Profile & Trends
NEW ZEALAND’S TERTIARY EDUCATION SYSTEM
2016
Published by:
Tertiary Sector Performance Analysis
Ministry of Education

For further information on this report visit:
www.educationcounts.govt.nz/publications/series/profile-and-trends

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February 2018

ISSN: 2422-9881

STATISTICS AND RESEARCH

Profile & Trends 2016: New Zealand’s Tertiary Education System

has an associated set of statistical tables available on the
Education Counts website: www.educationcounts.govt.nz/
statistics/tertiary_education

The statistics in the web tables were used to inform the analysis
in Profile & Trends. The tables provide comprehensive coverage
of the key trends in the sector’s performance: transitions from
school to tertiary education, resourcing, financials, human
resources, research, student support, Youth Guarantee fees-free
places, Secondary-Tertiary Alignment Resource, trades
academies, Māori and Pasifika Trades Training, industry training,
adult and community education, enrolments, participation rates,
qualification completions, course completion rates and the
outcomes of tertiary education.
NEW ZEALAND’S TERTIARY EDUCATION SYSTEM

New Zealand’s Tertiary Education System is the last of six reports to be published in the Profile & Trends 2016 series. The five other reports are:

▲ New Zealand’s Annual Tertiary Education Enrolments
▲ Tertiary Education Outcomes and Qualification Completions
▲ New Zealand’s Workplace-based Learners
▲ New Zealand’s Tertiary Education Research, and
▲ Tertiary Education Sector and Student Support.

Most of the statistics in Profile & Trends were derived from returns provided by government-funded tertiary education organisations to the Ministry of Education and the Tertiary Education Commission. Also, much of the information in the reports came from different agencies and organisations outside the Ministry that have responsibilities for tertiary education.

Profile & Trends 2016: New Zealand’s Tertiary Education System begins with the tertiary education trends for 2016, which include the progress made in education and skills attainment of the New Zealand population, the main trends in tertiary education enrolments and important tertiary education events that took place in 2017.

Chapter 2 describes government-funded tertiary education and training, changes to the tertiary education system in 2016, the organisations that make up the tertiary education sector, information on tertiary education legislation, and how the government-funded tertiary education system works.

Chapter 3 covers New Zealand’s tertiary education provision. It begins with an overview of the changes in provision in 2016, followed by descriptions of provider-based tertiary education, industry training, Youth Guarantee and other types of tertiary education provision. This chapter concludes with a description of the New Zealand Qualifications Framework, research and knowledge creation and its transfer, and the quality assurance of tertiary education.

The postscript (chapter 4) provides an overview of Budget 2017 tertiary education expenditures, the latest student support changes, 2018 fees-free tertiary education, as well as the provisional enrolment indications for 2017.

Chapter 5 lists the contact information for key tertiary education agencies, providers, industry training organisations, and sector groups. It also contains a list of commonly used definitions and acronyms, as well as technical information to help interpret the analytical material used in the reports. A list of figures and tables is included at the end of this report.

The Profile & Trends 2016 series represents the 19th annual survey of the tertiary education system to be published by the Ministry of Education.
# TABLE OF CONTENTS

1. Tertiary education trends 3
2. The tertiary education system 17
3. New Zealand’s tertiary education provision 29
4. Postscript 38
5. Finding out more about tertiary education 43

Figures 57
Tables 57

**Notes:**

1. Unless otherwise stated, the data in this publication is for the year ended 31 December 2016 and has been sourced from the Ministry of Education.
2. The information in this report and in the analytical tables needs to be used in conjunction with the technical notes provided.
1 TERTIARY EDUCATION TRENDS

This report outlines the way the system works and describes the components of the system. It also provides an overview of the trends in the tertiary education system drawn from the reports that together comprise the Profile & Trends 2016 series.

Chapter one takes a view of the whole of the tertiary education sector and presents information, mainly for the 2016 year, on:

- education and skills
- tertiary education enrolments
- qualification completions and completion rates
- how tertiary qualified the New Zealand population is?
- labour market outcomes of tertiary education
- funding, research and the tertiary education workforce
- financial performance of tertiary education institutions
- financial support for students, and
- selected tertiary education events in 2017.

Education and skills

In 2016, the proportion of 34 year-olds achieving a National Certificate of Educational Achievement (NCEA) at level 2, or an equivalent qualification, was 85 percent. From 2011 to 2016, the proportion of 34 year-olds achieving NCEA level 2 increased by 11 percentage points.

In 2016, the proportion of 25 to 34 year-olds with a level 4 or higher tertiary qualification was 57 percent. Improvements in tertiary education performance and completion rates have helped to increase the proportion of people educated in New Zealand with higher-level qualifications.

Another factor that accounts for the higher proportion of 25 to 34 year-olds with a level 4 or higher qualification is the increase in migration to New Zealand, as new migrants are more likely to have higher educational attainment. In 2016, there was a net migration increase of 2.7 percent in the population aged 25 to 34 years.1 This followed an increase of 2.4 percent from 2014 to 2015.

For the year ended June 2017, 58 percent of 25 to 34 year-olds had a level 4 or higher qualification (Figure 1).

Tertiary education enrolments

There were 416,000 students enrolled at tertiary education providers in recognised qualifications of more than one week’s duration in 2016. Of these students, 62,600 were international students, 13,500 were in Youth Guarantee fees-free places, 4,240 students (aged 24 years and under) were in fees-free level 1 and 2 certificate provision, and 2,590 participated in Māori and Pasifika Trades Training. The number of senior secondary students studying via trades academies was 6,900 in 2016.

In 2016, there were also 11,900 secondary school students enrolled in formal tertiary study through the Secondary-Tertiary Alignment Resource (STAR) programme and 5,110 students were in short courses, that is, formal tertiary education of less than one week’s duration.

While postgraduate enrolments by domestic students increased strongly in 2015 and 2016, student numbers have declined overall at tertiary education providers since 2013. In contrast, workplace learning has been increasing since 2012 and there were 348,000 trainees (including apprentices) in 2016 (Figure 12).

1 The data charted in Figure 1 show averages of the four quarters in a year, starting with data for the year ended March 2008, followed by data for the year ended June 2008, and so on. In this sense, the data represents moving annual years.
In 2012, the number of workplace-based learners was at a low point of 138,000 learners. Following small increases in 2013 and 2014, the number of industry trainees (including apprentices) increased by 4.6 percent from 2014 to 2015 and by 1.2 percent from 2015 to 2016 (Figure 1.3).

Since 2012, the number of apprentices has increased more strongly than the number of industry trainees. There were 36,200 apprentices in 2012 and 43,000 in 2016.

New Zealand’s tertiary education sector provides a wide range of learning opportunities, from foundation skills to doctoral studies. Through its research activities, and the skills it imparts, the sector is a major contributor to the nation’s innovation.

A key feature of the New Zealand system is the integration of funding and provision across vocational education and training, higher education, workplace training, adult and community education, and tertiary education available to students in senior secondary schools.

Funding covers all levels of tertiary education, from second-chance education to doctoral studies. Funding through the student achievement component supports the costs of teaching and learning. Funding that supports tertiary education organisations’ capability, to enable them to focus on their core roles in the tertiary education system, is incorporated into the student tuition subsidies.

Industry training provides workforce skills to a significant number of people. This training is designed by, and delivered in conjunction with, industry, and leads to nationally recognised qualifications.

There are also funds that provide fully subsidised education and training to disadvantaged groups such as those at risk of unemployment.

The government funds learning such as foundation education, adult literacy and English for speakers of other languages. It also provides funding to providers of adult and community education that meets national priorities.

The results of learning through tertiary education can be viewed as improving competencies and attainment, or progress towards the attainment, of recognised qualifications. A competency includes the skills, knowledge, attitudes and values needed to perform important tasks. Language, literacy and numeracy programmes build adults’ fluency, independence and range in language, literacy and numeracy so they can participate effectively in all aspects of their lives.

The New Zealand Qualifications Framework provides a standard structure for naming and describing qualifications across levels and types of provision. It incorporates all tertiary qualifications, including the 10 levels of qualification from level 1 certificates to level 10 doctorates.
Enrolments at providers - comparing 2016 with 2015:

- The number of students enrolled in formal qualifications of more than one week's duration decreased by 0.9 percent overall. This was the result of a decrease of 13 percent in enrolments by domestic students, partially offset by an increase of 19 percent in enrolments by international students.

- The numbers of domestic students decreased overall at polytechnics and private training establishments, while they increased at wānanga and remained stable at universities. Enrolments by international students increased in number at universities and polytechnics, up 6.4 percent and 4.7 percent, respectively, but decreased by 7.4 percent at private training establishments.

- While the main driver of the decrease in domestic enrolments was a drop in level 1 to 3 certificates of 6,500, level 5 to 7 diploma and certificate enrolments also decreased substantially, down by 2,280. In contrast, the number of domestic students enrolling in level 4 certificate study increased, up by 3,820. Bachelors-level enrolments fell by 6,100, but the upward trend in postgraduate qualifications continued. Enrolments by domestic students increased at honours level by 1350, in masters degrees by 305 and in doctoral degrees by 10.

- The number of domestic students decreased for the European and Pasifika ethnic groups, but increased for the Māori and Asian ethnic groups.

- Domestic enrolments by people aged 13 to 19 years, 20 to 24 years and 40 to 54 years decreased in number, while they increased for people aged under 13 years and 55 years and over. The number of domestic enrolments by people aged 25 to 39 years remained stable. In part, this was a result of a substantial increase in the size of the population aged 25 to 39 years. In 2016, this group comprised 29 percent of the student population. The targeting of tertiary education programmes at young people of school leaving age is likely to have contributed to the increase in the number of enrolments by under-18-year-olds.

- The total study load, in terms of equivalent full-time student units, decreased by 0.6 percent. A 12 percent decrease in the total study load of domestic students was partially offset by a 2.9 percent increase in the total study load of international students.

- The number of enrolments by international students increased mainly for degree and higher-level qualifications.

Tertiary education participation rates

Twelve percent of the population aged 16 to 64 years participated in tertiary education in 2016 and 2015. This, compared to 16 percent in 2006. The participation rates for the European, Māori and Asian ethnic groups remained stable from 2015 to 2016, while the rate for Pasifika fell by half a percentage point (Figure 1.4). Māori continued to have the highest participation rate overall, close to 15 percent in 2016.

Figure 1.4 Participation rates of people aged 16 to 64 years in provider-based tertiary education by ethnic group

Note: Figure 1.3 uses age-standardised participation rates to allow comparisons to be made among ethnic groups.

The overall downward trend in the participation rate at tertiary education providers has mostly been the result of decreasing participation in lower-level qualifications such as level 1 and 2 certificate courses. Other factors include revisions to the population numbers and, in recent years, higher levels of net migration. These increases in the New Zealand population included substantially higher increases for the Asian ethnic group, and this contributed to the stronger fall in their participation rate. For example, Asian students actually increased in number in 2016, however, this was coupled with an even greater increase in the number of Asian people in the New Zealand population, resulting in a decrease in their participation rate.

While Māori and Pasifika have higher participation rates in non-degree qualifications than Europeans and Asians, the differences in the rates for higher-level qualifications have narrowed among the ethnic groups in recent years.
Among people aged 18 to 24 years, the differences in the tertiary education participation rates have also narrowed by ethnic group (see Figure 1.5). Comparing 2006 with 2016, the participation rate in bachelors and higher qualifications has increased for all young people.

In the case of level 1 to 7 diploma and certificate study, the participation rate of 18 to 24 year-olds continues to be considerably higher for Māori and Pasifika than for Europeans and Asians.

Higher levels of net migration in recent years have also impacted on the participation rates of younger people in the Asian ethnic group. The increase in the Asian population aged 18 to 24 years has been larger than the increase in the number of Asian students in this age group. This has led to the participation rates for young Asians in Figure 1.5 showing the strongest downward trend.

**Figure 1.5** Participation rates of people aged 18 to 24 years in provider-based tertiary education by ethnic group

The participation rate of Māori aged 18 to 24 years in bachelors and higher qualifications was 13 percent in 2015 and 2016. For Māori aged 18 to 24 years in level 4 and higher qualifications, the participation rate was 22 percent in 2016 and it has been at this level since 2013.

The participation rate of Pasifika people aged 18 to 24 years in bachelors and higher qualifications increased from 17 percent in 2015 to 18 percent in 2016. For Pasifika aged 18 to 24 years in level 4 and higher qualifications, the participation rate was 28 percent in 2016; it has been at this level since 2013.

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EQUIVALENT FULL-TIME STUDENT UNIT

- One equivalent full-time student unit is defined as the student workload that would normally be carried out in a single academic year (or a 12-month period) by a student enrolled full-time.
- One credit equals 10 nominal hours of instruction and study. One equivalent full-time student unit comprises 120 credits, or 1,200 nominal hours, of instruction and study.
- For qualifications on the New Zealand Qualifications Framework, one equivalent full-time student unit represents one year of full-time study.

Average study load remains stable

The average study load of domestic students remained stable from 2015 to 2016 at 0.65 equivalent full-time student units. It has been close to this level since 2011. This compares to 0.53 equivalent full-time student units in 2006, when the average study load of domestic students was at a low point.

For bachelors or higher qualifications, the average study load of domestic students also remained unchanged from 2015 to 2016, at 0.76 equivalent full-time student units (Figure 1.6). It has been close to this level since 2009.

**Figure 1.6** Domestic equivalent full-time student units in bachelors and higher qualifications

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Following the 2013 Population Census, the population estimates and numbers for previous years were revised. The overall tertiary education participation rates for 18-to-24-year-olds now vary by ethnic group from 29 percent to 37 percent, while before the revisions these rates were similar at 28 percent. The decreases in the participation rates for the Asian ethnic group are due to a growing New Zealand population mostly as a result of increases in migration in recent years.

While the average study load of domestic students has been stable in recent years, the trend towards more people studying at higher qualification levels has continued. The proportion of domestic students studying at bachelors or higher levels increased to 59 percent in 2016. This compared with a low point of 47 percent in 2005, the year in which enrolments in level 1 to 7 diplomas and certificates peaked. In 2016, 58 percent of domestic students studied at bachelors or higher levels.

**International tertiary education students**

The upward trend in international student numbers that started in 2009 continued from 2015 to 2016 in terms of both student numbers and equivalent full-time student units. There were 62,600 international students in 2016 (up by 19 percent on 2015) and this converted to 43,900 equivalent full-time student units (up by 2.9 percent from 2015).

Figure 1.7: International tertiary education students by qualification type and level

Comparing 2015 with 2016, the number of students who completed a qualification declined slightly, with a larger decrease in the number of qualifications completed (Figure 1.8). This was the result of fewer domestic students completing qualifications in 2016 than in 2015, while the number of qualifications completed by international students continued to increase. In 2016, domestic students completed 134,000 qualifications and international students 26,300.

There have been small declines in the number of students completing qualifications since 2013. Before this, from 2008 to 2013, these numbers had followed an upward trend, reaching a high point in 2013. Factors driving up the number of students completing qualifications since 2008 included the movement of a population bulge of young people into tertiary education; the 2009/10 economic recession that led to more people entering the workforce; the high point in 2013, followed by an upward trend in international student numbers; and increased emphasis by government on performance indicators.

Many in the recent population bulge would have completed a qualification by 2013. Higher completion rates and increases in the number of domestic postgraduate students and international students completing qualifications, have kept the number of students completing qualifications at around 120,000 per year. Consequently, the latest decrease from 2015 to 2016 was small, with a decrease in the number of domestic students nearly offset by an increase in the number of international students completing qualifications.

**Figure 1.8** Number of qualifications completed by provider-based students by qualification type and level

Qualification completions and completion rates

In 2016, 134,000 students, comprising 119,000 domestic students and 25,200 international students, completed a qualification at a tertiary education provider. As some students complete more than one qualification per year, at either the same or a different level of study, the number of students who complete a qualification is smaller than the number of qualifications completed. In 2016, the total number of qualifications completed was 160,000.

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1 These are formal qualifications registered on the New Zealand Qualifications Framework, requiring more than one week’s study.
2 The Tertiary Education Commission has published annual performance information since 2009 for all tertiary education providers who receive student achievement component funding. Performance information on international students has been published since 2015. The focus on performance indicators aims to give tertiary education providers incentives for improving teaching and pastoral care.
While the overall number of qualifications completed by Māori and Pasifika students decreased in 2015 and 2016, the number of bachelors degrees gained by Māori and Pasifika has been increasing steadily for many years.

**Rising qualification completion rates**

The qualification completion rates for level 1 to 4 certificates have followed a strong upward trend in recent years for both full-time and part-time students. These rates now appear to have stabilised and the latest four-year rate for full-time students was close to 80 percent for level 1 to 3 certificates and just over 70 percent for level 4 certificates.

The trend in the qualification completion rate for level 5 to 7 diplomas/certificates is continuing to move upward for both full-time and part-time students (Figure 1-9). For full-time students, the latest four-year rate, at 68 percent, is already higher than the latest six-year rate, at 65 percent.

**Figure 1-9** Six-year qualification completion rates for level 5 to 7 diplomas/certificates by study pattern

Bachelors degrees vary in length from three to six years and so there are bigger differences in the qualification completion rates for full-time and part-time students. The rates have increased slightly in recent years for both full-time and part-time students. The latest six-year rate was 74 percent for full-timers and 33 percent for part-timers.

Like bachelors degrees, postgraduate qualifications also vary in length. The completion rates for these qualifications have been consistently high, ranging from around 75 percent for doctoral degrees to close to 80 percent for graduate diplomas/certificates, honours qualifications and masters degrees. The completion rates for full-time and part-time students do not vary greatly at these higher qualification levels.

While students who progress to higher-level study without completing a qualification at the lower level are not included in the qualification completion rates, some 5 percent of students who start a level 1 to 7 diploma/certificate remain in study and may complete a qualification at a higher level. For people who start a bachelors or higher qualification about 2 to 3 percent progress to a higher level without completing at the lower level.

**How tertiary qualified is the New Zealand population?**

The proportions in the population aged 15 years and over by highest qualification level changed from 2006 to 2016:

- The proportion with a bachelors or higher qualification increased from 15 percent to 24 percent. The largest increase was for people aged 35 to 44 years, up from 16 percent to 24 percent. However, 39 percent of people aged 25 to 34 years held a bachelors or higher qualification in 2016.
- Among the ethnic groups, the proportion with a bachelors or higher qualification increased from 34 percent to 23 percent for Europeans, from 6.2 percent to 12 percent for Māori, from 5.3 percent to 9.5 percent for Pasifika and from 30 percent to 42 percent for the Other ethnic group.
- The proportion with a level 4 to 6 diploma or certificate decreased from 24 percent to 16 percent.
- The proportion with a level 1 to 3 certificate or other post-school qualification increased from 9.0 percent to 9.7 percent.
- The proportion without a qualification decreased from 28 percent to 20 percent, while the proportion of adults with only a school qualification increased from 24 percent to 28 percent.

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*For more information on qualification completion rates see Profile & Trends 2016: Tertiary Education Outcomes and Qualification Completions, Chapter 6.*

*Honours’ refers to bachelors degrees with honours and postgraduate diplomas/certificates.*

*Data in the section is from Statistics New Zealand’s Household Labour Force Survey. The qualification question in the survey was updated in June 2013 and further updates have now been made to some of the qualification categories. The relevant data has been revised back to June 2013. Therefore, data in this report for the years 2013 to 2016 may vary from that previously published in Profile & Trends.*
Labour market outcomes of tertiary education

Labour force participation

The labour force participation rate improved for women: up from 69 percent to 72 percent for women with a level 4 to 6 diploma or certificate and up from 80 percent to 82 percent for those with a bachelors or higher qualification (Figure 1). For men, these rates remained stable, at 81 percent for level 4 to 6 diplomas/certificates and 88 percent for bachelors or higher qualifications.

Figure 1. Labour force participation by qualification type and level and gender

Earnings premiums for the tertiary qualified

From 2015 to 2016, the earnings premium for people with a bachelors or higher qualification decreased in terms of median hourly earnings, while it increased for median weekly earnings.\(^2\)

The median hourly earnings were 55 percent higher for people with a bachelors or higher qualification than for those without a qualification. This compared with an hourly earnings premium of 63 percent in 2015 and around 70 percent over the years from 2000 to 2005. In contrast, the weekly earnings premium for people with a bachelors or higher qualification increased from 2015 to 2016. In 2016, the weekly earnings of people with a bachelors or higher qualification were 31 percent higher than for those without a qualification. This compared with a weekly earnings premium of 17 percent in 2015 and 13 percent in 2006.

The 2016 information from the Household Labour Force Survey suggests that the decrease in the hourly earnings premium for people with a bachelors or higher qualification was the result of a substantial increase in the median hourly rate for people with no qualification, while the median hourly rate for people with a bachelors or higher qualification remained almost unchanged.

Factors contributing to changes in the median earnings may include data measurement errors, changes in economic conditions, and external (to the economy) factors.

Unemployment rates for people with a bachelors or higher qualification

People with a bachelors or higher qualification had the lowest unemployment. The rate for this group remained stable from 2015 to 2016, at 2.9 percent. This compared with a rate of 3.2 percent in 2011 and 2.5 percent in 2006.

Tertiary education research

The research performance of the tertiary education sector improved in several areas in 2016. The volume of doctoral enrolments increased again, continuing a long-term trend. Since 2006, the upward trend has been driven by increases in international enrolments in response to a change in government policy to fund international doctoral students on the same basis as domestic students. With domestic enrolments in doctoral degrees decreasing slightly from 2011 to 2015, international students as a proportion of total doctoral students increased from 38 percent in 2011 to 47 percent in 2016. The number of Māori and Pasifika enrolled in doctoral degrees increased from 2015 to 2016 and these enrolments are well above the 2011 levels.

As a result of the overall increase in doctoral enrolments, the supervisory load placed on academics has continued to rise. The number of doctoral students per academic staff member at universities has increased, on average, from 145 in 2011 to 158 in 2016.

Although the number of doctoral-degree completions declined from 2015 to 2016, the time taken to complete these longer qualifications tends to be lumpy. The number of domestic students who completed a doctoral qualification in 2015, at 650, was below the high point reached in 2014, while it was well above the number of 565 completed 10 years earlier. In 2016, the number of doctoral completions by international students, at 1310, remained above the 2011 level of 120.

The relative academic impact of research by New Zealand’s universities (as measured by average rates of citation in indexed journal publications) has been increasing over time. There has also been an increase in the percentage of indexed journal weekly pay from people’s main job. The median weekly earnings are based on the weekly pay information from all jobs held by people. The numbers of hours worked by people vary.

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\(^2\) An earnings premium is the additional amount earned by people with a qualification as a percentage of the earnings of people without a qualification. Median hourly earnings are based on the usual work week of 38 hours for full-time workers and the appropriate number of hours for part-time workers.
publications featuring inter-institutional and international collaboration.

Government funding of research and research-based teaching via Vote Tertiary Education continued to increase from 2015 to 2016 to reach $351 million.

As reported for the Performance-Based Research Fund, the amount of inflation-adjusted external research contract income earned by universities increased by 7.5 percent to $475 million from 2015 to 2016. This is now 20 percent above its low point in 2013.

The amount of external contract income is also measured by the Research and Development Survey. This shows that external research contract income earned by universities increased from 2013 to 2015 to $458 million. This compared to $415 million in 2013.

The largest source of research income for the universities was from government, with 71 percent of income coming from this source. The private sector contributed 8.1 percent to external research contract income in 2015.

Estimated expenditure by universities on research and development increased from $817 million in 2013 to $960 million in 2015.

Tertiary education workforce

Information on the tertiary education workforce was collected for the full calendar year in 2016, following a trial in 2015. Before this, the data collected was a snapshot of staff employed in the first week in August. Consequently, the 2016 data is not comparable with the data from previous years.

Figures 1.11 and 1.12 chart the workforce full-time equivalent staff and headcount at public tertiary education institutions. For the years from 2006 to 2015, data is based on the August snapshot and, in 2016, data is for the full calendar year.

Figure 1.12 shows that the size of the workforce headcount at public tertiary education institutions was noticeably larger in 2016 than in 2015, likely as a result of this shift to full calendar year data. Figure 1.11 shows that there was a smaller increase in the number of full-time equivalent staff. The increase was larger for the non-academic staff than the academic staff.

Notes:
1. In 2016, public tertiary education institutions comprised eight universities, 16 institutes of technology and polytechnics, and three wānanga.
2. ‘Non-academic’ staff includes research support staff.

At private training establishments, the size of the workforce headcount was also larger in 2016 than 2015, while the full-time equivalent workforce was smaller. These changes were coupled with a substantial decrease in student enrolments.

From 2015 to 2016, personnel expenditure at tertiary education institutions increased by 2.8 percent to $2.82 billion. In inflation-adjusted terms, this represented an increase of 2.2 percent.

Expenditure on the workforce was 57 percent of all expenditure in tertiary education institutions in 2016 and 58 percent in 2015.

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The term refers to latest available data from Statistics New Zealand’s Research and Development Survey. Before 2009, the data for university commercial arms was not included in the university data so care should be taken in comparing between these time periods.
Funding of tertiary education

Total government spending on tertiary education for the year ended June 2017 increased slightly on the previous year to $4.44 billion, but decreased in inflation-adjusted terms. There were increases in government expenditure on provider-based tuition, research and student loans, and decreases on student allowances. There was no change for industry training.

When student loans and student allowances are excluded, government expenditure on tertiary education increased slightly to $3.31 billion, while it decreased in inflation-adjusted terms.¹

For the year ended June 2017, government funding of tertiary education accounted for 17 percent of gross domestic product, compared to 2.0 percent for the year ended June 2011. When student loans and student allowances are excluded, this represented 12 percent of gross domestic product for the year ended June 2017, compared to 14 percent for the year ended June 2011.

Despite a slight fall in the number of equivalent full-time student units funded through the student achievement component, this funding increased from 2015 to 2016 as a result of increases in the tuition subsidy rates for qualifications at level 3 and above. Student achievement component funding per equivalent full-time student unit increased in 2016, but this was at a lower rate of increase than in 2015.

Financial support for students

The number of student allowances recipients decreased from 2015 to 2016, continuing a downward trend that started in 2012 (Figure 1-14). Factors contributing to this downward trend were the:

▲ changes made by government to keep the parental income threshold constant from April 2012 to March 2013
▲ expansion of ‘income’ in terms of student allowances entitlement²
▲ removal of postgraduate students’ eligibility to receive student allowances and limiting these for older students
▲ decline in tertiary enrolments by domestic students due to changing demographics, and
▲ improving employment conditions. The stronger economy has also led to fewer students qualifying for allowances targeted at low-income families.

In line with the decreasing number of student allowances recipients, the amount spent by the government on student allowances also decreased from 2015 to 2016 to $470 million. This expenditure is now 26 percent below its peak in 2011.

The total number of student loan borrowers continued to decrease in 2016, a trend that started in 2011 in line with a downward trend in domestic enrolments (Figure 1-15). Both first-time borrowers and returning borrowers decreased in number from 2015 to 2016, and this resulted in a small overall decline in the number of borrowers.

The amount borrowed decreased slightly from 2015 to 2016 to just over $15 billion. This was driven by decreases in the amount borrowed for course fees, living costs and course-related costs.

¹ In Profile & Trends, the write-down on new lending is used to represent government expenditure on student loans.

² The expansion of the definition of ‘income’ in terms of student allowance entitlement is to include income from sources such as trusts and a wider range of business income.
Financial performance trends of tertiary education institutions

The combined financial performance of tertiary education institutions reported on here for 2016 was within the performance low-risk band set by the Tertiary Education Commission. Compared with 2011, their performance against two of the four measures reported on here decreased.

**Figure 1.15 Combined financial performance of tertiary education institutions**

The return on property, plant and equipment was the only measure that was lower in 2016 than in 2011.

**Polytechnics**

The combined financial performance of polytechnics was within the low-risk band for two of the four measures, while compared with five years earlier their performance had decreased for each of the four measures.

**Wānanga**

The combined financial performance of wānanga was within the low-risk band, except for net cash flow which was slightly below the low-risk performance band. Their performance in 2016 was almost the same as five years earlier for two measures, with only a slight decrease in the other two measures.

**Tertiary education sector performance**

This report presents data, provided by the Tertiary Education Commission, on the 2016 performance of tertiary education providers at sub-sector level.

In July 2016, the Tertiary Education Commission announced a shift to cohort-based qualification completion and retention rates⁶ which will become part of the educational performance information of tertiary education providers published each year. The newly defined qualification and completion rates are not comparable with those introduced in 2009.

The median course completion rates decreased from 2015 to 2016 at universities and polytechnics, wānanga and private training establishments, but remained stable at universities. The rates fell more strongly for Māori and Pasifika students than for students aged under 25 years.

The median, first-year retention rate, for longer qualifications, based on the new methodology, increased from 2015 to 2016 at universities and wānanga, while it decreased at polytechnics and private training establishments.¹⁷

From 2015 to 2016, the median, six-year completion rate for bachelors-level qualifications increased at universities and polytechnics. The four-year qualification completion rate for level 4 to 7 diplomas and certificates increased at private training establishments, while it decreased at wānanga. These rates were based on the new methodology.

The latest declines in the median course and qualification completion rates are likely to be the result of improved labour market conditions in recent years which has led to some

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⁶ A paper describing the new methodology is available at www.tec.govt.nz/tertiary-sector/performance-information/educational-performance

¹⁷ Providers will make commitments in their investment plans based on the new retention and qualification completion rates from 2018 onwards.
students moving into employment without completing their studies.

The progression rates to higher-level study for students completing a level 1 to 4 certificate have generally increased in recent years. Universities have the highest graduate progression rate for level 4 certificates. Wānanga, polytechnics and private training establishments generally have the highest rates of progression to higher-level study for students completing certificates at levels 1 to 3.

The proportion of credits completed by industry trainees in 2016 was 80 percent overall and the proportion of programmes completed (irrespective of the starting year of the qualification) was 77 percent. From 2015 to 2016, the programme completion measure improved, while the credit achievement measure remained stable.
Selected tertiary education events in 2017

EDUCATION (TERTIARY EDUCATION AND OTHER MATTERS) AMENDMENT BILL

The Education (Tertiary Education and Other Matters) Amendment Bill was introduced on 8 February 2017. It had its first reading and was referred to the Education and Science Committee on 11 May 2017. In June and July 2017, the Education and Science Select Committee considered both oral and written feedback from the public on the Bill. The Bill will be reported back to the House on or before 29 March 2018.

The legislation covered the following policy proposals:

**Increasing funding flexibility and strengthening accountability:**

▲ increasing the flexibility of the investment plan process
▲ further strengthening the monitoring and compliance regime, and
▲ including new offence provisions for falsely awarding credits towards a qualification.

**Consistent treatment of tertiary education providers:**

▲ ensuring funding rates are applied consistently to public and private providers, and
▲ allowing wānanga to apply for ministerial consent to use a protected term, such as university.

**Broadening student protection arrangements:**

▲ aligning refund entitlements for domestic students enrolled in short programmes at private training establishments with those of international students
▲ enable schools to manage international student misconduct outside of school hours, and
▲ using the Export Education Levy to reimburse international students at private or partnership schools.

**Minor and technical proposals:**

Minor amendments include updating regulations relating to compulsory student services fees, inserting common fund investment provisions, changing the name of the private training establishment sub-sector, modernising some tertiary education institution council arrangements, and making technical changes to tertiary education organisation funding and reporting requirements.

PRODUCTIVITY COMMISSION INQUIRY INTO NEW MODELS OF TERTIARY EDUCATION

The Productivity Commission released its report on new models of tertiary education in March 2017. The report had been commissioned by government to look investigate the tertiary education system could be more dynamic and innovative to better meet the needs of New Zealanders.

The report describes a tightly constrained tertiary education system with government settings that limit the extent to which innovation occurs or is taken up across the sector. The Commission has made 49 recommendations, focusing on information, regulation, purchasing and system architecture.

DEVELOPMENT OF NEW ZEALAND’S INTERNATIONAL EDUCATION STRATEGY

A draft New Zealand International Education Strategy was released for consultation on 30 June 2017. It set out the previous government’s vision, goals and immediate priorities for international education to 2025. The draft strategy was developed with input from the wider sector, including an online survey and a series of workshops, held in 2016, to identify future challenges and opportunities.¹

Education New Zealand and the Ministry of Education led the strategy development and the strategy was expected to be finalised in 2018.

The Minister of Education has now agreed to Education New Zealand and the Ministry of Education to develop a refreshed strategy to reflect government’s priorities for international education. This strategy will take account of sector feedback on the previous draft strategy during 2017. The Minister of Education intends launching an International Education Strategy to replace the previous Leadership Statement at the New Zealand International Education Conference in August 2018.

SURVEY OF ADULT SKILLS (PIAAC)

The Survey of Adult Skills is an OECD study of 16 to 65 year-olds’ literacy, numeracy and problem-solving skills. New Zealand participated in 2014.

In 2017, the Ministry of Education published two PIAAC reports – one on youth skills and the other on people’s financial literacy activities.

¹ New Zealand’s international education sector has grown rapidly in recent years. The annual economic value of export earnings from international education has already passed $4 billion, and the sector supports 33,000 jobs.
Youth (16 to 24 year-olds) who were working and already had a post-school qualification had stronger literacy and numeracy skills than those who were still studying. In turn, those who were studying had higher skills than those who were working and who had only a school qualification. Those who were not in employment or education had yet lower skills.

The survey findings also provide an interesting picture of the relationships between people’s main field of study in tertiary qualifications and their literacy and numeracy skill. People with bachelors or higher qualifications in natural and physical sciences had relatively strong literacy and numeracy skills. Their peers who had studied engineering and related technologies had relatively strong numeracy skills but weak literacy skills.

Those who had studied society and culture or education subjects had good literacy skills but relatively weak numeracy skills.

Further reporting plans on the survey include findings for Māori, Pasifika, literacy and numeracy skills. The survey findings also provide an interesting picture of the qualifications and their literacy and numeracy skill. People with bachelors or higher qualifications in natural and physical sciences had relatively strong literacy and numeracy skills. Their peers who had studied engineering and related technologies had relatively strong numeracy skills but weak literacy skills.

Those who had studied society and culture or education subjects had good literacy skills but relatively weak numeracy skills.

ANNUAL MAXIMUM FEE MOVEMENT

A 2 percent Annual Maximum Fee Movement has been set for 2018. The rate balances forecasts for inflation and estimates of the cost for providers, while ensuring that students are not unduly affected by fee increases.

Tertiary education providers will be able to increase their fees by up to 2 percent in 2018. Student fees will not increase by more than two percent.

CAREERS NEW ZEALAND’S FUNCTIONS TRANSFER TO THE TERTIARY EDUCATION COMMISSION IN 2017

The Education (Update) Amendment Bill introduced by the government on 22 August 2016 amended the Education Act 1989 in relation to the setting out of objectives to guide the education system in the early childhood and schooling sectors, and it transferred the following functions of Careers New Zealand to the Tertiary Education Commission:

- providing a publicly available careers information service, including a database of information about occupations and tertiary education and training, and
- facilitating and strengthening connections between schools, employers and tertiary education organisations, to ensure students are better prepared for employment and further education and training.

The bill proposed that the following Careers New Zealand functions would cease:

- training careers advisors
- providing careers advice directly
- providing support services to promote transition education, and
- liaising with and monitoring the needs of stakeholders in relation to careers information and careers advice.

Careers New Zealand’s current support for schools will be transferred to the schooling sector, so they can decide what professional development and expertise they require.

ONLINE REGISTER FOR MANAGING QUALIFICATIONS

The New Zealand Qualifications Framework Register, also known as the sector qualifications register, is intended to deliver a single, authoritative register of quality-assured qualifications (including awards), programmes and components.

The register will store data and enable life cycle management of qualifications, programmes, components and related information. New Zealand’s Qualifications Authority is working closely with both the Tertiary Education Commission and the Ministry of Education to build the register and consider conditions for access, use and management of this core education data.

The register will provide tertiary education organisations with the opportunity to manage and monitor their applications online, modernising the way qualifications are approved and updated, and streamlining processes. It will also enable the real-time publication of information relating to approved qualifications.

The new system is scheduled to be completed by July 2018.
FEES-FREE TERTIARY EDUCATION

From 1 January 2018, tertiary education will be fees-free for eligible first time tertiary education students.

The fees-free tertiary education initiative aims to make the first year of tertiary education or training fees-free for new students or trainees from 1 January 2018.

This initiative supports government’s commitment to make tertiary education and training affordable for all by:

▲ expanding access and participation, especially for those who have not previously studied or those for whom finance has been a real barrier to participation
▲ improving affordability and reducing debt levels
▲ supporting lifelong learning
▲ ensuring the benefits of tertiary education for New Zealanders, including residents with an ongoing commitment to New Zealand, are shared through a highly-skilled population contributing to a strong society and thriving economy.

Learner eligibility for the fees-free tertiary education initiative is based on people’s residency, school enrolment and previous tertiary study. Detailed eligibility criteria for fees-free provider-based study or industry-based training is on: www.feesfree.govt.nz/

Eligible qualification and programme criteria

The qualification or the student’s programme must also:

▲ start in 2018
▲ be funded by the Tertiary Education Commission
▲ be recognised by the New Zealand Qualifications Authority
▲ be at level 3 or above on the New Zealand Qualifications Framework, and
▲ for industry training only, be at least 120 credits.

The government’s first 100 days programme also includes a $50 a week increase to both student allowances and loan entitlements for living costs from 1 January 2018. More information about this is available on the StudyLink website: www.studylink.govt.nz/about-studylink/news/2017/student-support-changes-2018.html

EDUCATION AMENDMENT BILL

The Education Amendment Bill was introduced on 8 February 2018. It had its first reading on 15 February 2018, and was referred to the Education and Workforce Committee.

The Bill covers the following tertiary education policy proposals:

▲ it adds further protections to the fees-free tertiary education policy by introducing an offence for those who make a false representation about their eligibility for this policy, and
▲ it restores guaranteed staff and student places on tertiary education institution councils, and increases the size of polytechnic councils to accommodate this change.
THE TERTIARY EDUCATION SYSTEM

This chapter includes:

▲ government-funded tertiary education and training
▲ changes to the tertiary education system in 2015
▲ the organisations that make up the tertiary education sector
▲ information on tertiary education legislation
▲ the government agencies that have responsibility for tertiary education, and
▲ a description of how the government-funded tertiary education system works.

Government-funded tertiary education and training

New Zealand’s tertiary education sector provides government-funded education and training. Its delivery occurs through a wide range of providers with the largest fund – the student achievement component – providing government’s subsidy towards tuition for most formal study.1

In 2016, 85 percent of formal study was undertaken at the 27 public providers with 25 of these providers having a total student roll of more than 10,000 students. The remaining government-funded formal study was delivered by 207 private training establishments. The largest of these establishments had over 5,000 formal students while some had fewer than 50 students.

There were also 348,000 industry trainees in 2015 (including apprenticeships) and these workplace-based learners are jointly funded by government and employers.

In addition to formal study, the government provides funding for non-formal study where students do not study towards a recognised qualification. This funding is received by public providers, private training establishments and other organisations like schools and community education providers.2

To enable the government to monitor tertiary education delivery, providers report back to government. For providers delivering formal qualifications, this covers all delivery, including students not funded by government. Most of the information presented in this report is based on government-funded tertiary education organisations.

In order to access government funding, private training establishments have to be registered with the New Zealand Qualifications Authority (NZQA). Registration is a first step for organisations to gain the necessary accreditation to provide quality-assured tertiary education and training. At 31 December 2015, there were 499 private training establishments registered with the New Zealand Qualifications Authority.3

TERTIARY EDUCATION IN NEW ZEALAND

Tertiary education in New Zealand includes all post-school education. It also includes tertiary learning and training delivered to secondary school students, such as the Youth Guarantee fees-free places, trades academies, Māori and Pasifika Trades Training, Gateway, and the Secondary-Tertiary Alignment Resource (STAR).

Tertiary education study at bachelors-degree level and postgraduate level is often referred to as ‘higher education’.

The many forms of tertiary education make an important contribution to New Zealand’s social, economic and environmental development. Tertiary education passes on skills needed in the workforce, gives people the opportunity to build careers, contributes to social cohesion and is responsible for much of the country’s innovation and knowledge creation.

Some tertiary education may be referred to as ‘further education’. The term ‘further education’ also covers adult and community education and other non-formal adult education. An example is foundation education, which provides adult literacy and numeracy education for those with lower-level qualifications. It also includes vocational education and training, such as non-degree certificate and diploma qualifications, and learners undertaking industry training, including people in apprenticeships.

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1 Study of any time during the year, of more than one week’s duration, towards a qualification on the New Zealand Qualifications Framework.
2 In 2015, 85 percent of adult and community education enrolments at tertiary education institutions were at polytech/tech, 9.9 percent at universities and 5.3 percent at wakanga. Adult and community education in schools and community education providers is organised via lead providers and the exact number of organisations providing this type of education is not known. In 2015, there were 58 private training establishments that received government funding for different types of community education.
3 In 2015, there were 538 private training establishments registered with the New Zealand Qualifications Authority and 3% of these received student achievement component funding. A further 212 NZQA-registered private training establishments received other types of government funding.
Changes to the tertiary education system in 2016

Merging of tertiary education providers

▲ In February 2016, ACG Tertiary & Careers Group Limited and ACG Yoobee School of Design Limited merged into New Zealand Management Academies Limited.

▲ In May 2016, the number of polytechnics decreased to 16 as a result of the merger of:
  – Aoraki Polytechnic into Christchurch Polytechnic Institute of Technology to become Ara Institute of Canterbury.
  – Bay of Plenty Polytechnic and Waiariki Institute of Technology to become Toi Ohomai Institute of Technology.

▲ In June 2016, Lotus Holistic Centre Limited merged with the New Zealand College of Chinese Medicine Limited. The merged company will operate as New Zealand College of Chinese Medicine Limited.

New support system for international students

On 1 July 2016, the Education (Pastoral Care of International Students) Code of Practice 2016 replaced the existing Code of Practice for the Pastoral Care of International Students.

Also on 1 July 2016, a new International Student Contract Dispute Resolution Scheme was established to resolve contractual and financial disputes between international students and education providers.

These changes are aimed at ensuring better support and care for international students in New Zealand.

Targeted tuition subsidy increases

In Budget 2016 tuition subsidies were increased at degree level and above for science, agriculture, veterinary science and undergraduate medicine.

Tuition subsidies for levels 3 to 7 diplomas and certificates were also increased, aligning the funding rates of much of this provision with that for degrees for the same field of study.

Other initiatives announced in Budget 2016

Budget 2016 also included the following initiatives:

▲ International Connections for New Zealanders – a programme including student scholarships ($43.5 million over four years)
▲ Entrepreneurial Universities – a programme aimed at attracting researchers to New Zealand ($35.0 million over four years)
▲ fees-free foundation education at level 1 and 2 for eligible learners – this funding will enable second-chance learners to gain basic skills to allow them to progress to higher-level study or gain employment
▲ 2,500 places for Māori and Pasifika Trades Training in 2016 and 3,400 places in 2017
▲ 600 additional places in the Workplace Literacy and Numeracy Fund for high-quality, customised programmes in 2016 and 900 additional places from 2017, and
▲ additional funding of $2.3 million (over four years) for the Refugee English Fund.

Student support

Student loan interest exemption for full-time study overseas

Student loans are interest free for borrowers who go overseas for 183 days or less and have been living in New Zealand for at least 183 days immediately prior. This provision was extended to recipients (and eligible partners) of government-funded scholarships who are studying full-time overseas or are on an internship from 21 February 2016.

Changes to funding for study at an overseas campus or delivery site of a New Zealand tertiary education organisation

For study starting on or after 1 January 2017, tuition subsidy funding and student support will be available to New Zealanders who study at an overseas campus or delivery site of a New Zealand tertiary education organisation in the following circumstances:

▲ the study is in Asia, Latin America, or the Middle East (the eligible countries within these regions can be found on the Education New Zealand website)
▲ the study is at level 7 or above on the New Zealand Qualifications Framework, and

4 Tuition subsidy rates for science, agriculture and horticulture reflect higher costs of provision at degree level and above in these areas.

6 An overseas campus is a New Zealand tertiary education organisation (NZTEO) delivers qualifications (wholly or in part) at its own offshore campus using its own staff. An overseas delivery site is when an NZTEO delivers qualifications (wholly or in part) at other institutions using its own staff (or those commissioned by the NZTEO).

6 Student allowances rules on ineligibility for postgraduate study (other than bachelor’s degrees with honours) continue to apply.
the study is undertaken full-time and face-to-face (that is, not extramurally) as part of a New Zealand qualification. That is, students still need to complete part of their qualification in New Zealand.

Changes for New Zealand permanent residents
From 1 January 2016, following a change to Tertiary Education Commission’s funding conditions, tuition subsidy funding is now available to New Zealand permanent residents studying outside New Zealand as part of their New Zealand qualification.

From 1 January 2017, the government will be targeting tuition subsidy funding and student support to New Zealand permanent residents undertaking part of their New Zealand qualification overseas (including at an overseas campus or delivery site). These students will be eligible if they:

- are studying in an unfamiliar country
- are not enrolled in extramural study, and
- are ordinarily resident in New Zealand.

Information sharing
An information-sharing arrangement between the Inland Revenue Department and the Australian Taxation Office on student loans was announced in February 2015. Inland Revenue started receiving information from the Australian Taxation Office during 2016.

Student allowances rates for families with children
Student allowances rates for families with dependent children increased by $25 a week (after tax) from 1 April 2016 as a result of Budget 2015 initiatives.

Annual Maximum Fee Movement
The Annual Maximum Fee Movement was 3 percent in 2016, lower than the 4 percent maximum for previous years. Changes to tertiary education fees affect the amount students borrow for fees through the Student Loan Scheme.

Organisations that make up the tertiary education sector
The diversity of the tertiary education sector is evident in the mix of organisations that make it up. There are three kinds of public tertiary education institutions – universities, polytechnics and wānanga. In addition, in 2016 there were 499 NZQA-registered private training establishments, and eight government training establishments. Many employers also provide training for their employees, including study programmes that contribute towards a qualification on the New Zealand Qualifications Framework. There is also non-formal learning provided by community groups, secondary schools and tertiary education organisations.

To provide safeguards for learners, all tertiary education organisations that receive government funding must meet financial, educational and management quality requirements set by the Tertiary Education Commission and the New Zealand Qualifications Authority. In the case of universities, quality requirements are set by Universities New Zealand.

Universities
Universities are primarily concerned with advanced learning: the principal aim is to develop intellectual independence, and offer the opportunity to pursue disciplines from the undergraduate level to advanced postgraduate study and research. Universities undertake research in a wide range of fields and develop new knowledge that underpins their teaching. Their research and teaching are closely interdependent and most of their teaching is done by people who are active in advancing knowledge. They are expected to have well-established international links and to meet international standards of scholarship. Universities are a repository of knowledge and expertise and they accept a role as critic and conscience of society.

There are eight universities, which in 2016 collectively enrolled 174,000 students, including 27,700 international students. These enrolments represented 133,000 equivalent full-time student units.

Institutes of technology and polytechnics
Institutes of technology and polytechnics are mainly focused on vocational training at certificate and diploma level, especially in trades and other applied areas, although this role has expanded to meet the increasingly diverse needs of learners and the economy. Polytechnics have arrangements with industry training organisations to deliver programmes. Many

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1 An unfamiliar country is a country a New Zealand permanent resident has never been to, or, if they have, they have not spent more than six months in total in that country over the previous five years.
polytechnics offer degree-level education and are involved in research activities, particularly applied research and research in technological areas. They provide pathways into tertiary education for adult learners and for learners with lower-level prior qualifications, preparing them to achieve at higher levels.

In 2016, the network of polytechnics offered tertiary education throughout New Zealand. The number of students enrolled at polytechnics in 2016 was 146,000, including 15,300 international students. These enrolments represented 76,700 equivalent full-time student units.

Wānanga – Māori centres of tertiary learning

Wānanga provide Māori-centred tertiary education that supports te ao Māori, including pathways for Māori learners into other tertiary education institutions, and they promote the development of kaupapa Māori provision.

There are three wānanga, which offer study at all levels, from foundation education to postgraduate study and research, where Ahuatanga Māori (Māori tradition) and tikanga Māori (Māori custom) are an integral part of the programme. In 2016, wānanga had 40,000 students, representing 24,100 equivalent full-time student units.

Private training establishments

Private training establishments offer a range of training including vocational training. A small number of private training establishments offer degrees in specialist areas while some have arrangements with industry training organisations to deliver off-job programmes for industry trainees. Some private training establishments receive tuition subsidies through the student achievement component, and some receive no Crown funding at all. Some training is for specific employers on a full-cost-recovery basis, while other training is funded by the government for the delivery of, for example, targeted training programmes. A substantial number of those that receive no funding are English language schools that cater to full-fee-paying international students.

The number of students enrolled at private training establishments that received government funding in 2016 was 68,700, including 17,200 international students. These enrolments represented 40,900 equivalent full-time student units.

Government training establishments

Six government agencies provide training. They are:

▲ Fire & Emergency New Zealand
▲ New Zealand Corrections Government Training Establishment
▲ New Zealand Defence Force
▲ New Zealand Fire Service, National Training
▲ NZ Police Training Service Centre
▲ Oranga Tamariki

Each of these is approved by the Minister of Education as a government training establishment. Government training establishments offer training subject to the approval and accreditation requirements of the Education Act 1989.

Workplace-based learning

Considerable training takes place in the workplace. Some of this is funded through the Industry Training Fund (which includes apprenticeships), while the rest is mostly supported by industry. Workplace-based learning increases the skills of employees to further the prospects of individuals and ensure that a pool of competent employees is available to industry.

Government-funded workplace-based learning is facilitated by industry training organisations, which set the skill standards for their industries and arrange training. In 2016, there were 11 industry training organisations in New Zealand, established by particular industries or groups of industries and recognised by the Minister of Education under the Industry Training and Apprenticeship Act 1992.

Following reviews of industry training conducted in 2011 and 2012, the government announced changes to the industry training system in January 2013. The most significant change was the introduction of New Zealand Apprenticeships, from 1 January 2014, which combine Modern Apprenticeships with other apprentice-type training. New Zealand Apprenticeships are programmes that comprise either a level 4 qualification of 120 credits or more, or two or more qualifications, provided these are at level 3 and 4 and include at least 60 credits at level 4. Pastoral support for apprentices is provided regardless of age. Apprenticeships provide entry into an occupation or industry.

Workplace-based training aims to raise workforce skill levels and boost competitive advantage for business. Its delivery is flexible. The training is conducted on-job, but can include off-job components, through a training provider. On-job training can take a number of forms. The learning can be self-paced, or the training is delivered by a more experienced staff member or an external trainer. Some businesses run off-job training sessions, while others train staff through their workplace tasks.
Industry training organisations also have arrangements with tertiary education institutions and private training establishments to deliver programmes.

Workplace-based training may be entirely funded by employers or jointly funded by the government through the Industry Training Fund or the Workplace Literacy Fund and by industry through financial and in-kind contributions.

In 2016, there were 148,000 learners in industry training, including 43,000 apprentices.

Non-formal education providers

Most non-formal learning does not contribute towards gaining a qualification listed on the New Zealand Qualifications Framework.

Government-funded adult and community education is provided by community groups, secondary schools, public tertiary education institutions and some NZQA-registered private training establishments. Other non-formal adult learning, which covers any form of intentional organised learning provided by an external body, may be provided by employers, tertiary education organisations, schools, clubs or individuals, such as skiing or gym instructors. Government-funded adult and community education is directed to priorities established by government. Some adult and community education programmes do not attract government funding, and the costs are met entirely by the learners.

Tertiary education legislation

The Education Act 1989

The main piece of legislation on tertiary education is the Education Act 1989. Among other things, this Act:

▲ sets up the government’s tertiary education agencies and defines their roles and responsibilities
▲ gives the authority for the tertiary education strategy
▲ describes the basis for the funding and for quality assurance of tertiary education, and
▲ defines the constitution and functions of different types of public tertiary education institutions and the requirements for private training establishments.

The Education Act also defines the system for planning, funding and monitoring the provision of tertiary education. The planning system is to ensure that the tertiary education sector contributes towards tertiary education outcomes that are closely aligned with the social, economic and environmental interests of New Zealand.

The Industry Training and Apprenticeships Act 1992

The purpose of the Industry Training and Apprenticeships Act 1992 (previously known as the Industry Training Act 1992) is to:

▲ provide for the recognition and funding of organisations (to be known as industry training organisations) to develop and maintain skill standards for, and administer the delivery of, industry training
▲ encourage and improve industry training
▲ encourage and help people to take up and complete apprenticeship training, and
▲ provide for other related matters.

Changes to tertiary education legislation

In 2015, the Education Legislation Bill included amendments to manage the risks associated with the ownership of related entities by tertiary education institutions and the streamlining of the fee regulations process. These amendments were enacted in October 2015.

Legislation amending the governance arrangements for wānanga and universities was introduced into parliament in March 2014. These amendments were enacted in February 2015 and came into force in January 2016.

In 2014, following an industry training review undertaken by the government in 2011 and 2012, the Industry Training and Apprenticeships Amendment Act 2014 made changes to the Industry Training Act 1992 and the Education Act 1989, and repealed the Modern Apprenticeship Training Act 2000. This act established New Zealand Apprenticeships, focused industry training organisations on setting skill standards for their industries and arranging training, and clarified the functions and powers of the New Zealand Qualifications Authority in relation to industry training organisations.

In 2011, an amendment to the Education Act 1989 was passed that updated and strengthened the New Zealand Qualifications Authority’s legal powers, established the new Crown agent Education New Zealand\(^a\) and provided for the regulation of compulsory student services fees.

Another amendment was passed in 2011 the Education (Freedom of Association) Amendment Act, a private member’s bill which made membership of students’ associations voluntary instead of compulsory.
Legislation amending the governance arrangements for institutes of technology and polytechnics, aimed at allowing the government to respond more quickly if polytechnics experience educational or financial performance risks, was passed in 2009 through the Education (Polytechnics) Amendment Act.

Other legislation that also applies in tertiary education
Some aspects of the operation of tertiary education institutions are governed by the State Sector Act 1988, the Crown Entities Act 2004 and the Public Finance Act 1989.

Government agencies
The main government agencies with a responsibility for tertiary education are the Ministry of Education, the Tertiary Education Commission, the New Zealand Qualifications Authority, and Education New Zealand. The Ministry of Social Development, Inland Revenue and the Ministry of Business, Innovation and Employment also have specific responsibilities relating to students and the tertiary education system.

Ministry of Education
The Ministry of Education, Te Tāhuhu o te Mātauranga, is the government’s policy agency responsible for developing the framework for tertiary education and for advising ministers on the development of the tertiary education strategy. It is also responsible for monitoring the success of the strategy, collecting and managing data on tertiary education, and monitoring the performance of the overall system. Another area of responsibility involves developing advice to government on the resourcing of tertiary education, legislation relating to tertiary education, and the policy settings that govern the operation of the system. The Ministry also works with the Ministry of Social Development and Inland Revenue on the system for financial support of students.

Tertiary Education Commission
The Tertiary Education Commission, Te Amorangi Mātauranga Matua, is a Crown agent and is made up of a board of six to nine commissioners appointed by the responsible Minister. The Commission’s responsibilities are to:
- give effect to the tertiary education strategy
- advise government on the implementation of the tertiary education strategy, tertiary education priorities, sector activities and the performance of the sector
- allocate the government’s tertiary education funding to tertiary education organisations according to funding mechanisms determined by the Minister
- assess investment plans and approve funding to steer the tertiary education system
- monitor the performance of government-funded tertiary education providers
- monitor the viability and sustainability of tertiary education institutions,
- provide a publicly available careers information service, and
- conduct research and monitoring in support of its roles.

*The minister responsible for a Crown agent may appoint and remove its board members. A Crown agent must give effect to policy when directed by its minister and must also give effect to directions from the Ministers of State Services and Finance.

*The functions of Careers New Zealand were transferred to the Tertiary Education Commission by the Education (Update) Amendment Bill in May 2017.*
New Zealand Qualifications Authority
The New Zealand Qualifications Authority, Mana Tohu Mātauranga o Aotearoa, is also a Crown agent. Like the Tertiary Education Commission, it has a board appointed by the responsible Minister. In tertiary education, its responsibilities are to:

▲ oversee the setting of qualification standards
▲ monitor and regularly review qualification standards
▲ maintain a record of qualifications gained and standards met
▲ maintain the New Zealand Qualifications Framework and Directory of Assessment Standards, including making rules
▲ ensure that programmes or training schemes have assessment and moderation procedures that are fair, equitable and consistent
▲ promote and monitor the delivery of inter-institutional programmes and training schemes
▲ maintain liaison with overseas certifying and validating bodies and ensure that post-school educational and vocational qualifications maintain international comparability, and
▲ evaluate overseas qualifications for immigration and employment purposes.

Education New Zealand
Education New Zealand is a Crown agent tasked with, together with providers and other government agencies, delivering strategies, programmes, and activities for promoting New Zealand education overseas.

Education New Zealand works to:

▲ promote New Zealand as an educational destination for international students
▲ promote the provision of New Zealand education and training services overseas
▲ manage, in collaboration with other government agencies, activities undertaken by representatives appointed to act on behalf of the New Zealand government in relation to international education
▲ carry out research on international education markets and marketing strategies
▲ administer any international programmes or activities that are consistent with the government’s policy on international education
▲ provide information, advice and assistance to providers on strategies to promote industry co-ordination and professional development
▲ provide information to international students about living and studying in New Zealand
▲ work with other agencies to ensure that international students are adequately supported while living and studying in New Zealand, and
▲ foster collaborative networks with former international students.

As well as these bodies, there are several other government agencies that have an involvement with tertiary education.

Inland Revenue
Inland Revenue, Te Tari Taake, the New Zealand government’s taxation department, is responsible for the assessment and collection of student loan repayments. Inland Revenue also determines entitlement to interest write-offs for borrowers. In addition, Inland Revenue is responsible for the implementation of the Student Loan Scheme Act 2011.

Ministry of Social Development
The Ministry of Social Development, Te Manatū Whakahiao Ora, is responsible for providing advice to government in the areas of social development and social policy, and for the delivery of social services, particularly income support.

Financial support is provided to students through StudyLink, a service of the Ministry of Social Development. StudyLink is responsible for the administration and delivery of student loans and student allowances and income support for some students unable to find employment during vacation breaks. This includes assessing entitlements, making payments, and maintaining partnerships with key stakeholders, including other government agencies, tertiary education providers and student groups.

Ministry of Business, Innovation and Employment
The Ministry of Business, Innovation and Employment (MBIE) advises the government on all matters to do with New Zealand’s labour force. As part of that role, the Ministry of Business, Innovation and Employment collects and analyses information about the skills needed in the labour market and about how the tertiary education system interacts with the labour market.

The Ministry of Business, Innovation and Employment is also responsible for advising government on New Zealand’s science and innovation policy and for administering much of the government’s funding for science and innovation.
How the government-funded tertiary education system works

Government’s goals for the tertiary education system are to have people equipped with the skills required by the New Zealand economy and to have the system play an important part in supporting industry through innovation. The strategic direction for tertiary education is articulated in the Tertiary Education Strategy 2014-2019. To enable the implementation of tertiary education priorities, the system is designed to work around four main elements:

▲ quality assurance
▲ investment and funding decisions – investment plans developed by tertiary education organisations in collaboration with the Tertiary Education Commission steer government funding in tertiary education and align funding with the government’s tertiary education strategy
▲ provision of government funding, and
▲ monitoring of the performance of government-funded tertiary education providers and of the sector as a whole.

1 QUALITY ASSURANCE

High-quality study programmes and training schemes are a key requirement for students in the tertiary education sector. The tertiary education quality assurance framework has four components:

▲ programme and training scheme approval and accreditation, including consents to assess against standards for all government-funded tertiary education providers
▲ entry processes of registration and ongoing regulation of private training establishments and industry training organisations
▲ self-assessment by government-funded tertiary education providers; external evaluation and review by the New Zealand Qualifications Authority; or audit by the Academic Quality Agency for New Zealand Universities, and
▲ compliance with statutory requirements.

In addition, the Tertiary Education Commission monitors the performance of government-funded tertiary education providers against its performance targets and against a set of common educational performance indicators.

QUALITY ASSURANCE IN TERTIARY EDUCATION IN NEW ZEALAND

Only those tertiary education programmes, training schemes and providers that have been quality assured by a quality assurance body attract government funding. This applies, for instance, to tuition subsidies, industry training funding, Youth Guarantee, level 1 and 2 fees-free places, and trades academy funding.

Also, qualifications must be approved for tuition subsidy funding before learners are eligible to access student allowances or student loans.

The quality assurance framework ensures that:

▲ New Zealand qualifications are regarded as credible and robust, both nationally and internationally
▲ learners are studying with credible organisations that meet minimum requirements and so are able to achieve quality educational outcomes, and
▲ tertiary education organisations are continually strengthening and improving educational outcomes through the use of ongoing organisational self-assessment.

New Zealand Qualifications Authority

▲ The New Zealand Qualifications Authority has an overarching responsibility for the system of quality assurance in tertiary education.
▲ One of the mechanisms for managing quality is the New Zealand Qualifications Framework. The New Zealand Qualifications Authority has responsibility for maintaining the framework, which imposes common requirements on qualification development and nomenclature. Each qualification has: an assigned level (1 to 10); an outcome statement for the whole qualification and each of its components; a credit value (20 credits is equivalent to one year of full-time study); and a title consistent with other qualifications on the framework. For a description of the framework go to chapter 3.
▲ The New Zealand Qualifications Authority has responsibility for approving all qualifications, other than for the universities, registered on the New Zealand Qualifications Framework, approving all programmes that lead to the awarding of a qualification on the framework, and accrediting tertiary education providers.\(^\text{12}\)


\(^{12}\) Accreditation confirms that the New Zealand Qualifications Authority considers the educational organisation is capable of delivering an approved programme. An educational organisation may seek accreditation to deliver their own or another organisation’s approved programme.
Universities New Zealand

Universities New Zealand, Te Pōkai Tara, derives its authority from the Education Act 1989. It provides quality assurance for university qualifications through its Committee on University Academic Programmes. New Zealand Universities established the Academic Quality Agency for New Zealand Universities to carry out academic quality audits of the eight universities. The unit also identifies and disseminates information on good practice in developing and maintaining quality in higher education and publishes reports. The unit maintains professional relationships with the New Zealand Qualifications Authority and with similar agencies internationally.

Quality Assurance Consultative Group

Established by the New Zealand Qualifications Authority as a forum for quality assurance bodies, this group provides opportunities for the two quality assurance bodies – the New Zealand Qualifications Authority and Universities New Zealand – to have a system-wide focus on the quality of tertiary education provision and qualifications.

It also provides a mechanism for cross-sector initiatives. In the past, these have included establishing working groups to provide input into the policy development relating to the New Zealand Qualifications Framework and credit recognition and transfer.

2. HOW GOVERNMENT FUNDING WORKS

The government-funded tertiary education framework complements the tertiary education strategy. Its purpose is to resource and steer tertiary education programmes and training schemes, while providing public tertiary education institutions and NZQA-registered private training establishments with the flexibility to operate in responsive and innovative ways. The two largest funding components cover the teaching and learning of domestic students, and the research carried out by tertiary education organisations – especially the universities.

Funding for student achievement

Tuition subsidy funding provides the government’s contribution to the costs of teaching and learning and other costs related directly to student numbers. The volume of provision and the types of qualifications and programmes funded through the student achievement component are approved by the Tertiary Education Commission after assessment of each tertiary education organisation’s investment plan.

The student achievement component rates are differentiated by discipline to reflect the costs associated with different types of study. For example, the funding rates for arts courses are lower than those for science courses. The Tertiary Education Commission calculates and publishes revised funding rates annually.

Government’s investment for the 2016/17 year was $2,230 million for the student achievement component and Youth Guarantee. In 2016, government’s share of the cost of tertiary education provision in universities, polytechnics and wānanga was 71 percent. This measure is based on funding from the government (equivalent full-time student-based funding) and the Performance-Based Research Fund and tuition fees for domestic students.

Industry training funding

The Industry Training Fund is targeted towards employment-based training linked to national qualifications and New Zealand qualifications, predominately at levels 1 to 4 on the New Zealand Qualifications Framework. This training is arranged by industry training organisations, which set the skill standards for their industries and are recognised under the Industry Training and Apprenticeships Act 1992.

Industry training funding is based on standard training measures. One standard training measure (STM) is defined as the amount of training that is required for a trainee to achieve 120 credits on the New Zealand Qualifications Framework in an approved, structured training programme.

Government’s investment in industry training for 2016/17 was $310 million (including apprenticeships). From 2014, the funding rate for traineeships was increased to $3,200 per standard training measure and the rate for New Zealand Apprenticeships and Modern Apprenticeships was set at $5,200. New Zealand Apprenticeships were introduced in 2013, and Modern Apprenticeships could no longer be commenced.

Direct access to industry training funding was also introduced in 2013, giving participating employers more control over the arrangement of their training. Traineeships and apprenticeships arranged under direct access are funded at rates that are 10 percent lower than those funded through industry training organisations.

Industry training funding is intended to meet a proportion of the costs required for developing qualifications, arranging training, and fulfilling each industry training organisation’s sector leadership role. The balance of funding required to manage industry training organisations is provided by the contributions received from the recognised industry(ies) associated with each industry training organisation.

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8 This measure is based on funding from the government (equivalent full-time student-based funding) and the Performance-Based Research Fund and tuition fees for domestic students.
Government provided approximately 70 percent of the cash cost of training in 2016, while employers are expected to fund approximately 20 percent for apprentices and 30 percent for other industry training. This recognises that industry training benefits the employer as well as the individual and the wider economy.

Māori and Pasifika Trades Training

Māori and Pasifika Trades Training uses a partnership approach to support Māori and Pasifika aged 16 to 40 years to undertake pre-trades training with a view to progressing to apprenticeships and other forms of sustainable employment. Regional consortia of tertiary education providers, employers, and Māori and Pasifika communities:

▲ build new pathways for developing skills and provide opportunities for learners to move into employment
▲ involve employers in screening applicants, designing and delivering programmes and connecting with learners, and
▲ provide additional support to learners, including fees-free training, employment brokerage, and tools grants for learners.

Government’s annual investment in Māori and Pasifika Trades Training is around $21 million annually for the consortia, lead providers and learners tools grants.

Youth Guarantee fees-free funding

The Tertiary Education Commission funds Youth Guarantee fees-free places in institutes of technology and polytechnics, wānanga and NZQA-registered private training establishments for study at levels 1 to 3 of the New Zealand Qualifications Framework. Students must be aged 16 to 19 years at the time of commencing study (or 15 years with an early leaving exemption from school). These places are targeted to young people who have left school without a foundation-level qualification.

For every Youth Guarantee learner enrolled in a full-time non-trades place, providers are paid $13,800, and $14,300 for a full-time trades place. This funding rate includes additional support for pastoral care and transport. Learners can access up to two equivalent full-time student units of Youth Guarantee fees-free provision.

As these places are fees-free to the learner, learners are not eligible for a student loan for course fees. However, 18 and 19 year-olds in Youth Guarantee may be able to access the Student Loan Scheme for living costs and course-related costs. Learners may also be eligible for a student allowance.

Dual Pathways Pilot

The Dual Pathways Pilot (2017/18) enrolls senior secondary school students, aged 16 years and over, part-time in school and part-time in tertiary education. The focus is on helping learners gain a level 2 or 3 qualification on the New Zealand Qualifications Framework, and supporting their movement into higher-level education or employment.

Māori and Pasifika Trades Training was built on two pilot programmes: Christchurch-based He Toki ki te Rika and the Pasifika Trades Training Initiative, which operated in Auckland, Wellington and Christchurch.

Secondary-tertiary programmes

Secondary-tertiary programmes (the most common form of which is trades academies) may be led by either a tertiary education provider or a secondary school.

In 2016, 13 of the formally approved secondary-tertiary programmes (including the School of Secondary-Tertiary Studies) were led by tertiary education organisations, comprising nine institutes of technology and polytechnics, two private training establishments and one industry training organisation. The other 12 were headed by secondary schools.

Tertiary lead providers are accountable to the Tertiary Education Commission for their performance in defined areas, including student retention, progression and achievement. School lead providers have a similar formal agreement with the Ministry of Education.

Government funding for research

The main government funding for the research conducted by tertiary education organisations comes through the Performance-Based Research Fund. Under this fund, providers are allocated funding on the basis of their research performance, using a set of performance indicators, complemented by peer assessment of the quality of their research.

The government also funds centres of research excellence – inter-institutional research networks focused on areas of established research excellence of importance to New Zealand. The following 10 centres of research excellence are funded through to 2020:

▲ Bio-Protection Research Centre (hosted by Lincoln University) – pursuing multidisciplinary research and development to meet the bio-security and pest management needs of New Zealand.

Before the introduction of the Performance-Based Research Fund, the main government funding for the research activities of tertiary education organisations was delivered as part of the student component funding for degree and postgraduate enrolments. The former system of funding research was phased out over the period 2004 to 2016.
Brain Research New Zealand, Rangahau Roro Aotearoa (co-hosted by the University of Otago and the University of Auckland) – focusing on ageing and disease mechanisms, disease biomarkers, the harnessing of brain plasticity, and testing of new therapies and lifestyle interventions

The Dodd-Walls Centre for Photonic and Quantum Technologies (hosted by the University of Otago) – pursuing fundamental knowledge about how the physical universe is composed and behaves and undertaking research with the potential to underpin advanced technological development

The MacDiarmid Institute for Advanced Materials and Nanotechnology (hosted by Victoria University of Wellington) – covering the range from fundamental science to applied technology and combining expertise in chemistry, physics and engineering to discover and understand new materials and technologies

Maurice Wilkins Centre for Molecular Biodiscovery (hosted by the University of Auckland) – extracting new knowledge from genomic and proteomic (protein) data

MedTech Centre of Research Excellence (hosted by the University of Auckland) – advancing basic research into applications for economic growth and healthcare outcomes

Ngā Pae o te Māramatanga, New Zealand’s Māori Centre of Research Excellence (hosted by the University of Auckland) – conducting research of relevance to Māori communities with 21 partner research entities

QuakeCoRE, NZ Centre for Earthquake Resilience (hosted by the University of Canterbury) – covering multidisciplinary programmes of internationally leading research that will support the development of an earthquake-resilient New Zealand

Riddet Institute (hosted by Massey University) – advancing knowledge in foods and biologicals, and

Te Pūnaha Matatini ‘the meeting place of many faces’ (hosted by the University of Auckland) – pursuing the transformation of complex data about New Zealand’s environment, economy and society into knowledge, tools and insight for making better decisions.

In addition to these sources of research funding, tertiary education organisations active in research also raise research revenue through the contestable science and innovation funds supported by the government through the Ministry of Business, Innovation and Employment, the Health Research Council and the Royal Society (Marsden Fund). Tertiary education organisations also bid for contracts to provide research for firms and other organisations that want research reports for the purposes of their businesses.

Government research funding via Vote Tertiary Education totalled $351 million in 2016. See Profile & Trends 2016: New Zealand Tertiary Education Research for further explanation of the research funding system and how its components relate to each other.

3. INVESTING IN TERTIARY EDUCATION

The Tertiary Education Strategy 2014-2019 spells out the contributions the government expects the tertiary education system to make to national goals. The Tertiary Education Commission’s role includes giving effect to the government’s tertiary education strategy. The Tertiary Education Commission is also responsible for operating the government’s funding mechanisms for allocating funding to tertiary education organisations. The key instrument the Tertiary Education Commission uses for managing these responsibilities is the assessment of investment plans developed by tertiary education organisations.

Investment plans

In general, developing an investment plan is a prerequisite for accessing public funding for quality-assured providers. The investment plan sets performance targets and describes the provision aimed at achieving those targets and how success will be measured.

In assessing a plan, the Tertiary Education Commission looks for evidence of the tertiary education provider’s alignment with its core roles and the priority outcomes outlined in the tertiary education strategy. It also takes account of the past performance of the organisation in meeting its targets. The Tertiary Education Commission approves the funding level for each tertiary education provider and the range and scale of provision the government expects.

Quality assurance and performance monitoring now have an increased focus on outcomes. There is greater transparency in the performance of the tertiary education system, and of tertiary education organisations within the system, as the quality of performance information improves and is made more widely available to students and the public. The Tertiary Education Commission has published annual performance information since 2009 for all tertiary education providers who receive student achievement funding. The focus on performance indicators is aimed at providing tertiary education providers with incentives for improving teaching and pastoral care.
In setting the total amount of funding available, the government takes account of cost pressures, expected demographic change, student demand and competing priorities within and outside the tertiary education sector.

The Tertiary Education Commission incorporates a set of output targets into the investment plan of each tertiary education provider. These output targets provide an annual snapshot of the educational performance of each provider. They cover course completion rates, qualification completions, the progression and retention of students in study, and performance in supporting the educational achievement of Māori and Pasifika.

The investment plan of each tertiary education provider also states how their engagement with other providers and stakeholders informs their plan.

4. **MONITORING GOVERNMENT-FUNDED TERTIARY EDUCATION PROVIDERS**

Tertiary education organisations report on their performance and financial targets in an annual statement of service performance included in their annual reports.

The Tertiary Education Commission and the New Zealand Qualifications Authority also carry out a range of monitoring and auditing activities. This includes monitoring of financial and educational performance against the commitments set out in investment plans.
NEW ZEALAND’S TERTIARY EDUCATION PROVISION

This chapter includes:
▲ the main changes in provision from 2015 to 2016
▲ provider-based tertiary education
▲ Māori and Pasifika Trades Training
▲ industry training
▲ Youth Guarantee fees-free places
▲ the Secondary-Tertiary Alignment Resource
▲ Gateway
▲ adult and community education
▲ adult literacy, language and numeracy education
▲ vocational pathways
▲ the New Zealand Qualifications Framework
▲ research and knowledge creation and its transfer, and
▲ quality assurance.

WHAT THE SECTOR PROVIDES

New Zealand’s tertiary education system offers students the opportunity to study and achieve quality-assured qualifications. The New Zealand Qualifications Framework has a standard structure for naming and describing qualifications across levels and types of provision. It describes what learners can expect from a qualification and it enables portability across the system.

Tertiary education in New Zealand provides a wide range of learning, ranging from education in foundation skills to doctoral studies. The system embraces technical and vocational education and training, higher education, workplace training, adult and community education, and tertiary education within the senior secondary school system.

While the system has evolved to meet the needs of New Zealand’s society and economy, New Zealand also provides learning opportunities for a significant number of tertiary education students from other countries.

Overview - comparing 2016 with 2015

The main developments in tertiary education provision, comparing 2016 with 2015, were:

▲ a decrease in the number of students enrolled at tertiary education providers, down from 420,000 to 416,000, and an increase in the number of apprenticeships, up from 42,000 to 43,000

▲ a decrease in the number of domestic students, down from 358,000 to 353,000, and an increase in the number of international students, up from 61,400 to 62,600

▲ more than four out of every five domestic students aged 18 to 24 years continued to enrol in level 4 and higher qualifications. It has been close to this level since 2007

▲ increases in the number of students in:
  - Māori and Pasifika Trades Training, up from 1,780 to 2,590
  - secondary and tertiary study in a trades academy, up from 5,900 to 6,900

▲ decreases in the number of students in:
  - Youth Guarantee fees-free places, down from 14,100 to 13,500
  - Gateway, down from 13,800 to 13,700
  - the Secondary-Tertiary Alignment Resource (STAR), down from 13,400 to 11,900,

▲ the launch in 2016 of FindMyPath – a Youth Guarantee website that aims to help young people make informed decisions about their study and employment. It shows people what they can do if they are interested in further study or careers in particular pathways: www.youthguarantee.net.nz/resources/mapping-tool/

1 This section refers to students studying towards an approved qualification of more than one week’s duration and students who are required to achieve assessment standards which count towards qualifications on the New Zealand Qualifications Framework.

2 The numbers reported here are those included in the Single Data Returns submitted by providers to the Tertiary Education Commission.
Provider-based tertiary education provision

The government provides some funding for New Zealand students undertaking formal tertiary learning and training. The courses and qualifications delivered by public tertiary education institutions and NZQA-registered private training establishments as formal tertiary education comply with the four components of the tertiary education quality assurance framework (see chapter 2). The largest share of government funding is allocated on a per student basis, with differential rates set by subject area. This funding is seen as a contribution towards the costs of education. In most cases, the student is also charged an enrolment fee.

In 2008, an investment system was introduced, through which the Tertiary Education Commission makes funding decisions in relation to investment plans (see chapter 2) developed by tertiary education organisations. The Tertiary Education Commission’s decisions are based on the quality and relevance of the provision offered and on the past performance of the tertiary education provider.

While the funding per student – called the student achievement component – is the largest fund the Tertiary Education Commission administers, the Commission also administers other funds which provide training programmes targeted to particular types of students. These include Youth Guarantee fees-free places, Māori and Pasifika Trades Training and apprenticeships (through the Industry Training Fund). Some of this tertiary education provision is described in more detail later in this report.

While most students in formal tertiary education are New Zealand citizens, or permanent residents, international students make up a significant number of formal students (16 percent of all enrolments, in terms of equivalent full-time student units, in 2016). New Zealand attracts learners from a variety of other countries – most notably Asia, which accounted for over 80 percent of international enrolments in 2016.

Although international students are usually required to pay the full costs of their tuition, Australian citizens living in New Zealand are treated as domestic students and pay domestic fees. International students studying towards a recognised doctoral qualification in New Zealand are funded in the same way as domestic doctoral students, and attract student achievement component funding.

### Table 1: Formal and informal learning provided through the tertiary education system

<table>
<thead>
<tr>
<th>Study towards a qualification</th>
<th>Non-formal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning at a tertiary education provider or school</td>
<td></td>
</tr>
<tr>
<td>– Student achievement-funded students</td>
<td>– Learners in adult and community education through community providers, tertiary education institutions, private training establishments, schools and other community providers</td>
</tr>
<tr>
<td>– International students</td>
<td>– Learners in professional development study</td>
</tr>
<tr>
<td>– School students in tertiary education</td>
<td></td>
</tr>
<tr>
<td>– Students in: Youth Guarantee, Trades academies, School of Secondary-Tertiary Studies, Māori and Pasifika Trades Training, Secondary-Tertiary Alignment Resource (STAR) programme</td>
<td></td>
</tr>
<tr>
<td>– Industry trainees and apprentices (off-job training)</td>
<td></td>
</tr>
<tr>
<td>– Full-fee-paying domestic students</td>
<td></td>
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<tr>
<td>Employment - and community-based learning</td>
<td></td>
</tr>
<tr>
<td>– Industry trainees and apprentices (on-job training)</td>
<td></td>
</tr>
<tr>
<td>– Learners in Gateway</td>
<td></td>
</tr>
</tbody>
</table>

### Level 1 and 2 fees-free provision for 20 to 24 year-olds

From 2014, all foundation education (level 1 and 2 qualifications) within the student achievement component fund became fees-free for 20 to 24 year-olds. This provision is focused on those who have previously not achieved a level 1 or 2 qualification. It includes beneficiaries referred by the Ministry of Social Development where level 1 and 2 study meets their needs.

Level 1 and 2 qualifications deliver core foundational skills required for success in life. They provide students with the skills required for higher-level vocational study, training and...
employment. In 2016, 4,240 students, who had not previously achieved a level 1 or 2 qualification, were enrolled at this level.

From 2017, level 1 to 2 provision became fees-free for students of all ages.

**FORMAL AND NON-FORMAL LEARNING**

Learning opportunities within the New Zealand tertiary education system can be categorised as formal (that is, contributing towards a qualification on the New Zealand Qualifications Framework) and non-formal (that is, not contributing towards a recognised qualification). Both formal and non-formal learning can be further divided into situations where students are learning at an education provider and situations where students are learning through a relationship with an employer or community organisation.

**Māori and Pasifika Trades Training**

In 2014, funding was provided for Māori and Pasifika Trades Training – programmes focused on helping more Māori and Pasifika learners aged 16 to 40 years to obtain trade apprenticeships and qualifications. The programme uses a partnership approach which includes Māori and/or Pasifika organisations, tertiary education organisations and employers.

In 2016, there were 2,590 students in this type of trades training, compared to 1,780 in 2015.

**Industry training**

Industry training is designed by, and delivered in conjunction with, industry. Government-funded industry training counts towards recognised qualifications. The costs of training are met jointly by government and industry. Industry training organisations that have been established by particular industries, or groups of industries, administer and support the industry training system. In recent years, the number of industry training organisations has reduced through a series of mergers on an industry-related basis. In 2015, there were 31 industry training organisations.

Industry training organisations facilitate training for employees that leads to industry-relevant qualifications. All trainees enter into a training agreement with their employer and most of the training takes place on-job with their progress assessed by registered assessors. On-job training can take a number of forms: the learning can be self-paced, or the training can be delivered by an experienced staff member or an external trainer.

In some cases, on-job training is complemented by training components delivered by tertiary education providers.

Apprenticeships are an employment-based education initiative aimed at encouraging participation in industry training, especially by younger people. Apprenticeships offer a mentoring aspect as well as formal industry training that leads to recognised qualifications. The Tertiary Education Commission funds the provision of support for apprentices, over and above that provided to other industry trainees. An individual training programme is developed for each learner that specifies the qualification(s) and generic skills they will gain, and maps out how this learning will take place.

In 2011 and 2012, the government conducted a policy review of industry training. As a result of the review, New Zealand Apprenticeships commenced from 1 January 2014. These apprenticeship programmes comprise either a level 4 qualification of 20 credits or more, or two or more qualifications, provided these are at level 3 and 4 and include at least 60 credits at level 4. Pastoral support for apprentices is provided regardless of age. Apprenticeships provide entry into an occupation or industry.

**Youth Guarantee – fees-free tertiary places**

The purpose of the Youth Guarantee programme is to provide fees-free tertiary places for eligible domestic students aged 16 to 19 years who are studying towards National Certificate of Educational Achievement (NCEA) levels 1 or 2, or another qualification at levels 2 or 3 on the New Zealand Qualifications Framework. Fifteen-year-olds with an early leaving exemption from school are also eligible for a fees-free place.

Fees-free places seek to:

- improve the transition of students from school to tertiary education and work
- increase overall achievement for Māori, Pasifika, and ‘at-risk’ students with special education needs, and
- reduce the number of young people who are not in employment, education or training.

Tertiary education providers are expected to support students to build on their achievement and progress to higher levels of education. Through the completion of foundation education, the Youth Guarantee programme provides students with an essential pathway to further education.
The Youth Guarantee programme was implemented progressively from 2010. The number of places was further expanded by transferring funding from the Youth Training programme. This move increased the number of places for young people in programmes aimed at improving educational outcomes, and pathways towards higher-level qualifications. In 2016, 13,500 students took up fees-free places – 68 percent of these were in private training establishments, 28 percent in polytechnics and 5.0 percent in wānanga.

Providers selected to provide Youth Guarantee programmes are those that have been successful at:

▲ working with young people, including Māori and Pasifika students
▲ delivering vocational programmes at levels 1 to 3
▲ embedding literacy and numeracy in teaching
▲ providing tailored pastoral care
▲ achieving high rates of retention and completion, and
▲ providing programmes in places with the highest proportion of unemployed youth.

Tertiary education within senior secondary schools
There is a range of options for accessing tertiary education within senior secondary schools.

Trades academies
This option allows students to achieve assessment standards towards the National Certificate of Educational Achievement and a tertiary qualification, while gaining practical skills in the workplace. The initiative operates through partnerships between schools, tertiary institutions, industry training organisations and employers.

The first trades academy was established in 2010 and since then their number has increased to 23 in 2016. These organisations provided a total of 6,900 places for 16 to 18-year-olds in 2016. Trades academies aim to get more young people actively engaged in education. They offer students who prefer hands-on learning the opportunity to gain the skills required by the New Zealand economy. Trades academies aim to provide students with more options for, and information about, learning that will contribute to future employment. The objectives of trades academies are to:

▲ motivate students to stay at school by providing them with a greater range of courses
▲ raise student achievement of NCEA-level qualifications
▲ improve transitions by giving students a head start on training for vocational qualifications and access to employment, and
▲ make education institutions more responsive to local and national business and economic needs.

School of Secondary-Tertiary Studies
The School of Secondary-Tertiary Studies (previously known as the Tertiary High School) opened in 2010 at the Manukau Institute of Technology campus in South Auckland. This programme is intended to help young people make the transition from high school to tertiary education. The Manukau Institute of Technology campus is based in an area with large Māori and Pasifika populations, high unemployment rates, and lower than average rates of educational achievement.

The school is a partnership between the tertiary education institution and contributing schools. It enables students who underperform in school to move into a tertiary environment to study for both school- and tertiary-level vocational qualifications.

In 2016, there were 196 students enrolled in the tertiary high school, compared to 230 students in 2015.

Secondary-Tertiary Alignment Resource (STAR)
STAR assists schools to meet the needs of senior secondary students by granting additional funding for schools to use in accessing a wide range of courses to provide greater opportunities for senior students. STAR funding is a capped resource available to schools with students in year 11 and above. The objectives of STAR are to enable schools to:

▲ facilitate transition to the workplace for students, particularly those intending to go straight into the workforce or those likely to leave school without any formal qualifications
▲ provide alternative learning opportunities for students to achieve the National Certificate of Educational Achievement at level 2
▲ provide or purchase tertiary study that will meet students’ needs, motivate them to achieve, and facilitate their smooth
transition to further education, training and employment, and

support students to explore career pathways and help them make informed decisions about their schooling and future work or study.

STAR courses can involve work-based learning and/or study towards assessment standards for the National Certificate of Educational Achievement and other qualifications on the New Zealand Qualifications Framework. In 2016, there were 11,900 STAR students studying in tertiary education organisations.8

Gateway

This programme enables senior secondary school students to access workplace learning as part of their school education. Students pursue individual learning programmes, gain new skills and knowledge in a workplace or their local community, and gain assessment standards that can be credited towards the National Certificate of Educational Achievement and other qualifications on the New Zealand Qualifications Framework.

In 2016, there were 13,700 students enrolled in a Gateway workplace arrangement.

Adult and community education

Most adult and community education (ACE) is non-formal tertiary education.9 It provides a bridge to further learning opportunities. In 2016, three national priorities for government-funded adult and community education were introduced:

- engaging learners whose initial learning was not successful
- improving the literacy, language and numeracy of individuals and whānau, and
- strengthening social cohesion.

Quality assurance arrangements were introduced in 2014 to support the implementation of the national priorities. ACE providers are required to consult with the community, learners and stakeholders, and ensure that the information gathered informs the design and development of specific activities to reflect the needs of target learner groups, as well as the long-term direction of the organisation’s ACE programme.

ACE is supported by, and delivered through, a range of education organisations, including schools, tertiary education institutions, private training establishments, and a range of community organisations, including other tertiary education providers, and rural education activities programmes.

ACE Networks are collaborative groups of local ACE providers and practitioners. They provide an opportunity to share information, knowledge and expertise and to work collaboratively to meet community learning needs.

ACE programmes in secondary schools include government-funded programmes with a focus on literacy, numeracy, computer literacy, New Zealand Sign Language, English as a second language and Te Reo. In 2016, there were 369,000 hours of government-funded adult and community education delivered in schools.

In 2016, 85 percent of government-funded ACE programmes in tertiary education institutions were provided by institutes of technology and polytechnics, 9.9 percent by universities and 5.3 percent by wānanga. This provision attracted an estimated 46,000 learners. A further 4,220 learners were provided with ACE programmes by government-funded private training establishments in 2016.

In 2016, community organisations delivered 650,000 hours of government-funded adult and community education.

Some organisations that provide adult and community education are not government funded.

Adult literacy, language and numeracy education

Adult literacy and numeracy education strengthens people’s reading, writing, listening, speaking and general numeracy skills. Adult literacy and numeracy provision is covered by a number of different funds and it may be for people already in employment or in other types of training. All level 1 and 2 programmes are now required to include explicit teaching and assessment of literacy and numeracy.

The Workplace Literacy Fund provides support to employees to increase their literacy, language and numeracy skills linked to workplace requirements. In 2016, this provision involved 4,330 learners and 173,000 hours.

Industry training projects focused on embedding literacy and numeracy have supported industry training organisations to build the capability necessary to effectively include literacy and numeracy in trades training.

The Intensive Literacy and Numeracy Fund, introduced in 2013, provides for high-needs individuals who might not be able to

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8 This number consists of those students reported by tertiary education providers to the Ministry of Education through the Single Data Return. This is likely to be a sub-set of all STAR students.

9 Non-formal learning does not contribute to a qualification on the New Zealand Qualifications Framework.
access learning at work, such as parents, people who have more casual employment arrangements and people with very low levels of literacy and numeracy. Learning is provided in meaningful contexts such as family literacy (for example, how to prepare a budget) and resettlement. In 2016, provision under this fund involved 4,880 students and 488,000 hours.

There is also a range of support provided for English for speakers of other languages (ESOL). These include:

▲ the Intensive Literacy and Numeracy Fund
▲ the Pre-Purchased English Language Fund, which provides English language tuition for migrants to New Zealand who have pre-paid for English for speakers of other languages courses, as part of their residency application, and
▲ English for speakers of other languages tuition, through other funded provision, including student achievement component-funded courses.

Some tertiary education organisations provide flexible, community-based individualised learning for adults. This is often a crucial first step for an individual in building their literacy and numeracy skills.

Vocational pathways

Vocational pathways bridge the gap between school qualifications and skills required for the workplace. They provide a better way to understand and plan study options that build literacy, numeracy and other core skills needed for young people to successfully progress to further learning, training or employment within particular industry sectors.

Attaining NCEA level 2 is the foundation for success in further education and the world of work. NCEA level 3 builds on this through shared opportunities for learning across school, tertiary, and industry training. Vocational pathways provide a framework for students to show how their learning and achievement are valued in the workplace by aligning learning with the skills needed for industry.

Vocational pathways meet stakeholders’ needs for:

▲ clearer pathways to further education, training and employment
▲ informed choices for students about their study options and learning pathways

▲ clearer connections between National Certificate of Educational Achievement (NCEA level 2) education and employment choice
▲ easier translation of NCEA results for employers, and
▲ improved student engagement, retention and achievement.

Vocational pathways provide:

▲ a clear way students can get NCEA level 2, or equivalent
▲ a better sense of relevance and purpose for young people’s learning, by helping them understand the practical application of their subjects and courses
▲ assistance to schools and tertiary providers to design programmes that include the skills and outcomes valued by industry
▲ a simpler way for employers to identify how a student’s learning qualifications relate to their business needs, and
▲ better alignment between education and business to increase the number of educated and skilled young people moving from school to tertiary education and to work.

The six pathways are:

▲ construction and infrastructure
▲ manufacturing and technology
▲ primary industries
▲ service industries
▲ social and community services, and
▲ creative industries.

Vocational pathways provide a curriculum framework that can be used in all learning programmes – general secondary programming, secondary-tertiary programmes and tertiary fees-free places. From 2013, schools, tertiary providers and trades academies started realigning their course offerings with these pathways to help students achieve NCEA level 2, or equivalent, with a vocational pathway. The review by the Education Review Office (2016) and feedback from the New Zealand Council for Educational Research (2016) provide further insights into the uptake of vocational pathways practices in schools.
New Zealand Qualifications Framework

The New Zealand Qualifications Authority is responsible for the integrity, currency and accuracy of the New Zealand Qualifications Framework. It covers all qualifications of 40 credits or more, including those developed by universities, institutes of technology and polytechnics, wānanga, private training establishments, industry training organisations and government training establishments. The framework provides a way of:

- conveying the skills, knowledge and attributes a graduate has gained through completing a qualification
- enabling and supporting the provision of high-quality education pathways
- identifying all quality-assured tertiary education programmes and training schemes, and accredited providers in New Zealand
- requiring the development of integrated and coherent qualifications
- contributing to Māori success in education by recognising and advancing mātauranga Māori, and
- enhancing confidence in the quality and international comparability of New Zealand qualifications.

The register establishes 10 levels of qualifications and qualification titles that can be used at each level, where level 1 is the lowest level of complexity, and level 10, the highest, covers doctoral-level qualifications.

For each qualification, there is a statement of learning outcomes that sets out what the whole qualification represents in terms of the application of knowledge, understanding, skills and attitudes, as well as the components of the qualification.

Each qualification has a specific credit value that represents the amount of learning and assessment that is typically required to achieve the qualification.

Qualification definitions

The general qualification definitions are as follows:

Certificate: may be used in a wide range of contexts across all levels up to and including level 6, and are often used to prepare learners for both employment and further education and training.

Bachelor's degree: provides a systematic and coherent introduction to the knowledge, ideas, principles, concepts, chief research methods and problem-solving techniques of a recognised major subject or subjects. These qualifications involve at least one sequential study programme that prepares learners for postgraduate study and supervised research. Bachelor's-degree programmes are taught mainly by people engaged in research and emphasise general principles and basic knowledge as the basis for self-directed work and learning.

Graduate certificates and graduate diplomas: are designed primarily as vehicles for degree graduates to pursue further study at an undergraduate level, either as a bridge to further study in a new area or to broaden and deepen existing knowledge areas.

A bachelor's degree with honours: may be awarded to recognise advanced or distinguished study in advance of a bachelor's degree. It typically involves an additional year of study and/or research at level 8.

Postgraduate certificates and postgraduate diplomas: are designed to extend and deepen a learner's knowledge and skills by building on attainment in the principal subject(s) of the qualifying degree. These qualifications provide a systematic and coherent survey of current thinking and research in a particular body of knowledge and may include instruction in relevant research methodologies.

Masters degrees: are normally designed to build on the principal subject(s) of the qualifying degree. However, the degree may build on relevant knowledge and skills derived from occupational experience, as in the Master of Business Administration (MBA). Different discipline areas have different traditions. Typically, they require learners to demonstrate mastery of theoretically sophisticated subject matter; evaluate critically the findings and discussions of literature; research, analyse and argue from evidence; apply knowledge to new situations; and engage in rigorous intellectual analysis, criticism and problem solving. A masters-degree programme contains a significant element of supervised research, usually resulting in a thesis, dissertation or substantive research paper.

Quality Assured Qualifications included the qualifications developed by universities, polytechnics, wānanga and government training establishments.

Programmes of fewer than 40 credits may be approved as training schemes.
**Doctoral degrees** are research degrees at a significantly higher level than masters, undertaken under the guidance of recognised experts in the field of study. A doctorate is awarded on the basis of an original and substantial contribution to knowledge as judged by independent experts, applying contemporary international standards.

A **higher doctorate** is awarded for independent work of special excellence, as judged by leading international experts. A higher doctorate does not require a learner to have enrolled for the degree; the research on which the awarding of the degree is based will have been completed, and may have been published, over many years.

**Honorary doctorates** are awarded in recognition of exceptional contributions made over time to the creation of knowledge in a discipline, to the institution awarding the degree, to a profession or to society at large.

**Table 2 Qualification types and levels on the New Zealand Qualifications Framework, Te Taura Here Tohu Mātauranga o Aotearoa**

<table>
<thead>
<tr>
<th>Level</th>
<th>Qualification types</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Doctoral degrees</td>
</tr>
<tr>
<td>9</td>
<td>Masters degrees</td>
</tr>
<tr>
<td>8</td>
<td>Postgraduate diplomas and certificates</td>
</tr>
<tr>
<td>7</td>
<td>Bachelors degrees with honours</td>
</tr>
<tr>
<td>6</td>
<td>Graduate diplomas and certificates</td>
</tr>
<tr>
<td>5</td>
<td>Bachelors degrees</td>
</tr>
<tr>
<td>4</td>
<td>Diplomas</td>
</tr>
<tr>
<td>3</td>
<td>Certificates</td>
</tr>
</tbody>
</table>

**Graduate outcomes**

The outcomes for a graduate who completes a qualification are as follows:

A graduate with a **level 1 certificate** is able to:
- demonstrate basic general and/or foundation knowledge
- apply basic skills required to carry out simple tasks
- apply basic solutions to simple problems
- apply literacy and numeracy skills for participation in everyday life
- work in a highly structured context
- demonstrate some responsibility for their own learning, and
- interact with others.

A graduate with a **level 2 certificate** is able to:
- demonstrate basic factual and/or operational knowledge of a field of work or study
- apply known solutions to familiar problems
- apply standard processes relevant to the field of work or study
- apply literacy and numeracy skills relevant to the role in the field of work or study
- work under general supervision
- demonstrate some responsibility for their own learning and performance, and
- collaborate with others.

A graduate with a **level 3 certificate** is able to:
- demonstrate some operational and theoretical knowledge in a field of work or study
- select from and apply a range of known solutions to familiar problems
- apply a range of standard processes relevant to the field of work or study
- apply a range of communication skills relevant to the role in the field of work or study
- work under limited supervision
- demonstrate major responsibility for their own learning and performance
- adapt their own behaviour when interacting with others, and
- contribute to group performance.

A graduate with a **level 4 certificate** is able to:
- demonstrate broad operational and theoretical knowledge in a field of work or study
- select and apply solutions to familiar and sometimes unfamiliar problems
- select and apply a range of standard and non-standard processes relevant to the field of work or study
- apply a range of communication skills relevant to the field of work or study
- demonstrate self-management of learning and performance under broad guidance, and
- demonstrate some responsibility for the performance of others.

A graduate with a **level 5 certificate** is able to:
- demonstrate broad operational or technical and theoretical knowledge within an aspect(s) of a specific field of work or study
- select and apply a range of solutions to familiar and sometimes unfamiliar problems
A graduate with a level 5 diploma is able to:
- demonstrate broad operational or technical and theoretical knowledge within an aspect(s) of a specific field of work or study
- select and apply a range of solutions to familiar and sometimes unfamiliar problems
- demonstrate complete self-management of learning and performance within defined contexts, and
- demonstrate some responsibility for the management of the learning and performance of others.

A graduate with a level 6 certificate is able to:
- demonstrate specialised technical or theoretical knowledge with depth within an aspect(s) of a specific field of work or study
- analyse and generate solutions to familiar and unfamiliar problems
- select and apply a range of standard and non-standard processes relevant to the field of work or study
- demonstrate complete self-management of learning and performance within dynamic contexts, and
- demonstrate responsibility for leadership within dynamic contexts.

A graduate with a level 6 diploma is able to:
- demonstrate specialised technical or theoretical knowledge with depth in a field of work or study
- analyse and generate solutions to familiar and unfamiliar problems
- select and apply a range of standard and non-standard processes relevant to the field of work or study
- demonstrate complete self-management of learning and performance within dynamic contexts, and
- demonstrate responsibility for leadership within dynamic contexts.

A graduate with a level 7 diploma is able to:
- demonstrate specialised technical or theoretical knowledge with depth in one or more fields of work or study
- analyse and generate solutions to unfamiliar and sometimes complex problems
- select, adapt and apply a range of processes relevant to the field of work or study, and
- demonstrate advanced generic skills and/or specialist knowledge and skills in a professional context or field of study.

A graduate with a bachelors degree is able to:
- demonstrate intellectual independence, critical thinking and analytic rigour
- engage in self-directed learning
- demonstrate knowledge and skills related to the ideas, principles, concepts, chief research methods and problem-solving techniques of a recognised major subject
- demonstrate the skills needed to acquire, understand and assess information from a range of sources, and
- demonstrate communication and collaborative skills.

A graduate with a graduate diplomas/certificate is able to demonstrate some of the outcomes of a bachelors degree (see above) in a new area of study.

A graduate with a bachelors degree with honours is able to:
- engage in self-directed learning and advanced study
- demonstrate intellectual independence, analytic rigour, and the ability to understand and evaluate new knowledge and ideas, and
- demonstrate the ability to identify topics for original research, plan and conduct research, analyse results, and communicate the findings to the satisfaction of subject experts.

A graduate with a postgraduate certificate is able to show evidence of advanced knowledge about a specialist field of enquiry or professional practice.

A graduate with a postgraduate diploma is able to:
- show evidence of advanced knowledge about a specialist field of enquiry or professional practice, and
- engage in rigorous intellectual analysis, criticism and problem solving.

A graduate with a masters degree is able to:
- show evidence of advanced knowledge about a specialist field of enquiry or professional practice
- demonstrate mastery of sophisticated theoretical subject matter
- evaluate critically the findings and discussions in the literature
- research, analyse and argue from evidence
- work independently and apply knowledge to new situations, and
- engage in rigorous intellectual analysis, criticism and problem solving.
If a masters degree includes a component of supervised research of not fewer than 90 credits at level 9, the graduate is also able to:
- demonstrate a high order of skill in the planning, execution and completion of a piece of original research or creative scholarly work, and
- apply such skills learned during the study programme to new situations.

A **doctoral degree** is a research degree. A graduate with this type of qualification becomes an increasingly independent scholar who makes a substantial and original contribution to knowledge.

**Quality assurance**

The New Zealand Qualifications Authority uses external evaluation and review as its standard means of reviewing the current quality of performance within tertiary education organisations. A report is published for each external evaluation and review completed.

A report evaluating the quality of the service provided by each tertiary education organisation is developed through a site visit and an analysis of performance data (achievement and outcome data, including the Tertiary Education Commission’s educational performance indicators), interviews held with key stakeholders and other relevant information. The analysis comprises an external evaluation of the actual performance of each tertiary education organisation and an evaluation of their ability to undertake ongoing self-assessment of their performance.

Each report includes a level of confidence assigned to both the organisation’s performance and their capability to self-assess and improve that performance. The confidence levels are based on the answers to six key evaluation questions, a number of focus areas and the achievement and outcome data for the tertiary education organisation as a whole. The levels that can be assigned are: ‘highly confident’, ‘confident’, ‘not yet confident’ and ‘not confident’.

When a tertiary education organisation receives a ‘not confident’ or ‘not yet confident’ statement of confidence, the New Zealand Qualifications Authority agrees on a quality improvement plan with the organisation, aimed at raising performance to the ‘confident’ level. Another external evaluation and review are then scheduled for a later date to observe whether the organisation’s actions have led to improvements in performance. If the results of that review are not ‘confident’, or better, in both educational performance and

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9 In 2009, the external evaluation and review system was introduced by the New Zealand Qualifications Authority as part of an integrated evaluative quality assurance framework for tertiary education organisations (other than universities).
## Key Evaluation Questions

The following key evaluation questions are an important tool in the external evaluation and review process:

- How well do learners achieve?
- What is the value of the outcomes for key stakeholders, including learners?
- How well do programmes and activities match the needs of learners and other stakeholders?
- How effective is the teaching?
- How well are learners guided and supported?
- How effective are governance and management in supporting educational achievement?

## External Evaluation and Review Reports

External evaluation and review reports include direct evaluative commentaries, and supporting data, on:

- Learner achievement
- The range and quality of available performance data, including any significant gaps in that data
- Steps taken to objectively verify educational performance
- The use of achievement and outcomes data to understand educational performance and the steps taken to maximise achievement and outcomes, and relevant evaluative commentary on the contribution of needs assessment; teaching quality; the quality of learner support; and the impact of governance and management in supporting and improving educational performance.

## Education Performance Information

Tertiary education organisations will need to have good evidence of:

- What counts as educational performance, learner achievement, and learner and stakeholder outcomes in the organisation
- How, and what, information or evidence is gathered on achievement and outcomes, and the quality of that information
- How this information/evidence is interpreted and understood within the organisation
- How the understanding gained is used in organisational decision making
- The practical steps taken, as a consequence of this understanding, to maintain areas of good performance and improve weaker aspects identified
- The overall impact of these efforts on learner achievement and outcomes, and the evidence of improvement, and
- How the above steps have been applied in the context of those particular groups (Māori, Pasifika and other relevant identified groups within the organisation) to maximise achievement and outcomes.

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NEW ZEALAND QUALIFICATIONS AUTHORITY’S EXTERNAL EVALUATION AND REVIEW SYSTEM
This chapter includes:

- Budget 2017 – new funding initiatives
- Budget 2017 – total tertiary education expenditure
- Budget 2017 – student support changes
- 2016 fees-free tertiary study and increased student allowances and living costs loan entitlements, and
- tertiary education enrolment indications for 2017.

**Budget 2017**

Budget 2017 saw the government invest $132 million, over four years, in tertiary education. The investment comprises $129 million of new funding and $3.5 million from baseline savings within Vote Tertiary Education.

Budget 2017 focused on the following areas:

- $52.5 million, over four years, to further encourage research excellence and research-based funding (this investment increases the Performance-Based Research Fund to $315 million per year)
- $69.3 million, over four years, to increase tuition subsidy rates at qualification level 3 and above, with approximately 60 percent of the funding to be invested in universities
- $6.8 million, over four years, to increase funding for Education New Zealand to enable the further development of international education in New Zealand’s regions, to improve the international student experience and market New Zealand as a destination for quality education, and
- $3.5 million to meet increased demand for workplace-based literacy and numeracy programmes in 2018.

The initiatives were an integral part of wider ‘Innovative New Zealand’ initiatives that included $373 million, over the next four years, for tertiary education, science and innovation, and economic development.

This continues the momentum from the $761 million investment made through the Innovative New Zealand programme in Budget 2016.

Research-focused tertiary education institutions already receive significant amounts of funding from contestable research funds, so are expected to benefit from the Budget 2017 funding increases to the following funds:

- $819 million, over four years out to 2020/21 for the Endeavour Fund; and
- $40.5 million, over four years out to 2020/21 for the Strategic Science Investment Fund.

In 2016, there were also increases to the following two funds:

- $97 million, over four years out to 2019/20, for Health Research Council funding, and
- $66 million, over four years out to 2019/20, for the Marsden Fund to extend its ability to fund excellent investigator-led, basic research.

More information about the range of Innovative New Zealand initiatives announced in Budget 2017 can be found at: 

**Budget 2017 – total tertiary education expenditure**

In 2017/18, the government’s total expenditure on tertiary education (including student support adjusted for loan repayments) is forecast to be $4,097 million. This compares with an estimated expenditure of $4,235 million for the 2016/17 year. Within this overall investment, tuition funding is expected to increase from $2,463 million in 2016/17 to $2,466 million in 2017/18.

In addition to the new funding initiatives, the following initiative was announced as part of Budget 2017:

- Careers New Zealand’s integration into the Tertiary Education Commission. Once appropriated, this contingency funding will become part of Vote Tertiary Education.

This initiative is to develop a refocussed and more effective careers information service. It aims to facilitate a smooth transition process and improve the information available for students to enable to make decisions about tertiary education and their careers.

This contingency funding for 2017/18 costs $4.0 million. It comes from underspent 2016/17 Vote Tertiary Education funding.

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1 Previously known as the Ministry of Business, Innovation and Employment Contestable Fund.
2 Tertiary education spending such as contestable research funding from Vote Science and Innovation, training incentive allowances, and the agency cost of student support is not included here.
Budget 2017 - student support changes

The following Budget 2017 initiatives will directly benefit students:

▲ The maximum rate of the Accommodation Benefit will increase by $20 to $60 per week and the maximum rate of the Accommodation Supplement will also increase, alongside a change in regional boundaries.

This initiative is part of the Budget 2017 Family Incomes package. The Accommodation Benefit maximum rate increase aims to support students living in areas that have higher accommodation costs.

Those who will benefit from the Accommodation Supplement increase includes solo-parent students and some full-time students who do not qualify for a Student Allowance such as postgraduate students.

The increase in funding is $65.1 million over four years and it takes effect from 1 April 2018.

Setting the 2017 Annual Maximum Fee Movement

The Annual Maximum Fee Movement is 2 percent in 2017 which is lower than 3 percent in 2016 and 4 percent in previous years. The Annual Maximum Fee Movement regulates the level to which tertiary education providers can increase their course fees. While the Annual Maximum Fee Movement is not a student support policy it has the effect of limiting the amount of money students need to borrow for fees through the Student Loan Scheme.

2018 fees-free tertiary study and increased student allowances and living costs loan entitlements

Following the 2017 election, the new government announced its first 100 days programme that includes fees-free tertiary study for eligible first-time tertiary education students from 1 January 2018.

All New Zealand students who finished school in 2017, or will finish school during 2018, qualify for a year of free tertiary education at a provider or as an industry trainee.

Fees-free tertiary education and training will also benefit people who are not school leavers. Adults who have previously studied for less than half a full-time year also qualify.

Students can find out whether they are eligible at the government’s fees-free website: www.feesfree.govt.nz/

The changes for 2018 have been announced as a first step with the intent to provide a full programme of three years’ fees-free tertiary education and training for New Zealanders by 2024.

The government’s first 100 days programme also includes a $50 a week increase to both student allowances and loan entitlements for living costs from 1 January 2018. More information about this is available on the StudyLink website: www.studylink.govt.nz/about-studylink/news/2017/student-support-changes-2018.html
Enrolments indications for 2017

Provisional enrolments data suggest that the number of students (domestic and international) in formal study at tertiary education providers will decrease from 2016 to 2017 by about 2 percent. This follows a decrease of 0.9 percent from 2015 to 2016 when domestic student enrolments decreased by 13 percent while international student enrolments increased by 19 percent.

Figure 4.1 Percentage change from 2016 to 2017 in the number of equivalent full-time student units (including international enrolments) by qualification type and level

Notes:
1. ‘Postgraduate’ refers to bachelors degrees with honours, postgraduate diplomas/certificates, masters degrees and doctoral degrees.
2. Data compares the period from 1 January to August 2017 with the period from January to August 2016.

The decrease from 2016 to 2017 is expected to be similar in terms of equivalent full-time student units, with both domestic and international enrolments decreasing; that is, equivalent full-time student units are expected to decrease in number by about 2 percent for domestic and international students.

The provisional data suggests that the study load of students is expected to remain at a similar level in 2017 to that in 2016, close to 0.67 equivalent full-time student units (on average).

From 2016 to 2017, the number of equivalent full-time student units is likely to remain stable for level 1 to 3 certificates and graduate diplomas/certificates. Increases in the number of equivalent full-time student units are expected from 2016 to 2017 for postgraduate qualifications, with decreases for level 4 to 7 diplomas/certificates and bachelors degrees.

At the sub-sector level, the number of enrolments is likely to increase from 2016 to 2017 at universities and wānanga, with decreases at polytechnics and private training establishments. The decrease is expected to be slightly larger for private training establishments.

Domestic tertiary education enrolments

From 2016 to 2017, student numbers are expected to increase for level 1 and level 3 certificates and decrease for level 2 certificates. The number of students in level 4 certificates is likely to remain stable, while the numbers studying level 5 to 7 diplomas and certificates, bachelors degrees and graduate diplomas and certificates are expected to decrease. The upward trend in the number of domestic students enrolling in postgraduate qualifications continued in 2017. This follows on from a 4.7 percent increase in the number of postgraduate students from 2015 to 2016.

Enrolments by domestic Pasifika students are expected to decrease from 2016 to 2017, following a slightly smaller decrease from 2015 to 2016. Before this, enrolments by Pasifika students had been following an upward trend, with the number of enrolments increasing by 2.3 percent per year (on average) from 2005 to 2015. Enrolments by domestic European students are also expected to decline from 2016 to 2017, continuing a steady downward trend that started in 2006. In comparison, the number of Māori students is expected to remain stable, while the number of domestic enrolments by Asian students is expected to increase.

International tertiary education enrolments

The upward trend in the number of international students, which started in 2009, is expected to turn in 2017 with these enrolments likely to decrease by about 2 percent on 2016. In terms of equivalent full-time student units, the decrease is expected to be similar. Enrolments by international students are expected to decrease substantially for level 5 to 7 diplomas and certificates, with increased enrolments at other qualification levels.

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1 The analysis in this section is based on the enrolments made in the period from 1 January to August 2017, compared with the enrolments made in the period from 1 January to August 2016. It represents about 60 percent of the annual enrolments data and needs to be interpreted as provisional information that is subject to change when the final data comes available in 2018.

2 Study of more than one week’s duration towards a qualification in the New Zealand Qualifications Framework.
FINDING OUT MORE ABOUT TERTIARY EDUCATION

This chapter includes technical notes about the statistics in Profile & Trends and the associated analytical tables on Education Counts. It also includes a list of the definitions and acronyms commonly used in New Zealand’s tertiary education sector, as well as descriptions of some of the statistical methods applied and data sources used.

The contact details of the key tertiary education agencies, sector representative groups, students’ associations, tertiary education organisations, and industry training organisations are also included.

There are many sources of additional information on New Zealand’s tertiary education sector. They include the:

- New Zealand education statistics and research website: www.educationcounts.govt.nz
- Ministry of Education’s website, which contains supporting documents, publications and links to other education-related sites: www.education.govt.nz
- Team-Up programme on the Ministry of Education’s website, which aims to provide more and better information to parents, caregivers and families so they can support and encourage their children’s learning: www.education.govt.nz/Parents.aspx
- websites of many providers which are accessible through links from the websites above or from the Careers New Zealand1 site, and
- annual reports and other information published by tertiary education organisations.

The government has a number of distinct but interrelated roles in the tertiary education sector in New Zealand such as providing resources for the delivery of education; operating as a regulator by administering education-related legislation; promulgating regulations and guidelines; monitoring compliance; and monitoring the effectiveness and efficiency of education delivery.

Government policy is developed within a framework that aims to create an environment for learning as the basis for New Zealand’s future economic and social wellbeing.

Key tertiary education agencies

MINISTRY OF EDUCATION
Mātauranga House, 33 Bowen Street Wellington 6011 PO Box 1166 Wellington 6140 phone: 04-463 8000 fax: 04-463 8001 email: enquiries.national@education.govt.nz

The divisions that contribute to the Ministry of Education’s activities in tertiary education are:
- Education System Performance, and
- Graduate Achievement, Vocations and Careers.

TERTIARY EDUCATION COMMISSION
44 The Terrace Wellington 6011 PO Box 2 Wellington 6141 phone: 04-462 5200 fax: 04-462 5401 email: sectorhelpdesk@tec.govt.nz

NEW ZEALAND QUALIFICATIONS AUTHORITY
125 The Terrace Wellington 6011 PO Box 160 Wellington 6140 phone: 04-463 3000 fax: 04-802 3112 call centre: 0800 697 296 www.nzqa.govt.nz

CAREERS DIRECTORATE
Advice Line: 0800 222 733 phone: 04-8015777 fax: 04-801561 email: careers@tec.govt.nz www.careers.govt.nz

INLAND REVENUE
National Office PO Box 2298 Wellington phone (student loans helpline): 0800 377 778

MINISTRY OF SOCIAL DEVELOPMENT (STUDYLINK)
Private Bag 1070 Palmerston North 4442 freephone: 0800 88 99 00 freefax: 0800 88 33 88 email: studylink@msd.govt.nz www.studylink.govt.nz

1In the 2017/18 year Careers New Zealand will be integrated into the Tertiary Education Commission to develop a refocused and more effective careers information service. It aims to facilitate a smooth transition process and improve the information available for students to enable them to make decisions about tertiary education and their careers.
Tertiary education scholarship information

www.govt.nz/browse/education/tertiary-education/scholarships-grants-and-awards

UNIVERSITIES NEW ZEALAND www.universitiesnz.ac.nz

GENEROSITY NEW ZEALAND www.generosity.org.nz

Universities

Links to New Zealand’s universities can be found at:
www.universitiesnz.ac.nz

THE UNIVERSITY OF AUCKLAND
Private Bag 92019
Auckland 1142
NEW ZEALAND
phone: +64-9-373 7999 (operator)
phone: +64-9-373 7599 (auto attendant)
email: postmaster@auckland.ac.nz
www.auckland.ac.nz

AUCKLAND UNIVERSITY OF TECHNOLOGY
Private Bag 92006, Auckland 1142
freephone: 0800 288 864
phone: +64-9-9219999
fax: +64-9-9219821
www.aut.ac.nz

THE UNIVERSITY OF WAIKATO
Te Whare Wānanga o Waikato
Private Bag 3315
Hamilton 3240
phone: +64-7-856 2889 automated: +64-7-838 4466
fax: +64-7-838 4504
email: info@waikato.ac.nz
www.waikato.ac.nz

MASSEY UNIVERSITY
Private Bag 11222
Palmerston North
phone: +64-6-350 444 or 0800 627 739
fax: +64-6-350 5622
email: contact@massey.ac.nz
www.massey.ac.nz

VICTORIA UNIVERSITY OF WELLINGTON
PO Box 600
Wellington 6140
phone: +64-4-472 000 (operator)
phone: +64-4-463 5233 (auto attendant)
email: info@vuw.ac.nz
www.vuw.ac.nz

UNIVERSITY OF CANTERBURY
Private Bag 4800
Christchurch 8140
phone: +64-3-366 7001 (operator)
phone: +64-3-364 2987 (auto attendant)
www.canterbury.ac.nz

LINCOLN UNIVERSITY
PO Box 85084
Lincoln 7647
Lincoln University Post Office
Ellesmere Junction Road/ Springs Road
CANTERBURY
phone: +64-3-423 0000
phone: 0800 10 60 10
email: info@lincoln.ac.nz
www.lincoln.ac.nz

UNIVERSITY OF OTAGO
PO Box 56
Dunedin 9054
phone: +64-3-479 1000 or 0800 808 098
fax: +64-3-479 8692
email: university@otago.ac.nz
www.otago.ac.nz

Institutes of technology and polytechnics

Ara Institute of Technology
www.arah.org.nz

Eastern Institute of Technology Hawke’s Bay
www.eit.ac.nz

Manukau Institute of Technology
www.manukau.ac.nz

Nelson Marlborough Institute of Technology
www.nmit.ac.nz

Northland Polytechnic
www.northtec.ac.nz

Otago Polytechnic
www.tekotago.ac.nz

Southern Institute of Technology
www.sit.ac.nz

Tai Poutini Polytechnic
www.taipoutini.ac.nz

The Open Polytechnic of New Zealand
www.openpolytechnic.ac.nz

Unitec New Zealand
www.unitec.ac.nz

Universal College of Learning
www.ucol.ac.nz

Toi Ohomai Institute of Technology
www.toiohomai.ac.nz

Waikato Institute of Technology
www.wintec.ac.nz
▲ Wellington Institute of Technology
www.weltec.ac.nz
▲ Western Institute of Technology at Taranaki
www.witt.ac.nz
▲ Whitireia Community Polytechnic
www.whitireia.ac.nz

Wānanga
Links to these organisations can be found at:
www.tauihu-wananga.maori.nz
▲ Te Wānanga o Aotearoa
www.twoa.ac.nz
▲ Te Whare Wānanga o Awanuiārangi
www.wananga.ac.nz
▲ Te Wānanga-o-Raukawa
www.wananga.com

Industry training organisations
Links to these organisations can be found at: www.itf.org.nz
▲ BCITO (building and construction)
▲ Careerforce (Community Support Services Ltd)
▲ Competenz
▲ Connexis Infrastructure Industry Training Organisation
▲ HITO (New Zealand Hair and Beauty Industry Training Organisation Inc.)
▲ MITO New Zealand Inc. (automotive, transport, logistics, industrial textile fabrication and extractive industries)
▲ NZ Marine and Composites Industry Training Organisation
▲ Primary Industry Training Organisation
▲ ServiceIQ (aviation, hospitality, retail, travel, tourism and museums sectors)
▲ Skills Active Aotearoa Ltd (sports and recreation)
▲ The Skills Organisation

Sector groups
ACADEMIC QUALITY AGENCY FOR NEW ZEALAND
UNIVERSITIES
Level 9, Education House, 142 Lambton Quay
Wellington 6011
PO Box 5787
Wellington 6145
phone: 04-8017924 fax: 04-3818501
email: admin@nzaau.ac.nz

AOTEAROA MĀORI PROVIDERS OF TRAINING, EDUCATION AND EMPLOYMENT
7-9 Barnes Street, Seaview
Lower Hutt
phone: 04-939 7111 or 04-567 5715
email: teatahou@xtra.co.nz

ASSOCIATION FOR TERTIARY EDUCATION MANAGEMENT
ATEM New Zealand Branch
PO Box 6524
Upper Riccarton
Christchurch 8442
phone: 03-347 0271

QUALITY TERTIARY INSTITUTIONS
PO Box 12-249
Wellington 6141
phone: 027 449 9447
email: neil@ncm.co.nz

INDEPENDENT TERTIARY EDUCATION NEW ZEALAND
Level 5, David Langdon House, 49 Boulcott Street
Wellington 6011
PO Box 6411 Marion Square
Wellington 6141
phone: 04-4712460 fax: 0800 692 737
email: admin@itenz.co.nz
www.itenz.ac.nz
INDUSTRY TRAINING FEDERATION  
Level 11, Ranchhod Tower  
39 The Terrace  
Wellington 6142  
phone: 04-894 3190  
email: josh@itf.org.nz  
www.itf.org.nz

UNIVERSITIES NEW ZEALAND (NEW ZEALAND VICE-CHANCELLORS’ COMMITTEE)  
Level 9, Pacific Radiology Building  
142 Lambton Quay  
PO Box 12-915  
Wellington 6142  
phone: 04-3818500 fax: 04-3818501  
email: contact@universitiesnz.ac.nz

PACIFIC ISLANDS TERTIARY EDUCATION PROVIDERS OF NEW ZEALAND INC.  
PO Box 260  
Wellington 6140  
phone: 04-495 8390 fax: 04-495 8391  
c/o www.nzis.co.nz

TE TAUIHU O NGĀ WĀNANGA – THE NATIONAL ASSOCIATION OF WĀNANGA  
6 Kahu Road  
Paremata  
Porirua 5024  
phone: 06-364 7820 fax: 06-364 9069  
email: t.royal@twor.ac.nz

Students’ associations

NEW ZEALAND UNION OF STUDENTS’ ASSOCIATIONS  
Level 3, 354 Lambton Quay  
Wellington 6011  
PO Box 10-391  
Wellington  
phone: 04-498 2500  
email: admin@students.org.nz

TE MANA AKONGA – NATIONAL MĀORI TERTIARY STUDENTS’ ASSOCIATION  
Level 3, 354 Lambton Quay  
PO Box 10-391  
Wellington  
phone: 04-498 2506 fax: 04-473 2391  
email: tma.kaituhono@xtra.co.nz
Definition

Academic year
The academic year is defined in the Education Act 1989 as a calendar year, 1 January to 31 December.

Achievement standards
Achievement standards are used to assess programmes of study based on the New Zealand Curriculum. Providers and industry training organisations must be accredited by the New Zealand Qualifications Authority, and have been granted a ‘consent to assess’ by the New Zealand Qualifications Authority, before they can register credits from assessment against achievement standards.

Providers and industry training organisations assessing against achievement standards must engage with the moderation system that applies to those achievement standards. Students who achieve the required standard are ranked as achieved, achieved with merit or achieved with excellence.

Adult and community education
Adult and community education (ACE) enables adults to engage in a range of educational activities in a context that is post-school and relevant to the learner. Most ACE provision does not lead to a qualification. There are few barriers to participation. Provision is generally focused on personal development and skill enhancement, while there are also social, civic and community benefits. There is a range of providers that deliver ACE, including schools, tertiary education institutions, community groups, private training establishments and other tertiary education providers.

Assessment standards
Assessment standards are achievement standards and unit standards in the Directory of Assessments Standards maintained by the New Zealand Qualifications Authority. See definitions under achievement standards and unit standards.

Centres of research excellence
The centres of research excellence (CoREs) support leading-edge, international-standard innovative research that fosters excellence and contributes both to New Zealand’s national goals and to knowledge transfer. The centres are primarily inter-institutional research networks, with the researchers working together on a commonly agreed work programme. Each centre is hosted by a tertiary education institution.

Component
A programme of study may comprise a number of components and span a number of years. A component may be described as a paper, a module or a course. A component encompasses teaching, learning and assessment. In many cases it also includes research.

A collection of components forms a programme of study which, if completed successfully, results in the awarding of a recognised qualification.

Course
Refer to component.

Credits
The New Zealand Qualifications Framework describes the typical learning effort required to achieve a qualification in terms of credits. A full year of study is 120 credits, which equates to 1200 notional learning hours (including teaching, classroom activities and independent study). The minimum number of credits required for a certificate is 40 credits.

Decile
Decile ratings indicate the extent to which a school draws its students from low socio-economic communities. Decile 1 schools are the 10 percent of all schools with the highest proportion of students from low socio-economic communities, whereas decile 10 schools are the 10 percent of all schools with the lowest proportion of these students.

Distance education
Distance education occurs when students and the instructor are separated by geographic distance or time. The students’ learning is usually facilitated using correspondence study, audio conferencing, video conferencing, or e-learning.

E-learning
E-learning refers to formal and non-formal education that uses electronic delivery methods such as internet-based learning delivery packages, online video conferencing, websites or email to manage the relationship between teacher and learners.

Equivalent full-time student unit
One equivalent full-time student unit is defined as the student workload that would normally be carried out in a single academic year (or a 12-month period) by a student enrolled full-time.
The equivalent full-time student unit value of a qualification represents the assessment of the normal minimum time for a full-time student to successfully complete the qualification. The credit value assigned to the course by the quality assurance system is part of the EFTS measure.

Qualifications are disaggregated into component courses. Each approved course is assigned an EFTS factor that represents the proportion of the whole qualification that the course constitutes.

For courses included in the New Zealand Qualifications Framework, one credit equals 12 nominal hours of instruction and study. One equivalent full-time student unit comprises 120 credits, or 1200 nominal hours, of instruction and study. This represents one year of full-time study.

The equivalent full-time student count in Profile & Trends is the sum of the EFTS units for a year.

Fiscal year
The government’s accounting year is based on the fiscal year, which is a 12-month period starting on 1 July and finishing on 30 June.

Full-time/part-time
The terms ‘full-time’ and ‘part-time’ describe a student’s study load. A student may elect to study a full-time qualification on a part-time basis, by enrolling in fewer components than the normal student full-time workload. The expression ‘part-time’ may be applied to a qualification as well as a student. For example, there are qualifications that are specifically designed for part-time study. The following definition of full-time is used for the purposes of eligibility for student loans and allowances:

▲ Any programme of study of 32 weeks or more and at least 0.8 EFTS is designated full-time, full-year.
A programme of study that has a lower EFTS value on a pro rata basis is called part-time.
Any programme of study of at least 12 weeks but less than 32 weeks and at least 0.3 EFTS or the equivalent on a pro rata basis (for example, 24 weeks and 0.6 EFTS) is designated full-time, part-year.

For full information on the student loans and allowances eligibility criteria refer to: www.workandincome.govt.nz/manuals-and-procedures/students/index.htm

Government training establishments
A government training establishment is a government department or a Crown entity, other than a tertiary education institution, approved by the Minister for Tertiary Education and registered by the New Zealand Qualifications Authority as a tertiary education provider. Government training establishments offer training, subject to the approval and accreditation requirements of the Education Act 1989.

Industry training organisations
Industry training organisations (ITOs) facilitate workplace learning for trainees in employment by setting national skill standards for their industry. In addition to providing leadership to industry on skill and training needs, ITOs develop appropriate training arrangements for their industry, monitor training quality and arrange for the assessment of trainees. ITOs also provide information and advice to trainees and their employers.

Institute of technology
The term ‘institute of technology’ is a synonym for ‘polytechnic’.

International students
International students are those studying here without New Zealand citizenship, or a New Zealand resident visa, or Australian citizenship, or a current Australian permanent residence visa (including a resident return visa). Students who study off shore at tertiary education providers that are registered in New Zealand are considered international students unless they hold New Zealand citizenship.

ISCED 2011
ISCED 2011 refers to the International Standard Classification of Education, developed by the United Nations Educational, Scientific and Cultural Organization (UNESCO).1

ISCED is designed to serve as a framework to classify educational activities (as defined in study programmes) and the resulting qualifications into internationally agreed categories. It is used by countries and international agencies as a means of compiling internationally-comparable statistics on education by the level of that educational provision.

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1The ISCED classification - International Standard Classification of Education - was developed by UNESCO in the mid-1970s and was first revised in 1997. A further review of ISCED was undertaken between 2009 and 2011 involving extensive global consultations with countries, regional experts and international organisations. Finally, ISCED 2011 was adopted by the UNESCO General Conference in November 2011. Both ISCED 1997 and ISCED 2011 are available here: http://uis.unesco.org/en/topic/international-standard-classification-education-isced
There are eight broad levels covering early childhood education through to doctoral-level study. Tertiary education in New Zealand spans the following levels:

<table>
<thead>
<tr>
<th>ISCED Level</th>
<th>New Zealand Qualifications Framework (NZQF) level</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Upper-secondary education</td>
</tr>
<tr>
<td></td>
<td>All tertiary programmes below level 4 on the NZQF are classified at ISCED 3</td>
</tr>
<tr>
<td>4</td>
<td>Post-secondary, non-tertiary education</td>
</tr>
<tr>
<td></td>
<td>All programmes at level 4 on the NZQF</td>
</tr>
<tr>
<td>5</td>
<td>Short-cycle tertiary education</td>
</tr>
<tr>
<td></td>
<td>Diplomas and certificates (NZQF level 5 and 6)</td>
</tr>
<tr>
<td>6</td>
<td>Bachelors or equivalent level</td>
</tr>
<tr>
<td></td>
<td>Bachelors degrees and one-year graduate and postgraduate diplomas and certificates (NZQF level 7 and 8)</td>
</tr>
<tr>
<td>7</td>
<td>Masters or equivalent level</td>
</tr>
<tr>
<td></td>
<td>Masters degrees (NZQF level 9)</td>
</tr>
<tr>
<td>8</td>
<td>Doctoral or equivalent level</td>
</tr>
<tr>
<td></td>
<td>Doctoral degrees (NZQF level 10)</td>
</tr>
</tbody>
</table>

**MELAA**
Middle Eastern, Latin American and African ethnic groups.

**National Certificate of Educational Achievement**
The National Certificate of Educational Achievement (NCEA) is New Zealand’s official national qualification for senior secondary school students. NCEA replaced School Certificate in 2002, Sixth Form Certificate in 2003 and University Bursaries, Entrance and Scholarships in 2004. The skills and knowledge a student is expected to achieve to attain NCEA are described on the New Zealand Qualifications Framework. Standards can include achievement standards relating to the national curriculum and unit standards from the New Zealand Qualifications Framework that relate to industry-related skills. Students can gain credits for all learning in regular school curriculum subjects and in industry-related areas. NCEA provides the bridge between school, the workplace and lifelong learning.

Learners who want to study at a university need to achieve University Entrance. This means that they need to achieve NCEA level 3, including:

▲ three approved subjects at level 3 of 14 credits each

▲ literacy at level 2 or above – 10 credits to be made up of 5 credits in reading and 5 credits in writing, and

▲ numeracy at level 1or above – 10 credits of achievement standards (specified achievement standards available through a range of subjects) or unit standards (a package of three numeracy unit standards – 26623, 26626, 26627, with all three being required.

**New Zealand Qualifications Framework**
The New Zealand Qualifications Framework lists all quality-assured qualifications of 40 credits or more. The aim of the framework is to:

▲ ensure that all qualifications have a purpose and relation to each other that students and the public can understand

▲ maintain and enhance learners’ ability to transfer credit by the establishment of a common system of credit, and

▲ enhance and build on the international recognition of New Zealand qualifications.

The New Zealand Qualifications Framework includes the unit standards-based system of national qualifications. 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. Certificates can be awarded up to level 7. Diploma qualifications can be awarded at levels 5, 6 or 7 on the framework, with level 7 being equivalent to the level achieved at the end of a first degree.

**New Zealand Standard Classification of Education**
The New Zealand Standard Classification of Education (NZSCED) is a classification used to classify subjects or fields of tertiary education study. The classification system consists of three levels – broad (for example, health), narrow (for example, dental studies) and detailed fields (for example, dental hygiene and therapy).

**Other tertiary education providers**
Other tertiary education providers (OTEPs) are organisations that deliver programmes of tertiary education, or in support of tertiary education, of some national significance, and are recognised by the Minister for Tertiary Education under section 321 of the Education Act 1989.

**Part-time/full-time**
See definitions under full-time/part-time.

**Pasifika peoples**
Pasifika peoples is a collective term used to refer to men, women and children of Samoan, Cook Island, Tongan, Niuean, Tokelauan, Fijian and other Pasifika heritages. Pasifika peoples comprise a diverse range of peoples from the South Pacific region or people within New Zealand who have strong family
and cultural connections to Pacific Island countries, regardless of whether they were born in New Zealand or a Pacific Island nation.

**Performance-Based Research Fund**

The Performance-Based Research Fund (PBRF) is a means of allocating research funding to tertiary education providers. It seeks to reward excellence in research in tertiary education organisations and improve the quality of research in the tertiary sector. The PBRF allocates funding on the basis of an evaluation of the quality of research, a provider’s external research income and its postgraduate research-degree completions.

**Polytechnics**

A polytechnic is a public tertiary institution that is characterised by a wide diversity of vocational and professional programmes. Polytechnics are sometimes collectively referred to as institutes of technology and polytechnics (ITPs).

**Private training establishments**

A private training establishment (PTE) is defined in the Education Act 1989 as ‘an establishment, other than a public tertiary education institution, that provides post-school education or vocational training’. PTEs include not only privately owned providers, but also those operated by iwi, trusts and other organisations.

**Programme of study**

A programme of study is a collection of components (papers, modules, courses, classes or work) in which a student enrols that contribute to meeting the requirements for the award of a qualification(s).

**Qualification**

A qualification is an official award given in recognition of the successful completion of a programme of study of 40 credits or more which has been quality assured by a recognised quality assurance agency. All recognised qualifications are registered on the New Zealand Qualifications Framework.

**School of Secondary-Tertiary Studies (previously known as the Tertiary High School)**

By combining the strengths of both a school and a tertiary institution, the School of Secondary-Tertiary Studies aims to provide an integrated, and therefore smoother, transition for students. The school was introduced in 2013 at the Manukau Institute of Technology and is the first of its kind in New Zealand. The students do most of their study in the tertiary environment, while retaining links with their home school for age-appropriate activities such as sports and cultural events.

**Student achievement component**

Student achievement component funding provides the government’s contribution to the costs of teaching and learning and other costs related directly to student numbers. The volume of provision and the types of components funded through the student achievement component are approved by the Tertiary Education Commission through each tertiary education organisation’s investment plan.

The student achievement component rates are differentiated by discipline to reflect the costs associated with different types of study. For example, the funding rates for arts courses are lower than those for science courses. There are also differences in the rates of funding per equivalent full-time student across different tertiary education sub-sectors.

**Student allowances**

Student allowances are grants designed to provide financial assistance to students who are less able to support themselves financially or do not have access to alternative sources of financial support while undertaking full-time study.

**Tertiary education**

Tertiary education comprises all involvement in post-school learning activities. It includes:

▲ foundation education, such as adult literacy
▲ certificates and diplomas
▲ bachelors degrees
▲ postgraduate qualifications
▲ industry training, including apprenticeship training, and
▲ adult and community education.

**Tertiary education institutions**

Tertiary education institutions (TEIs) are public providers of tertiary education. There are five kinds of tertiary education institutions as defined in section 159 of the Education Act 1989:

▲ universities
▲ polytechnics
▲ colleges of education
▲ wānanga; and
▲ ‘specialist colleges’.

There were no specialist colleges or colleges of education in New Zealand in 2016.

**Tertiary education organisations**

Tertiary education organisations (TEOs), as defined in section 159B of the Education Act 1989, are all the institutions and organisations that provide or facilitate tertiary education and training. These include:
University
A university is a public tertiary education institution that is primarily concerned with advanced learning and knowledge, research and teaching to a postgraduate level.

University Entrance
To gain entry to a New Zealand university, school leavers need to have 42 credits at level 3 or above on the New Zealand Qualifications Framework.

Universities and other tertiary providers in New Zealand sometimes have other specific requirements for entry to particular programmes or courses. For a particular university programme, check the entry criteria for the specific standards at level 3.

United Nations Geographic Regional Classification M49
This list of geographic regions presents the composition of geographic regions used by the United Nations in its publications and databases. Each country or area is shown in one region only. The geographic regions are based on continental regions, which are further sub-divided into sub-regions and intermediary regions drawn to obtain greater homogeneity in sizes of population, demographic considerations and accuracy of demographic statistics. The assignment of countries or areas to specific groupings is for statistical convenience and does not imply any assumptions about political or other affiliations of countries or territories by the United Nations. See www.unstats.un.org/unsd/methodology/m49/ for the list of regions and countries.

Wānanga
A wānanga is a public tertiary institution that provides programmes that emphasis the application of knowledge of tikanga Māori (Māori traditions) according to tikanga Māori (Māori custom).

Youth Guarantee
The Youth Guarantee programme provides:
- fees-free tertiary study for 16 to 19 year-olds at qualification levels 1 to 2
- vocational pathways, and
- access to tertiary education within secondary schools through trades academies and the School of Secondary-Tertiary Studies.
<table>
<thead>
<tr>
<th>Acronyms</th>
<th>Full Forms</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE</td>
<td>Adult and community education</td>
</tr>
<tr>
<td>ALAF</td>
<td>Adult Literacy Achievement Framework</td>
</tr>
<tr>
<td>ALE</td>
<td>Adult literacy educator</td>
</tr>
<tr>
<td>ALL</td>
<td>Adult Literacy and Life Skills Survey</td>
</tr>
<tr>
<td>ALQM</td>
<td>Adult Literacy Quality Mark</td>
</tr>
<tr>
<td>AMFM</td>
<td>Annual Maximum Fee Movement</td>
</tr>
<tr>
<td>AMPTEE</td>
<td>Association of Māori Providers of Tertiary Education and Employment</td>
</tr>
<tr>
<td>AQA</td>
<td>Academic Quality Agency for New Zealand Universities</td>
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<tr>
<td>ATEM</td>
<td>Association for Tertiary Education Management</td>
</tr>
<tr>
<td>ACE</td>
<td>Adult and Community Education Aotearoa</td>
</tr>
<tr>
<td>CAPEs</td>
<td>Centres of Asia-Pacific excellence</td>
</tr>
<tr>
<td>COOL</td>
<td>Communities of Online Learning</td>
</tr>
<tr>
<td>COP</td>
<td>Education (Pastoral Care of International Students) Code of Practice 2016</td>
</tr>
<tr>
<td>CoRE</td>
<td>Centre of research excellence</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumers Price Index</td>
</tr>
<tr>
<td>CRI</td>
<td>Crown research institute</td>
</tr>
<tr>
<td>CUAP</td>
<td>Committee on University Academic Programmes</td>
</tr>
<tr>
<td>EFTS</td>
<td>Equivalent full-time student unit</td>
</tr>
<tr>
<td>ELSI</td>
<td>Economic Living Standard Index</td>
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<tr>
<td>ENZ</td>
<td>Education New Zealand</td>
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<tr>
<td>ENZ</td>
<td>English New Zealand</td>
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<tr>
<td>ERO</td>
<td>Education Review Office</td>
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<tr>
<td>ESOL</td>
<td>English for speakers of other languages</td>
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<tr>
<td>FCCM</td>
<td>Fee and Course Costs Maxima</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-time equivalent</td>
</tr>
<tr>
<td>GTE</td>
<td>Government training establishment</td>
</tr>
<tr>
<td>HLFS</td>
<td>Household Labour Force Survey</td>
</tr>
<tr>
<td>HRC</td>
<td>Health Research Council</td>
</tr>
<tr>
<td>IALS</td>
<td>International Adult Literacy Survey</td>
</tr>
<tr>
<td>INZ</td>
<td>Innovative New Zealand</td>
</tr>
<tr>
<td>ISCED</td>
<td>International Standard Classification of Education</td>
</tr>
<tr>
<td>ITENZ</td>
<td>Independent Tertiary Education New Zealand</td>
</tr>
<tr>
<td>ITF</td>
<td>Industry Training Federation</td>
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<tr>
<td>ITO</td>
<td>Industry training organisation</td>
</tr>
<tr>
<td>JSSH</td>
<td>Jobseeker Support Student Hardship</td>
</tr>
<tr>
<td>LLN</td>
<td>Literacy, language and numeracy</td>
</tr>
<tr>
<td>MBIE</td>
<td>Ministry of Business, Innovation and Employment</td>
</tr>
<tr>
<td>MSD</td>
<td>Ministry of Social Development</td>
</tr>
<tr>
<td>NCEA</td>
<td>National Certificate of Educational Achievement</td>
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<tr>
<td>NSN</td>
<td>National student number</td>
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<tr>
<td>NZIS</td>
<td>New Zealand Income Survey</td>
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<tr>
<td>NZQA</td>
<td>New Zealand Qualifications Authority</td>
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<tr>
<td>NZQF</td>
<td>New Zealand Qualifications Framework</td>
</tr>
<tr>
<td>NZSCED</td>
<td>New Zealand Standard Classification of Education</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OTEP</td>
<td>Other tertiary education provider</td>
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<tr>
<td>PBRF</td>
<td>Performance-Based Research Fund</td>
</tr>
<tr>
<td>PELT</td>
<td>Pre-purchased English language tuition</td>
</tr>
<tr>
<td>PIAAC</td>
<td>Survey of Adult Skills</td>
</tr>
<tr>
<td>PITPONZ</td>
<td>Pacific Islands Tertiary Education Providers of New Zealand</td>
</tr>
<tr>
<td>PTE</td>
<td>Private training establishment</td>
</tr>
<tr>
<td>QTI</td>
<td>Quality Tertiary Institutions</td>
</tr>
<tr>
<td>REAP</td>
<td>Rural education activities programme</td>
</tr>
<tr>
<td>QACG</td>
<td>Quality Assurance Consultative Group</td>
</tr>
<tr>
<td>SAC</td>
<td>Student achievement component</td>
</tr>
<tr>
<td>SDR</td>
<td>Single Data Return</td>
</tr>
<tr>
<td>SLS</td>
<td>Student Loan Scheme</td>
</tr>
<tr>
<td>SNZ</td>
<td>Statistics New Zealand</td>
</tr>
<tr>
<td>STAR</td>
<td>Secondary-Tertiary Alignment Resource</td>
</tr>
<tr>
<td>STM</td>
<td>Standard training measure</td>
</tr>
<tr>
<td>TANZ</td>
<td>Tertiary Accord of New Zealand</td>
</tr>
<tr>
<td>Te Kura</td>
<td>The Correspondence School</td>
</tr>
<tr>
<td>TEC</td>
<td>Tertiary Education Commission</td>
</tr>
<tr>
<td>TEI</td>
<td>Tertiary education institution</td>
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<tr>
<td>TEO</td>
<td>Tertiary education organisation</td>
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<tr>
<td>TEP</td>
<td>Tertiary education provider</td>
</tr>
<tr>
<td>TES</td>
<td>Tertiary education strategy</td>
</tr>
<tr>
<td>TIA</td>
<td>Training Incentive Allowance</td>
</tr>
<tr>
<td>TOPNZ</td>
<td>The Open Polytechnic of New Zealand</td>
</tr>
<tr>
<td>TWoA</td>
<td>Te Wānanga o Aotearoa</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
</tr>
<tr>
<td>UNZ</td>
<td>Universities New Zealand</td>
</tr>
<tr>
<td>WINHEC</td>
<td>World Indigenous Nations Higher Education Consortium</td>
</tr>
<tr>
<td>WIPCE</td>
<td>World Indigenous Peoples Conference on Education</td>
</tr>
<tr>
<td>WLN</td>
<td>Workplace literacy and numeracy</td>
</tr>
</tbody>
</table>
Technical notes

The information in Profile & Trends and in the accompanying analytical tables on Education Counts needs to be used in conjunction with these technical notes and any footnotes and table notes.

Most of the education statistics provided in Profile & Trends 2016 are derived from the enrolment and completion collections (Single Data Returns) supplied by tertiary education providers to the Ministry of Education.

The reference period used in the latest Profile & Trends series is the year ended 31 December 2016, unless otherwise indicated.

Information and statistics have also been provided by the Tertiary Education Commission, the New Zealand Qualifications Authority, the Ministry of Social Development, Inland Revenue, Statistics New Zealand and other government agencies, as well as the Industry Training Federation and quality assurance agencies.

Analytical tables

Most of the information that underlies the analysis in Profile & Trends is also released on the Ministry of Education’s website in a set of analytical tables: www.educationcounts.govt.nz/statistics/tertiary_education

The analytical tables need to be used in conjunction with the footnotes provided in the tables and with these technical notes.

Attrition rate

Attrition is the complement of retention, that is, attrition = 1 – retention.

Attrition as measured by the Ministry of Education relates to the proportion of students that started a qualification, did not complete it and are no longer enrolled (at the same or higher level of study) in subsequent years.

Calculating the rate of attrition of students after one year is common. The first-year attrition rate is the proportion of students that started a qualification, did not complete it and are not enrolled (at the same or higher level of study) in the following year.

For the latest attrition rates refer to: www.educationcounts.govt.nz/statistics/tertiary-education/retention_and_achievement

Blank cells in tables

These relate to data that is missing, not available or not applicable.

Counting methods

Generally, students are counted in each category they belong to, but only once in the total student count. For example, students who identify with more than one ethnic group have been counted in each group. This means that the sum of the students in each ethnic group may exceed the total student count.

Tables typically do not include rows specifically for students with unknown values, for example, if no ethnic group is reported by the student. However, those students are included in the total.

Note: Institutions are counted in the group they belonged to in that particular year regardless of subsequent regroupings that have occurred. For example, all colleges of education are counted as colleges of education up to the years they merged with their respective universities. Auckland Institute of Technology is counted as a polytechnic up to 2000, when it became a university. This means that there will be some shifts in the data attributable to changes in the classification of organisations.

Disability

Figures for students with disabilities are based on students’ self-reporting of having a disability at the time of their enrolment. The recommended question for providers to include on their enrolment form is ‘Do you live with the effects of significant injury, long-term illness, or disability?’ However, the actual question used may vary among providers. Providers are also required to provide information on how many students access disability support services.

Participation rate

The tertiary education participation rate is the total domestic student enrolment count expressed as a percentage of the population. In the case of ethnicity and gender, the rates have been adjusted using the 2013 national age distribution estimates to produce additional age-standardised participation rates. These provide fairer comparisons by estimating what the rate would be if the distribution of student ages matched the 2016 national age distribution.

Prior activity

Prior activity refers to the student’s main activity at 1 October in the year prior to the student’s first year of formal enrolment with their current provider.
Progression rates

The Ministry of Education measures two types of progression by students in tertiary education. One type of progression, referred to as direct progression, measures the percentage of tertiary students who go on to a higher level of study without completing a qualification at the level of study started. The following are two examples of a direct progression rate for domestic students:

- 2.4 percent of full-time students and 2.9 percent of part-time students who started a level 1 to 3 certificate in 2015 went on to study at a higher level by 2016 without completing a level 1 to 3 certificate.

- 5.1 percent of full-time students and 4.9 percent of part-time students who started a level 5 to 7 diploma/certificate in 2013 went on to study at a higher level by 2016 without completing a level 5 to 7 diploma/certificate.

For the latest direct progression rates refer to Profile & Trends 2016: Tertiary Education Outcomes and Qualification Completions.

The other type of progression, referred to as ‘graduate progression’, measures the proportion of students who complete a qualification and go on to further study at the same or a higher level. The following are two examples of a graduate progression rate for domestic students:

- 25 percent of graduates went on to higher-level study within one year of completing a level 1 to 3 certificate in 2015.

- 23 percent of graduates went on to higher-level study within one year of completing their bachelors degree in 2015.

Qualifications

‘Bachelors or higher qualifications’ refers to bachelors degrees, graduate diplomas and certificates, bachelors degrees with honours, postgraduate diplomas and certificates, masters degrees and doctoral degrees.

‘Honours qualifications’ refers to bachelors with honours degrees, postgraduate diplomas and postgraduate certificates.

‘Postgraduate’ qualifications refer to bachelors degrees with honours, postgraduate diplomas and certificates, masters degrees and doctoral degrees.

‘Certificates/diplomas’ include a wide variety of qualifications and levels on the New Zealand Qualifications Framework. For example:

- National Diploma in Medical Radiation Therapy (Level 5)
- National Certificate in Adult Education (Level 5)
- National Certificate in Engineering (Level 6)
- National Certificate in Agricultural Distribution (Level 6)
- National Certificate in Religious Leaders (Level 5)
- National Certificate in Educational Achievement (Level 1)

‘School qualifications’ refers to year 11, 12 and 13 qualifications and overseas school qualifications.

Qualification completion rate

The qualification completion rate as measured by the Ministry of Education is the proportion of students who successfully complete a tertiary qualification (at the qualification level at which they started study). Students are considered to have completed a qualification when they have fulfilled all the academic requirements for that qualification. This means the qualification does not necessarily have to have been conferred. The following are two examples of the qualification completion rate for domestic students:

- 75 percent of full-time students and 48 percent of part-time students who started a level 1 to 3 certificate in 2015 had completed this qualification by 2016.

- 74 percent of full-time students and 33 percent of part-time students who started a bachelors degree in 2011 had completed this by 2016.

For the latest qualification completion rates refer to Profile & Trends 2016: Tertiary Education Outcomes and Qualification Completions.

Reliability of estimates

This report includes information from the Household Labour Force Survey and the New Zealand Income Survey, both conducted by Statistics New Zealand. Errors from these surveys are divided into two classes. Non-sampling error includes errors arising from biases in the patterns of response and non-response, inaccuracies in reporting by respondents, and errors in the recording and coding of data. Sampling error is a measure of the variability that occurs by chance because a sample, rather than an entire population, was surveyed.
Caution should therefore be exercised in interpreting the estimates for smaller groups. The sample estimates from these surveys for ethnic groups such as Māori and Pasifika tend to be less stable, due to a larger sampling error, than the estimates achieved for larger population groups. Similarly, smaller age groups, such as those aged 65 years and over with a tertiary qualification, tend to have higher sampling errors. More technical information about these surveys is available from the Statistics New Zealand website.

Retention rate
Retention as measured by the Ministry of Education relates to the proportion of students who started a qualification and are still enrolled (at the qualification level at which they started study or at a higher qualification level), or who successfully completed a qualification. Retention is the complement of attrition; that is, retention = 1 - attrition. The following are two examples of a retention rate for domestic students:

- 80 percent of full-time students and 77 percent of part-time students who started a level 1 to 3 certificate in 2015 had either completed this or were still studying in 2016.

- 86 percent of full-time students and 75 percent of part-time students who started a bachelor's degree in 2015 were still studying in 2016.

For the latest retention rates refer to: www.educationcounts.govt.nz/statistics/tertiary-education/retention_and_achievement

Students/learners
The main methods of counting tertiary students used in this report are listed below.

Formal student enrolment counts refer to the number of students enrolled at any time during the year with a tertiary education provider in a:

- recognised qualification listed on the New Zealand Qualifications Framework, and

- programme of study that is greater than 0.03 EFTS (more than one week's full-time study).

Industry training enrolments refer to the number of learners enrolled at any time in training from all funding sources.

Separate counts are provided in this report of learners who undertook adult and community education or whose total annual study load in formal qualifications was less than or equal to 0.035 EFTS (less than one week's full-time study). Students can be included in more than one of the above counts. For example, off-job industry training involves formal study with a tertiary education organisation, meaning that learners will be counted in both student enrolments and industry training. In Table 5.1 of this publication, an estimate has been made of the total number of students engaged in the counts listed above.

Unless otherwise stated, counts relate to students or learners enrolled at any time during the year.

Students enrolled in private training establishments and other tertiary education providers recognised under section 321 of the Education Act 1989 are excluded from the student enrolment counts before 1999.

Also excluded from the student enrolment counts are students enrolled with private training establishments and other tertiary education providers that do not receive government subsidies for tuition.

Study load
A student’s study load is the total equivalent full-time student unit value of all the qualifications they are enrolled in during a given calendar year.

Study type
Study type is a measure of a student’s full-time/part-time status. This measure is based on a student’s formal enrolment(s) with their provider(s) for a single calendar year. Study type has four values:

1 = studying full-time for the full year
2 = studying full-time for part of the year
3 = studying part-time for the full year
4 = studying part-time for part of the year

A full year is treated as 32 or more weeks in a calendar year, while full-time and part-time are based on the student loan entry threshold method for determining full-time/part-time. Under that method, an enrolment of 32 weeks or more, comprising 0.8 equivalent full-time student units or more, is treated as a full-time, full-year unit. These figures are pro-rated for part-year study.
USEFUL LINKS

New Zealand education statistics and research
www.educationcounts.govt.nz

Ministry of Education
www.education.govt.nz/further-education/tertiary-administration
www.educationcounts.govt.nz
www.steo.govt.nz (services for tertiary education organisations)

Tertiary Education Commission
www.tec.govt.nz

New Zealand Qualifications Authority
www.nzqa.govt.nz

Association for Tertiary Education Management Inc.
www.atem.org.au

Generosity New Zealand
www.generosity.org.nz

Gateway to New Zealand Government
www.newzealand.govt.nz

Industry Training Federation
www.itf.org.nz

Inland Revenue
www.ird.govt.nz

Ministry of Business, Innovation and Employment
www.mbie.govt.nz

Ministry of Social Development
www.msd.govt.nz

Independent Tertiary Education New Zealand
www.itenz.co.nz

Education Council of Aotearoa New Zealand
www.education.govt.nz/ministry-of-education/specific-initiatives/education-council

New Zealand Union of Students’ Associations
www.students.org.nz

Universities New Zealand
www.universitiesnz.ac.nz

StudyLink
www.studylink.govt.nz
FIGURES

Chapter 1: Tertiary education trends
1. New Zealanders aged 25 to 34 years with a level 4 or higher qualification (moving annual years) 3
2. Trends of students in formal study by level and setting 4
3. Industry trainees by gender 4
4. Participation rates of people aged 16 to 64 years in provider-based tertiary education by ethnic group 5
5. Participation rates of people aged 18 to 24 years in provider-based tertiary education by ethnic group 6
6. Domestic equivalent full-time student units in bachelors and higher qualifications 6
7. International tertiary education students by qualification type and level 7
8. Number of qualifications completed by provider-based students by qualification type and level 7
9. Six-year qualification completion rates for level 5 to 7 diplomas/certificates by study pattern 8
10. Labour force participation by qualification type and level and gender 9
11. Trends in full-time equivalent staff at public tertiary education institutions 10
12. Trends in number of staff employed at public tertiary education institutions 10
13. Government-funded student achievement-component places by sub-sector 11
14. Student allowances recipients by gender 11
15. Student loan borrowers 12
16. Combined financial performance of tertiary education institutions 12

Chapter 4: Postscript
1. Percentage change from 2016 to 2017 in the number of equivalent full-time student units (including international enrolments) by qualification type and level 42

TABLES

Chapter 3: New Zealand’s Tertiary Education Provision
1. Formal and informal learning provided through the tertiary education system 30
2. Qualification types and levels on the New Zealand Qualifications Framework, Te Taura Here Tohu Mātauranga o Aotearoa 36