

## The Tertiary Education Strategy

The Tertiary Education Strategy (TES) sets out the government's medium- to long-term strategy for tertiary education. It:

- articulates the broad goals for the tertiary education system
- provides vision and direction on how the tertiary education system can meet the needs of students, research users and wider stakeholders
- sets a framework to guide planning and funding.

The TES covers all aspects of post-school education including:

- courses provided by universities, institutes of technology and polytechnics (ITPs), colleges of education, wānanga, private training establishments (PTEs) and other tertiary education providers
- foundation education through to doctorates
- industry and workplace training
- employment training and second chance education
- adult and community education.

In general, the TES focuses on improving the ability of tertiary education organisations (TEOs) to manage for improved outcomes, rather than setting specific outcome targets. This is to be achieved through a mix of shifting attitudes and culture and the implementation of new funding and accountability policies.

There is an expectation that the progress of the tertiary education system towards the goals of the TES will be monitored and evaluated.

The TES is made up of six inter-related strategies:

- Raise foundation skills so that all people can participate in our knowledge society
- Develop the skills New Zealanders need for our knowledge society
- Strengthen research, knowledge creation and uptake for our knowledge society
- Te rautaki mātauranga Māori – contribute to the achievement of Māori development aspirations
- Educate for Pacific peoples' development and success
- Strengthen system capability and quality.

Across these strategies there are 35 objectives. While the objectives are presented as relating to one of the six strategies, many of them are interconnected and overlap with key concepts in other strategies.

In addition, there are nine key changes threaded through the objectives that relate to increasing the relevance, connectedness and quality of the tertiary education system, and provide a focus on the overall changes sought throughout the system. The key changes are:

- Greater alignment with national goals
- Stronger linkages with business and other external stakeholders
- Effective partnership arrangements with Māori communities
- Increased responsiveness to the needs of, and wider access for, learners
- More future-focussed strategies
- Improved global linkages
- Greater collaboration and rationalisation within the system
- Increased quality, performance, effectiveness, efficiency and transparency
- A culture of optimism and creativity.

The TES is supported by the Statements of Tertiary Education Priorities (STEPS), which are released every one to three years and set out the government's immediate priorities for the performance of the system.

The priority areas in the 2005 STEP are:

- investing in excellence in teaching, learning and research
- increasing the relevance of skills and knowledge to meet national goals
- enabling students and learners to access excellent and relevant tertiary education, and progress to higher levels of study and achievement
- enhancing capability and information quality in the tertiary system to support learning, teaching and research.

## Monitoring the TES

### Second annual monitoring report

In April 2004, the Baseline Monitoring Report for the TES was released. The report provided a view of what was known about the state of the tertiary education system at the start of the period of the strategy and before the implementation of the tertiary education reforms.

The following year, the first annual monitoring report was released. The 2004 Monitoring Report tracked the progress of the tertiary education system against the strategy during the initial period of implementation of the tertiary education reforms from 2002 to 2004.

This second annual monitoring report tracks further progress of the tertiary education system in the period following implementation of the key aspects of the tertiary education reforms up to the end of 2005.

### New information from profiles and stakeholder research

A significant feature of this year's report is the inclusion of two new sources of information.

One is an analysis of the organisational objectives in TEO profiles in 2005/07 and 2006/08. This analysis looked at the profiles for all tertiary education institutions (TEIs) and a sample of 12 industry training organisations (ITOs). It focuses on the statements of objectives within the profiles and the extent to which these line up with areas of the TES. This analysis provides a view of governance and senior management perspectives of important changes in their organisation in relation to the TES.

The other is research on the engagement of key stakeholder groups with tertiary education providers. This research looked at the nature and extent of engagement of business, industry, Māori, Pasifika and other stakeholders with tertiary education providers. It included an analysis of profiles and focus groups with stakeholders.

The published reports can be found at: <http://educationcounts.edcentre.govt.nz/publications/homepages/tes/>

Further explanation of the methodologies is set out on page 70.

### Structure of the report

The report begins with an overview of the state of the sector two to three years into the implementation of the TES. This section is structured around the four key themes of the reforms — excellence, relevance, access and capability — to draw together key themes from across the TES.

This is followed by a set of cross-strategy indicators which highlights the overall changes in the sector. These indicators provide contextual information against which broader changes resulting from the TES can be monitored.

The rest of the report is structured around the six strategies of the TES. These sections provide more detailed analysis of change within the important areas of each strategy and identify key challenges for moving forward in each area.

### The purpose of monitoring

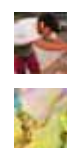
The purpose of monitoring the TES is to provide ongoing, timely information on the progress of the tertiary education system against the TES. Monitoring will help make sense of the extent to which the intended changes are happening, in which areas and to what degree.

There are three main audiences for this work:

- Ministers and government — providing information on progress and highlighting any areas that may require further attention
- the tertiary education sector and its agencies — providing information that can provide a broader context for policy development and sector planning processes
- key stakeholders — helping them understand the sector's contribution and progress towards meeting national goals.

Monitoring looks at the tertiary education system as a whole, rather than assessing the performance of individual organisations. It considers the overall patterns of change and response. It specifically examines the progress of the TES and is not intended to provide monitoring of all aspects of the tertiary education system. Monitoring and evaluation of specific policy and funding changes will be undertaken separately.

Information from monitoring has informed the development of the 2005 STEP. It will also inform the development of the next TES and the next STEP.



### The challenge of monitoring

The TES sets a direction for the sector. It aims to improve the ability of the sector to achieve better outcomes. It does not set specific, measurable goals and targets. Much of the TES is aimed at shifting the attitudes, culture and focus of the sector. The key messages of the TES are summarised in the nine key changes<sup>1</sup>. These key changes are intrinsically difficult to measure.

A narrow focus on quantitative indicators could easily miss the 'real' story. The system may be 'scoring' well on a whole range of indicators but still missing the point of the TES as set out in the change messages — or the other way around.

The challenge of monitoring, therefore, is to highlight the overall messages, not just report on indicators. This requires using a mix of quantitative data that can provide measures of change over time, balanced with qualitative information that can provide explanation of how and why change is or isn't occurring. The monitoring needs to examine system-wide indicators, but these are likely to be slow to show change in many areas. Therefore, there also needs to be information on examples of innovation and successful change. Some areas will require longer-term research beyond the scope of the monitoring work.

Even so, monitoring can only provide a partial and selective view of change across a system that is as complex and dynamic as tertiary education.

Over the period of the TES, monitoring will shift from summarising what is happening in relation to the TES, to making sense of how changes are contributing to the larger goals of the TES and the well-being of the country. This will require greater attention to the change messages to understand how well the tertiary education system is performing in a national and international setting.

### Finding out more

For detailed information and statistics on tertiary education please refer to the following sources:

#### Ministry of Education

*New Zealand's Tertiary Education Sector: Profile and Trends 2004*

This report, and other more specific analytical reports, can be downloaded from: <http://educationcounts.edcentre.govt.nz/publications/>

#### Tertiary Education Commission

Reports and information on specific policies, programmes and funding can be found on the Tertiary Education Commission (TEC) website: [http://www.tec.govt.nz/about\\_tec/publications.htm](http://www.tec.govt.nz/about_tec/publications.htm)

### List of abbreviations

CoRE	Centre of research excellence
CRI	Crown research institute
EFTS	Equivalent full-time student
GDP	Gross domestic product
ITO	Industry training organisation
ITP	Institute of technology and polytechnic
MIT	Manukau Institute of Technology
NCEA	National Certificate of Educational Achievement
NZQA	New Zealand Qualifications Authority
OECD	Organisation for Economic Co-operation and Development
OTEP	Other tertiary education provider
PBRF	Performance-Based Research Fund
PTE	Private training establishment
STEP	Statement of Tertiary Education Priorities
TEC	Tertiary Education Commission
TEI	Tertiary education institution (a public provider of tertiary education)
TEO	Tertiary education organisation (any provider of tertiary education or an ITO)
TES	Tertiary Education Strategy

<sup>1</sup> Refer to page 6.

# Technical and Data Definitions

## First-year attrition

The percentage of students starting a qualification in one year who have not completed or are not enrolled in the following year. Where first-year attrition rates are shown by level, it is the percentage who have not completed or further enrolled at that level.

## Direct higher progression

The percentage of students completing a qualification who are enrolled in the following year in a higher-level qualification. A higher-level qualification means a qualification that is the next band up or higher, as presented in the data. Students who move to a higher-level qualification without completing a lower-level qualification are not included in this indicator.

## Counting students

All student counts are for enrolments over the full academic year, unless otherwise stated. Students are counted on the basis of unique individuals. Where data is presented in categories, students are counted in each category they appear in during the year, such as level and field of qualification. This means the sum of the categories may exceed the total number of individuals.

## EFTS (Equivalent full-time student)

EFTS is a unit for counting tertiary student numbers. The basis of EFTS is that a student taking a normal year's full-time study counts as a 1.0 EFTS unit or the equivalent of 120 credits on the National Qualifications Framework. The courses taken by part-time students are proportions of 1.0 EFTS unit e.g. 0.75 EFTS.

## Formal student

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

Data on formal students currently excludes on-job industry training (where there is no enrolment with an education provider) and students at PTEs that neither received tuition subsidies nor offered courses approved for student loans and/or allowances during the year (where the Ministry of Education does not collect full-year data).

## Index

An index is a way of comparing two or more dissimilar sets of numbers over time. In some places in this report, completions and enrolments

are indexed to the value of 100 in a given year to compare relative growth. In effect, the index shows how many completions and enrolments there would be in each of the following years, if there were exactly 100 completions and 100 enrolments in the reference year.

## Profiles analysis

The analysis of profiles looked at the organisational objectives expressed in the 2005/07 and 2006/08 profiles of all TEIs and a random sample of 12 ITOs. Each objective was coded to one aspect of the TES and assessed as to whether it expressed an intent for change or maintenance of the status quo. Only change-focused objectives are counted in the analysis presented in this report.

This analysis is intended to provide a broad picture of strategic change in the tertiary education sector, from the perspective of governance and management. As such, several limitations of this analysis must be noted.

- Profiles are very much developing documents.
- Profiles reflect a governance and senior management perspective of the organisation. The fact that a profile is silent on an aspect of the TES does not necessarily mean that the organisation is not contributing in that area.
- Profiles vary in the extent to which they fully reflect the activities of the organisation.
- The analysis is subject to the interpretation of the researcher of the statements made in the profile.
- It is difficult to judge from the profiles how much TEOs are representing existing strategies within the framework of the TES or are actively reshaping their strategies to respond to the TES.
- This analysis needs to be read in the context of other information presented in this report.

## Stakeholder research

The stakeholder research was conducted by a research team based at Waikato Institute of Technology, under contract to the Ministry of Education. The research focused on the engagement of business, industry, Māori and Pasifika communities with tertiary education providers. The research involved:

- analysis of the level of engagement with stakeholders expressed in 2005/07 profiles of tertiary education providers
- a follow-up survey with tertiary education providers to gain additional information
- focus groups with selected stakeholders.