Overview

This chapter on the performance of tertiary education providers at sub-sector level has been contributed by the Tertiary Education Commission. The information presented here needs to be used in conjunction with the information on the Commission’s website. Use the link www.tec.govt.nz/tertiary-sector/performance-information/educational-performance.1

The successful course completion rates were higher in 2010 than in 2009 for each tertiary education sub-sector. The average course completion rates were highest among universities in 2010, at 84 percent. Among polytechnics, the overall course completion rate increased from 69 percent in 2009 to 74 percent in 2010. The comparable figures were 72 percent and 75 percent for wānanga and 77 percent for private training establishments.

There were substantial increases in the rate of student retention from 2009 to 2010 among polytechnics, wānanga and private training establishments, which shows potential for higher qualification completion rates in the future. At universities, the retention rate remained stable from 2009 to 2010, at 80 percent. These higher course completion and retention rates suggest that progress is being made towards the goal of having more young New Zealanders achieve qualifications.

Weighted qualification completions increased from 2009 to 2010 among polytechnics and wānanga, while they remained stable among universities. This measure is the percentage of students who complete a qualification, irrespective of the starting year of the study, weighted to account for the varying study loads. The measure of qualification completions increased for polytechnics and wānanga even though the number of qualifications completed in 2010 did not rise as strongly as the number of equivalent full-time students. At private training establishments, the qualification completion score increased more strongly in 2010 and, in part, this was due to a decline in the number of equivalent full-time students.

Progression to higher levels of study is another measure of sector performance. This indicator improved in 2010, with the rate of progression from level 1 to 3 certificates improving slightly at polytechnics, wānanga and private training establishments. At universities, the rate of progression to higher-level study improved for students who had completed a level 4 certificate or a level 5 to 7 diploma. The average rate of progression for students who had completed a bachelors degree or postgraduate study also improved for each sub-sector.

Among industry training organisations, the average credit achievement rate in 2010 was 64 percent, while the average programme completion rate was 55 percent. These figures need to be used with caution as they were affected by a review of industry training policy which led to decreases in 2010 in the number of trainees and standard training measures.

MONITORING THE INVESTMENT IN TERTIARY EDUCATION

The Tertiary Education Commission invests approximately $3 billion per year in teaching and learning, research and tertiary education provider capability. In view of this significant government contribution, an important role of the Tertiary Education Commission is the monitoring of the performance of tertiary education providers.

Sector performance in 2011

Early indications are that, in 2011, tertiary education enrolments will decrease. The decreases are in non-degree qualifications and reflect a reduction in government funding of short courses and regulatory compliance courses. These decreases were signalled in the 2011 investment plans of the polytechnic sector. Another factor contributing to the decrease in enrolments in 2011 is that the movement of the population bulge is now beyond the age for tertiary education participation.

The decrease in enrolments in 2011 may lead to improvements in the qualification completion measure, especially in view of the high rate of student retention. The continued high unemployment rates for young people are likely to keep retention rates high and, in turn, qualification completions are likely to rise. Also, a portion of funding became linked to performance in 2011 to provide tertiary education organisations with incentives for improving

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1 Data in this chapter refers only to government-funded domestic students.
teaching and pastoral care. This has led to courses for some students being restricted, with the aim to have students only attempt those courses in which they are likely to succeed.

Four key measures of performance

The Tertiary Education Commission measures the performance of tertiary education organisations against the priorities set out in the tertiary education strategy and through the use of four key educational performance indicators:

- successful course completion
- qualification completion
- student progression to higher-level study, and
- student retention.

Together, the above measures provide an annual snapshot of the educational performance of each provider. The information presented in this chapter has been aggregated by sub-sector. As such, the performance of individual organisations may differ substantially from the averages presented here for each provider type. Information about the performance of individual tertiary education organisations can be found on the Tertiary Education Commission’s website.

While key indicators were used by the Tertiary Education Commission to measure performance in the past, they were defined differently. The current indicators, introduced in 2009, are not able to be compared with those from previous years.

FOUR KEY MEASURES OF PERFORMANCE FOR PROVIDER-BASED LEARNING

Successful course completion provides a measure of the proportion of students who successfully complete the courses in which they are enrolled. This performance indicator takes into account the size of the course in terms of the number of equivalent full-time student units it comprises.

Qualification completion provides a measure of the proportion of students who complete a qualification. This performance indicator weights the different qualifications to take account of the varying study loads. This indicator provides a measure of qualification completion in any one year, irrespective of the starting year of the qualification. This approach differs from those used elsewhere in this report such as a cohort-based qualification completion rate that may be measured five or eight years after starting study.

Student progression to higher-level study measures the proportion of students who progress to study at a higher level (at the same or a different tertiary education provider) after completing a qualification at levels 1 to 4.

Student retention measures the extent to which tertiary education organisations retain students in study, or students successfully complete their qualification. The indicator measures the proportion of students enrolled in one year that re-enrol in any course at the same tertiary education organisation in the following year, or successfully complete their qualification.

MEASURES OF PERFORMANCE FOR WORKPLACE-BASED LEARNING

At industry training organisations, two indicators are used to measure educational performance, credit achievement and programme completion. These indicators are broadly equivalent to the successful course completion and qualification completion rates and are calculated using similar methodology.
SECTOR PERFORMANCE DATA

Information presented in this chapter covers participation and achievement of students in the two largest tertiary education funding streams managed by the Tertiary Education Commission – the student achievement component and the Industry Training Fund. The student achievement component and the Industry Training Fund account for approximately two-thirds of the funding provided to the tertiary sector.

The student achievement component is the largest part of the tertiary funding system for teaching and learning. It is the single largest source of government funding for universities, wānanga, and institutes of technology and polytechnics. It is also allocated to many private training establishments and other tertiary education providers. The student achievement component is a subsidy. Most learners also pay tuition fees. Allocations are based on total student enrolments in the investment plans agreed between the Tertiary Education Commission and providers. Funding rates vary by type of course as well as for different parts of the sector.

The Industry Training Fund is allocated to industry training organisations, which then purchase training for industry trainees. The fund contributes to the development of national qualifications. The delivery of workplace-based learning is linked to these qualifications. Industry training is funded at a lower rate than the student achievement component, reflecting the fact that learning primarily takes place on-job using the resources of the workplace, with only a limited off-job element.

The study volumes of the various qualifications are monitored in terms of equivalent full-time student units. A similar concept, the standard training measure, is used to measure study volumes in industry training organisations.
GOVERNMENT-FUNDED TERTIARY EDUCATION\textsuperscript{1,2}

PROVIDER AND WORKPLACE-BASED ENROLMENTS

The gap between the student headcount and the number of equivalent full-time student units at public tertiary education institutions was smaller in 2010 than in 2009, indicating an increase in the average study load of students. In contrast, the gap between industry trainees and standard training measures increased from 2009 to 2010, a result of changes made during the review of industry training operational policy.

Enrolments by sub-sector in 2010

\begin{tabular}{|l|c|c|}
\hline
Students/trainees & \% change from 2009 & EFTS/STM \% change from 2009 \\
\hline
Universities & 160,000 & 0.4\% & 121,000 & +1.8\% \\
Polytechnics & 175,000 & -5.0\% & 69,400 & +2.8\% \\
Wānanga & 42,200 & -0.7\% & 25,800 & +2.8\% \\
Private training establishments & 56,900 & -0.5\% & 30,600 & -1.8\% \\
Industry training organisations & 195,000 & -3.3\% & 58,400 & -15\% \\
\hline
\end{tabular}

Note: EFTS = equivalent full-time student unit and STM = standard training measure. The 2010 STMs were estimated based on the December 2010 quarterly data.

LEVEL 4 AND HIGHER QUALIFICATIONS

At polytechnics, wānanga and private training establishments, the proportion of equivalent full-time students in level 4 or higher qualifications increased from 2009 to 2010.

In 2010, 86 percent of provider-based students aged 24 years and under were studying at level 4 and higher.

Students in level 4 and higher qualifications at providers as a percentage of the equivalent full-time student units for selected groups

\begin{tabular}{|l|c|c|c|c|}
\hline
\hline
All students & 78\% & 79\% & 80\% & 81\% \\
24 years and under & 86\% & 87\% & 86\% & 86\% \\
Māori & 63\% & 64\% & 65\% & 67\% \\
Pasifika & 73\% & 72\% & 73\% & 73\% \\
\hline
\end{tabular}

Source: Tertiary Education Commission.

MĀORI AND PASIFIKA PARTICIPATION

From 2009 to 2010, the number of Māori and Pasifika equivalent full-time students increased slightly as a percentage of total enrolments.

At wānanga, 59 percent of the equivalent full-time students were Māori in 2010 and 8.9 percent were Pasifika. At private training establishments, the comparable numbers were 27 percent for Māori and 16 percent for Pasifika. In terms of learners covered by industry training organisations, 17 percent were Māori in 2010 and 7.1 percent were Pasifika.

Provider-based Māori and Pasifika enrolments as a percentage of all equivalent full-time student units

\begin{tabular}{|l|c|c|c|c|}
\hline
\hline
Māori & 19\% & 19\% & 19\% & 20\% \\
Pasifika & 7.3\% & 7.5\% & 7.9\% & 8.2\% \\
\hline
\end{tabular}

Source: Tertiary Education Commission.

\textsuperscript{1} Data refers to domestic equivalent full-time student units funded through the student achievement component or learners/standard training measures funded through the Industry Training Fund. Data covers all students in formal qualifications irrespective of the length of the course studied.

\textsuperscript{2} Other tertiary education providers (OTEPs) have been included with private training establishments.
SUB-SECTOR EDUCATIONAL PERFORMANCE INFORMATION

COURSE COMPLETION

Student achievement improved from 2009 to 2010 in terms of higher course completion rates for each sub-sector. Comparing 2010 with 2009, 77 percent of students at private training establishments completed their courses (up 6 percentage points), polytechnics 74 percent (up 5 percentage points) and wānanga 75 percent (up 3 percentage points). The course pass rate was highest at universities in 2010 at 84 percent (up 1 percentage point from 2009).

Successful course completion rates for priority groups

<table>
<thead>
<tr>
<th>Sub-sector</th>
<th>Māori</th>
<th>Pasifika</th>
<th>Under 25 years</th>
<th>All students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>76%</td>
<td>78%</td>
<td>66%</td>
<td>69%</td>
</tr>
<tr>
<td>Polytechnics</td>
<td>59%</td>
<td>66%</td>
<td>60%</td>
<td>65%</td>
</tr>
<tr>
<td>Wānanga</td>
<td>68%</td>
<td>72%</td>
<td>72%</td>
<td>76%</td>
</tr>
<tr>
<td>Private training establishments</td>
<td>61%</td>
<td>68%</td>
<td>65%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Note: These rates are weighted to take account of the different course study loads and they differ from the rates used in other parts of this publication.

INDUSTRY TRAINEES’ CREDIT ACHIEVEMENT

Workplace-based learners achieved 4.5 million credits towards national qualifications in 2010. The total number of credits achieved was 12 percent higher in 2010 than in 2009. However, caution needs to be used in interpreting the changes in the credit achievement rates from 2009 to 2010 due to the introduction of performance-based funding in 2009 and the recent review of industry training operational policy.

Number of trainees and credits completed

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of industry trainees</th>
<th>Total credits completed (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>195,000</td>
<td>3.77</td>
</tr>
<tr>
<td>2009</td>
<td>202,000</td>
<td>4.03</td>
</tr>
<tr>
<td>2010</td>
<td>195,000</td>
<td>4.51</td>
</tr>
</tbody>
</table>

Source: Tertiary Education Commission.

QUALIFICATION COMPLETION

From 2009 to 2010, the percentage of students who completed a qualification, irrespective of the starting year of the study, increased overall at polytechnics, wānanga and private training establishments. At universities the percentage remained stable. Among the sub-sectors, the latest improvement in weighted qualification completions was strongest at private training establishments, especially for Māori and Pasifika students.

Qualification completions for priority groups

<table>
<thead>
<tr>
<th>Sub-sector</th>
<th>Māori</th>
<th>Pasifika</th>
<th>Under 25 years</th>
<th>All students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>59%</td>
<td>55%</td>
<td>50%</td>
<td>48%</td>
</tr>
<tr>
<td>Polytechnics</td>
<td>43%</td>
<td>45%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Wānanga</td>
<td>56%</td>
<td>56%</td>
<td>64%</td>
<td>68%</td>
</tr>
<tr>
<td>Private training establishments</td>
<td>52%</td>
<td>61%</td>
<td>59%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Note: This measure of qualification completion differs from the cohort-based rate that may be measured five or eight years after starting study.

Source: Tertiary Education Commission.
INDUSTRY TRAINEE PROGRAMME COMPLETION

The overall rate at which industry trainees completed their programmes (irrespective of the starting year of study) increased by 15 percentage points from 2009 to 2010 to 55 percent. However, caution needs to be used in interpreting the changes in the programme completions from 2009 to 2010 due to the introduction of performance-based funding in 2009 and the recent review of industry training operational policy.

STUDENT PROGRESSION TO HIGHER-LEVEL STUDY

From 2009 to 2010, the progression to higher-level study of students who completed level 1 to 3 certificates and level 4 to 7 certificates and diplomas generally increased among the sub-sectors. This suggests alignment with the tertiary education strategy priority of having more young people study at higher levels. Also, at universities and polytechnics, a higher proportion of students went on to higher-level study in 2010 after having completed a bachelors degree.

Progression rates for students who completed a qualification by level

<table>
<thead>
<tr>
<th></th>
<th>Certificates 1-3</th>
<th>Certs/dips 4-7</th>
<th>Bachelors</th>
<th>Postgraduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2009</td>
<td>2010</td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Universities</td>
<td>55%</td>
<td>51%</td>
<td>45%</td>
<td>53%</td>
</tr>
<tr>
<td>Polytechnics</td>
<td>29%</td>
<td>30%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Wānanga</td>
<td>40%</td>
<td>41%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Private training</td>
<td>30%</td>
<td>33%</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Note: ‘Bachelors’ includes graduate certificates and diplomas.

STUDENT RETENTION RATE BY SUB-SECTOR

At polytechnics, wānanga and private training establishments, a substantially higher proportion of students were retained in study in 2010 than in 2009. Universities have the highest student retention rates and from 2009 to 2010 these rates remained stable. The increases in the retention rates are, in part, due to the weaker employment conditions with more students deciding to obtain qualifications in order to enhance their employment prospects. The higher rates also suggest that more students are now engaged and supported in their study.

Student retention rates for priority groups in 2010 by sub-sector

<table>
<thead>
<tr>
<th></th>
<th>Māori</th>
<th>Pasifika</th>
<th>Under 25 years</th>
<th>All students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>73%</td>
<td>74%</td>
<td>85%</td>
<td>81%</td>
</tr>
<tr>
<td>Polytechnics</td>
<td>45%</td>
<td>48%</td>
<td>55%</td>
<td>48%</td>
</tr>
<tr>
<td>Wānanga</td>
<td>64%</td>
<td>65%</td>
<td>58%</td>
<td>67%</td>
</tr>
<tr>
<td>Private training</td>
<td>51%</td>
<td>62%</td>
<td>65%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Source: Tertiary Education Commission.
TERTIARY EDUCATION PERFORMANCE AND GOVERNMENT PRIORITIES

UNIVERSITIES

Government’s priority for the university sector in 2010 was to increase educational success for Māori, Pasifika and under-25-year-olds.

The overall course completion rate for all priority groups increased from 2009 to 2010 with stronger increases for Māori and Pasifika. However, the qualification completions decreased for all priority groups in 2010 and the fall was stronger for Māori and Pasifika. This was due to the move away from lower- to higher-level qualifications, which take longer to complete, and the considerably stronger increases in Māori and Pasifika equivalent full-time students.

The proportion of Māori and Pasifika leaving school able to progress to university study has increased. From 2005 to 2010, the proportions doubled for Māori to 24 percent and for Pasifika to 30 percent. In 2010, 46 percent of 18 and 19 year-old Māori school students with university entrance started study at a university, up 1 percentage point on 2009. The comparable figures in 2010 were 55 percent for Pasifika and 58 percent for all students.

POLYTECNICS

The key focus for the polytechnic sector in 2010 was to increase provision of qualifications at level 4 and above. The percentage of students studying at this level has continued to increase. Polytechnics were also aiming to improve the course and qualification pass rates. From 2009 to 2010, the course completion rates have increased substantially, especially for under-25-year-olds. The qualification completion rate rose less strongly due, in part, to the number of equivalent full-time students increasing in 2010 and to increased enrolments at higher qualification levels, which take longer to complete.

Selected groups studying level 4 and higher qualifications as a percentage of all equivalent full-time student units at polytechnics

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>All students</td>
<td>63%</td>
<td>66%</td>
<td>67%</td>
<td>69%</td>
</tr>
<tr>
<td>Under 25 years</td>
<td>31%</td>
<td>34%</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td>Māori</td>
<td>9.1%</td>
<td>9.5%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Pasifika</td>
<td>4.3%</td>
<td>4.4%</td>
<td>4.9%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Source: Tertiary Education Commission.

WĀNANGA

Government’s focus for wānanga is to provide a wide range of qualifications, with clear study paths to higher levels of learning through a Māori paradigm. In 2010, the rate of retention and course completion rate of Māori and all students increased at wānanga. The qualification completions by Māori decreased in 2010 due to a substantial increase in enrolments at bachelors level and higher, which take longer to complete.

Selected groups studying level 4 and higher qualifications as a percentage of all equivalent full-time student units at wānanga

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>All students</td>
<td>44%</td>
<td>42%</td>
<td>44%</td>
<td>48%</td>
</tr>
<tr>
<td>Māori</td>
<td>29%</td>
<td>27%</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>Under 25 years</td>
<td>5.5%</td>
<td>5.3%</td>
<td>5.8%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: Tertiary Education Commission.
PRIVATE TRAINING ESTABLISHMENTS

The key focus for private training establishments in 2010 was on Māori, Pasifika and younger students. There were just under 700 NZQA-registered private providers in 2010 and 187 of these received government funding.

The course and qualification completion rates (irrespective of starting year of the qualification) increased substantially from 2009 to 2010. In part, this was attributable to the 2010 equivalent full-time students decreasing at private training establishments.

Selected groups studying at level 4 and higher as a percentage of all equivalent full-time student units at private training establishments

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>All students</td>
<td>56%</td>
<td>58%</td>
<td>62%</td>
<td>62%</td>
</tr>
<tr>
<td>Under 25 years</td>
<td>27%</td>
<td>28%</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Māori</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Pasifika</td>
<td>5.9%</td>
<td>6.5%</td>
<td>7.6%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: Tertiary Education Commission.

INDUSTRY TRAINING ORGANISATIONS

Industry trainees achieved 4.5 million credits in 2010 and this was 12 percent higher than the number completed in 2009. The rate at which industry training programmes were completed in 2010 (irrespective of the starting year of the qualification) was 15 percentage points higher than in 2009. While these achievements are in keeping with the tertiary education strategy priority of enabling working New Zealanders to complete nationally recognised qualifications, caution needs to be used in interpreting the changes from 2009 to 2010. In 2009, performance-based funding was introduced and in 2010/11 a review of industry training operational policy was held. The review led to a reduction in 2010 in the number of trainees and standard training measures.

Selected groups of trainees as a percentage of all industry trainees in 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female trainees</td>
<td>31%</td>
</tr>
<tr>
<td>Māori trainees</td>
<td>17%</td>
</tr>
<tr>
<td>Pasifika trainees</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

Note: The rates in Figure 17.14 differ from the cohort-based qualification completion rates that may be measured five or eight years after starting study.

Source: Tertiary Education Commission.