

Hon Dr Michael Cullen

Minister for Tertiary Education



Background

Some of the expert panel comments on the New Zealand tertiary education sector include:

Governance, steering and planning

- “Without any doubt the major strength of the policy framework within which tertiary education operates is the set of clearly stated objectives at the national level. There is an obvious alignment of tertiary education sector with the country’s objectives. And the team has noted that there is a definite realization of this within the TEOs [*tertiary education organisations*]. A second major feature is the recognition of the need for diversity and the associated differentiation of roles and functions within the system....by and large TEOs as well as government agencies appear extremely conscious of what their particular function in the larger picture of New Zealand’s tertiary education system is.” (Paragraphs 112 and 113).

Funding the system

- “The principle of cost sharing is appropriate and has gained considerable acceptance among stakeholders...the student finance system in New Zealand is exemplary in many ways...Another merit of the current funding approach is the principle of allocating funds on the basis of relevance to society...there is considerable transparency in institutional allocations – the criteria for the distribution of funds typically are clear to all involved...funds are delivered directly to institutions as a lump sum and institutions decide on their internal allocation of resources. This provides institutions with flexibility and autonomy ...the Strategic Development Component is instrumental in aligning objectives of particular institutions with the Tertiary Education Strategy.” (Paragraphs 126 and 128).

Quality assurance

- “...A clear strength within the New Zealand system is that the emphasis on institutional autonomy for years has been followed up through an audit procedure making institutional leadership primarily responsible for the quality of teaching and learning....noticeable strength in the system is the high awareness of quality as an essential dimension at the institutional level....the academic leadership, staff and students at the TEOs demonstrate a high level of agreement on the need for continuous attention and work related to keeping up and improving academic standards....one can notice a strong quality culture in many TEOs. At the institutions visited such quality cultures were often embodied in staff commitment to teaching and learning, their attention towards student needs, and their ambitions on the further development of study programmes....The existing qualifications framework in New Zealand can also be considered a strength of the system.” (Paragraphs 138, 139 and 140).

Equity and links to the community

- “The recognition of the variety of cultures that exist in New Zealand is acknowledged throughout [*policy and institutional*] documents and from the voices of the institutional visits....Equity and access are clearly articulated values within the documents....Institutional documents that were distributed to the Review Team clearly articulated the strategies for Māori and Pasifika

Peoples' participation and leadership in tertiary education. Discussions with participants also demonstrated their awareness of and engagement with the various documents to help them with their respective institutional equity principles, policies and design inclusion." (Paragraphs 150 and 151).

Research and innovation

- "The shift in the approach to fund research – using the PBRF and initiatives such as the CoREs – presents a number of advantages. It aligns research funding with research performance of TEOs, rewarding excellence in research and it provides incentives for research to be undertaken in areas of priority for the country.... Over the last five years, many new initiatives and incentive schemes have been introduced to bring TEOs closer to industry. This clearly demonstrates that technology and knowledge transfer is high on the agenda in New Zealand." (Paragraphs 167 and 173).

Human Resource Management

- "The academic career is given ample flexibility and there are instruments to provide recognition to individual academics....International linkages are strong, especially in research, mitigating problems of academic isolation that might otherwise arise in a small society....Another strength of the tertiary education system in New Zealand is that institutions have autonomy over most aspects of managing their staff....There are good examples of institutions making good use in their programmes from business and industry...and from community leaders." (Paragraphs 183, 184 and 185).

Links to the Labour Market

- "There is a number of positive developments regarding the links between the tertiary education system and the labour market...notably there is a policy emphasis in making educational offerings relevant to the needs of the labour market....given its breadth of provision, the tertiary system is able to accommodate the needs of a diverse set of learners....this allows students to better respond to labour market signals and to adapt rapidly to the markets' changing characteristics....there is a rich information about outcomes of graduates in the labour market....have the potential to inform the design of institutions' programmes and put them in better relation with labour market needs. Students also have ample access to ample information on educational offerings, ...,kinds of jobs available, and forms of preparation for these jobs....career guidance is widely available in the system....a [NQF] framework is used to bring together the skill needs of employers, the design of tertiary programmes to prepare students with these skills, and the information about the competencies needed for given occupations....lifelong learning offerings of tertiary institutions are well developed and the system responds suitably to the needs of adult learners...there are good partnerships between institutions and industry...Curriculum development is influenced by relevant industrial and professional communities....industry appears as a legitimate and active stakeholder on the policy stage" (Paragraphs 191 to 198).

Internationalisation

- "Within a more globalised world with respect to tertiary education, New Zealand is an active and visible player with several strengths in the area of internationalisation....New Zealand is clearly one of the leading exporters of tertiary education in the world, not only benefiting the economy and society but also the New Zealand tertiary education organisations through bringing new

academic perspectives, cultural contexts and an enriched learning environment to the country...New Zealand is ranked third in terms of growth in international students, and only second to Australia in terms of export earnings from foreign students as a percentage of total export earnings from services....The high number of foreign nationals in the academic staff of many TEOs is also a sign of the country's attractiveness... A second strength related to the internationalisation of tertiary education is the distribution of foreign students throughout the system.... Hence, in this respect, internationalisation may be said to be an "internalised" dimension in tertiary education.... supported by evidence collected during the review visit, there is a high awareness of the specific needs of international students within the TEOs." (Paragraphs 2004 to 2007).

Selected OECD indicators¹

Entry rate

This estimates a person's likelihood of entering a particular level of education over the course of their lifetime. New Zealand rates first in the OECD at bachelors level and at diploma level and above the mean for PhD.

Enrolment rate

Enrolment rates look at the proportion of the population in each age group that is in education. New Zealand ranks sixth for enrolment rate in the 20 to 29 years age group, fourth for the 30 to 39 age group and third for the 40+ age group.

Graduation rate

Graduation rate represents number of graduates (of any age) over the population at the typical graduating age (e.g. 21 for normal first degrees in New Zealand). New Zealand ranks second in the OECD for tertiary Type A² graduation rates at 48% and also second for Type B³ graduation rates. Our Type A graduation rates are slightly ahead of Australia.

Study load

New Zealand has the highest proportion of part-time students in the OECD in Type A programmes and the 4th highest in Type B programmes.

Expected years of education

Expected years of education is a measure of the amount of tertiary education undertaken by an age cohort from the age of 17 onwards. New Zealand's expected years of tertiary education are high compared with other countries. New Zealand ranks 7th for Type A programmes and 4th for Type B programmes.

Representation of international students

New Zealand has the highest proportion of international students in Type A and Type B programmes in the OECD and the third highest in advanced research qualifications (ISCED 6).

¹ Source: OECD (2006), *Education at a Glance 2006*, OECD, Paris.

² Type A education [ISCED 5A] programmes are described as being largely theory based and are designed to provide sufficient qualifications for entry to advanced research programmes and professions with high skill requirements.

³ Type B education [ISCED 5B] programmes are described as being "typically shorter than those of type A and focus on practical, technical or occupational skills for direct entry into the labour market, although some theoretical foundations may be covered.

Educational attainment of the adult population

The proportion of New Zealanders who have completed a tertiary qualification is greater than the OECD country mean in all age groups.

Tertiary education and unemployment

The unemployment rate in 2004 for New Zealanders aged 25-64 with a tertiary qualification is well below the OECD average. The unemployment rate (2.4 percent) for this group is now well below the OECD average (3.9 percent).

Public expenditure

New Zealand's public expenditure on tertiary education as a percentage of GDP is high (1.6 percent, behind only Scandinavian countries and Canada, but ahead of Australia and the UK – 1.1 percent - and the US – 1.5 percent - and ahead of the OECD mean – 1.3 percent). This indicator includes government spending on student support and on funding for providers.

The OECD thematic review of tertiary education 2004/07 – a short background

1. New Zealand is one of 24 countries participating in a thematic review of tertiary education being undertaken by the OECD. The purpose of this review is to examine how the organisation, management and delivery of tertiary education can help countries to achieve their economic and social objectives. The focus of the review is primarily on national policies for tertiary education systems, rather than on policies and practices at the institutional level.
2. The review is focused on four principal questions:
 - What are the economic and social objectives of the tertiary education system?
 - How can countries make sure that their tertiary education system is economically sustainable, that it has an appropriate structure, that there are effective links between its parts, and that adequate mechanisms exist to ensure its quality?
 - How can adequate resources be mobilised for tertiary education?
 - What mechanisms and policies at national level can ensure effective governance of the system as a whole?
3. New Zealand decided in 2004 for to participate in the review because it was seen as offering an independent view of the state of tertiary education in New Zealand as the 2002 reforms bedded in. The review was seen as giving an opportunity to view the New Zealand system in the international context. There would be particular benefit in recommendations for further refinement of policies. Another reason for New Zealand's decision to participate in the review was to contribute to the evaluation of the Tertiary Education Strategy 2002/07 and to the creation of the next strategy.
4. All countries participating in the review prepared a detailed background report. This background report for New Zealand is available at:

<http://educationcounts.edcentre.govt.nz/publications/tertiary/oecd-thematic-review.html>

5. A National Advisory Committee comprising representatives of key sector groups and government agencies was established to act as a consultative group while the background report was being prepared. The membership consisted of representation from Association of Staff in Tertiary Education, the New Zealand Union of Students Associations, Association of University Staff of New Zealand, Institutes of Technology and Polytechnics of New Zealand, the New Zealand Vice-Chancellors' Committee, Career Services, Department of Labour, New Zealand Qualifications Authority, Tertiary Education Commission, The Treasury and the Ministry of Education. Further consultation was undertaken with Independent Tertiary Institutions, Te Tau Ihu ngā Wānanga, Ministry of Research, Science and Technology and Ministry of Social Development.
6. Thirteen of the participating countries – including New Zealand – were also given a more detailed review, undertaken by a review team consisting of external experts. The review team visited New Zealand from 6th February to 14th February 2006 and met with officials from a variety of government agencies and stakeholders such as the National Advisory Committee, Business New Zealand and the Combined Trade Unions. The review team visited a number of tertiary education organisations and met with chief executives, council members, senior managers, staff and students.
7. The review team has written a report that describes the country's tertiary education system for the benefit of those from other countries, and makes suggestions for the future development of tertiary education policy in the country. This report is available at:
http://www.oecd.org/document/13/0,2340,en_2649_34859749_35585357_1_1_1,00.html
and on the Ministry of Education's webpage dedicated to this project at:
<http://educationcounts.edcentre.govt.nz/publications/tertiary/oecd-thematic-review.html>
8. The final comparative report from the thematic review, bringing together lessons from all participating countries, will be completed towards the end of 2007 and is expected to be released early in 2008.
9. The countries participating in the thematic review are:

Australia	France	Norway
Belgium (Flemish Community)	Greece	Poland
Chile	Iceland	Portugal
China	Japan	Russian Federation
Croatia	Korea	Spain
Czech Republic	Mexico	Sweden
Estonia	The Netherlands	Switzerland
Finland	New Zealand	United Kingdom

The countries hosting an expert panel visit are: China, Croatia, the Czech Republic, Estonia, Finland, Iceland, Japan, Korea, Mexico, the Netherlands, New Zealand, Norway, Poland.