outcomes for students participating in 2002 show Gateway has provided opportunities for some students to gain full-time employment on completion of their placement. Others have continued in full-time education.

Of the students who participated in Gateway in 2002, 22 percent (261) moved on to full-time employment, whilst 65 percent (757) of the students carried on to further training or education (many of these students choosing to return to school to complete qualifications). Of the 261 students who entered employment, 33 percent moved on to Modern Apprenticeships and 2 percent went on to other industry training agreements.

**FIGURE 3.5:** GATEWAY STUDENTS' POSITIVE OUTCOMES, 2001-2002

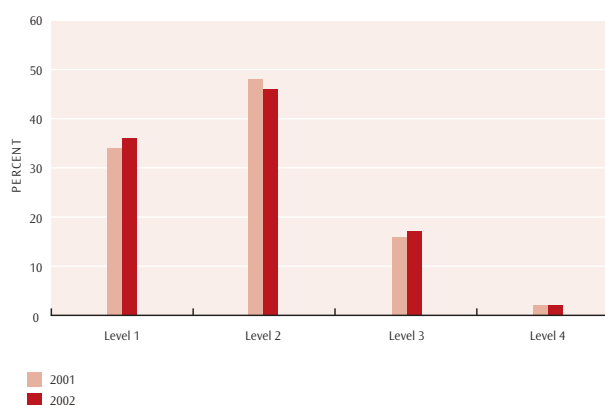


**Note:** Positive outcomes refers to the percentage of learners that progress on to employment or further education/training within two months of completing the programme.

During 2002, Gateway students achieved 11,322 NQF credits and Achievement Standards. Thirty-six percent of the total credits achieved were at level 1, 46 percent at level 2, 17 percent at level 3, and 2 percent at level 4 on the NQF.

Overall Māori and Pasifika students achieved more credits on average than other ethnic groups. A total of 158 Māori and Pasifika students achieved 20 credits or more. On average, students achieved 10 credits on the NQF in 2002 compared to an average of seven credits per student during 2001.

**FIGURE 3.6:** GATEWAY STUDENTS' CREDIT ACHIEVEMENT BY NATIONAL QUALIFICATIONS FRAMEWORK LEVELS, 2001-2002



Several new schools launched Gateway in their local community during December 2002.

### BRIDGING PROGRAMMES

Bridging education refers to the provision of courses and programmes designed to make it possible for students who are under-prepared, to meet the entry standards required for the course of study and eventual career of their choice and to develop the skills necessary for success in tertiary study. There is a significant mass of such programmes in Britain and the United States. In New Zealand the history of this work is shorter but from the mid-80s there has been a steady increase in numbers and quality. Most TEIs now offer bridging programmes, as do many PTEs.

In the last three years there has been a concerted effort by people managing and teaching on bridging programmes to develop cohesion and identity across bridging programmes. The New Zealand Association of Bridging Educators in its third year has been a strong expression of this intent. The association has provided an annual conference, networking for practitioners, professional development and fostered research. This activity benefits students accessing bridging education as it impacts on the quality and articulation of programmes.

The TES released in 2002 has signalled a significant focus on one element of bridging education, the provision of foundation skills for students whose preparation for further study and work is needed at levels one and two. Bridging education addresses this strategy. Bridging education also addresses the issues which surround ensuring that participation in tertiary study for under-represented groups does not merely replicate the inequities already apparent in participation, where groups such as Māori and Pasifika peoples are over-represented at the lower levels of tertiary study. Bridging education provides effective preparation for students wishing to enter tertiary studies at degree level hence providing an effective and equitable pathway.

A survey<sup>2</sup> of bridging programmes currently in progress identifies higher levels of participation in bridging programmes for Māori and Pasifika students than in the whole student population. This survey reports that 18.0 percent of bridging students were Māori, while 27.0 percent were Pasifika students. There were 2,218 students across the bridging programmes, in the six tertiary providers in this study, and this participation includes preparation for degree study.

The impact of bridging education has been the focus of small-scale outcome studies<sup>3</sup> and, while this work identifies the success bridging education has had in making tertiary study accessible, there is also much work to be done to reduce the cost to students.

### ADULT LITERACY

Low literacy is a major barrier to participation in lifelong learning and also severely limits employment options. Literacy programmes are designed to help people overcome this barrier.

The Government's adult literacy strategy, *More Than Words*, was launched by the Minister of Education in 2001 with three key goals:

- increasing opportunities for adult literacy learning
- developing capability in the adult literacy teaching sector, and
- improving quality to ensure that adult literacy teaching programmes and learning environments in New Zealand are world class.

The strategy provides a framework and an action plan for the development of new policy and improved funding. It will improve the capability and capacity of the adult literacy

teaching sector, build an appropriate quality assurance system and produce tuition resources appropriate for adult learners. Increasing opportunities will be made available through investment in new areas.

### RESEARCH IN ADULT LITERACY

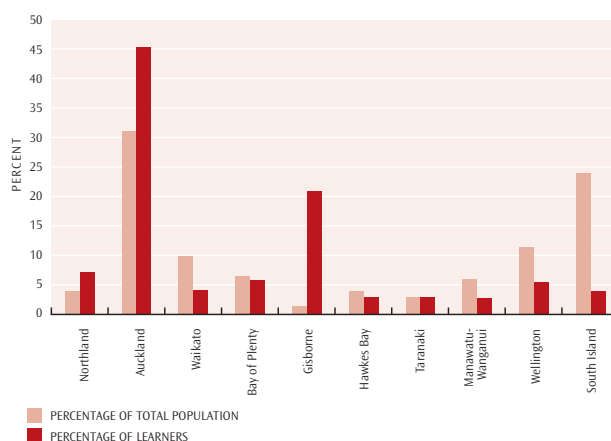
In December 2002, the University of Auckland produced, for the Ministry of Education, a review of academic adult literacy publications in New Zealand. This publication, *More Than Words: Literature Review of New Zealand Adult Literacy Research*, is available from the Ministry of Education. The study identified significant gaps such as in the identification of best practice in a range of New Zealand contexts. Further work will progress this in 2003.

### INCREASING OPPORTUNITIES

The Adult Literacy Innovation pool was established in 2002 to support provision of literacy education in adult literacy providers including TEIs, PTEs and communities working in partnership with adult literacy providers. In particular, new opportunities were created for family literacy projects, for Māori and Pasifika peoples and refugee communities. These new projects are documented in *More Than Words: Adult Literacy Innovations 2002*, available from the Ministry of Education.

In total, 36 programmes in 10 regions were funded through this pool. The total number of adult literacy learners increased by 1,043 as a result of this initiative. The following figure shows a regional analysis of this participation rate against total population proportions.

FIGURE 3.7: DISTRIBUTION OF LEARNERS IN ADULT LITERACY INNOVATION POOL PROGRAMMES BY REGION, 2002

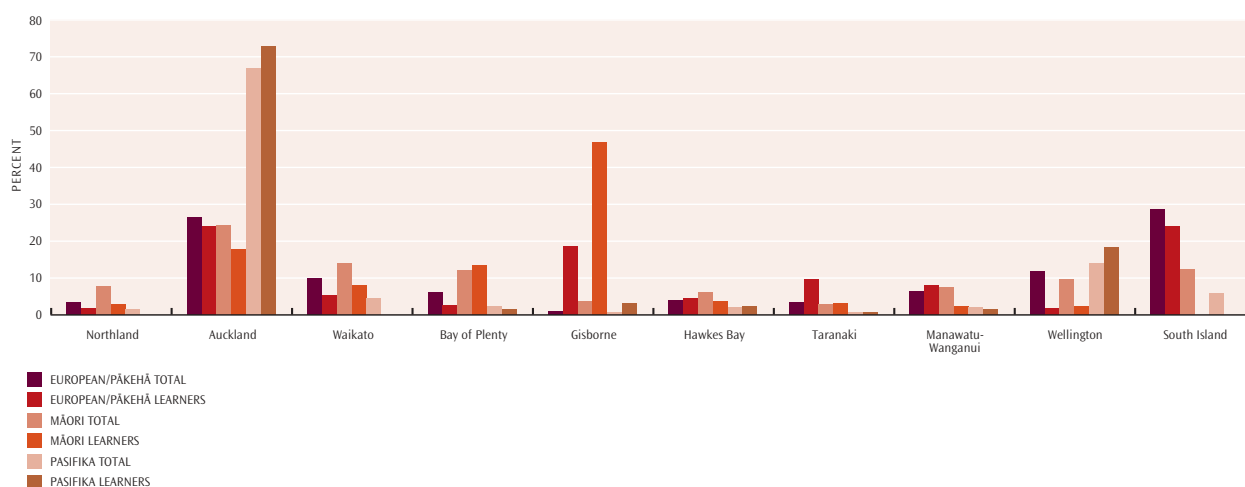


<sup>2</sup> The NZ Association of Bridging Educators Research Group (2003).

<sup>3</sup> Stephenson, M., Anderson, H., Millward, P., Rio, N. (2002) *The Voices from the Manukau Project*, Report to NZARE Conference, Palmerston North. Coltman, D. (2001-2002) MIT Foundation Education Programme's Annual Destination Studies.

An ethnic breakdown according to the target populations shows the following:

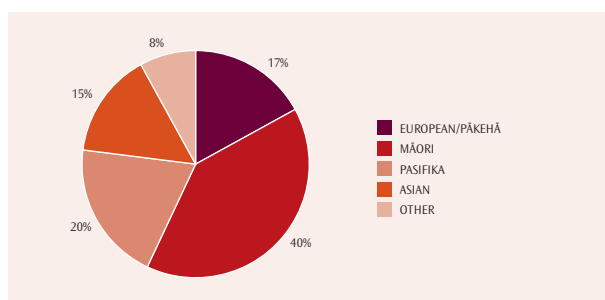
**FIGURE 3.8:** DISTRIBUTION OF LEARNERS IN ADULT LITERACY INNOVATION POOL PROGRAMMES BY ETHNIC GROUP AND REGION, 2002



Comparisons between the total population proportions by ethnic grouping and the proportions of learners by ethnicity show significant variances for Gisborne and the South Island. The variations for Gisborne are positively biased for both the European and Māori groups and reflect the high number of successful proposals funded for this area in 2002. The negative bias identified in the South Island results from the fact that there was just one successful application to the pool for the South Island in 2002. Specific targeting for the 2003 round has increased the South Island's number of providers.

There was an expectation that each initiative would target Māori and Pasifika learners. This emphasis was largely achieved for the 2002 programmes, with the exception of the South Island<sup>4</sup>. The following ethnicity information was collated from the final reports received. As a measure of meeting the policy targets, the proportions of total learner population compare favourably with the proportions of each target ethnicity in the population.

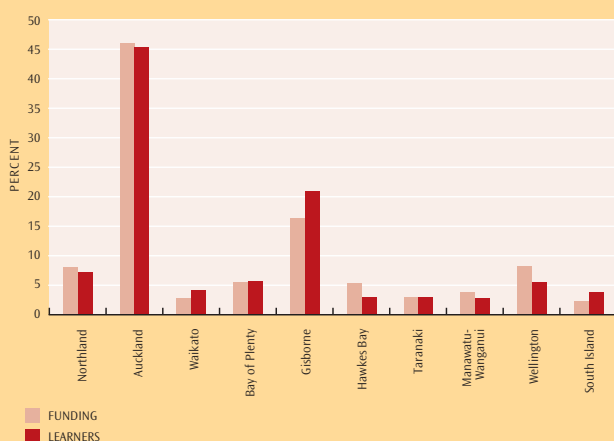
**FIGURE 3.9:** DISTRIBUTION OF LEARNERS IN ADULT LITERACY INNOVATION POOL PROGRAMMES BY ETHNIC GROUP, 2002



The total amount of funding that was allocated for the 2002 academic year was \$995,458. One programme was withdrawn after allocation, reducing the funding level to \$965,458. A maximum funding level of \$50,000 for each of the semester programmes was set in this initial year. The regional distribution of funding and comparison with learner percentages is shown on the next page.

<sup>4</sup> For this analysis it is assumed that there is an even spread of literacy needs across the total population and regionally. Any regional biases have not been factored in.

**FIGURE 3.10: DISTRIBUTION OF FUNDING AND LEARNERS IN ADULT LITERACY PROGRAMMES BY REGION, 2002**



This first round of final reports noted that, for at least half of the programmes, the following positive achievements and examples of good practice were evident:

- development of individual learning plans
- programmes based on the assessment of learners' needs
- participation rates meeting the 90 percent target
- clear tracking of learner progress
- variety of teaching resources used to support programme delivery, and
- the systematic use of feedback to support learner gains.

The following suggestions for improvement were common to a significant number of providers:

- strengthening learner involvement in goal setting, learning plans and evaluation
- detailing the literacy and numeracy intervention process more clearly
- designing a more specific literacy and assessment tool for the identified group of learners, and
- providing active learning and literacy models for tutors and learners.

### ADULT LITERACY ACHIEVEMENT FRAMEWORK

In 2002, the Ministry of Education commenced development of a framework of six achievement profiles to enable tracking of literacy gains for adult learners in reading and writing. The Adult Literacy Achievement Framework (ALAF) has the intention of creating a common language around literacy gain for learners, tutors and providers and will form the basis of significant professional development for tutors. A pre-trial of the framework confirmed the usefulness of such an approach. In 2003, a first stage of trials and associated professional development will take place.

### QUALITY ASSURANCE

An Adult Literacy Quality Mark (ALQM) was developed by the sector during 2002. The ALQM comprises three aspects: practices for providers, staff and learner provision. The NZQA has developed, and will trial, self-assessment requirements with literacy providers in September and October 2003.

### TUTOR CAPABILITY

In 2002/03, the Ministry of Education has worked with the NZQA in developing Adult Literacy Educators' Unit Standards for both vocational tutors and literacy specialists at certificate level. It is anticipated that this qualification will be registered on the NQF in 2004.

### WORKPLACE LITERACY EDUCATION

A number of successful workplace literacy pilots and programmes were run in 2002 through Workbase, the National Centre for Literacy and Learning. Workplace literacy programmes were delivered to more than 40 businesses nationally. TEC worked with five Industry Training Organisations (ITOs) on workplace literacy projects in 2001. A Workbase Basic Skills Development Fund, directed to increasing opportunities for Māori and Pasifika learners and developing provider capability, was established in 2001. Subsidies were granted for 10 programmes in 2002. The Pasifika pool was also established to target programmes where at least 60 percent of the learners in each programme were Pasifika peoples. Four Pasifika programmes were funded in 2002. In all, in 2002, 25 percent of Workbase learners were Māori and 53 percent Pasifika learners.

### COMMUNITY LITERACY EDUCATION

In 2002, Literacy Aotearoa's 51 member organisations provided literacy education to 7,285 learners. A total of 1,970 tutors, mostly volunteers, were involved in this provision. In 2002, 340 new tutors were trained and 275 were assessed. In addition to community-based programmes, there was considerable provision of literacy education to vocational learners, prison inmates and periodic detainees. Literacy Aotearoa received funding for seven whānau/family literacy projects (120 students, of whom 72 percent were Māori) and for one Pasifika literacy project. The Pasifika project involved a number of initiatives with 128 learners participating. In 2002, 35 percent of Literacy Aotearoa's community adult literacy learners were Māori and 6 percent Pasifika peoples.

### MIGRANT LITERACY EDUCATION

The National Association of ESOL Home Tutor Schemes and the Multicultural Centre for Learning and Support Services (MCLaSS) provided English language skills and resettlement support for migrants in 2002. Achievements in 2002 included:

- 7,389 adult learners received ESOL tuition and resettlement support from 3,419 volunteers
- of those 7,389 learners, 1,638 were refugees, asylum seekers or in the family reunification category
- 1,086 new volunteers were trained to Certificate level and 108 in-service workshops took place, and
- MCLaSS provided 23 courses in orientation and ESOL, language maintenance, teacher training, parenting skills and interpreter training for 308 adult learners; and provided intensive ESOL literacy instruction and related training for at least 45 adults seeking employment.

Family Literacy projects for refugee adults were undertaken with Somali and Ethiopian refugee communities and in two schools to pilot provision of literacy education for new arrival communities from Myanmar. A review of these projects will be undertaken in 2003.

### ENGLISH FOR MIGRANTS

Introduced in 1999, English for Migrants offers English language training for new arrivals in New Zealand. The programme takes a different approach to the purchase of training. The funding is not provided by the Crown; rather the learner pays the tuition fee in advance as part of the immigration process. Providers are contracted to deliver English language to suit the needs of migrants. Migrants have up to three-and-a-half years to take up their training.

A total of 963 migrants commenced training during 2001, compared with 335 in 2000. By 31 December 2001, a total of 4,121 migrants had paid their tuition fee through the New Zealand Immigration Service. During 2001, 135 completed their English language programmes, bringing to 273 the total number who had completed English language programmes.

### ADULT AND COMMUNITY EDUCATION

Adult and Community Education (ACE) provides a bridge to further learning opportunities. This is an important area of education that fosters a culture of lifelong learning, active citizenship, critical and social awareness and increased control over the future for individuals and communities.

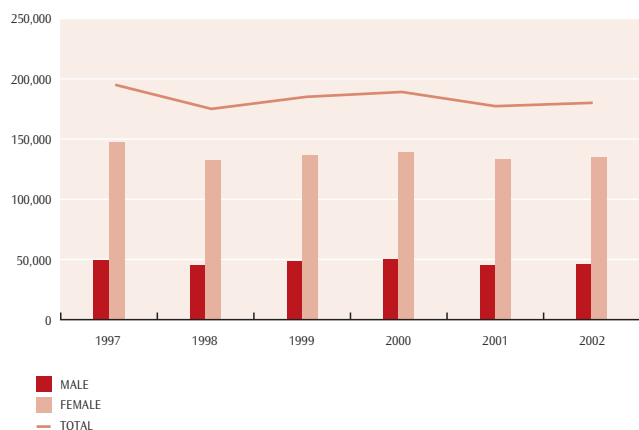
In 2002, it was estimated that there were approximately 179,146 enrolments in ACE through schools, 208,519 enrolments in community and general education at TEIs, and 1,004 EFTS in The Correspondence School (TCS). There was also ACE provision by Rural Educational Activities Programmes (REAPs), and other community learning funded by grants allocated by Community Learning Aotearoa New Zealand (CLANZ), which is funded as an 'other tertiary education provider' (OTEP).

### ACE OFFERED BY SCHOOLS

Schools continued to provide community education programmes for adults, in addition to their regular daytime curriculum. The number of school community education enrolments rose by about 1 percent in 2002 to 179,146<sup>5</sup>, compared with 177,347 in 2001 and 188,339 in 2000. In 2002, 75 percent of the participants were female.

<sup>5</sup> This included 198 students who enrolled in secondary school subjects.

**FIGURE 3.11: ENROLMENTS IN COMMUNITY EDUCATION AT SCHOOLS BY GENDER, 1997-2002**



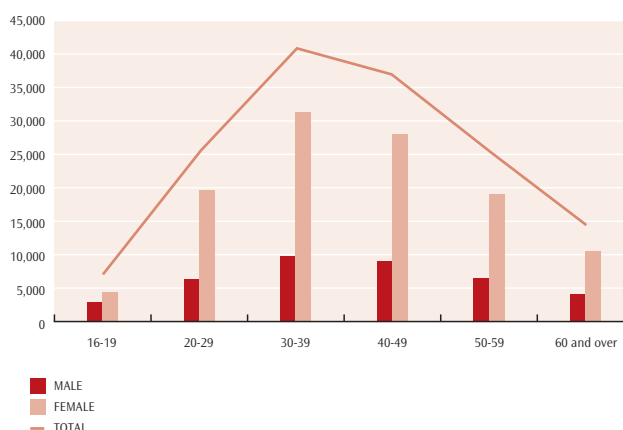
Government-funded school community education programmes include: adult foundation learning (such as numeracy, literacy and ESOL), art, music, crafts, humanities, Māori language and culture, other languages, communication skills, training for volunteer community workers, parent education courses, computing, business/office skills, sciences, health, fitness, sport, recreation, home management/maintenance, and courses developed to meet a defined community need or for personal development (such as life skills, anger management and self-defence courses for women).

Other activities, particularly recreational courses such as wine-tasting, were offered by schools on a self-funded basis.

The most popular course categories were art, music and crafts, followed by fitness, sport, recreation, computing, home management and ESOL.

The most common age group for enrolments was the 30 to 39 age group, with the 40 to 49 age group close behind. In most age groups, the female to male ratio was around 3:1, except in the 16 to 19 age group where males accounted for nearly 40 percent.

**FIGURE 3.12: ENROLMENTS IN COMMUNITY EDUCATION AT SCHOOLS BY AGE AND GENDER, 2002**



In 2002, there were 15,858 enrolments by people of Asian ethnicity in school community education courses. The majority of these (55 percent) were enrolled in ESOL courses. For those who recorded their ethnicity as Māori (8,751), the most popular course categories were Māori language (1,121), computing (1,132) and art, music and crafts (1,553). Those who reported their ethnicity as Pasifika totalled 3,745. The most popular course categories for these Pasifika enrolments were computing (568) and art, music and crafts (425).

Adult community groups have access to CLANZ funding for non-formal community education activities. This funding gives priority to grant applications for projects and courses without easy access to other funding sources, which are organised by local and regional rather than national organisations, and which are conducted in small communities in rural settings.

#### ACE OFFERED BY TEIs<sup>6</sup>

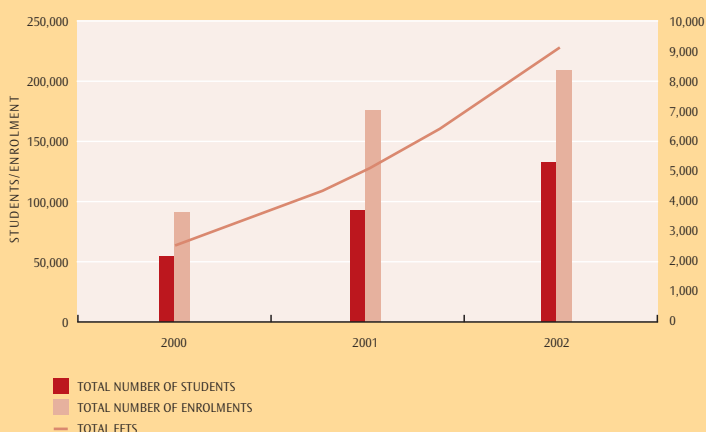
In 2002, community education programmes were provided by 29 tertiary education institutions, including five universities, 20 polytechnics, three colleges of education and one wānanga. Polytechnics enrolled 77 percent and universities 17 percent of TEI sector community education enrolments.

The number of students in tertiary community education programmes increased by 145 percent between 2000 and 2002 (from 53,626 to 131,415 students), while the total number of

<sup>6</sup> The analysis of TEI ACE is based on enrolments of type C students, classified as 5.1 – Community Education; Non-Formal Education. Type C students refers to students taking up community education courses and courses taken for personal interest.

enrolments made by those learners rose by 132 percent from 89,698 in 2000 to 208,519. A further appreciation of the scale of the rise in community education provision by TEIs comes from translating those enrolments into EFTS places. The number of community education EFTS in TEIs increased by 259 percent from 2,527 in 2000 to 9,090 in 2002. The funding for those enrolments increased by 278 percent from \$12.7 million in 2000 to \$48.2 million in 2002.

**FIGURE 3.13:** STUDENTS, ENROLMENTS AND EFTS IN COMMUNITY EDUCATION IN TEIs, 2000-2002



The majority of students enrolled were of mature age: 68 percent were aged 35 years or more, and 61 percent of community education students at tertiary education institutions in 2002 were female.

65 percent (85,176) of students participating in tertiary community education programmes at TEIs were European/Pākehā, 13 percent (17,787) Māori, 5 percent (6,182) Asian, 3 percent (4,195) Pasifika students and the remaining 14 percent were in other ethnicity groups who participated in tertiary community education programmes.

### FOUNDATION SKILLS AND SUSTAINABLE EMPLOYMENT

The government funds a range of transition, pre-employment, life and job skills programmes which provide learners with foundation skills and sustainable employment outcomes. These programmes include the Training Opportunities and Youth Training programmes, while other foundation education programmes are funded through student component funding at public tertiary education institutions.

### FOUNDATION EDUCATION IN TEIs

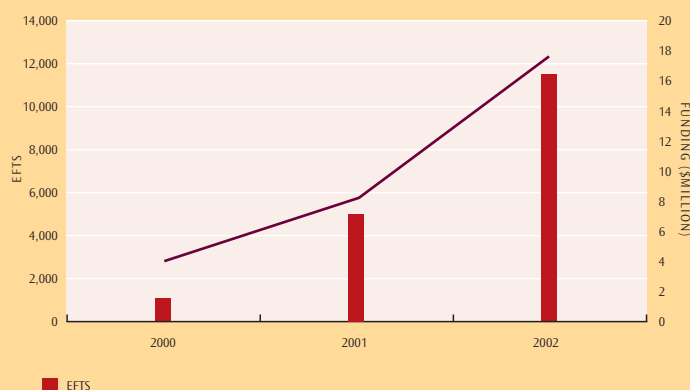
Many tertiary education institutions offer foundation-type qualifications that are funded through the EFTS-based tuition subsidy. In addition, there are courses containing foundation-level material that are offered as part of other qualifications<sup>7</sup>.

In 2002, there were 11,512 EFTS in foundation-type courses at TEIs funded through the student component EFTS-based tuition subsidy system. This is a rise of 132 percent on 2001 (when there were 4,965 EFTS) and 955 percent on 2000 (1,091 EFTS).

The sub-sectors most heavily involved with foundation type learning are the polytechnics and the wānanga. The wānanga recorded 7,740 or 67 percent of the total foundation EFTS in 2002. In 2000, their share amounted to 39 percent. While foundation EFTS in the polytechnics rose between 2000 and 2002 by 475 percent (from 646 to 3,715 EFTS) their share of the total fell over that period from 59 percent to 32 percent.

The funding for these enrolments rose by 338 percent between 2000 and 2002 from \$4.05 million to \$17.8 million.

**FIGURE 3.14:** FOUNDATION EDUCATION EFTS AND FUNDING IN TEIs, 2000-2002



<sup>7</sup> Foundation-level education, for the purposes of this analysis, is learning classified as levels 1 or 2 on the NQF.

One of the reasons for the scale of the expansion of foundation enrolments at TEIs since 2002 is related to the growth in wānanga over that time. In particular, Te Wānanga o Aotearoa (TWOA) has increased its activities in foundation education very significantly. The wānanga's Mahi Ora programme is a free, home-based 12-month distance-learning programme offered to students across New Zealand which leads to the National Certificate in Employment Skills. This programme offers instruction in book, video and audio cassette learning media. This mixed mode approach has enabled students to study at home. The programme covers all aspects of life-work, educational choices, health, finance, housing and business development within a Māori context.

This qualification has been very successful in encouraging many people into tertiary education for the first time.

The Mahi Ora programme enrolments made up approximately 60 percent of TWOA's enrolment (10,000 students) in 2001, increasing to 14,184 students in 2002<sup>8</sup>.

**TABLE 3.1: ENROLMENT PROFILE OF MAHI ORA**

	2001	2002
Ethnicity	89 percent Māori	80 percent Māori
	8 percent European	15 percent European
	3 percent other	5 percent other
Gender	79 percent female	80 percent female
Age	60 percent over 25 years of age	Average 33 years
Tertiary	48 percent undertaking tertiary education for the first time	51 percent undertaking tertiary education for the first time
Secondary	70 percent have no formal secondary qualifications	66 percent have no formal secondary qualifications
Prior Activity	54 percent beneficiaries	51 percent beneficiaries
	21 percent worker or self-employed	26 percent worker or self-employed
	25 percent carrying out other studies or in unpaid employment	23 percent carrying out other studies or in unpaid employment

Source: Te Wānanga o Aotearoa Annual Report 2001 and 2002.

## TRAINING OPPORTUNITIES

Training Opportunities is a labour market programme designed for people who are significantly disadvantaged in terms of employment and educational achievement. Eligibility for the programmes is related to a lack of foundation skills and difficulty finding and sustaining employment.

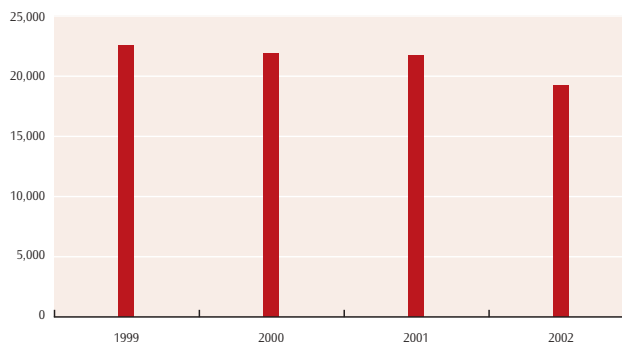
Training Opportunities provides full-time, fully funded training options to targeted clients of the Ministry of Social Development and Workbridge. The focus for Training Opportunities is to give people the skills and credits towards qualifications that will assist them to move into work. The majority of learners enter the programme with no or low qualifications.

Training covers a wide range of learning opportunities from generic and life skills to specific pre-employment skills for industry. Work experience is an important part of vocational courses. Work-based training, where learners are placed with employers for on-job training, is also available.

Training is customised to meet individual needs so trainees can maximise their chances to achieve qualifications and employment outcomes. Training providers are expected to support learners by assisting them into employment, or providing pathways for them into further vocational education and training.

A total of 19,198 individuals participated in Training Opportunities during 2002, compared with 21,658 in 2001 and 21,909 in 2000.

**FIGURE 3.15: LEARNERS IN TRAINING OPPORTUNITIES, 1999-2002**



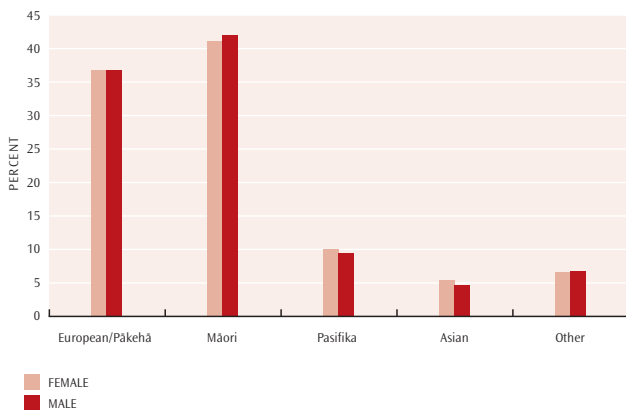
<sup>8</sup> Te Wānanga o Aotearoa Annual Report 2002.

### LEARNERS' PROFILE BY ETHNICITY

The proportion of trainees identified as European/Pākehā in Training Opportunities was 38 percent on average during 2002, compared with 37 percent in 2001.

At 31 July 2002, 42 percent of Training Opportunities participants were Māori and 10 percent were Pasifika. Female participants made up 54 percent of the total learners. The proportion of Māori, Pasifika peoples and women participating in Training Opportunities is comparable to the proportion of these target groups registered as unemployed/seeking work with the Ministry of Social Development (MSD)<sup>9</sup>.

**FIGURE 3.16:** LEARNERS IN TRAINING OPPORTUNITIES BY ETHNIC GROUP AND GENDER, 2002



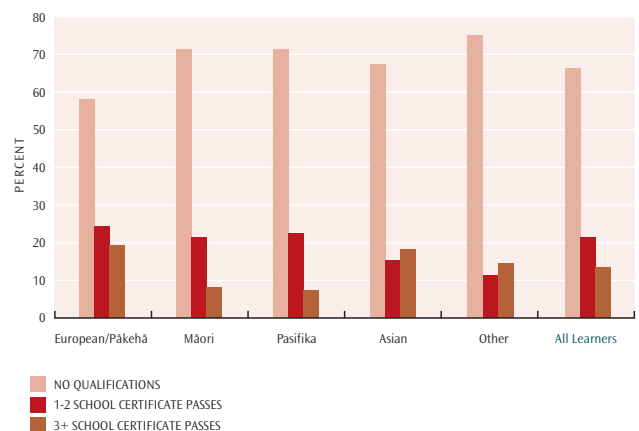
### LEARNERS BY ELIGIBILITY

During 2002, 70 percent of all learners entering the programme were MSD clients, compared with 73 percent in 2001. This encompasses long-term unemployed people, people in receipt of the Domestic Purposes Benefit (DPB) and those receiving the Widow's Benefit (WB). The largest group of MSD clients were the long-term unemployed – 46 percent in 2002 and 50 percent in 2001. Workbridge clients made up the second most significant group of learners – 24 percent in 2002, compared with 21 percent in 2001. The remainder of learners (6 percent) were refugees, low qualified school-leavers, people moving from Youth Training or others, such as Ministry of Justice referrals.

### QUALIFICATIONS ON ENTRY

Training Opportunities targets people with a significant unemployment history and low qualifications. Most participants undertaking Training Opportunities had no or low qualifications. During 2002, 66 percent of learners entering the programme had no qualifications, compared with 69 percent in 2001. 21 percent had one or two School Certificate passes in 2002, compared with 19 percent in 2001 and 13 percent had three or more School Certificate passes in 2002, compared with 12 percent in 2001. Māori and Pasifika learners and learners from other ethnic groups were the most likely to enter the programme with no qualifications.

**FIGURE 3.17:** LEARNERS IN TRAINING OPPORTUNITIES BY PRIOR QUALIFICATION(S) AND ETHNIC GROUP, 2002



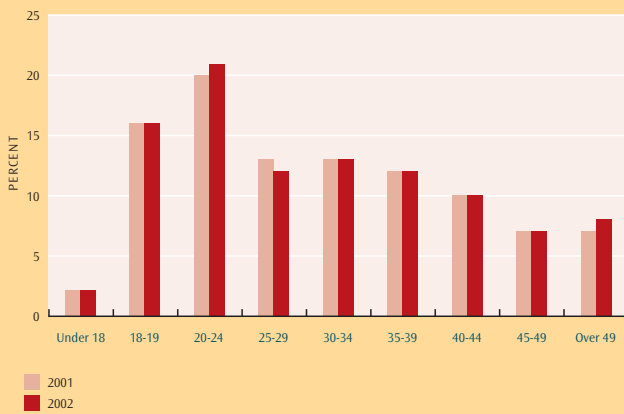
### LEARNERS' AGE

There was a wide range of age groups undertaking Training Opportunities during 2002. Most learners (84 percent) were aged between 18 and 44 years of age. Only 2 percent of learners were aged 17 or younger. There was no real difference between ethnicity and age groups both in 2001 and 2002.

<sup>9</sup> For instance, Ministry of Social Development data indicates that at 30 June 2001, 41 percent of the people with low qualifications, registered as seeking work for 26 weeks or more, were Māori, while 42 percent of trainees are Māori.



**FIGURE 3.18:** LEARNERS IN TRAINING OPPORTUNITIES BY AGE, 2001-2002



### LEARNERS' GEOGRAPHICAL DISTRIBUTION

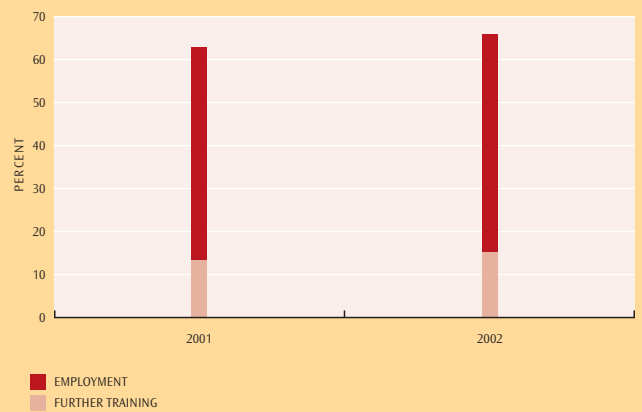
On average there were 7,883 learners in training at any one time during 2002, compared with 8,187 in 2001. Most learners (80 percent) were located in the North Island and in particular the Auckland region, where over a quarter of all learners undertook training.

### OUTCOMES

Final results for 2002 show that 65 percent of all learners who left Training Opportunities achieved a positive outcome within two months of leaving the programme, compared with 63 percent in 2001. Most of these learners moved on to employment (51 percent) while the remainder (15 percent) progressed into further training or education outside the programme. Of the learners who progressed on to further training during 2002, 4 percent went on to higher tertiary training at a polytechnic or university and 11 percent progressed to other full-time training.

Results from 2002 confirm that the overall performance of Training Opportunities has continued to improve over time. The proportion of learners moving into employment or further training has increased by 22 percent since 1993, when

**FIGURE 3.19:** TRAINING OPPORTUNITIES LEARNERS' POSITIVE OUTCOMES, 2001-2002

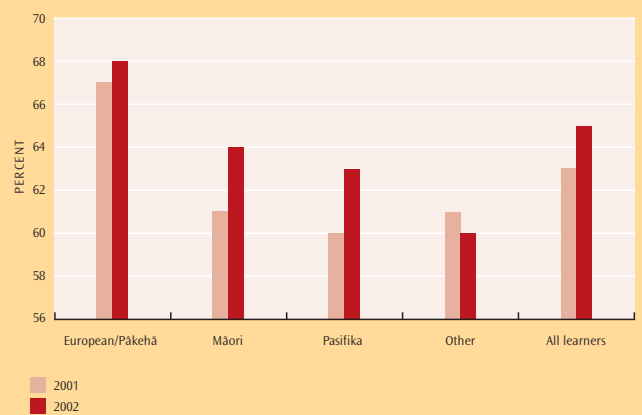


**Notes:** Percentages may not add up exactly due to rounding.

Positive outcomes refers to the percentage of learners that progress on to employment or further education/training within two months of completing the programme.

positive outcomes from Training Opportunities have increased for Māori by 26 percentage points since 1993 and by 20 percentage points for Pasifika trainees since 1993. The percentage of positive outcomes for each ethnic group in 2001 and 2002 is shown below.

**FIGURE 3.20:** TRAINING OPPORTUNITIES LEARNERS' POSITIVE OUTCOMES BY ETHNIC GROUP, 2001-2002



**Note:** Positive outcomes refers to the percentage of learners that progress on to employment or further education/training within two months of completing the programme.

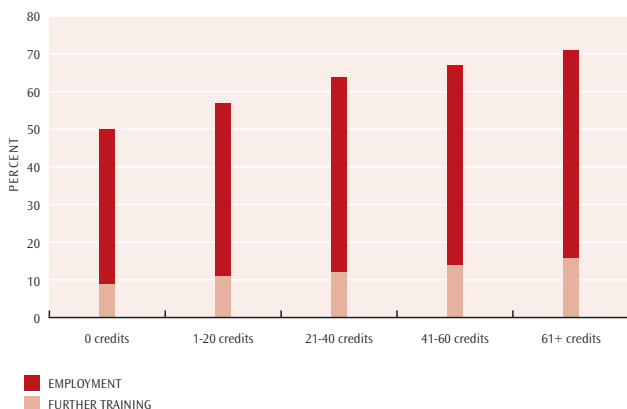
**CREDIT-LINKED ACHIEVEMENT**

On average, each trainee participating in the programme during 2002 achieved 20 credits on the NQF. Learners entering the programme who already had some qualifications have a higher credit achievement rate than learners who entered with no qualifications.

On average, Māori learners achieved 18 credits on the NQF. This compares with an average of 21 credits achieved by non-Māori. Although Māori learners tend to achieve slightly poorer outcomes than other participants in Training Opportunities, this may be explained by differences in starting qualifications. In 2001, 92 percent of Māori learners entering the Training Opportunities programme had low or no qualifications, compared with 84 percent of non-Māori.

Achieving credits is associated with improved employment outcomes. Employment outcomes are higher for learners who have achieved credits than for those who have not. Of those learners who achieved 61 or more credits, 55 percent were placed in employment, compared with 46 percent of learners with 1 to 20 credits, and 41 percent with no credits.

**FIGURE 3.21:** TRAINING OPPORTUNITIES LEARNERS' POSITIVE OUTCOMES BY NATIONAL QUALIFICATIONS FRAMEWORK CREDITS, 2001

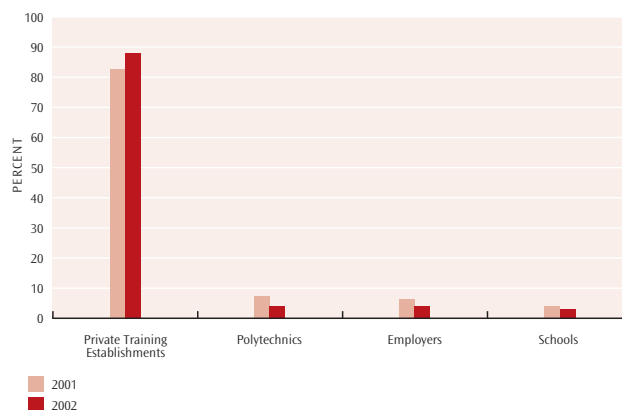


**Note:** Positive outcomes refers to the percentage of learners that progress on to employment or further education/training within two months of completing the programme.

**PROVIDERS AND PROGRAMMES**

Over 380 providers delivered Training Opportunities programmes throughout the country, and an average of 7,883 learners were in training at any one time during the 2002 calendar year.

**FIGURE 3.22:** TRAINING OPPORTUNITIES PROVIDERS BY SUB-SECTOR, 2001-2002



**YOUTH TRAINING**

Youth Training is aimed at providing training to those disadvantaged in the labour market to enable them to gain recognised qualifications and move into further education or employment. Eligibility for Youth Training is related to a lack of foundation skills and difficulty finding and sustaining employment.

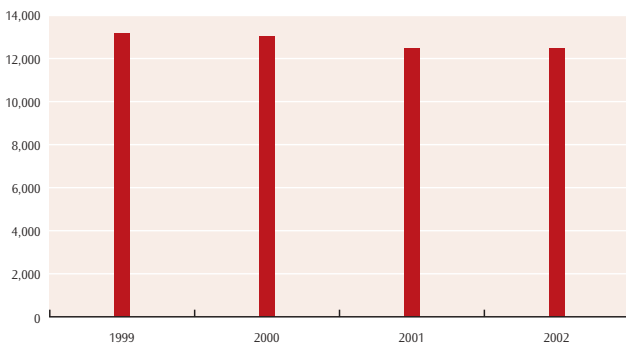
Youth Training provides a bridge for school-leavers with low or no qualifications, towards employment, further education or training. It aims to raise significantly the educational and vocational achievement of eligible young people while providing opportunities for them to explore work options. Youth Training develops young people as independent learners preparing for the world of work.

A high level of learner support is provided as part of the learning package, which includes literacy and numeracy skills, as well as essential workplace skills or vocationally based skills. Work experience and work-based options are also available. Learners gain credits towards nationally recognised qualifications.

Training is customised to meet individual needs so learners can maximise their chances to achieve qualifications and employment outcomes. Providers must be responsive to the learning needs of all participants including Māori and Pasifika peoples, women and people with disabilities. An innovative approach is taken to explore services to overcome barriers to participation.

A total of 12,530 individuals participated in Youth Training during 2002, compared with 12,500 in 2001 and 13,027 in 2000.

**FIGURE 3.23:** LEARNERS IN YOUTH TRAINING, 1999-2002



### LEARNERS' PROFILE

A total of 53,517 students left school during or at the end of 2001. Approximately 9,000 youth (17 percent of the total) left the compulsory schooling system during 2001 with no or low qualifications. Of these, 36 percent were Māori and 10 percent were Pasifika students.

Māori students leaving school with no qualifications represented 37 percent of all Māori school leavers in 1991. This increased to 39 percent in 1996, but had fallen to 36 percent by 2000<sup>10</sup>. This trend has continued in 2002, and 33 percent of students left school with low or no qualifications in 2002.

Pasifika students who leave school with no qualifications also form a proportion of all Pasifika school leavers. In 1991, 25 percent of Pasifika students leaving school had no qualifications. This figure remained reasonably constant over the following years, and ended the decade at 26 percent. Twenty-five percent of Pasifika students left school with low or no qualifications in 2001.

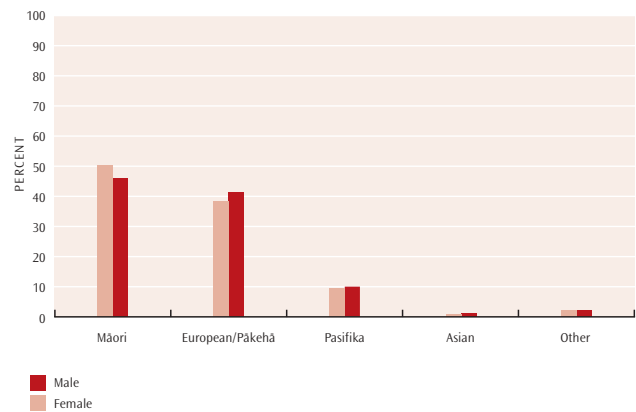
Females continue to be more likely than males to leave school with a higher-level qualification. Just under 30 percent of females, compared with 23 percent of males, left school with an entrance to university or higher qualification. Conversely 19 percent of males left school with no formal qualifications, in comparison with 14 percent of females.

### ETHNICITY AND GENDER

Māori and Pasifika learners are well represented in Youth Training. The national participation targets for Māori and Pasifika learners in Youth Training are set at 45 percent and 10 percent respectively.

Of the total number of students leaving schools in 2001 with low or no qualifications, 41 percent were female and 59 percent were male. During 2002, females made up 43 percent and males 57 percent of participants in Youth Training.

**FIGURE 3.24:** LEARNERS IN YOUTH TRAINING BY ETHNIC GROUP AND GENDER, 2002



### ELIGIBILITY

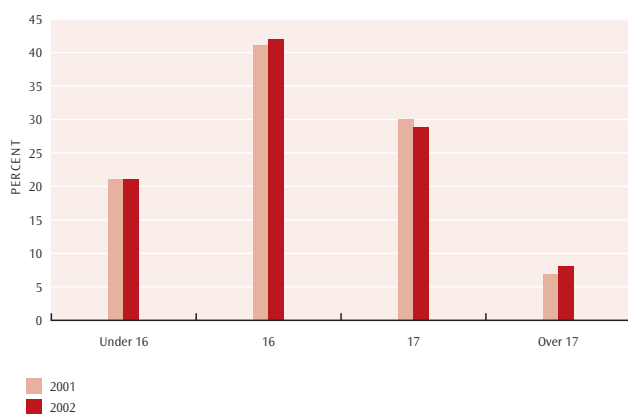
During 2002, 97 percent of all learners entering the programme were school leavers. The remaining learners were referred to the Youth Training programme through Workbridge or as Ministry of Social Development Youth Need clients, or came from alternative education providers or truancy services.

<sup>10</sup> Statistics New Zealand (2001) *School Leavers with No Qualifications*, Statistics New Zealand, Wellington.

### LEARNERS' AGE

At 31 July 2002, most learners (71 percent) had enrolled in their course when aged 16 and 17. Only eight percent were aged 18 years or over. Twenty-one percent of learners were aged 15 or younger. These young people had school exemption certificates and were referred to Youth Training by schools, Alternative Education providers or truancy services.

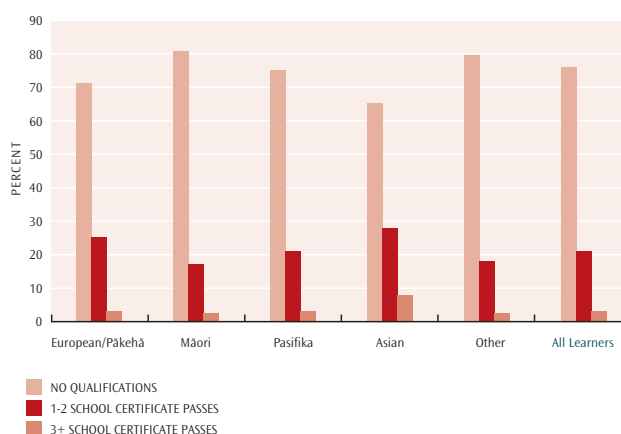
FIGURE 3.25: LEARNERS IN YOUTH TRAINING BY AGE, 2001-2002



### QUALIFICATIONS ON ENTRY

The majority (97 percent) of learners entering the programme in 2002 had no or low qualifications. During 2002, 76 percent of learners entering the programme had no qualifications, 21 percent had one or two School Certificate passes and only 3 percent had three or more School Certificate passes. Māori and Pasifika learners and learners from other ethnic groups were more likely to enter the programme with no qualifications.

FIGURE 3.26: LEARNERS IN YOUTH TRAINING BY PRIOR QUALIFICATION(S) AND ETHNIC GROUP, 2002



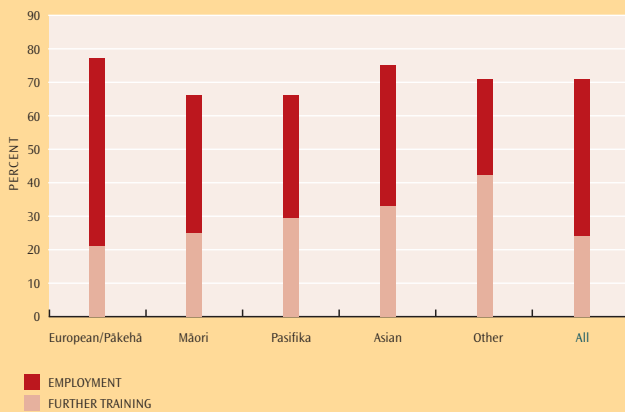
### LEARNERS' GEOGRAPHICAL DISTRIBUTION

There were 5,424 learners in training on average at any one time during 2002. Most learners (80 percent) were located in the North Island. Eighty-eight percent of Māori learners were in Youth Training programmes in the North Island. Most Pasifika learners (83 percent) were also located in the North Island, concentrated in the Auckland region (Manukau and Tāmaki Makaurau) and Wellington.

### OUTCOMES

A large proportion of these school leavers achieved positive outcomes. Over two-thirds (71 percent) of all learners who left Youth Training during 2002 moved on to either further training or employment within two months of leaving. Most of these people moved into employment (47 percent) while the remainder (24 percent) progressed on to further training or education outside the programme. The proportion of learners moving into employment or further training has increased by seven percent since 1999. Of the learners who progressed on to further training in 2002, three percent went on to higher tertiary training at a polytechnic, six percent went on to other Training Opportunities or Youth Training programmes, and 15 percent went on to other full time training.

**FIGURE 3.27: YOUTH TRAINING LEARNERS' POSITIVE OUTCOMES BY ETHNIC GROUP, 2002**

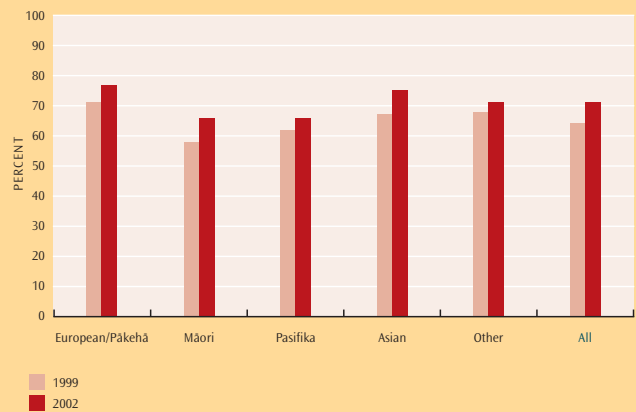


**Notes:** Percentages may not add up exactly due to rounding.

Positive outcomes refers to the percentage of learners that progress on to employment or further education/training within two months of completing the programme.

Outcomes have improved for all ethnic groups since Youth Training began. Pasifika learners continued to achieve positive results with 66 percent (up from 62 percent in 1999) moving on to either further training or employment within two months of leaving the programme. Thirty-seven percent of Pasifika learners moved into employment while 29 percent progressed on to further training or education outside the programme in 2002. Of the Pasifika learners that progressed on to further training during 2002, 3 percent went on to higher tertiary training at a polytechnic, and 26 percent progressed to other full-time training.

**FIGURE 3.28: YOUTH TRAINING LEARNERS' POSITIVE OUTCOMES BY ETHNIC GROUP, 1999 AND 2002**



**Note:** Positive outcomes refers to the percentage of learners that progress on to employment or further education/training within two months of completing the programme.

In 2002, Māori learners also achieved their highest level of positive outcomes to date with 66 percent moving into employment or further training outside the programme, compared with 58 percent in 1999. Forty-one percent of Māori learners moved into employment while 25 percent progressed on to further training or education outside the programme in 2002. Of the Māori learners that progressed on to further training during 2002, 3 percent went on to higher tertiary training at a polytechnic, and 22 percent progressed to other full-time training. Positive labour market outcomes in Youth Training have been improving since the programme began for Māori and the disparity between Māori and non-Māori learners' positive outcomes has reduced. Nationally the difference between outcomes for Māori and non-Māori learners closed from 11 percent in 1999 to nine percent in 2002. In addition, more Māori learners are moving into employment after leaving the programme than before, increasing from 31 percent in 1999 to 41 percent in 2002.

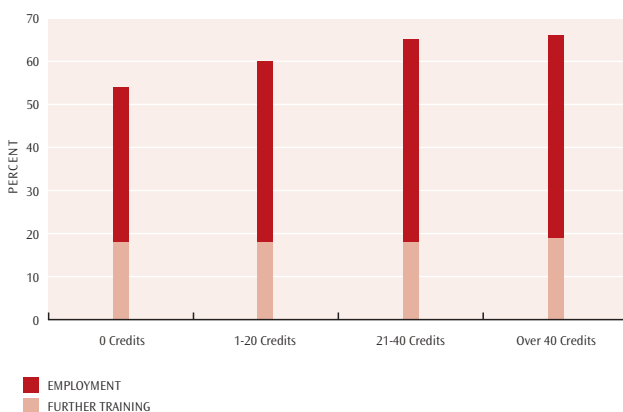
#### CREDIT-LINKED ACHIEVEMENT

On average, each learner participating in the programme during 2002 achieved 19 credits on the NQF.

On average Māori learners achieved 17 credits on the NQF and Pasifika learners achieved an average of 19 credits on the NQF during 2002.

Achieving NQF credits is associated with improved employment outcomes. Positive outcomes are higher for learners who have achieved credits than for those who have not. Of those learners who achieved 41 or more credits, 66 percent achieved positive outcomes, compared with 65 percent of learners with 21 to 40 credits, 60 percent of learners with 1 to 20 credits and 54 percent of learners who achieved no credits.

**FIGURE 3.29:** YOUTH TRAINING LEARNERS' POSITIVE OUTCOMES BY NATIONAL QUALIFICATIONS FRAMEWORK CREDITS, 2001



**Note:** Positive outcomes refers to the percentage of learners that progress on to employment or further education/training within two months of completing the programme.

### PROVIDERS AND PROGRAMMES

In the 2002 calendar year, 328 providers delivered more than 460 Youth Training programmes throughout the country and there were more than 5,400 learners in training at any one time. The mix of providers included polytechnics, wānanga, schools, PTEs and employers (work-based training).

On average, participants stay in Youth Training for a total of 24 weeks. Generally learners can enrol with a provider at any time of the year and usually learn in small groups. The style of learning is generally practical and hands-on and the tutors often have industry experience. Training is also progressive, so that learners may start off on a foundation skills course, then move on to a more vocationally focused course before undertaking some work-based training. There tend to be more Youth Training learners doing courses with a foundation skills focus. On average, 9 percent of Youth Training learners were on work-based options during the year.

### REVIEW OF TRAINING OPPORTUNITIES AND YOUTH TRAINING

Following a review of Training Opportunities and Youth Training in 2001/02, Government endorsed a number of recommendations aimed at sharpening the future focus of the programmes<sup>11</sup>. This means that greater emphasis will be given to assisting learners to acquire the foundation skills they need to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent. The focus on foundation skills and sustainable employment echoes other Government strategies, including the *Tertiary Education Strategy 2002/07* and the *Employment Strategy*<sup>12</sup>.

<sup>11</sup> Ministry of Education (2002) *Final Report on the Review of Training Opportunities and Youth Training: Building Futures/Te Aro Whakamua*, Ministry of Education, Wellington. Copies of the report are available from the Ministry of Education, PO Box 1666, Wellington or can be downloaded from [www.minedu.govt.nz](http://www.minedu.govt.nz).

<sup>12</sup> Copies of the *Employment Strategy* are available from the Department of Labour, PO Box 3705, Wellington.