



Profile & Trends

NEW ZEALAND'S **TERTIARY EDUCATION SECTOR**

2011

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A supporting set of analytical tables is available for this report.
For further information on this report and to view the tables visit:
www.educationcounts.edcentre.govt.nz/publications/tertiary/p&t-1-2011

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Outcomes of tertiary education and the learners in tertiary education

Part 1 of 2 parts



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Notes:

1. Unless otherwise stated, the data in this publication is for the year ended 31 December 2011 and has been sourced from the Ministry of Education.
2. Provider-based qualifications are those delivered by public tertiary education institutions and private training establishments. Workplace-based training is designed by, and delivered in conjunction with, industry. While it takes place mostly on-job, some is off-job purchased from tertiary education providers.
3. Data in this report and the analytical tables on the Education Counts website has been revised back to 2003 as tertiary education organisations can submit updates for previous years.
4. The information in this report and the analytical tables need to be used in conjunction with the technical notes provided.
5. A reference to the web tables associated with the data highlights is provided at the beginning of each chapter.

PROFILE & TRENDS 2011: NEW ZEALAND'S TERTIARY SECTOR

Profile & Trends 2011 is the 14th edition of the annual survey of the tertiary education system published by the Ministry of Education. The report contains data on trends and changes mainly for the 2011 academic year.

Profile & Trends is being published in two parts this year. Part 1 begins with an overview of the outcomes of tertiary education in New Zealand and the enrolments pattern in 2011. Next are descriptions of the tertiary education system and the provision of tertiary education. Important events affecting tertiary education in 2012 are described in the forward-looking commentaries at the end of chapters 1 to 3.

These contextual chapters lead into a description of the outcomes of, and participation trends in, tertiary education. The outcomes of tertiary education focus on qualification levels in the New Zealand population, the earnings premium for people with qualifications and the differences in the employment opportunities of people with qualifications, compared to those with no or low-level qualifications. Chapters 5 to 10 profile tertiary students, their courses of study and their achievement.

The second part of the report will be published later in 2012. Part 2 includes information on student financial support, the performance of providers of tertiary education, and tertiary education funding. Also covered in Part 2 is the financial performance of public tertiary education institutions and the key issues they face. Chapters 12 and 13 discuss the sector's research performance and information on the funding of tertiary education research. Chapter 15 covers the human resources in the system. The Tertiary Education Commission has contributed chapter 17 on the performance of providers at the sub-sector level for the years 2009 through to 2011.

Profile & Trends is supported by a detailed set of statistical tables. These statistics are derived mainly from returns provided by tertiary education organisations to the Ministry of Education and to the Tertiary Education Commission. However, we have also consulted the different agencies and organisations outside the ministry that have responsibilities for tertiary education. A considerable amount of information in this report has come from these agencies.



1 KEY TERTIARY EDUCATION TRENDS

Outcomes of tertiary education

Tertiary education is associated with better jobs and lives

Young people benefit the most from a high-performing tertiary education system as the return on their investment in tertiary study is greater than for those who delay study. Improvements in system performance, such as higher qualification completion rates, are associated with higher earnings as a premium is paid for completion of a tertiary qualification. People's earnings in the years following tertiary study are also influenced by their industry of employment, field of study and the level of study. For example, in 2011, the earnings of people with a bachelors or higher qualification were 65 percent higher than for people with no qualification, up from 63 percent in 2010. People with tertiary qualifications are also more likely to be employed than people without a qualification.

New Zealand's population becomes more qualified

There are now more New Zealanders with a tertiary qualification than without one. In 2011, the proportion with a tertiary qualification increased to 52 percent, up from 50 percent in 2010. The proportion of people without any qualification reduced, while the proportion with a bachelors or higher qualification continued its steady upwards path.

The proportion without a qualification was 24 percent in 2011, compared to 27 percent in 2001. The proportion of the population aged 15 years and over with a bachelors degree or higher qualification was 17 percent in 2011, compared to only 11 percent in 2001.

The proportions with other tertiary qualifications and only a school qualification have been stable in recent years, at 34 percent and 24 percent, respectively.

Gender and age differences among the tertiary qualified

The proportion of the population holding a bachelors or higher qualification is higher for women than for men. Men continue to be more likely than women to hold tertiary certificates and diplomas. This difference reflects changes in the tertiary education participation trends over the last 15 years, with more women completing bachelors qualifications and the expansion of industry training which led to higher proportions of men gaining certificates and diplomas.

STATISTICS AND RESEARCH

Profile & Trends has an associated set of statistical tables available on the Education Counts website – www.educationcounts.govt.nz. The statistics in the web tables are 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, Foundation-Focused Training Opportunities, Secondary-Tertiary Alignment Resource, trades academies, tertiary high schools, industry training, adult and community education, enrolments, participation rates, completion rates, retention rates, progression rates, and the outcomes of tertiary education.

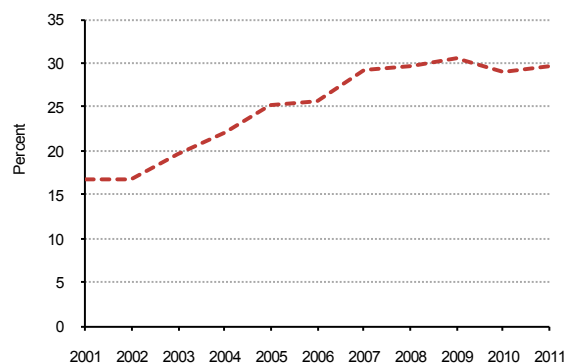
More tertiary education material, including information on tertiary education providers, students and other relevant information, can be found on the Education Counts website and on the websites of the Ministry of Education and the Tertiary Education Commission.

The statistics in *Profile & Trends 2011* are for the year ended 31 December 2011 and have been sourced from the Ministry of Education, unless otherwise stated. Some of the most recent changes in tertiary education are separately summarised for the various parts of the sector.

Young people

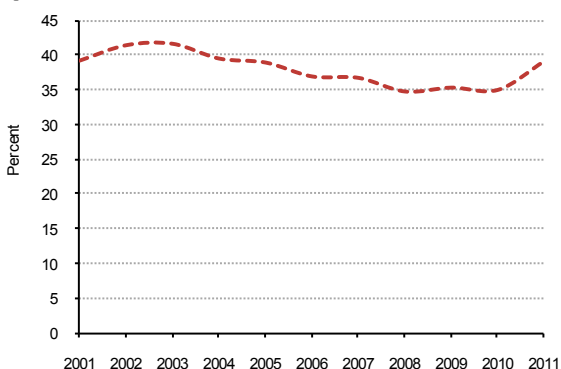
The proportion of New Zealanders aged 25 to 34 years with a bachelors or higher qualification has continued to expand over the last decade, reaching 30 percent in 2011 (Figure 1.1).

Figure 1.1 New Zealanders aged 25 to 34 years with a bachelors or higher qualification



The increase in the proportion of younger New Zealanders with a bachelors or higher qualification reflects the very significant increases in access to higher levels of tertiary education from the 1990s. Also, just under 40 percent of this age group held other tertiary qualifications in 2011 (Figure 1.2). This means that those with no or a lower-level qualification have decreased considerably, for this age group, over the last 10 years.

Figure 1.2 New Zealanders aged 25 to 34 years with non-degree tertiary qualifications



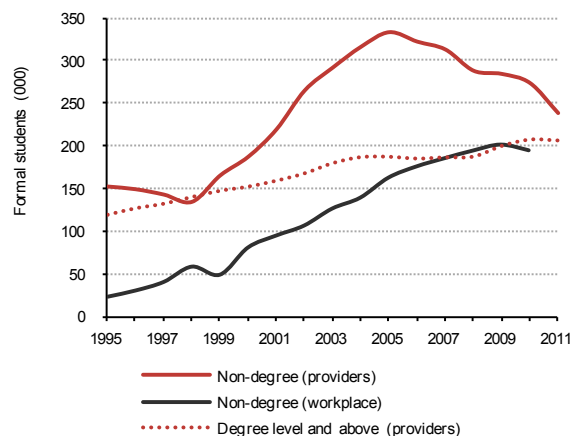
Priority for 25 to 34 year-old New Zealanders

In 2012, the government set a goal to increase the proportion of 25 to 34 year-olds with advanced trade qualifications, diplomas and degrees (at level 4 and above). More information on this priority, which is part of the government’s Better Public Service initiative, is provided later on in this chapter in the section on early 2012 indications.

Enrolments in 2011

There were 456,000 students enrolled in formal tertiary education at providers in 2011.¹ Of the students in formal tertiary study of more than one week’s duration, 48,100 were international students, 9,190 were in Foundation-Focused Training Opportunities, 9,050 were in Youth Training, and 3,590 were in Youth Guarantee. There were also 624 senior secondary students studying via trades academies in 2011. Of the students in formal tertiary study of less than one week’s duration, 17,400 were in the Secondary-Tertiary Alignment Resource (STAR) programme and 6,910 students were in other short courses.

Figure 1.3 Trends in formal study by level of study and setting



Enrolments in formal tertiary study by domestic students fell from 2010 to 2011. The reduction was mainly due to a fall in enrolments in non-degree qualifications by students aged 25 years and over. The government’s move to a capped funding system for tertiary education institutions, which began in 2008, has led to the preferences of the Tertiary Education Commission, tertiary education providers and tertiary education consumers to continue to shift away from non-degree qualifications, especially for older students, a trend that started in 2005.

When converted to equivalent full-time student units, the decrease in domestic enrolments in 2011 was smaller. That is, domestic students continued to take on higher study loads in 2011 (on average), following a trend that began in 2008.

From 2010 to 2011, there were also fewer enrolments in non-degree qualifications by people aged 24 years and under. However, enrolments in degree and higher

¹ Provider-based students (excluding students in non-government-funded providers) who are studying towards a qualification on the New Zealand Qualifications Framework. Youth Guarantee and Foundation-Focused Training Opportunities require learners to achieve unit standards that count towards a qualification on the New Zealand Qualifications Framework.

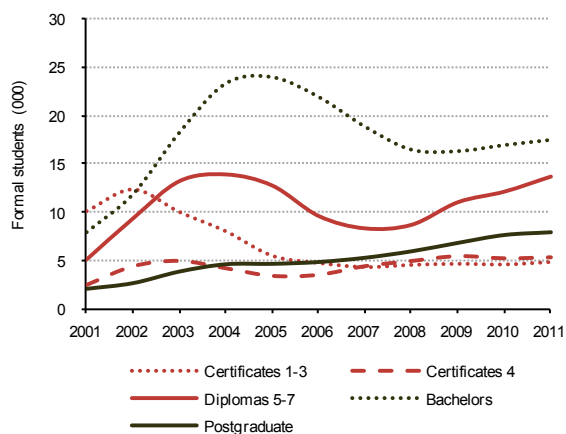
qualifications by this age group continued to increase. This continued upward trend in higher-level enrolments by young people aligns with the government's tertiary education priority of having more young people achieve at level 4 and above. It also reflects increasing school achievement, with more young people qualified to study at higher tertiary education levels.

In 2011, enrolments by younger people declined overall for the first time in five years. This was, in part, due to the population bulge of those born in 1989 through to 1991 completing its move from school to tertiary education.

International tertiary education students

The upward trend in international students continued from a low point in 2008. From 2010 to 2011, the number of international students increased by 5.5 percent to 48,100.

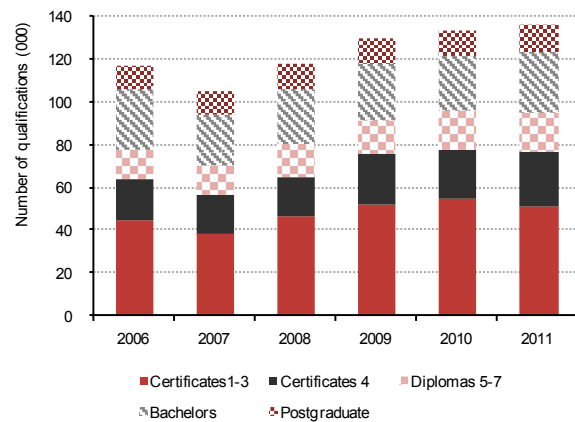
Figure 1.4 International students by level of study



Qualifications achievement

In 2011, 154,000 qualifications were completed, 17,800 of them by international students. Of the 120,800 domestic students who completed a qualification, 73,400 were women and 47,400 were men.

Figure 1.5 Number of qualifications completed by formal domestic students by level of study²



Māori and Pasifika tertiary education students

Raising achievement for Māori students is a key priority, and development of the next phase of *Ka Hikitia – Managing for Success* has started for the period 2013-2017. This is an opportunity to build on what has been accomplished since the strategy was first launched in 2008. The overall participation rate of Māori in tertiary education is high; the challenge remains to raise the participation in tertiary education of young Māori at higher qualification levels. Fifteen percent of Māori aged 24 years and under participated in tertiary education at level 4 and higher in 2011. The comparable figures were 23 percent for Europeans and 25 percent for Asians.

The overall participation rate of Pasifika peoples in tertiary education was also higher than for all New Zealanders in 2011. The proportion of Pasifika aged 24 years and under who participated in tertiary education at level 4 and higher was 18 percent in 2011. As this proportion is 5 percentage points lower than for all young New Zealanders, raising the participation of Pasifika in higher-level qualifications remains an important challenge. A new Pasifika Education Plan for the period 2013-2017 was agreed by the government in 2012.

Youth Guarantee and secondary-tertiary programmes

The number of places in the Youth Guarantee programme has increased, reaching 3,590 in 2011. Youth Guarantee places are for 16 and 17 year-olds (see chapters 3 and 7 for more information about this programme).

² Due to the changes made to the collection of completions data in 2007, some private training establishments were not able to supply information. In 2007, the number of students completing a qualification has been adjusted for the missing data returns, however, the total number of qualifications completed in 2007 remains lower.

New Zealand's first tertiary high school had 87 students in 2011. Eight trades academies also started operations in 2011, providing 624 places for 16 and 17 year-olds in 2011.

Non-formal tertiary education

Tertiary education that does not contribute towards a recognised qualification, such as adult and community education, attracted an estimated 114,000 enrolments in 2011. Enrolments in adult and community education at tertiary education institutions continued to decline in 2011. Following significant cuts to government funding in 2010, enrolments in adult and community education in schools rose by 16 percent from 2010 to 2011.

TERTIARY EDUCATION IN NEW ZEALAND

New Zealand's tertiary education sector makes a wide range of learning available, from foundation skills to doctoral studies. Through its research activities, 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 that takes place within the senior secondary school.

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. From 2011, funding that supports tertiary education organisations' capability, to enable them to focus on their core roles in the tertiary education system, has been incorporated into the student achievement component.

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 such learning as foundation education, adult literacy and English for speakers of other languages. It also provides funding to providers of adult and community education.

The results of learning through tertiary education can be viewed in terms of improving competencies and attainment, or progress towards attainment, of recognised qualifications. A competency includes the skills, knowledge, attitudes and values needed to perform important tasks. The literacy, language and numeracy programmes build adults' fluency, independence and range in language, literacy and numeracy so that they can use these competencies to 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 entry-level certificates to doctorates.

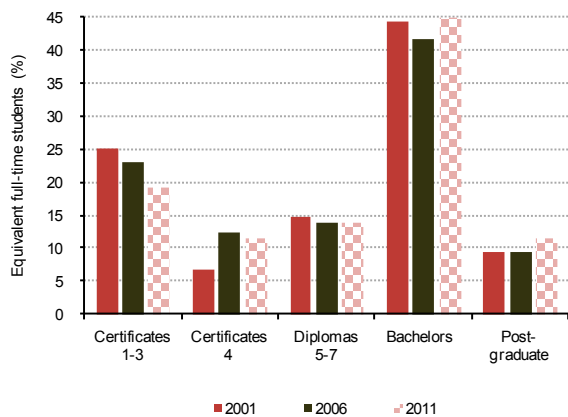
Provider-based students by qualification level

The enrolments trends for students in level 1 to 3 qualifications are discussed in chapter 7. In 2011, students in level 1 to 3 qualifications represented 19 percent of all equivalent full-time student units in formal provider-based tertiary education.

Information on students in level 4 to 7 non-degree qualifications is covered in chapter 8. In 2011, students in level 4 to 7 non-degree qualifications represented 25 percent of all equivalent full-time student units in formal provider-based tertiary education.

The enrolment trends of people studying bachelors and higher qualifications are presented in chapter 9. In 2011, students in bachelors degrees and graduate certificates and diplomas represented 45 percent of all equivalent full-time student units in formal provider-based tertiary education. Those in postgraduate qualifications accounted for 11 percent.

Figure 1.6 Distribution of equivalent full-time student units by level of study



Workplace-based learning

Industry training data for 2011 is not yet available due to changes to the method of collecting this information. Data for 2011 from the new Industry Training Register is expected to become available at the end of 2012.

Data on workplace-based learners for the 2010 year is detailed in chapter 6.

EARLY 2012 INDICATIONS

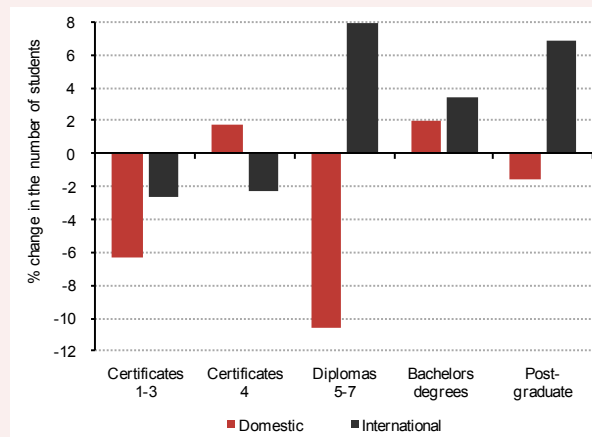
April 2012 provider-based enrolments

Early indications³ are that the number of students enrolled in formal study⁴ at tertiary education providers in 2012 decreased by about 1 percent, compared with the same period in 2011. In terms of equivalent full-time student units the number remained stable. This means that the average study load of students has continued to rise.

The latest decline in the number of students comprised a decrease in domestic enrolments of about 2 percent, partly offset by an increase in international enrolments of 5 percent.

The decrease in the number of provider-based students in 2012 was mainly at private training establishments and polytechnics. Student numbers at private training establishments fell by nearly 6 percent. At polytechnics, the decrease was less substantial, at 1.5 percent. The student numbers remained stable from 2011 to 2012 at universities, while they increased by almost 3 percent at wānanga.

Figure 1.7 Percentage change in the number of domestic and international students by qualification level (April 2012 compared with April 2011)



Looking at the change in formal enrolments by qualification level shows that the number of domestic students decreased at most levels. The most substantial decreases occurred for level 5 to 7 diplomas and level 1 to 3 certificates. In contrast, the number of bachelors-degree students increased by 2.2 percent and the amount of study at this level increased by almost 3 percent. Enrolments in level 4 certificates also increased, although the increase in the amount of study at this level was considerably smaller.

³ The data in this section covers the enrolments made in the period from January to April 2012, compared with the enrolments made in the period from January to April 2011. It represents about three-quarters 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 2012.

The early indications showed that Pasifika are the only domestic student group with increased tertiary education enrolments in 2012, continuing a strong upward trend. Enrolments by Pasifika students increased at most qualification levels except for level 1 to 3 certificates and level 5 to 7 diplomas. While enrolments increased at bachelors level for most ethnic groups in 2012, the percentage increase for Pasifika students was substantially higher. Also, there were strong increases in the number of Pasifika students studying honours degrees, postgraduate certificates/diplomas and masters degrees in 2012, while enrolments by Europeans, Asians and the other ethnic group decreased at most postgraduate levels.

The April 2012 snapshot also indicated that enrolments by international students increased at most qualification levels, continuing an upward trend that started in 2009. The qualification levels with the biggest increases were graduate certificates/diplomas, doctoral degrees, masters degrees, and level 5 to 7 diplomas. The average study load of international students decreased from 2011 to 2012 as the increase in international full-time equivalent students at just over 3 percent was smaller than the increase in the number of students.

Promoting innovation and knowledge transfer

In 2012, the government announced the structure for a new advanced technology institute. The institute is expected to have operations in Auckland, the Hutt Valley and Christchurch. It aims to better connect firms in highly technical production with innovation expertise and facilities within the institute itself and across New Zealand's Crown research institutes, universities, polytechnics, and other research organisations. In turn, the firms are expected to become more competitive and to grow faster as they improve their ability to turn ideas into new products and services.

Industrial Research Ltd will be an integral part of the proposed advanced technology institute although it is intended that the institute's focus will be broader in scope than Industrial Research Ltd and it will operate as a Crown agent rather than as a Crown-owned company.

The institute is expected to focus on industries with significant growth potential such as food and beverage manufacturing, therapeutics manufacturing, high-value wood products and agricultural, digital and health technologies.

Delivering Better Public Services

In 2012, the government set 10 targets for better public services, including two education achievement targets that impact directly on tertiary education.

The education achievement targets are expected to benefit all New Zealanders, through boosting skill levels and employment, and to contribute to government's overall priorities. These targets are ambitious and realising them requires a significant shift in the way that government agencies work with learners, families, whānau, aiga, communities and the education sector.

The first target that relates to the tertiary education system is that by 2017, 85 percent of 18 year-olds will have achieved NCEA level 2 or an equivalent qualification. For 2011, the proportion is estimated to be 68 percent.⁵ Having NCEA level 2 or an equivalent qualification gives people the minimum qualification required to progress to further education and training and better employment opportunities.

While schools have the major role to play in this target, actions to achieve it will also include developing a range of education options for 16 and 17 year-olds which lead to level 2 qualifications in the tertiary system. These options will be targeted to students for whom school is not necessarily a successful experience. Other actions include extending secondary-tertiary programmes such as trades academies and fees-free tertiary places, further developing vocational pathways within tertiary-led programmes and strengthening the accountability of Youth Guarantee providers. There will also be actions to re-engage young people who have dropped out of education, or who are at risk of doing so.

The second target is that by 2017, 55 percent of the population aged 25 to 34 years will have a qualification at level 4 or above. For 2011, the proportion is estimated to be 52 percent. Achieving this target is ambitious because of the increasing size of the population in this age group over the next five years, falling net migration of skilled young people and modest growth in enrolments at higher levels.

Actions to achieve this target include increasing student enrolments in the young age groups at level 4 and above, improving educational quality and achievement – especially through clearer pathways with a focus on employment – and providing better information on educational performance and outcomes.

⁴ Study towards a qualification of more than one week's duration on the New Zealand Qualifications Framework.

⁵ Based on provisional data.

2 THE TERTIARY EDUCATION SYSTEM

Overview

This chapter describes the organisations that make up the tertiary education sector; the legislation relating to tertiary education; the government agencies responsible for tertiary education; and how the government-funded tertiary education system works. Some of the most recent tertiary education events are separately summarised at the end of this chapter.

New Zealand's tertiary education sector provides government-funded and privately-funded tertiary education and training. Of the formal students¹ included in the Ministry's 2011 enrolments collection, 85 percent received tuition subsidies from government and about 11 percent were full-fee paying international or domestic students. The remaining proportion were funded through specialised government funds such as the Industry Training Fund and Youth Guarantee.

Most of the information presented in this report is based on the tertiary education enrolments collection provided to the Ministry of Education by government-funded tertiary education organisations. In 2011, 29 public tertiary education institutions and 306 private training establishments received government funding.

In order to access government funding, private training establishments have to be registered with the New Zealand Qualifications Authority. Registration is a first step for organisations to gain the necessary accreditation to provide quality-assured tertiary education and training. In 2011, there were 629 private training establishments registered with the New Zealand Qualifications Authority.

In 2011, all public tertiary education institutions and 207 NZQA-registered private training establishments received tuition subsidies from government. A further 99 NZQA-registered private training establishments received government funding, for example, through Youth Guarantee or Foundation-Focused Training Opportunities.

About 85 percent of formal students were enrolled at public tertiary education institutions in 2011.

There were 323 NZQA-registered private training establishments that did not receive government funding in 2011. Organisations that are not funded by government to provide tertiary education and training are not required to report to the Ministry of Education on the students they enrol. However, an increasing number of private organisations do provide information on their tertiary education enrolments to the Ministry of Education. In 2011, 380 private organisations reported that they had enrolled 2,370 female students and 3,800 male students. This compared to 296 private organisations in 2010 with 2,290 female students and 3,730 male students.

TERTIARY EDUCATION IN NEW ZEALAND

Tertiary education in New Zealand includes all post-school education. It also includes tertiary learning and training delivered in secondary schools such as Youth Guarantee, trades academies, Gateway, and the Secondary-Tertiary Alignment Resource (STAR).

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

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.

¹ Studying with a tertiary education provider at any time during the year towards a qualification on the New Zealand Qualifications Framework of more than one week's duration.

Government-funding of tertiary education and training

In 2011, the majority of public tertiary education institutions received government funding based on two-year investment plans which covered 2011 and 2012. These plans were developed and finalised with the Tertiary Education Commission in 2010 based on New Zealand's third tertiary education strategy.² Most NZQA-registered private training establishments, and a few public tertiary education institutions, received funding approval for one-year plans for 2011. These tertiary education organisations developed and finalised investments plans with the Tertiary Education Commission mid-2011 for the 2012 year.

Performance-linked government funding

A portion of government funding became linked to a standardised performance process from 2012 onwards. Leading into this new system, the Tertiary Education Commission has published annual performance information since 2009 for all tertiary education organisations who received student achievement funding. The introduction of standardised performance-linked funding is aimed at providing tertiary education organisations with incentives for improving teaching and pastoral care. It is expected to lead to courses for some students being restricted, with the aim of having students only attempt those courses in which they have a realistic prospect of success.

Tertiary education sector performance

Government-funded tertiary education organisations and industry training organisations are monitored against a set of common education performance indicators. The performance measures cover course pass rates, the completion of qualifications, the retention of students in study and their progression to higher-level tertiary study (chapter 17 covers the performance of tertiary education providers at sub-sector level).

Education New Zealand

On 1 September 2011, the government established Education New Zealand – a Crown agent to support and grow New Zealand's export education sector.

² To consult the strategy itself use the link: www.minedu.govt.nz/theMinistry/PolicyAndStrategy/TertiaryEducationStrategy.aspx.

Changes to the student support scheme

In 2011, the following changes were made to Student Allowances:

- ▲ Eligibility to receive student allowances at secondary school level was limited to a total of 92 weeks (2 school years).
- ▲ Exemption of tertiary transition courses from the general student allowances life-time limit of 200 weeks removed.
- ▲ A provision (Resolution 20(5)) that allows the Chief Executive of the Ministry of Social Development to grant an exemption to the 200 weeks life-time limit for student allowances for a particular course was repealed.
- ▲ Students receiving either New Zealand Superannuation or the Veterans' Pension will no longer be eligible for a Student Allowance.
- ▲ Exemption to the two-year stand-down for New Zealand permanent residents was extended to people who are sponsored into New Zealand by a family member who was granted residence on the basis of their refugee status.

In 2011, the following changes were made to the Student Loan Scheme:

- ▲ StudyLink loan establishment fee (formerly known as the administration fee) increased from \$50 to \$60.
- ▲ An annual Inland Revenue Department administration fee of \$40 was introduced to student loans. The first fees were charged at the end of the 2011/2012 tax year.
- ▲ Exemption to the two-year stand-down for New Zealand permanent residents was extended to people who are sponsored into New Zealand by a family member who was granted residence on the basis of their refugee status.
- ▲ On completion of approximately 2 years of study academic performance is calculated to determine students' eligibility for continued access to the loan scheme. Students must pass at least half or more of their study load (measured in equivalent full-time student units).³

³ The assessment of performance will commence from, and include, courses of study that ended in 2009 using a 5-year rolling assessment period.

- ▲ A life-time limit was imposed on access to the loan scheme of 7 equivalent full-time student units per student was introduced.⁴ Possible additional entitlements allow up to an overall maximum of 10 equivalent full-time student units to support higher-level study.

Industry training organisation mergers

In 2011, four industry training organisations amalgamated with other industry training organisations and one closed. These were:

- ▲ Creative Trades closed with coverage going to FloorNZ, Building and Construction ITO and Communication and Media ITO
- ▲ Tranzqual merged with the NZ Motor Industry Training Organisation (Inc.)
- ▲ Local Government ITO merged with Learning State (Public Sector Training Organisation)
- ▲ Real ITO merged with ETITO (a multi-industry ITO for financial services, ambulance, contact centres, electrotechnology, offender management, security, real estate and telecommunications industries.
- ▲ Social Services ITO merged with Careerforce (Community Support Services Industry Training Organisation).

Further mergers of industry training organisations were under way in 2012.

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, there were 629 NZQA-registered private training establishments in 2011 and eight government training establishments. Many employers also provide training for their employees, including formal study programmes.⁵ 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 the New Zealand Vice Chancellors Committee (which is usually known as Universities New Zealand).

UNIVERSITIES

Universities are primarily concerned with advanced learning, 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. They are expected to have well-established international links and to meet international standards of scholarship.

There are eight universities, which in 2011 collectively enrolled 176,000 students, including 23,100 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 often have arrangements with industry training organisations to deliver programmes. Many polytechnics offer degree-level education and are involved in research activities, particularly applied research and research in technological areas. They

⁴ The 7 equivalent full-time student units count will apply to study that commenced on or after 1 January 2010.

⁵ Formal study is study that contributes towards a qualification on the New Zealand Qualifications Framework.

provide pathways into tertiary education for adult learners and for learners with low prior qualifications, preparing them to achieve at higher levels.

The network of 18 polytechnics offers tertiary education throughout New Zealand. The number of students enrolled at polytechnics in 2011 was 157,000, including 12,700 international students. These enrolments represented 78,500 equivalent full-time student units.

WĀNANGA – MĀORI CENTRES OF TERTIARY LEARNING

Wānanga provide Māori-centred tertiary education that supports te ao Māori, provide pathways for Māori learners into other tertiary education institutions and 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 āhuatanga Māori (Māori tradition) and tikanga Māori (Māori custom) are an integral part of the programme. In 2011, wānanga had 38,600 students, representing 24,700 equivalent full-time student units.

GOVERNMENT TRAINING ESTABLISHMENTS

Eight government agencies provide training, including the New Zealand Armed Services and the New Zealand Police. They are each approved by the Minister for Tertiary Education, Skills and Employment as government training establishments. Government training establishments offer training, subject to the approval and accreditation requirements of the Education Act 1989.

PRIVATE TRAINING ESTABLISHMENTS

Private training establishments offer a range of training. This includes training for specific employers on a full cost-recovery basis, while others are funded by the government for the delivery of, for example, targeted training programmes. Like some public tertiary education institutions, some private training establishments 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, while some receive no Crown funding at all. A substantial number of those that receive no funding are English language schools that cater to full-fee-paying international students.

In 2011, 306 of the 629 registered private training establishments received government funding through the student achievement component, Youth Guarantee, Youth Training and Foundation-Focused Training Opportunities.

The number of students enrolled in 2011 at private training establishments in receipt of government funding was 74,800, including 13,000 international students. These enrolments represented 42,400 equivalent full-time student units.

WORKPLACE-BASED LEARNING

Considerable formal training takes place in the workplace. Some of this is funded through the Industry Training Fund (which includes Modern Apprenticeships), while most of the rest is supported by industry. Workplace-based learning increases the skills of employees.

Much workplace-based learning is facilitated by industry training organisations. At the end of 2011, there were 33 industry training organisations in New Zealand, established by particular industries or groups of industries and recognised by the Minister for Tertiary Education, Skills and Employment under the Industry Training Act 1992.

In response to concerns about the performance of the industry training system, government has entered a two-stage review process for industry training. This has comprised compliance and operational reviews led by the Tertiary Education Commission from 2010, and a wider policy review led by the Ministry of Education in 2011 and 2012. The wider policy review is expected to result in changes over 2013 and 2014 to the roles of industry training organisations, how they are funded, and how they relate to other agencies. This is likely to include legislative change.

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 registered training provider. 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. Some businesses run formal training sessions, while others train staff through their workplace tasks. Often, the relevant industry training organisation will provide training guides and resources. Industry training organisations also have arrangements with tertiary education institutions and private training establishments to deliver programmes.

Some workplace-based training is entirely funded by employers. Some is jointly funded by the government through the Industry Training Fund, the Workplace Literacy Fund and by industry through financial and in-kind contributions.⁶

NON-FORMAL EDUCATION PROVIDERS

Non-formal learning does not contribute towards gaining a qualification listed on the New Zealand Qualifications Framework.⁷

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 with the costs being met entirely by the learners.

The tertiary education strategy

The government released New Zealand's third tertiary education strategy in December 2009, following a period of consultation in October and November. The Tertiary Education Strategy 2010-15 identified four national goals:

- ▲ provide New Zealanders of all backgrounds with opportunities to gain world-class skills and knowledge
- ▲ raise the skills and knowledge of the current and future workforce to meet labour market demand and social needs
- ▲ produce high-quality research to build on New Zealand's knowledge base, respond to the needs of the economy and address environmental and social challenges, and
- ▲ enable Māori to enjoy education success as Māori.

The strategy identifies seven priorities:

- ▲ increasing the number of young people (those aged under 25 years) achieving qualifications at level 4 and above, particularly degrees
- ▲ increasing the number of Māori students enjoying success at higher qualification levels
- ▲ increasing the number of Pasifika students achieving at higher qualification levels
- ▲ increasing the number of young people moving successfully from school into tertiary education
- ▲ improving the literacy, language and numeracy and skills outcomes from level 1 to 3 study
- ▲ improving the educational and financial performance of providers, and
- ▲ strengthening research outcomes.

The 2011 funding of most tertiary education institutions was approved on the basis of two-year investment plans developed with the Tertiary Education Commission in 2010. These plans covered 2011 and 2012 and were based on the goals and priorities of New Zealand's third tertiary education strategy released late in 2009. Private training establishments were funded in 2011 on the basis of one-year plans also developed in 2010 and based on the third tertiary education strategy.

The Tertiary Education Strategy 2010-15 also contains a number of expectations of providers and students. For each type of tertiary education provider, the strategy lists three core roles and a number of expectations as follows:

⁶ The recent introduction of a new data collection, the industry training register, has caused delays in publishing industry training statistics for 2011. Chapter 6 covers the latest available information on industry training for the 2010 year. The 2011 data, from the industry training register, is expected to come available at the end of 2012.

⁷ Information from the Adult Literacy and Life Skills Survey showed that 48 percent of New Zealanders aged 25 to 65 years were in some form of study in 2006. Thirty-four percent participated in non-formal study (excluding short seminars), 20 percent were in formal study and 6 percent did both. A further 27 percent engaged in non-formal learning that involved attendance at short seminars, lectures, workshops or special talks that were not part of a course. On average, adults attending courses spent 47 hours in non-formal courses during the year.

UNIVERSITIES ARE TO:

- ▲ undertake research that adds to the store of knowledge
- ▲ provide a wide range of research-led degree and postgraduate education that is of an international standard, and
- ▲ act as sources of critical thinking and intellectual talent.

The government expects universities to:

- ▲ enable a wide range of students to successfully complete degree and postgraduate qualifications
- ▲ undertake internationally recognised original research, and
- ▲ create and share new knowledge that contributes to New Zealand’s economic and social development and environmental management.

POLYTECHNICS ARE TO:

- ▲ deliver vocational education that provides skills for employment
- ▲ undertake applied research that supports vocational learning and technology transfer, and
- ▲ assist progression to higher levels of learning or work through foundation education.

The government expects polytechnics to:

- ▲ enable a wide range of students to complete industry-relevant certificate, diploma and applied degree qualifications
- ▲ enable local access to appropriate tertiary education
- ▲ support students with low literacy, language and numeracy to improve these skills and progress to higher levels of learning, and
- ▲ work with industry to ensure that vocational learning meets industry needs.

WĀNANGA ARE TO:

- ▲ provide quality education in accordance with kaupapa Māori philosophies, principles and approaches
- ▲ undertake teaching and research that maintains, advances and disseminates knowledge, develops intellectual independence, and assists the application of knowledge regarding āhuatanga Māori according to tikanga Māori, and

- ▲ contribute towards the survival and wellbeing of Māori as a people.

The government expects wānanga to:

- ▲ create and share new Māori knowledge that contributes to whānau, hapū and iwi prosperity and New Zealand’s economic, social, cultural and environmental development
- ▲ make an increasing contribution to sector-wide leadership through advancing mātauranga Māori at all qualification levels and across all fields of study, and
- ▲ enable students to complete a range of non-degree, degree and postgraduate qualifications, with clear study paths to higher levels of learning through a Māori paradigm.

PRIVATE TRAINING ESTABLISHMENTS ARE TO:

- ▲ offer flexible and responsive education programmes, and
- ▲ focus on specific areas of study.

The government expects private training establishments to:

- ▲ enable students to complete high-quality qualifications that lead to employment or higher-level education
- ▲ deliver tailored learning opportunities, such as marae- and iwi-based provision and Pasifika learning environments, and
- ▲ provide specialised qualifications and training.

INDUSTRY TRAINING ORGANISATIONS ARE TO:

- ▲ design national qualifications and run moderation systems to ensure fair, valid and consistent assessment against national standards
- ▲ arrange for the delivery of industry training that enables trainees to attain these standards, and
- ▲ provide leadership to their industries on skill and training matters, identify current and future skill needs, and work with employers and employees to meet those needs.

The government expects industry training organisations to:

- ▲ enable working New Zealanders to complete nationally recognised qualifications
- ▲ create clear pathways towards advanced trade qualifications at level 4 and above, and
- ▲ build and maintain strong support from the industries they serve.

ADULT AND COMMUNITY EDUCATION IS TO:

- ▲ serve learners whose first learning experience was unsuccessful
- ▲ assist those seeking pathways into tertiary learning, and
- ▲ assist people who lack the literacy, language and numeracy skills for work and further study.

The government expects adult and community education to:

- ▲ engage learners who have not been well served by education in the past
- ▲ improve the literacy, language and numeracy of individuals and whānau, and
- ▲ contribute to the overall cohesiveness of the community.

EXPECTATIONS OF STUDENTS:

- ▲ The government wants students to do well and achieve the best qualifications they can. Government is committed to providing support to assist students financially while they study and it intends to improve the information that students receive to allow them to make good decisions about what and where to study.
- ▲ Given the significant investment by government in tuition subsidies and student support, students are expected to take responsibility for their own performance. While government policy settings need to set clear expectations that students should gain qualifications, students also need to work closely with providers to ensure they achieve to the best of their ability and make the most of their learning environment.

Tertiary education legislation

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.

The Education Act 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 more closely aligned with the social, economic and environmental interests of New Zealand.

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 agency, Education New Zealand,⁸ and provided for the regulation of compulsory student services fees.

Another amendment was passed in 2011 - the Education (Freedom of Association) Amendment Bill, a private members' bill which made membership of students associations voluntary, instead of compulsory.

There are other pieces of legislation that also apply in tertiary education. In particular, the Industry Training Act 1992 and the Modern Apprenticeship Training Act 2000 cover parts of the system, while 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.

⁸ A Crown agency responsible for New Zealand's international education promotion and representation worldwide.

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, Careers New Zealand 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.

THE 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. The Ministry of Education is also responsible for 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.

THE TERTIARY EDUCATION COMMISSION

The Tertiary Education Commission, Te Amorangi Mātauranga Matua, is a Crown agent.⁹ The Commission is made up of a board of six to nine commissioners appointed by the responsible Minister. The Commission's responsibilities are as follows:

- ▲ giving effect to the tertiary education strategy
- ▲ advising government on the implementation of the tertiary education strategy, tertiary education priorities, sector activities and the performance of the sector
- ▲ allocating the government's tertiary education funding to tertiary education organisations according to funding mechanisms determined by the Minister
- ▲ assessing investment plans and approving funding to steer the tertiary education system
- ▲ monitoring the performance of government-funded tertiary education providers

- ▲ monitoring the viability and sustainability of tertiary education institutions, and
- ▲ conducting research and monitoring in support of its roles.

THE NEW ZEALAND QUALIFICATIONS AUTHORITY

The New Zealand Qualifications Authority, Mana Tohu Matauranga 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.

In 2011, an amendment to the Education Act was passed that updated and strengthened the New Zealand Qualifications Authority's legal powers.

CAREERS NEW ZEALAND

Careers New Zealand, Mana Rapuara Aotearoa, is a Crown agent that provides information, advice and guidance services designed to help people make informed career choices.¹⁰ Effective career information, advice and guidance provide a link between education, the labour market and the skills, interests and abilities of New Zealanders.

Careers New Zealand's work includes:

⁹ 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 it also must give effect to directions from the Ministers of State Services and Finance.

¹⁰ Careers New Zealand was known as Career Services until 2011.

- ▲ developing and providing career information
- ▲ providing careers advice support to secondary schools and school careers advisors
- ▲ providing individuals with advice on how best to use career information
- ▲ providing career guidance services, and
- ▲ developing and enhancing the skills of individuals and organisations that facilitate career information, advice and guidance for others.

To enhance access to career information, advice and guidance, Careers New Zealand has a range of delivery channels – the internet, telephone, texting, and face to face (for individuals and groups). This allows individuals to access Careers New Zealand in a manner that best matches their needs.

EDUCATION NEW ZEALAND

Education New Zealand was established in September 2011 as 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 a number of other government agencies that have an involvement with tertiary education.

THE MINISTRY OF SOCIAL DEVELOPMENT

The Ministry of Social Development, Te Manatū Whakahiato 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.

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 once loans have been transferred for collection. 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.

THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

The Ministry of Business, Innovation and Employment was established on 1 July 2012. It integrates the functions of the former Department of Building and Housing, Ministry of Economic Development, Department of Labour and the Ministry of Science and Innovation.

The Ministry of Business, Innovation and Employment 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 2010-15. To enable the implementation of tertiary education priorities, the system is designed to work around four main elements:

- ▲ quality assurance
- ▲ provision of government funding
- ▲ 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, and
- ▲ monitoring of the performance of government-funded tertiary education providers and of the sector as a whole.

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 on-going regulation of private training establishments
- ▲ self-assessment by government-funded tertiary education providers
- ▲ external evaluation and review by the New Zealand Qualifications Authority, or audit by the New Zealand Universities Academic Audit Unit, 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 student achievement component funding, industry training funding, Youth Guarantee, Foundation-Focused Training Opportunities 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**.¹¹ 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 (120 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 the responsibility for approving all qualifications registered on the New Zealand Qualifications Framework, other

¹¹ The New Zealand Qualifications Framework replaced the National Qualifications Framework and the New Zealand Register of Quality Assured Qualifications in July 2010.

than for the universities, approving all programmes that lead to the awarding of a qualification on the framework, and accrediting all qualifications offered by providers.

New Zealand Vice-Chancellors' Committee (also known as Universities New Zealand)

The New Zealand Vice-Chancellors' Committee derives its authority from the Education Act 1989. It provides quality assurance for university qualifications through its Committee on University Academic Programmes. The New Zealand Vice-Chancellors' Committee established the **New Zealand Universities Academic Audit Unit** 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 take 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.

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

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 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.

Industry training funding

Government's investment in industry training for the 2012/13 baseline is \$207.4 million (including Modern Apprenticeships).

The Industry Training Fund is targeted towards employment-based training linked to national qualifications, predominately at levels 1 to 4 on the New Zealand Qualifications Framework. This training is managed (but not provided) by industry training organisations which are recognised under the Industry Training 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. Standard training measures are funded at a single rate of \$2,919. Additional co-ordination and support funding is provided for Modern Apprenticeships.

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

Government provides approximately 70 percent of the cash cost of training, while employers are expected to fund 30 percent. This recognises that industry training benefits the employer as well as the individual and the wider economy.

Youth Guarantee funding

In 2010, the government introduced 2,000 fees-free tertiary places for 16 and 17 year-olds studying level 1 to 3 qualifications. The number of places funded grew to 2,500 in 2011 and 7,500 in 2012 due to the merger of Youth Training into the Youth Guarantee programme). In 2013, the number of funded places is expected to increase to 8,750.

The Tertiary Education Commission funds Youth Guarantee places in targeted institutes of technology and polytechnics, wānanga and NZQA-registered private training establishments who meet the Youth Guarantee eligibility criteria. For example, students must be full-time, full-year and aged 16 or 17 years at the time of commencing study. Priority is given to learners who are new to tertiary education.

In 2011, Youth Guarantee was funded through the student achievement component, based on course classification rates, with a \$4,500 top-up per equivalent full-time student unit. In 2012, it became separately funded.

For every Youth Guarantee learner enrolled in a full-time non-trade place, providers will be paid \$10,800 and \$14,300 for a full-time trades place.¹² As these places are fully-funded, learners are not eligible for a student loan.

Government funding for research

The main government funding for the research conducted by tertiary education organisations comes through the Performance-Based Research Fund.¹³ 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. There are currently seven centres of research excellence. The following centres are funded as CoREs:

- ▲ the Allan Wilson Centre for Molecular Ecology and Evolution (hosted by Massey University) – studying topics ranging from molecular rates of evolution and biodiversity, through to molecular anthropology

- ▲ the Maurice Wilkins Centre for Molecular Biodiscovery (hosted by the University of Auckland) – extracting new knowledge from genomic and proteomic (protein) data
- ▲ The MacDiarmid Institute for Advanced Materials and Nanotechnology (hosted by Victoria University of Wellington) – covering the spectrum from fundamental science to applied technology and combining expertise in chemistry, physics and engineering to discover and understand new materials and technologies
- ▲ the National Centre for Advanced Bio-Protection Technologies (hosted by Lincoln University) – pursuing multidisciplinary research and development to meet the biosecurity and pest management needs of New Zealand
- ▲ the National Research Centre for Growth and Development (hosted by the University of Auckland) – concentrating on the biology of early development and its lifelong consequences for health and disease
- ▲ Ngā Pae o te Māramatanga or ‘horizons of insight’ (hosted by the University of Auckland) has 16 partner research entities and conducts research of relevance to Māori communities, and
- ▲ the Riddet Institute (hosted by Massey University) – advancing knowledge in foods and biologicals.

In addition to these sources of research funding, tertiary education organisations active in research are expected to raise additional research revenue through the contestable science and innovation funds supported by the government through the Ministry of Business, Innovation and Employment. 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.

See chapters 13 and 16 of *Profile & Trends 2011*, which will come available later this year, for more explanations of the research funding system and how its components relate to each other.

¹² Excluding goods and services tax.

¹³ 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 2006.

INVESTING IN TERTIARY EDUCATION

The Tertiary Education Strategy 2010-2015 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 – 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 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.

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. 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. Part of each tertiary education organisation's funding will be linked to its performance against educational performance indicators from 2012.

When the Tertiary Education Commission works with tertiary education organisations as they develop their investment plans, a set of output targets is integrated into plans. These output targets developed by the Tertiary Education Commission 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.

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, the New Zealand Qualifications Authority and the Ministry of Education also carry out a range of other monitoring activities. This includes monitoring of financial and educational performance against the commitments set out in investment plans.

TERTIARY EDUCATION EVENTS IN 2012

Industry training organisation mergers

Six industry training organisations amalgamated with other industry training organisations in 2012. These were:

- ▲ Equine ITO merged with the Agriculture ITO
- ▲ New Zealand Sports Turf ITO merged with the Horticulture ITO
- ▲ Learning State merged with ETITO
- ▲ Plumbing, Gasfitting, Drainlaying and Roofing ITO merged with ETITO
- ▲ Seafood ITO merged with the New Zealand ITO, and
- ▲ Apparel and Textile ITO merged with the Plastics and Materials Processing ITO.

Government funding of tertiary education organisations

In 2012, tertiary education organisations developed their investment plans for 2013 and 2014 based on guidance published by the Tertiary Education Commission.

The plan guidance explains what the Tertiary Education Commission's 2013 investment priorities are and the Commission's statement of intent sets out what is expected to be delivered by tertiary education organisations in terms of dollars and equivalent full-time student units. Most public tertiary education institutions are expected to receive two-year investment plan funding approval for 2013 and 2014. Most NZQA-registered private training establishments are expected to receive one-year investment plan funding approval for 2013.

NZQA-registered private training establishments can now access the government's new pool of competitive tuition subsidies for qualifications at levels 1 and 2. Providers who are successful in this competitive process will receive two-year plan funding approval, as all competitive allocations are for 2013 and 2014. This is the first time NZQA-registered private training establishments have had access to government tuition subsidies for qualifications at levels 1 and 2.

Changes to student support

Student Allowances:

- ▲ Exemption from the two-year stand-down for new permanent residents was extended to sponsored family members of 'protected persons' (under the Immigration Act 2009).
- ▲ The definition of parents' income for determining the student allowance entitlement for students under 24 years (without children) was expanded to include additional income categories.
- ▲ From 1 April 2012 to 31 March 2016 the student allowances parental income threshold will not be increased.
- ▲ From 1 January 2013, student allowance eligibility will be removed for level 8 postgraduate qualifications (other than bachelor qualifications with honours) and for qualifications at levels 9 and 10 and for long programmes. A number of exemptions to the 200-week student allowance life-time limit will also be removed. Transitional arrangements will be in place for some recipients.

Student Loan Scheme:

- ▲ Exemption to the two-year stand-down for New Zealand permanent residents was extended to sponsored family members of 'protected persons' (under the Immigration Act 2009).
- ▲ Part-time, full-year students are no longer able to borrow through the Student Loan Scheme for course-related costs. Part-time, full-year students will be entitled to borrow for compulsory fees only. Part-time, full-year is defined as being in study for a minimum of 32 weeks in one year and with a course load of less than 0.8 equivalent full-time student units.

- ▲ The automatic three-year repayment holiday for overseas borrowers was reduced to a one year, application-based repayment holiday. Borrowers are also required to provide or confirm contact details for an alternative New Zealand contact.
- ▲ The repayment threshold was held at \$19,084 until 31 March 2015.
- ▲ From 1 April 2012, New Zealand-based borrowers are no longer able to use business and investment losses to reduce their repayment obligation in respect of their student loan.
- ▲ From 1 January 2012 student association membership became voluntary. Therefore, student association fees can no longer be included in the compulsory-fee component of a student loan.
- ▲ People aged 55 and over will not be eligible to borrow for living and course-related costs from the Student Loan Scheme.
- ▲ From 1 January 2013, new pilot training students starting study will be limited to borrowing up to \$35,000 per equivalent full-time student from the compulsory-fees component of the student loan. Transitional arrangements will be in place for some students.
- ▲ All students applying for a new student loan will be required to nominate a New Zealand-based contact person as a condition of accessing the Student Loan Scheme.
- ▲ From 1 January 2013, the amount of study that a student can borrow for in a year will be capped at 2 EFTS.
- ▲ From 7 February 2013, borrowers who have overdue payments amounting to \$500 or more and have been in default for one or more years will not be eligible to access the Student Loan Scheme.

This change relates to borrowers who are in default from February 2012 and affects new lending from 7 February 2012. Borrowers who successfully apply for hardship to the Inland Revenue Department will not be affected by this change.
- ▲ From 1 April 2013, the voluntary repayment bonus scheme will be repealed.
- ▲ From 1 April 2013, the student loan repayment rate will increase from 10 cents to 12 cents in every dollar earned over the repayment threshold.

- ▲ The information match between the Inland Revenue Department and the New Zealand Customs Service was extended to identify student loan borrowers in serious default.
- ▲ From 1 April 2014, the definition of income for student loan repayment purposes will be broadened to include income from trusts and other sources.
- ▲ From 1 April 2012, the assessment of income (to work out how much is due in repayments) for salary and wage earners shifted from an annual basis to a pay-period basis.

Unless the borrower has an exemption, student loan deductions made each pay period will generally be considered final. This change eliminates the need for a year-end assessment of salary and wage income.

- ▲ The late-payment penalty is now called late-payment interest and has been reduced from 1.5 percent monthly to 0.843 percent monthly.
- ▲ The Inland Revenue Department now has the authority to demand full payment of a student loan, whether or not the whole amount is outstanding. This change will affect borrowers who have consistently been non-compliant with their repayment obligation.

Further details on these initiatives can be found on the Ministry of Social Development's Studylink website.

An historical account of all loans and allowances changes can be found on the Ministry of Education's Education Counts website.

3 WHAT THE SECTOR PROVIDES

Overview

This chapter describes New Zealand’s tertiary education provision, the New Zealand Qualifications Framework and research and knowledge creation. Some of the most recent changes made to tertiary education provision are separately summarised later on in this chapter.

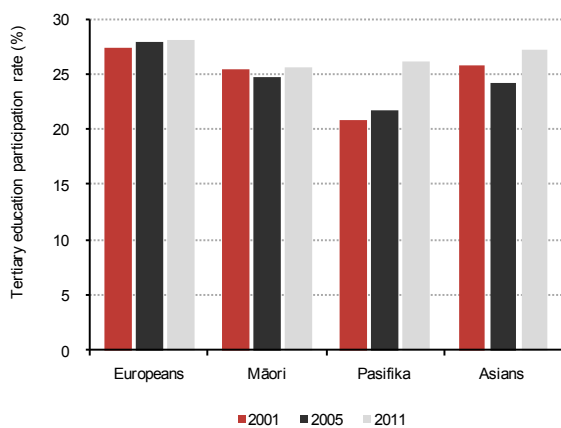
Shifts in provision by qualification level and age group

Since 2005, two shifts in domestic tertiary education provision have taken place. The first is a move away from lower-level to higher-level qualifications and the second is a move away from students aged 25 years and over towards those aged 24 years and under.

In 2011, provision of level 4 and higher qualifications comprised 79 percent of total domestic provision, compared to 74 percent in 2005. Students aged 25 years and over comprised 52 percent of total domestic students in 2011, compared to 62 percent in 2005.

These trends are reflected in the tertiary education participation rates of New Zealanders. New Zealanders aged 24 years and under from all ethnic groups participated at a higher rate in tertiary education in 2011 than in 2005. Young Pasifika people had the biggest increase in tertiary education participation over this period – up by 4.5 percentage points (Figure 3.1).

Figure 3.1 Participation rates in provider-based formal tertiary education by New Zealanders aged 24 years and under by ethnic group

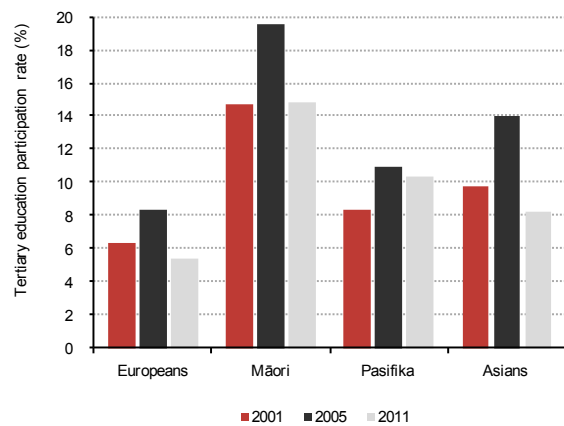


FORMAL AND NON-FORMAL LEARNING

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.

New Zealanders aged 25 years and over participated at a lower rate in tertiary education in 2011 than in 2005. This drop in the participation rate is graphed below for the main ethnic groups. The Māori and Asian ethnic groups had the most substantial decreases and the smallest decrease was for Pasifika people.

Figure 3.2 Participation rates in provider-based formal tertiary education by New Zealanders aged 25 years and over by ethnic group



The participation rate in degree and higher qualifications of New Zealanders aged 24 years and under increased by 2.2 percentage points, from 2005 to 2011, to 16 percent. Young New Zealanders’ participation in non-degree qualifications was lower in 2011, at 13 percent, compared to 16 percent in 2005.

The participation of New Zealanders aged 25 years and over in degree and higher qualifications has remained stable since 2005, at 2.6 percent. The participation rate in non-degree qualifications by this age group almost halved from 2005 to 2011 – down from 8.2 percent to 4.6 percent.

This continued focus of provider-based tertiary education on having more young people achieve higher-level qualifications is in keeping with the government's tertiary education strategy and the Better Public Services target of having 55 percent of New Zealand's 25 to 34 year-olds achieve a qualification at level 4 or above by 2017. The two Better Public Services education achievement targets that impact directly on tertiary education are described in chapter 1 in the 2012 section.

Canterbury earthquakes

Following the February 2011 Canterbury earthquake, emergency arrangements were put in place to protect students. As expected, the number of domestic students in Christchurch decreased in 2011 by about 10 percent and the number of international students also fell. The government held funding in Christchurch for 2011 and 2012 at the levels agreed with tertiary education organisations in 2010 in their 2011/12 investment plans. However, as Christchurch continues to recover from the earthquake, demand for trades training is expected to rise and government established a \$48 million contingency to fund this training in 2011.

Tertiary education provision in New Zealand

New Zealand's tertiary education system provides students with 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 students from other countries.

In addition, the tertiary education sector contributes to national innovation through its research activities; more than 77 percent of New Zealand's indexed research papers come from the tertiary education sector.

Key developments in tertiary education provision in 2011 were:

- ▲ the trend, started in 2005, to shift away from lower-level to higher-level qualifications on the New Zealand Qualifications Framework continued in 2011
- ▲ increased provision of student places (3,590) under Youth Guarantee by polytechnics, wānanga and private training establishments
- ▲ eight trades academies were established providing secondary and tertiary study to 624 senior secondary students
- ▲ the review of qualifications to reduce proliferation and duplication at levels 1 to 6 of the New Zealand Qualifications Framework¹ continued in 2011, and
- ▲ provision of adult and community education remained stable overall. ACE provision in tertiary education institutions continued to decline in 2011 while it increased in schools.

¹ In 2011, the following qualifications were included in the review agriculture, tourism, food and hospitality, English for speakers of other languages, and electrical/electro-technology.

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, such as Youth Guarantee, Foundation-Focused Training Opportunities and Modern Apprenticeships (through the Industry Training Fund). Some of those funds are described in more detail later in this report.

While most students in formal tertiary education are New Zealand citizens, international students make up a significant number of formal students (12 percent of all enrolments, in terms of equivalent full-time student units, in 2011). New Zealand attracts learners from a variety of offshore markets – notably Asia, which accounted for 73 percent of international students in 2011.

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 3.1 Formal and informal learning provided through the tertiary education system

	Formal	Non-formal
Learning at a tertiary education organisation	<ul style="list-style-type: none"> – Student achievement component-funded students – International students – School students in tertiary education – Students in the following programmes: <ul style="list-style-type: none"> Youth Guarantee Trades academies Foundation-Focused Training Opportunities Secondary-Tertiary Alignment Resource programmes – Industry trainees and modern apprentices (off-job training) – Full-fee paying domestic students 	<ul style="list-style-type: none"> – Learners in ACE through community providers, tertiary education institutions, private training establishments, schools and other community providers – Learners in professional development study
Employment and community-based learning	<ul style="list-style-type: none"> – Industry trainees and modern apprentices (on-job training) – Learners in Gateway – Students in Secondary-Tertiary Alignment Resource programmes (on-job learning) 	<ul style="list-style-type: none"> – Learners in ACE through community organisations, for example, rural education activities programmes – Learners in adult literacy programmes –Learners in professional development study

Industry training²

Industry training is designed by, and delivered in conjunction with, industry. Most industry training counts towards recognised qualifications. The costs of training are met jointly by government and industry. In 2011, the training was administered and supported through 33 industry training organisations that have been established by particular industries or groups of industries.

Industry training organisations facilitate training schemes and individual training arrangements. They purchase off-job training from tertiary education providers and then tailor these arrangements to the needs of learners and employers.

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 off-job training.

Apprenticeships are an employment-based education initiative aimed at encouraging participation in industry training, especially by young people aged between 16 and 21 years. Apprenticeships offer a mentoring aspect as well as formal industry training that lead to recognised qualifications at levels 3 and/or 4 on the New Zealand Qualifications Framework. The Tertiary Education Commission contracts the services of apprenticeships coordinators who set up the training agreements, and act as mentors to the learners and their employers. They develop an individual training programme for each learner that specifies the qualification(s) and generic skills they will gain, and maps out how this learning will take place.

During 2010, changes were made to operational rules relating to industry training. In 2011 and 2012, the government conducted a policy review of industry training. The results of the review will lead to changes in the roles of industry training organisations and how they interact with providers and government agencies. It will also lead to structural change in the industry training funding system.

² The recent introduction of a new data collection, the industry training register, has caused delays in publishing industry training statistics for 2011. The new system is intended to enable industry training organisations to eventually report trainee progress on a near real-time basis. Chapter 6 covers the latest available information on industry training for the 2010 year. The 2011 data, from the Industry Training Register, is expected to come available at the end of 2012.

Youth Guarantee

Youth Guarantee aims to:

- ▲ increase the educational achievement of targeted 16 and 17 year-olds by providing them with fees-free access to tertiary education towards level 1 to 3 qualifications on the New Zealand Qualifications Framework, and
- ▲ improve the transitions from school to tertiary education and work.

Youth Guarantee includes a tertiary education initiative which provides 16 and 17 year-olds who have left school with an opportunity to participate in a range of full-time, full-year³ vocational courses free of charge.

In 2011, 3,590 students took up places in 17 polytechnics, one wānanga and 16 private training establishments. Providers selected to provide Youth Guarantee programmes in 2011 were those that had 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 relevant pastoral care
- ▲ achieving high rates of retention and completion, and
- ▲ providing the programme in places with the highest proportion of unemployed youth.

In 2011, the funding decisions for Youth Guarantee programmes were made as part of the investment in a plan process. Youth Guarantee funding supplemented the student achievement-component funding for each student's enrolment. This additional funding covered the fees that the learners would otherwise have had to pay plus the costs of support services and pastoral care.

From 2012 onwards, Youth Guarantee and Youth Training has been combined and a new Youth Guarantee Fund established. The new Youth Guarantee programme extends the range of course and study options available to students.

³ Or 0.8 of an equivalent full-time student unit.

Foundation-Focused Training Opportunities

Foundation-Focused Training Opportunities is a programme for people aged 18 years and over who are considered disadvantaged in terms of employment and educational achievement. The programme is focused on improving people's literacy and numeracy. From 2010, the period of eligibility for these programmes was restricted to 26 weeks and the links to employment were strengthened.

Trainees enrolled in Foundation-Focused Training Opportunities can achieve unit standards that contribute towards national qualifications on the New Zealand Qualifications Framework.

In 2011, 9,190 learners participated in the Foundation-Focused Training Opportunities programme.

Adult and community education

Adult and community education (ACE) is non-formal⁴ and provides a bridge to further learning opportunities. The three national priorities for government-funded adult and community education, introduced in 2010, are:

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

New quality assurance arrangements were also introduced in 2010 to support the implementation of the new national priorities. ACE providers are to consult 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 longer-term direction of the organisation's ACE programme.

ACE is supported by, and delivered through, a range of tertiary 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.

Government-funded **ACE programmes in secondary schools** included programmes with a focus on literacy, numeracy, computer literacy, New Zealand Sign Language, English as a second language and Te Reo. In 2011, there were 23,999 enrolments in school-based adult and community education.

In 2011, government-funded **ACE programmes in tertiary education institutions** were provided in most universities, institutes of technology and polytechnics, and wānanga. This provision attracted an estimated 53,600 learners. A further 1,240 learners were provided ACE programmes by private training establishments in 2011.

In 2011, government-funded **ACE programmes in communities** was provided by 36 organisations, including courses provided by private training establishments and rural education activities programmes. This provision attracted 35,000 learners.

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

Adult literacy, language and numeracy education

This section looks at adult literacy, language and numeracy, including English for speakers of other languages, funded other than through adult and community education.

The Workplace Literacy Fund provides support to employees to increase their literacy, language and numeracy skills linked to workplace requirements.

Industry training projects with embedded literacy and numeracy, support industry training organisations to build the capability necessary to effectively include literacy and numeracy in trades training.

In recent years, additional funding has been made available for level 1 to 3 certificate provision that has embedded explicit teaching and assessment of literacy and numeracy. This is expected to become 'business as usual' in future.

Foundation-Focused Training Opportunities and Youth Guarantee programmes also provide opportunities for learners to build their literacy, language and numeracy skills.

⁴Non-formal learning does not contribute to a qualification on the New Zealand Qualifications Framework.

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.

The Intensive Literacy and Numeracy Fund, introduced in 2010, provides for high-needs individuals who might not be able to 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.

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

- ▲ provision of English language skills and resettlement support for migrants and refugees
- ▲ the English for Migrants scheme, which provides English language tuition for migrants to New Zealand who have pre-paid their training, and
- ▲ English for speakers of other languages tuition, which is also provided through other funded provision, including Foundation-Focused Training Opportunities and student achievement component-funded courses.

Tertiary education within senior secondary schools

There is a range of options for accessing tertiary education within the senior secondary school.

At the end of 2010, the government amended the Education Act 1989 to make provisions for formal secondary/tertiary education programmes.

Work on establishing 12 **trades academies** began in 2010 and eight of these became operational in 2011, providing 624 places for 16 and 17 year-olds. The academies allow students to achieve both credits 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. A further 13 trades academies are expected to open in 2012, providing at least 2,000 places.

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. This initiative aims to provide

students with more options for, and information about, learning that will contribute to future employment. The objectives of the trades academies are to:

- ▲ motivate students to stay at school by providing them with a greater range of courses
- ▲ give 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.

New Zealand's first **tertiary high school** programme opened in 2010 at the Manukau Institute of Technology 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 is based in an area with large Māori and Pasifika populations, high unemployment rates, and lower than average rates of educational achievement.

A tertiary high 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.

By combining the strengths of both a school and a tertiary education institution, the tertiary high school aims to provide a smoother transition for students. This is the first programme of its kind in New Zealand. The students do most of their study in the tertiary environment, while retaining links with their school for age-appropriate activities such as sports and cultural events.

Government intends to see how the tertiary high school benefits the students involved, and whether this model can be applied more broadly across the education system. In 2011, there were 87 students enrolled in the tertiary high school.

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

The **Secondary-Tertiary Alignment Resource (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 NCEA 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 unit standards for the National Certificate of Educational Achievement and other qualifications on the New Zealand Qualifications Framework.

New Zealand Qualifications Framework

The New Zealand Qualifications Authority is responsible for the integrity, currency and accuracy of the New Zealand Qualifications Framework, which was set up in 2010 as a single repository of qualifications.⁵

The New Zealand Qualifications Framework 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 the strengthening of Māori as a people by enhancing 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 is the highest.

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.

⁵ Before the introduction of the single register, there was the National Qualifications Framework, comprising national certificates and diplomas and unit standards. This framework became expanded through the development of the New Zealand Register of Quality Assured Qualifications, which included the National Qualifications Framework as a sub-set. The Register of Quality Assured Qualifications included the qualifications developed by universities, polytechnics, wānanga and government training establishments.

Table 3.2 Levels and qualification titles for the New Zealand Qualifications Framework, Te Taura Here Tohu Mātauranga o Aotearoa

Level	Name sequence
10	Doctorates
9	Masters degrees
8	Postgraduate diplomas and certificates Bachelors degrees with honours
7	Graduate diplomas and certificates Bachelors degrees
6	Diplomas
5	
4	
3	
2	Certificates
1	

The general qualification definitions are as follows:

Certificates may be used in a wide range of contexts across all levels up to and including level 7, and are often used to prepare learners for both employment and further education and training.

Diplomas often prepare learners for self-directed application of skills and knowledge. These qualifications often build on prior qualifications or experience and recognise capacity for initiative and judgement in technical, professional and/or managerial roles.

Graduate certificates and graduate diplomas are designed primarily as vehicles for 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.

Bachelors degrees provide 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. Bachelors 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.

A **bachelors degree with honours** may be awarded to recognise advanced or distinguished study in advance of a level 7 bachelors 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.

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.

Targeted review of qualifications at levels 1 to 6

Following the introduction of a single framework for all New Zealand's quality-assured qualifications in 2010, the following recommendations from the reviews were also implemented:

- ▲ require the use of existing quality-assured qualifications, and change the design rules for National and New Zealand qualifications to allow for more inclusion of local components
- ▲ strengthen and standardise qualification outcome statement requirements
- ▲ introduce a mandatory pre-development assessment stage for qualification developers, and
- ▲ provide clear information about whether a qualification is active, inactive or closed.

The targeted review also recommended strengthening industry involvement in qualification development. To implement this recommendation, the New Zealand Qualifications Authority is reviewing the qualifications at level 1 to 6 to ensure that they remain relevant, current and fit for purpose.

The qualifications are being reviewed in groups/clusters of similar qualifications. Stakeholders from different an industry sector are meeting industry training organisations, tertiary education providers and government agencies to review the range of qualifications in their sector to ensure they meet the requirements of their workforce, industry or community. The review will propose a suite of qualifications that meet those needs.

The complete list of qualifications reviewed in 2011, and the proposed list for 2012, can be viewed at: www.nzqa.govt.nz/studying-in-new-zealand/nzqf/reviews-of-qualifications/quals-review-schedule/.

Research and knowledge creation and its transfer

The country's innovation system is a complex network of research organisations, educational institutions, industry associations and communities. This system relies on the supply of knowledge, highly skilled workers and financial investment to support the growth of new ideas, products and processes to create economic, social and environmental benefits.

The tertiary education system plays a key role in furthering research and innovation in New Zealand. The advancement of knowledge through education and research is a core function of the tertiary education sector. The tertiary education sector is responsible for the largest share of the country's research output. The sector also undertakes significant research focused on adapting and transferring knowledge and technology. It does this alongside, and sometimes in partnership with, other research organisations, industry and business, community organisations, and government.

In addition, the tertiary education sector is responsible for the training of the research workforce and for producing graduates with skills, knowledge and attributes that enable them to contribute to the innovation system.

The primary roles of tertiary education research activities are to:

- ▲ support degree-level teaching and ensure that degree graduates are of high quality and informed by up-to-date scholarship and developments in the knowledge base
- ▲ train New Zealand's future knowledge creators and innovators
- ▲ contribute to the knowledge base through research that generates new knowledge, and
- ▲ interpret new knowledge and disseminate it as a means of influencing people in communities and business.

Universities make an important contribution to the national research effort in the area of basic research,⁶ which involves exploring and expanding the frontiers of knowledge. Whereas the Crown research institutes and many other research providers are more likely to focus on applied or strategic research, university-based researchers have greater opportunity to work in basic research because of the

⁶ Research that is carried out for the advancement of knowledge, without seeking long-term economic or social benefits or making any effort to apply the results in business or communities.

traditional role of the universities in postgraduate training, and the nature of the funding for research in the universities. The latest available information from the Research and Development Survey, published by Statistics New Zealand in 2011, estimates that almost 50 percent of all research conducted in the tertiary education sector was basic research. The survey reports that, in 2010, around 58 percent of the basic research in New Zealand was conducted in universities.

The government has two major means of promoting and funding research in the sector.

- ▲ The first is the **centres of research excellence**. The first centres of research excellence were established during 2002 and 2003. The centres have been designed to support world-class research that will contribute to New Zealand's development as a knowledge society. They are inter-institutional research networks with researchers working together on a commonly agreed research plan. The seven centres and the areas of study they cover are described in chapter 2, together with the name of the host university.
- ▲ The second is the **Performance-Based Research Fund**, which was phased in over the period 2004 to 2007. This fund has shifted the basis of research funding from a system based on student enrolments to one where funding is allocated on the basis of research performance, as evidenced through research outputs, external research income and research degree completions by postgraduate students.⁷ One consequence of the shift to the Performance-Based Research Fund is that much more information is now collected on research in tertiary education. This includes the quality of the research, the demographics and other characteristics of people conducting research in tertiary education organisations and the relative research performance in different research fields and organisations.

Since the Performance-Based Research Fund was introduced, there have been three quality evaluation rounds – 2003, 2006 and 2012, which looked at the research performance of staff at participating tertiary education organisations. Results of the 2012 round will be reported in March 2013. The results will assist a broader review of the Performance-Based Research Fund that the Ministry of Education is currently undertaking.

The Ministry of Education is also conducting a review of the centres of research excellence funding which will help set the future direction of the centres in line with the government's current priorities. The review is planned before the current funding contracts expire in 2014.

A considerable amount of tertiary education research is also funded through research contracts. Some of these come from government-managed research funds, such as those administered by the government through the Ministry of Business, Innovation and Employment. Many other research contracts come from the private sector. In some areas, universities and some polytechnics have entered into more formalised knowledge creation and transfer programmes with the private sector, involving joint research programmes, commercialisation of research outputs and development of research and technology parks.

CHANGES TO PROVISION IN 2012

This section describes important events affecting tertiary education provision in 2012.

Canterbury earthquakes

Enrolments in tertiary education in Canterbury in 2011 were 12 percent down on 2010 as a result of the earthquakes. Early indications from 2012 suggest that domestic enrolments have stabilised.

The government reallocated \$17 million of student achievement component funding in 2012 to help polytechnics increase their trades training to support the Canterbury rebuild. In addition, they allocated an extra \$7 million from a Budget 2011 contingency to support training for the rebuild. These two sources together funded more than 1,000 equivalent full-time student places in trades.

Youth Guarantee

In 2012, the Tertiary Education Commission is funding 7,360 fees-free places in tertiary education for 16 and 17 year-olds studying at levels 1 to 3.

⁷ Detailed information on the operation of the Performance-Based Research Fund can be found in Tertiary Education Commission (2007) *Performance-Based Research Fund: evaluating research excellence – the 2006 assessment*.

Secondary-tertiary programmes

In 2012, there was a significant expansion of trades academies. Eight new trades academies became operational in February 2012, taking the total number of trades academies to 16.

Another four secondary-tertiary programmes, out of a further five scheduled to start in July 2012, had begun operations by August 2012.

At 30 June 2012, the total number of senior secondary school students in secondary-tertiary programmes was 2,110.

Targeted review of qualifications

In 2012, the targeted review of level 1 to 6 qualifications on the New Zealand Qualifications Framework covered 16 groups/clusters of qualifications. Included were qualifications covering allied trades, automotive engineering, business, creative arts, forestry, horticulture, manufacturing, sports recreation and general education.

Adult literacy, language and numeracy education

Additional funding has been allocated, from 2012, to the Intensive Literacy and Numeracy Fund for English for speakers of other languages (ESOL).

4 OUTCOMES OF TERTIARY EDUCATION

New Zealand's population becomes more qualified

There are now more New Zealanders with a tertiary qualification than those without one. In 2011, the proportion with a tertiary qualification increased to 52 percent, up from 50 percent in 2010. At the same time the proportion of people without a qualification became smaller, while the proportion with a bachelors or higher qualification continued its steady upwards path.

The proportion without a qualification was 24 percent in 2011, compared to 27 percent in 2001. The proportion of the population aged 15 years and over with a bachelors degree or higher qualification was 17 percent in 2011, compared to 11 percent in 2001.

The proportions with other tertiary qualifications and only a school qualification have been stable in recent years, at 34 percent and 24 percent, respectively.

Of the ethnic groups,¹ Māori had the biggest decrease in the proportion without a qualification over the last 10 years. The proportion of Māori with a bachelors or higher qualification more than doubled from 2001 to 2011. The proportion of Pasifika peoples without a qualification increased. However, the proportion with a bachelors or higher qualification increased more strongly.

¹ The sampling error for the smaller ethnic groups such as Māori and Pasifika are generally larger, requiring caution to be exercised in interpreting changes in this data over time.

Gender and age differences among the tertiary qualified

The proportion of the population holding a bachelors or higher qualification is higher for women than for men. Men continue to be more likely than women to hold tertiary certificates and diplomas. This difference reflects changes in the tertiary education participation trends over the last 15 years, with more women completing bachelors qualifications and the expansion of industry training which led to higher proportions of men gaining certificates and diplomas.

The proportion of younger people with a bachelors or higher qualification is considerably higher than for older people. In 2011, 30 percent of people aged 25 to 34 years held a bachelors or higher qualification, compared to 18 percent for people aged 45 to 64 years. This reflects the expansion of access to higher-level tertiary education that occurred from the 1990s.

Men continued to participate in the labour market at a higher rate than women, but the gap between them is smaller for people with higher-level qualifications. Young men aged 20 to 24 years were most affected by the continued weak employment market – 13 percent of them were not in employment or study in 2011. Young females (20 to 24 years) have higher rates of non-participation compared to men because they are more likely to be engaged in care-giving.

Earnings premium for people with qualifications

People's earnings reflect the quality of and demand for the skills they bring to their workplace. High-level skills help businesses to be more productive, and these are remunerated at higher levels than lower-level skills. The level of remuneration also depends on the strength of the economy – higher-level skills attract a larger premium when there are more jobs requiring them and there is a relative shortage of people who have them. This is more likely to occur when the economy is stronger.

During times of strong labour demand, for example, from 2000 to 2005, the earnings of people with a bachelors or higher qualification were 70 percent higher than for people without a qualification. In 2011, the earnings of people with a bachelors or higher qualification were 65 percent higher than for people with no qualification, up from 63 percent in 2010. This is evidence of a slight recovery in labour market conditions for people with tertiary qualifications after the economic downturn.²

² Based on median hourly earnings from the Statistics New Zealand's Household Labour Force Survey.

Tertiary qualified more likely to be employed than people without a qualification.

While the continued weak economic conditions led to higher unemployment rates for many groups, people with no qualifications and younger people (who are developing their skills and workplace experience) have had the highest unemployment rates and these continued to be high in 2011.

Unemployment fell for people with bachelors or other tertiary qualifications. The unemployment rate for people with a bachelors or higher qualification was 3.0 percent, while it was 10 percent for people without a qualification. The unemployment rate for people with level 1 to 4 certificates or a diploma was 5.1 percent, while for people with only a school qualification it was 8.8 percent.

Analytical tables: Data on tertiary education outcomes relating to employment, incomes and other post-study outcomes is available at: www.educationcounts.govt.nz/statistics/tertiary_education/life_after_study

MORE TERTIARY QUALIFIED PEOPLE

The proportion of the New Zealand population aged 15 years and over holding a tertiary qualification has increased steadily in the last 10 years. In 2011, over half of the working-age population was tertiary qualified, compared to 46 percent in 2001. The proportion of the population without a qualification has dropped from 27 percent in 2010 to 24 percent in 2011. The proportion with other tertiary qualifications (level 1 to 4 certificates and diplomas) and those with only a school qualification has been stable in recent years.

Proportions of the population by highest qualification in 2011

Bachelors degree or higher	17%	(15% in 2006)
School qualification	24%	(25% in 2006)
No qualification	24%	(27% in 2006)
Other tertiary qualification	34%	(34% in 2006)

Note: The data in the graphs and tables throughout this chapter is from the Statistics New Zealand *Household Labour Force Survey (June quarter)*. The sampling errors for the smaller groups are larger than for the larger groups requiring caution to be exercised in interpreting changes in this data over time.

BACHELORS OR HIGHER-LEVEL QUALIFICATIONS

The proportion of the population with a bachelors or higher qualification remained steady in recent years at 17 percent. People aged 25 to 44 years are most likely to hold a bachelors or higher qualification, while least likely are younger people and those aged 65 years or over.

When comparing 2001 with 2011, people aged 25 to 34 years have had the biggest increase in the proportion with a bachelors or higher qualification, up from 17 percent in 2001 to 30 percent in 2011.

Proportions of the population with a bachelors or higher qualification in 2011

15 years and over	17%	(15% in 2006)
15-24 years	7.3%	(6.8% in 2006)
25-34 years	30%	(26% in 2006)
35-44 years	25%	(22% in 2006)
45-64 years	18%	(14% in 2006)
65 years and over	7.5%	(6.0% in 2006)

Source: Statistics New Zealand (2012). *Household Labour Force Survey*.

OTHER TERTIARY QUALIFICATIONS

The proportions of the population with other tertiary qualifications increased for most age groups in 2011, while before this the proportions had been declining. This is possibly a consequence of the economic downturn where people have tried to improve their prospects in a difficult labour market by seeking more vocationally-focused qualifications.

People aged 15 to 24 years are least likely to hold a level 1 to 4 certificate or diploma, while most likely to are people aged 45 to 64 years.

Proportions of the population with other tertiary qualification in 2011

15 years and over	34%	(34% in 2006)
15-24 years	18%	(18% in 2006)
25-34 years	39%	(37% in 2006)
35-44 years	39%	(40% in 2006)
45-64 years	40%	(39% in 2006)
65 years and over	31%	(30% in 2006)

Source: Statistics New Zealand (2012). *Household Labour Force Survey*.

Figure 4.1 Population aged 15 years and over (June quarter) by highest qualification

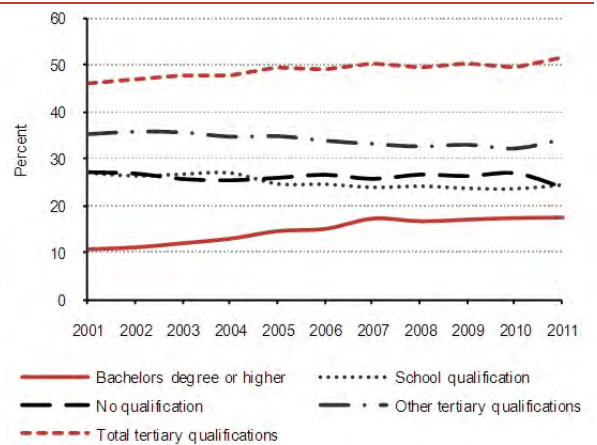


Figure 4.2 Population aged 15 years and over (June quarter) with a bachelors or higher qualification by age group

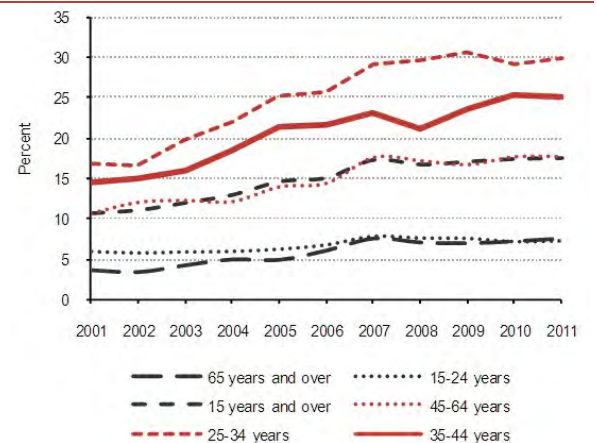
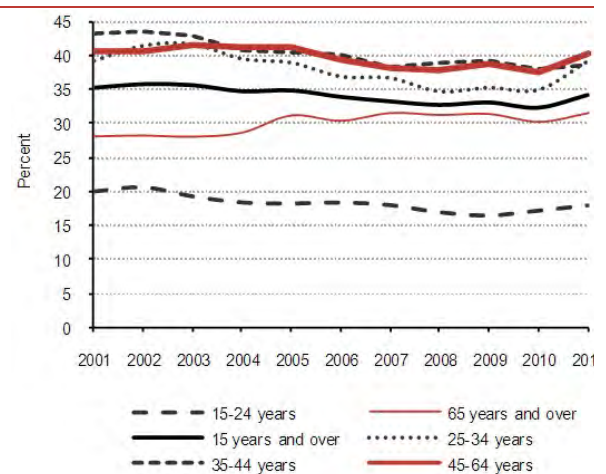


Figure 4.3 Population aged 15 years and over (June quarter) with other tertiary qualifications by age group



TERTIARY QUALIFICATIONS AND ETHNIC GROUP

The proportion of Māori holding bachelors or higher qualifications has doubled from 3.6 percent to 8.1 percent between 2001 and 2011. The comparable figures for Pasifika people were 4.7 percent in 2001 and 6.3 percent in 2011. However, Māori and Pasifika are less likely to hold a bachelors or higher qualification than Europeans or people in the ‘other’ ethnic group, and more likely to hold ‘other’ tertiary qualifications, or no qualification.

Proportions of the population aged 15 years and over with tertiary qualifications by ethnic group

	Bachelors degree or higher		Other tertiary qualifications	
	2001	2011	2001	2011
Europeans	11%	17%	38%	36%
Māori	3.6%	8.1%	31%	32%
Pasifika	4.8%	6.3%	26%	25%
Other	25%	29%	24%	28%

Source: Statistics New Zealand (2012). Household Labour Force Survey.

TERTIARY QUALIFICATIONS AND GENDER

Women continue to be more likely than men to hold a bachelors or higher qualification, while men are more likely than women to hold a level 1 to 4 certificate or diploma. However, the proportion of the population holding a level 1 to 4 certificate or diploma, increased in 2011 and the increase for women was higher than for men.

Proportion of the population aged 15 years and over with a tertiary qualification by gender in 2011

Bachelors degree or higher - females	18%	(15% in 2006)
Bachelors degree or higher - males	17%	(16% in 2006)
Other tertiary qualifications - females	32%	(32% in 2006)
Other tertiary qualifications - males	37%	(36% in 2006)

Source: Statistics New Zealand (2012). Household Labour Force Survey

EMPLOYMENT ADVANTAGE FOR TERTIARY QUALIFIED

From 2010 to 2011, the unemployment rate decreased for people with a tertiary qualification. In contrast, unemployment continued to increase from 2010 to 2011, for those with a school qualification or no qualification. However, for all groups, the unemployment rates are higher now than before the New Zealand economy contracted in 2008 and 2009.

Unemployment rates of the population aged 15 years and over by highest qualification in 2011

Bachelors degree or higher	3.0%	(2.1% in 2006)
Other tertiary qualification	5.2%	(3.0% in 2006)
School qualification	8.8%	(4.1% in 2006)
No qualification	10%	(5.4% in 2006)
Total all qualifications	6.4%	(3.6% in 2006)

Source: Statistics New Zealand (2012). Household Labour Force Survey

Figure 4.4 Population aged 15 years and over (June quarter) by highest qualification and ethnic group

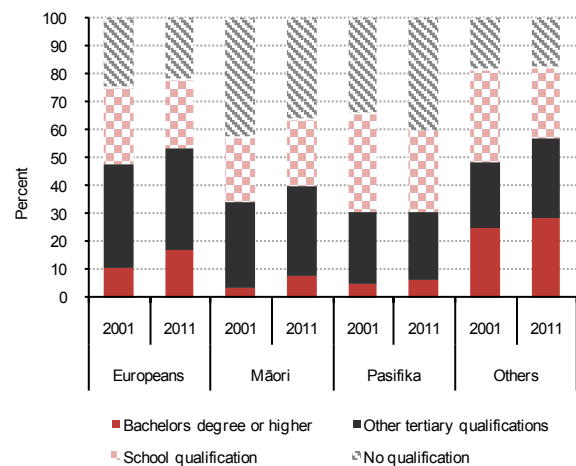


Figure 4.5 Population aged 15 years and over (June quarter) with a tertiary qualification by gender

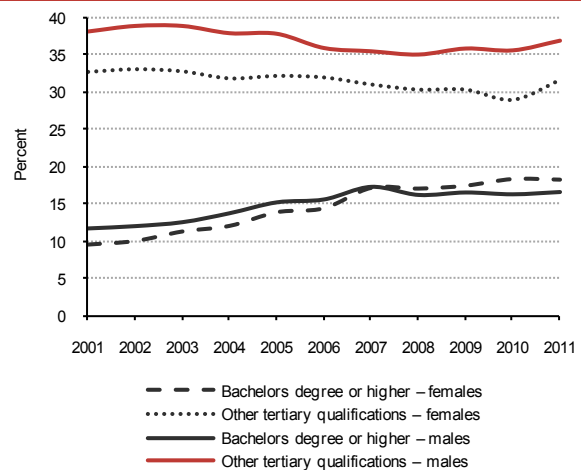
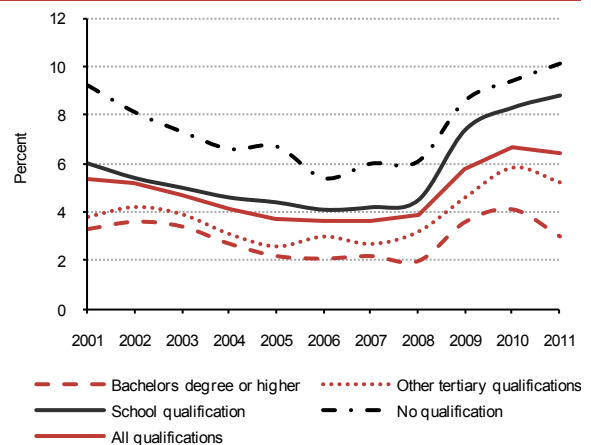


Figure 4.6 Unemployment rates (June quarter) for the population aged 15 years and over by highest qualification



LABOUR FORCE PARTICIPATION

From 2010 to 2011, the participation rate for people with qualifications rose slightly for women while it decreased slightly for men. However, for people with no qualifications the participation rate fell more strongly for women than for men.

Women continue to participate in the labour market at lower rates than men, although the gap between them decreases for people with higher-level qualifications.

Labour force participation rate of the population aged 15 years and over by highest qualification

	Females		Males	
	2010	2011	2010	2011
Bachelors degree or higher	81%	82%	89%	88%
Other tertiary qualifications	70%	71%	82%	81%
School qualifications	59%	61%	71%	71%
No qualifications	42%	39%	58%	57%

Source: Statistics New Zealand (2012). Household Labour Force Survey

Figure 4.7 Labour force participation rates (June quarter) by qualification level and gender

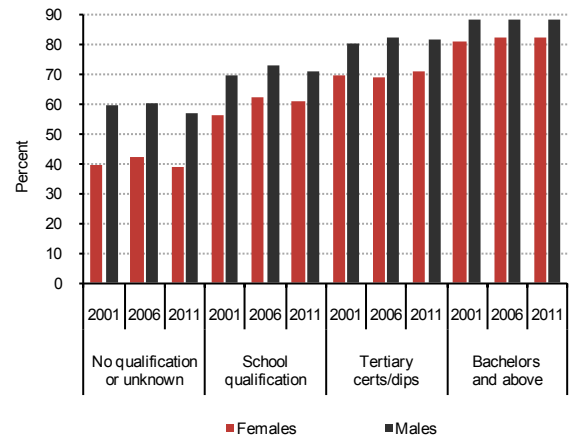


Figure 4.8 Median hourly earnings premiums (June quarter) by highest qualification compared with those with no qualification



HIGHER EARNINGS FOR THE TERTIARY QUALIFIED

In 2011, the median hourly earnings of people holding a bachelors or higher qualification were 65 percent higher than for people with no qualifications, up from 63 percent in 2010. The median hourly earnings premium for people with tertiary certificates and diplomas and school qualifications also rose slightly in 2011. These increases are likely to be due to an easing of the wage restraint which followed the contraction of the New Zealand's economy in 2008 and 2009.

Median hourly earnings premiums by highest qualification in 2011 compared with those with no qualification

	2001	2011
Bachelors degree or higher	64%	65%
Other tertiary qualification	26%	28%
School qualification	4.0%	3.7%

Source: Statistics New Zealand (2012). Household Labour Force Survey. Note: median earnings are for people aged 15 and over receiving Wages or Salary.

Figure 4.9 Proportion of youths not in employment, formal/informal study or a care-giving role (June quarter) by gender and age group



YOUTH ACTIVITY

The proportion of the youth population not in employment, formal/informal study (NEET) decreased slightly from 2010 to 2011. Before this the proportion of youth not in employment or study had increased between 2008 and 2010, due to downturn in the labour market. This suggests a weakening of the labour market for low-skilled occupations during this period. That younger people (15 to 19 years) have not been as affected suggests a strategy to avoid the worst effects of the downturn by remaining in formal education, such as school. Females aged 20 to 24 years have the highest NEET rates because they are more likely to be caregivers than younger people.

Proportions of youth not in employment or formal/informal study or care-giving role (NEET)

	2008	2009	2010	2011
15-19 year-olds	7.0%	9.5%	8.6%	8.5%
20-24 year-olds	14%	18%	18%	16%

Source: Statistics New Zealand (2012). Household Labour Force Survey

5 OVERVIEW OF THE LEARNERS IN TERTIARY EDUCATION

Participation rates in provider-based tertiary education

The participation rate of New Zealanders in higher-level tertiary learning has increased in recent years. The shift away from studying lower-level qualifications, which started in 2005, continued in 2011. The result of these two trends has been a lowering of the overall participation rate in tertiary education. In 2011, the participation rate of New Zealanders aged 15 years and over in tertiary education was 11 percent overall, compared to 14 percent in 2005.

In 2011, people studying degree and higher qualifications comprised 5.1 percent of the population aged 15 years and over. In 2005, the comparable figure was 4.8 percent.

Level 2 to 4 certificate enrolments fell substantially from 2010 to 2011, causing the participation rate in non-degree qualifications to further decline from 7.3 percent to 6.1 percent. In 2005, the comparable figure was 9.6 percent.

Participation in workplace-based tertiary education

New Zealanders who participated in learning that contributes towards a recognised qualification in the workplace totalled about 5 percent in 2010.¹

Learners in formal tertiary education at providers

There were 456,000 students² enrolled in tertiary education at providers in 2011. Of the students in formal tertiary study of more than one week's duration, 48,100 were international students, 9,160 were in Foundation-Focused Training Opportunities, 8,950 were in Youth Training, and 3,590 were in Youth Guarantee. There were also 624 senior secondary students studying in trades academies. Of the students in formal study of less than one week's duration, 17,400 were in the Secondary-Tertiary Alignment Resource programme and 6,910 students were in other short courses.

Learners in formal tertiary education in the workplace

In 2010, there were 195,000 learners engaged in industry-based training in 2010, including 11,600 in Modern Apprenticeships.³ The number of industry trainees fell from

2009 to 2010 as a result of changes in industry training operational policy aimed at improving the performance of industry training and getting better value for money, as well as the continued weak employment conditions in 2010.

In 2011, there were 12,600 school students in Gateway programmes. Gateway is designed to help secondary school students experience work-based tertiary education and or achieve credits on the New Zealand Qualifications Framework or to gain employment.

Non-formal tertiary education

Tertiary education that does not contribute towards a recognised qualification, such as adult and community education (ACE) attracted an estimated 114,000 enrolments in 2011. Enrolments in adult and community education at tertiary education institutions continued to decline in 2011. Following significant cuts to government funding of adult and community education in 2010, the number of ACE enrolments in schools fell. In 2011, there was a significant recovery in enrolments in adult and community education in schools.

Domestic students

Enrolments in formal tertiary study by domestic students fell from 2010 to 2011. The fall was mainly due to fewer enrolments in non-degree qualifications by students aged 25 years and over. When converted to equivalent full-time student units, the decrease in domestic enrolments was smaller. This means that domestic students continued to take on considerably higher study loads in 2011 (on average), a trend which began in 2008. This reflects the fact that younger students are more likely than older students to study full-time. The move to longer, vocational qualifications in response to the contraction of the economy in 2009, and the slowness of the recovery, has also led to higher study loads (on average).

There were also fewer enrolments in non-degree qualifications by people aged 24 years and under from 2010 to 2011. However, enrolments in degree and higher qualifications by this age group continued to increase. This continued upward trend in higher-level enrolments by young people aligns with the government's tertiary education priority of having more young people achieve at level 4 and above. It also reflects increasing school achievement with more young people qualified to study at higher tertiary education levels. In 2011, enrolments by younger people declined overall for the first time in five years. This was, in part, due to the population bulge of those born in 1989 through to 1991 completing its move from school to tertiary education.

¹ Industry training data for 2011 is not yet available due to changes to the method of collecting this information. Data for 2011 from the new Industry Training Register is expected to come available at the end of 2012.

² Total provider-based students, excluding students in non-government-funded providers.

³ The number of learners engaged in industry training in this report is based on the December 2010 quarter.

International tertiary education students

The trend in international students continued to increase from a low point in 2008. From 2010 to 2011, the number of international students increased by 5.5 percent to 48,100.

Qualifications achievement

In 2011, 154,000 qualifications were completed, 17,800 of them by international students. Of the domestic students who completed a qualification, 73,400 were women and 47,400 were men.

Māori and Pasifika tertiary education students

Raising achievement for Māori students is a key priority and development of the next phase of *Ka Hikitia – Managing for Success*, has started for the period 2013-2017. This is an opportunity to build on what has been accomplished since the strategy was first launched in 2008. The overall participation rate of Māori in tertiary education is high; the challenge remains to raise the participation in tertiary education of young Māori at higher qualification levels. Of those aged 24 years and under in 2011, 15 percent of Māori participated in tertiary education at level 4 and higher, compared to 23 percent of Europeans and 25 percent of Asians.

The overall participation rate of Pasifika peoples in tertiary education was also higher than for all New Zealanders in 2011. The proportion of young Pasifika who participated in tertiary education at level 4 and higher was 18 percent in 2011. As this proportion is 5 percentage points lower than for all New Zealanders aged 24 years and under, raising the participation of young Pasifika in higher-level qualifications remains an important challenge.

Work towards a new Pasifika Education Plan for the period 2013-2017 was agreed by the government in 2012.

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 twelve-month period) by a student enrolled full-time.
- ▲ The equivalent full-time student unit value of a qualification represents the Tertiary Education Commission's assessment of the normal minimum time for a successful full-time student to 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. The Tertiary Education Commission assigns each approved course 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 equivalent full-time student unit is defined as 120 credits, representing one year of full-time study.
- ▲ The equivalent full-time student count in this report is the sum of the EFTS units for a year.

Analytical tables: Data on learners in tertiary education are available at: www.educationcounts.govt.nz/statistics/tertiary_education – select 'participation' or 'retention and achievement'.

STUDENT ENROLMENTS IN 2011¹

There were approx. 639,000 students (including international students) in 2011.*

Provider-based students (more than 1 week's duration)		
Levels 1-10 (excl. programmes listed below)	409,000	(down 7.9% from 2010)
Youth Guarantee	3,590	(up 80% on 2010)
Trades academies	624	
Foundation-Focused Training Opportunities ²	9,190	(down 40% on 2010)
Youth Training	9,050	(down 5.0% on 2010)
Skill Enhancement	115	(up 39% on 2010)
Total	432,000	
Workplace-based learners (more than 1 week's duration) in 2010 ³		
Industry trainees (incl. modern apprentices)	195,000	(down 3.3% on 2009)
Modern Apprenticeships at 31 December	11,600	(down 4.0% on 2009)
Gateway (2011)	12,600	(up 6.4% on 2010)
Tertiary study of less than 1 week's duration		
Secondary-Tertiary Alignment Resource	17,400	(down 9.5% on 2010)
Other short qualifications	6,910	(down 57% on 2010)

*Excludes students in short courses and the estimate for non-government-funded provision.
 Notes: See Table 5.1 for fuller information on the size of the tertiary education sector.

TRENDS IN FORMAL TERTIARY EDUCATION

Formal tertiary education enrolments decreased from 2010 to 2011 due to an 8.7 percent decrease in the number of domestic students, partially offset by a 5.5 percent increase in the number international students. From 2009 onwards, the trend in international enrolments has increased.

The latest decrease in domestic enrolments was mostly due to fewer non-degree enrolments. The participation rate of New Zealanders in non-degree tertiary study has been falling since 2005, especially for lower-level certificates. The fall in the tertiary education participation rate from 12 percent in 2010 to 11 percent in 2011 was almost entirely due to a decrease in non-degree tertiary education. The participation rate in bachelors degrees and postgraduate study has remained stable in recent years.

Students in provider-based formal study by level and setting in 2011

Non-degree	238,000	(down 13% on 2010)	Domestic participation rate 6.1%
Degree or higher	205,000	(down 0.5% on 2010)	Domestic participation rate 5.1%

Source: Ministry of Education and Tertiary Education Commission.

NON-FORMAL TERTIARY EDUCATION STUDENTS

In 2011, the overall number of ACE learners remained about the same.

Since 2005, funding of adult and community education in tertiary education institutions has declined reflecting a more targeted approach to the funding of this type of education.

The number of learners in adult and community education in schools increased from 2010 to 2011 by 16 percent to 24,000. Before this, cuts in government funding, which took effect in 2010, caused a significant decrease in adult and community education in schools.

Estimated numbers of learners adult and community education in 2011

Tertiary education institutions	53,600	(down 24% from 2010)
Private training establishments	1,240	(up 2.5% on 2010)
Schools	24,000	(up 16% on 2010)
Community organisations	35,000	(16,900 learners in 2010)

Source: Tertiary Education Commission.

Figure 5.1 Formal students by level of study, setting and gender

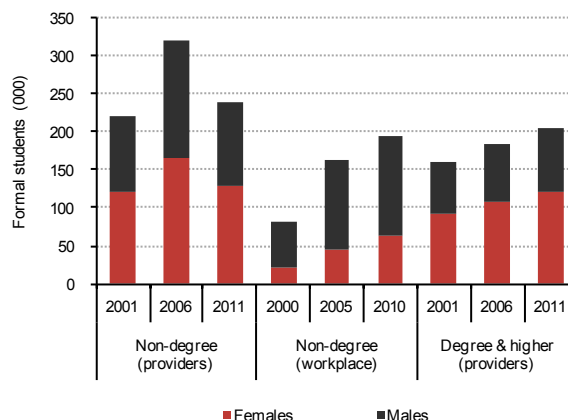


Figure 5.2 Trends in formal students by level of study and setting

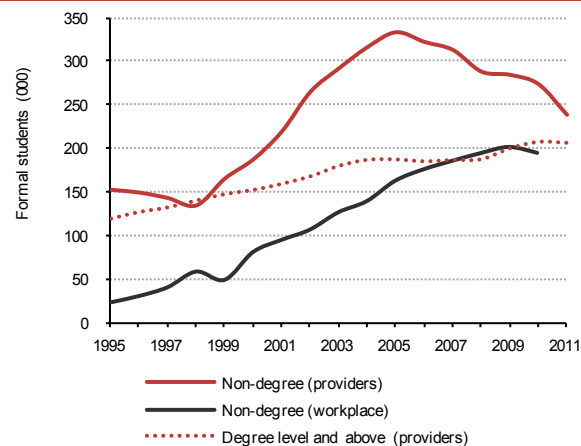
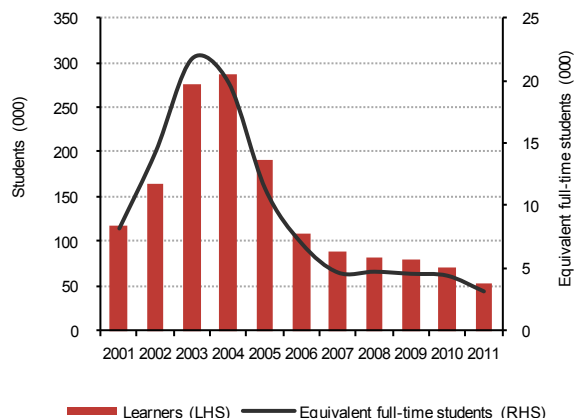


Figure 5.3 Non-formal students in tertiary education institutions



¹ These highlights refer to students enrolled at any time during the year with a tertiary education provider in formal study (that is, contributing towards a recognised qualification) of more than one week's duration, unless otherwise stated. Students are counted in each type of programme and qualification level for which they are enrolled so the sum of the components will not add to the totals.

² Some Training Opportunities' funding was moved to Ministry of Social Development programmes in 2011.

³ Industry training data for 2011 is not yet available due to changes to the method of collecting this information. Data for 2011 from the new Industry Training Register is expected to come available at the end of 2012.

PROVIDER-BASED ENROLMENTS BY LEVEL OF STUDY

Domestic enrolments in non-degree qualifications fell by 14 percent in 2011, due mainly to fewer enrolments by students aged 25 years and over. There were also fewer enrolments at this level by students aged 24 years and under. However, study of degrees and higher qualifications by young people continued to increase in 2011. For students aged 25 years and over enrolments in higher-level qualifications also decreased. International student numbers increased at most qualification levels in 2011.

Provider-based formal enrolments in 2011

	Domestic		International		Total	
	2011	% change from 2010	2011	% change from 2010	2011	% change from 2011
All study levels	383,000	-8.7	48,100	+5.5	432,000	-7.3
Certificates 1-3	110,000	-18.4	4,840	+5.5	114,000	-17.6
Certificates 4	60,600	-14.3	5,370	+2.1	66,000	-13.2
Diplomas 5-7	62,200	-8.7	13,600	+12.8	75,900	-5.5
Bachelors degrees	130,000	-0.1	17,400	+3.2	147,000	+0.3
Graduate certs/dips	11,300	-11.6	2,070	+2.4	13,400	-9.7
Postgraduate	40,200	-1.2	8,010	+3.7	48,200	-0.4

Note: In Figure 5.4 bachelors includes degrees and graduate certificates/diplomas.

WORKPLACE-BASED LEARNERS BY LEVEL OF STUDY

In 2010, almost 70 percent of industry trainees were enrolled in levels 1 to 3 on the New Zealand Qualifications Framework. Industry training organisations can only enrol up to a maximum of 10 percent of their learners at level 5 and above. In 2010, 3.4 percent studied for qualifications at level 5 and above.

Industry trainees in 2010 by level of study

All study levels	257,000	(down 2.8% on 2009)
Levels 1-3	177,000	(down 1.1% on 2009)
Level 4	71,700	(down 8.5% on 2009)
Levels 5-7	8,860	(up 16% on 2009)

Note: Industry training data for 2011 is not yet available due to changes to the method of collecting this information. Data for 2011 from the new Industry Training Register is expected to come available at the end of 2012.

Source: Tertiary Education Commission.

PROVIDER-BASED EQUIVALENT FULL-TIME STUDENTS

In 2011, the total formal study load was 279,000 equivalent full-time student units. The fall in domestic equivalent full-time student units, from 2010 to 2011, was 3.4 percent, compared to a fall of 8.7 percent in the number of students. The average study load of domestic students was 0.64 equivalent full-time student units in 2011, compared to 0.61 in 2010.

Enrolments expressed in equivalent full-time student units by level of study

	Domestic		International		% of total enrolments
	2011	% change from 2010	2011	% change from 2010	
All study levels	246,000	-3.4	32,400	+5.8	11.6
Certificates 1-3	51,200	-6.0	1,970	+3.3	3.7
Certificates 4	29,200	-6.7	2,400	-7.9	7.6
Diplomas 5-7	30,000	-9.6	8,040	+17.1	21.2
Bachelors degrees	105,000	+1.1	12,700	+3.8	10.8
Graduate certs/dips	5,120	-17.0	1,270	-0.2	19.9
Honours	15,200	-2.9	2,060	+0.7	11.9
Masters	6,530	+2.3	1,350	-2.5	17.1
Doctorates	3,870	-1.4	2,600	+12.5	40.2

Notes: 1. Honours includes bachelors degrees with honours and postgraduate certificates/diplomas.
2. The method of reporting doctorates was revised from 2009 and data for previous years has also been revised.

Figure 5.4 Provider-based formal enrolments by level of study

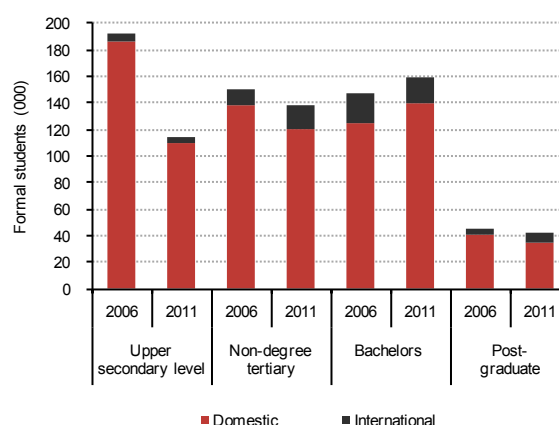


Figure 5.5 Industry trainees by level of study

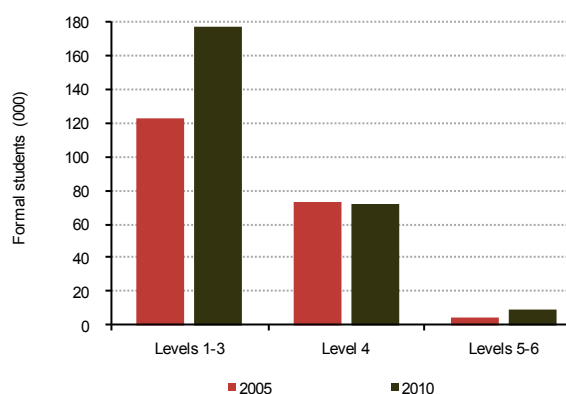
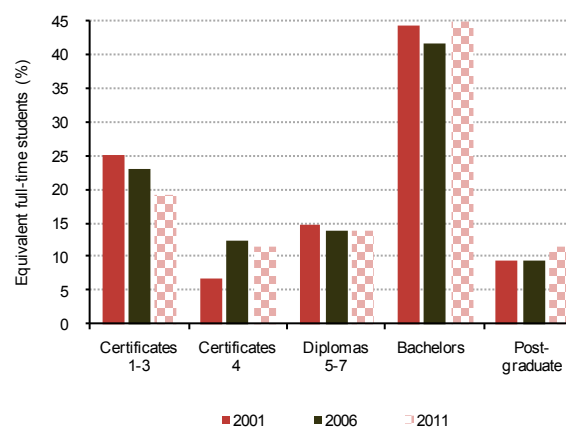


Figure 5.6 Distribution of equivalent full-time students by level of study



FORMAL STUDENTS BY PROVIDER TYPE

The equivalent full-time student unit count decreased from 2010 to 2011 in each sub-sector. The decrease was due to fewer enrolments in non-degree qualifications, especially at polytechnics, wānanga and private training establishments. At universities, the decrease was driven by fewer enrolments at bachelors level which was due to the population bulge completing its move from school to tertiary education. In contrast, at polytechnics there was a shift to bachelors enrolments.

Equivalent full-time students by selected provider type in 2011

All formal enrolments	279,000	(down 2.4% on 2010)
Tertiary education institutions	237,000	(down 2.8% on 2010)
Private training establishments	42,400	(down 0.5% on 2010)
Universities	133,000	(down 2.5% on 2010)
Polytechnics	78,500	(down 2.8% on 2010)
Wānanga	24,700	(down 4.5% on 2010)

Note: In Figure 5.7 data for the colleges of education has been merged with the universities, reflecting the mergers of the colleges with universities over 2004 to 2008.

PARTICIPATION RATES BY ETHNIC GROUP

In recent years, the age-standardised participation rate in higher-level qualifications increased for Europeans, Māori and Pasifika, while for Asians, who have the highest rate at this level, participation decreased. Young Asians studying at level 4 and above in 2011 also had the highest participation rate, at 25 percent, followed closely by young Europeans, at 23 percent. The comparable rates for Māori and Pasifika were considerably lower, at 15 percent and 18 percent, respectively.

Age-standardised participation rates in tertiary education for the population aged 15 years and over

	Non-degree		Degree and higher		All levels	
	2006	2011	2006	2011	2006	2011
Europeans	8.0%	5.2%	4.5%	5.0%	12.2%	10.0%
Māori	15.2%	11.6%	3.6%	4.1%	18.3%	15.2%
Pasifika	8.2%	8.1%	3.3%	3.9%	11.2%	11.6%
Asians	8.5%	4.1%	6.8%	6.5%	14.6%	10.3%
Total	9.2%	6.2%	4.7%	5.1%	13.6%	10.9%

Notes: Students may be counted in more than one ethnic group. Young people are those aged under 25 years.

INTERNATIONAL STUDENTS

Enrolments by international students continued to increase in 2011 – up by 5.5 percent from 2010. While the trend in these numbers has increased since 2008, compared to a high point in 2004, international enrolments were 4.5 percent lower in 2011. International enrolments were higher at every qualification level in 2011 than in 2010, except for masters degrees.

- 11 percent of tertiary education enrolments were made by overseas students (12 percent in terms of equivalent full-time students).
- 73 percent of the international students were from Asia, 7.6 percent from Europe, 6.4 from Northern America, 5.6 percent from the Middle East and 4.4 percent from the Pacific.
- 12 percent more international students were enrolled in doctoral studies in 2011 than in 2010.

Note: Since 2006, doctoral study by international students has been funded on the same basis as domestic doctoral studies, and this has substantially lowered these fees for international students.

Figure 5.7 Equivalent full-time students by provider type

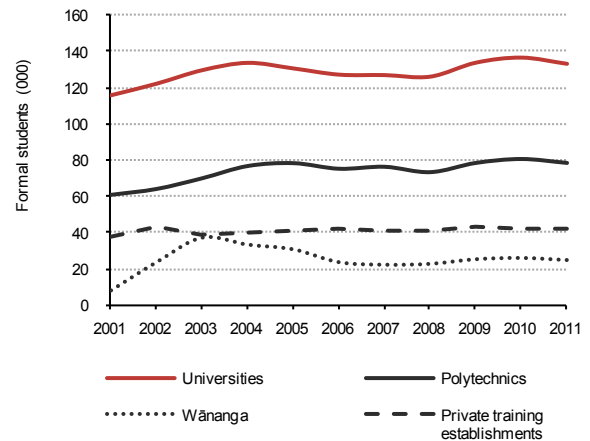


Figure 5.8 Participation rates in provider-based tertiary education by ethnic group

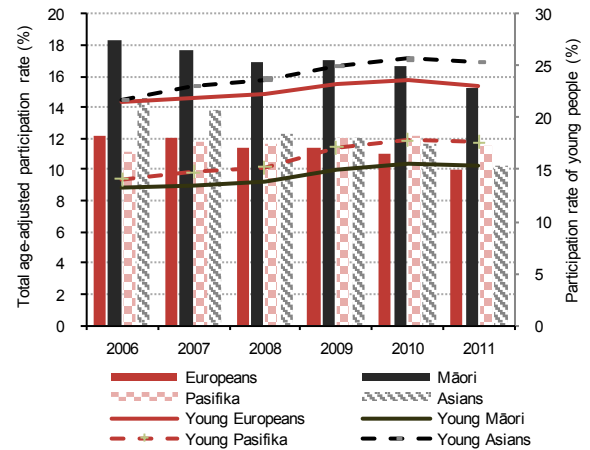
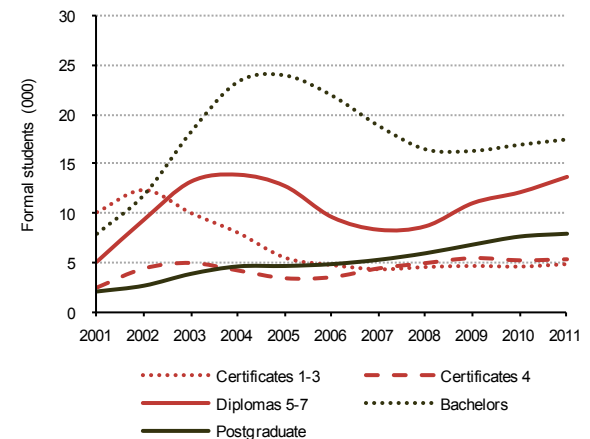


Figure 5.9 International students by level of study



COMPLETING A QUALIFICATION

In 2011, there were 154,000 qualifications completed by domestic and international students. Of the domestic students who completed one or more qualifications in 2011, 73,400 were women and 47,400 were men. Of the international students, more men (9,200) than women (7,880) completed one or more qualifications in 2011.

Qualifications completed in 2011

	Domestic	International
All study levels	136,000	17,800
Certificates 1	3,290	331
Certificates 2	17,900	862
Certificates 3	30,300	1,390
Certificates 4	25,000	2,450
Diplomas 5-7	18,600	5,880
Bachelors degrees	23,200	2,830
Graduate certificates/diplomas	5,130	1,260
Honours	8,490	1,370
Masters	3,330	1,030
Doctorates	696	414

WORKPLACE-BASED ACHIEVEMENT

There were 50,900 national certificates awarded in 2010. This was 16 percent higher than in 2009. However, the review of industry training operational policy and the introduction of performance-based funding have led to some shifts in the data for the 2010 year.

National certificates completed in 2010

All levels of study	50,900	(up 16% from 2009)
Levels 1-2	23,300	(up 25% from 2009)
Level 3	12,500	(up 20% from 2009)
Level 4	13,200	(down 2.8% from 2009)
Level 5 and above	1,860	(up 77% from 2009)

Gateway students going on to further study or employment in 2011

To education	74%	(71% in 2010)
To employment	20%	(24% in 2010)

Source: Tertiary Education Commission.

STUDENTS RETAINED IN STUDY IN 2011

The five-year retention rates of full-time and part-time students who started study in 2006 were higher than for students who started study in 2001 at most qualification levels. The biggest increases were for students in bachelors, masters and doctorate level.

Five-year retention rates for domestic formal students

	Starting year 2001	Starting year 2006
All study levels	54%	52%
Certificates 1-3	54%	45%
Certificates 4	48%	47%
Diplomas 5-7	46%	49%
Bachelors degrees	62%	68%
Graduate certificates/diplomas	49%	58%
Honours	70%	70%
Masters	59%	72%
Doctorates	72%	80%

Note: Honours includes bachelors degrees with honours and postgraduate certificates and diplomas.

Figure 5.10 Qualifications completed by formal domestic students by level of study

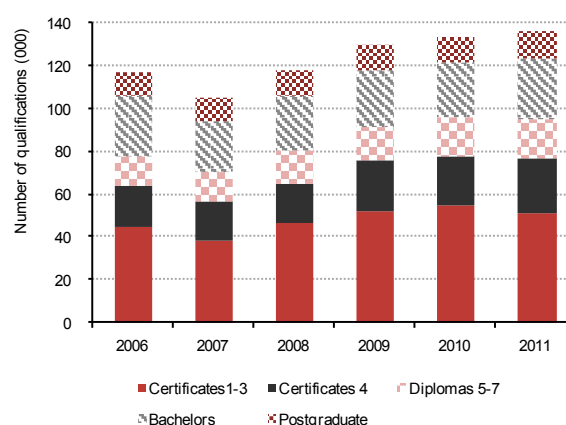


Figure 5.11 National certificates completed by level of study

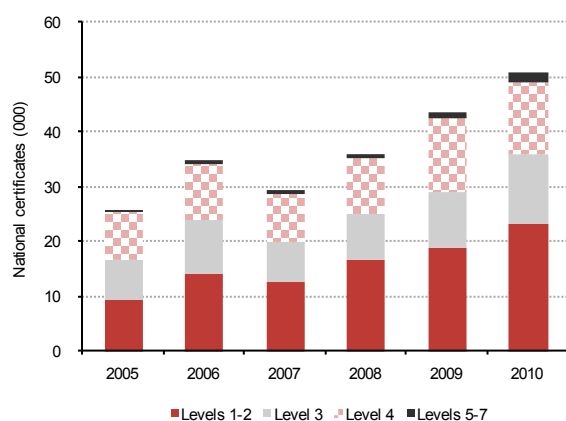


Figure 5.12 First-year and five-year retention rates for domestic formal students in full-time and part-time study

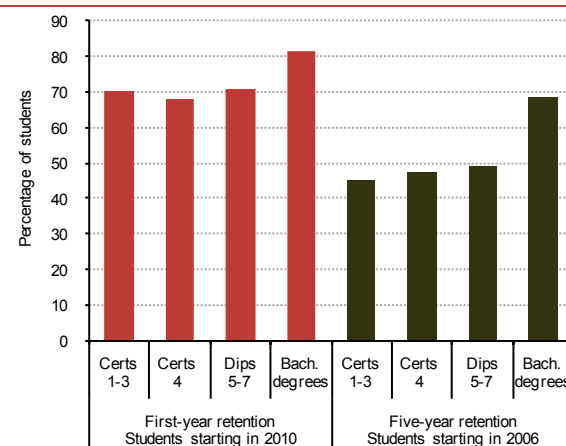


Table 5.1 Estimate of the size of the tertiary education sector in 2011 by level of study

Estimated numbers of learners	Certificates 1-3	Certificates 4 and diplomas 5-7	Bachelors	Postgraduate	Total
Formal students					
Provider based					
Domestic students (excl. industry training and programmes listed below)	94,338	112,470	140,040	40,178	361,753
International students (excl. industry training and programmes listed below)	4,490	18,145	19,424	8,009	47,405
Students in non-government-funded providers	10,000	5,000	-	-	15,000
Youth Guarantee	3,585				3,585
Trades academies (senior-secondary students)	624				624
Foundation-Focused Training Opportunities	9,193	-	-	-	9,193
Youth Training	9,054	-	-	-	9,054
Skill Enhancement	80	35	-	-	115
Students in qualifications of > 1 week's duration	131,364	135,650	159,464	48,187	446,729
Secondary-Tertiary Alignment Resource < 1 week's duration	16,989	512	-	-	17,400
Students in qualifications of < 1 week's duration	5,684	1,212	67	3	6,909
Total provider-based students in 2011	154,037	137,374	159,531	48,190	471,038
Workplace-based					
– Learners in industry training in 2010 (excl. Modern Apprenticeships)	125,931	57,375	-	-	183,306
– Modern apprentices in 2010	1,292	10,342			11,634
– Gateway learners in 2011	12,625	-	-	-	12,625
Total workplace-based learners	139,848	67,717	-	-	207,565
Total provider-based students (2011) & workplace-based learners (2010)	293,885	205,091	159,531	48,190	678,603
Non-formal learners in 2011					
ACE* through tertiary education institutions					53,623
ACE* through private training establishments					1,239
International students in non-formal tertiary education					3,074
Adult literacy and English as a second or other language (estimated funded learners)					Not available
ACE funded through schools					23,999
ACE through community organisations (provisional)					35,048

* Adult, community and other education not elsewhere classified.

Student component-funded learners in 2011	90,841	108,578	140,566	43,105	360,112
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Notes:

1. Provider-based students are counted in each type of programme they enrol in, so the sum of the components will not add to the totals.
2. Foundation Focused Training Opportunities, Youth Guarantee, Youth Training, Secondary-Tertiary Alignment Resource, Gateway, and ACE programmes are included in chapters 7 and 10.
3. Learners in industry training, including Modern Apprenticeships, are described in chapter 6.
4. 'Bachelors' includes degrees and graduate certificates and diplomas.
5. In 2011, 57 percent of domestic provider-based enrolments of more than one week's duration were made by women. The comparable figure in 2001 was also 57 percent.
6. Industry training data for 2011 is not yet available due to changes to the method of collecting this information. Data for 2011 from the new Industry Training Register is expected to come available at the end of 2012.

6 WORKPLACE-BASED LEARNERS

Industry training register

The recent introduction of the industry training register has caused delays in publishing industry training statistics for 2011.

This chapter covers the latest available information on industry training for the 2010 year. The 2011 data, from the Industry Training Register, is expected to come available at the end of 2012.

Workplace-based learners in 2010

The number of industry trainees decreased from 2009 to 2010. A review of industry training operational policy, which led to the removal of inactive trainees from funded training, was the main reason for the decrease in the number of trainees. The decrease followed two years in which the growth in the number of trainees had slowed and since 2008 the relatively high levels of unemployment continued. In 2010, the total number of workers trained throughout the year decreased by 6,660 to 194,000. The removal of inactive trainees from funded training, as part of the industry training operational policy review, led to a stronger decrease in the number of active trainees at 31 December – down by 23,600 to 102,000 trainees.

Modern apprentices in 2010

Modern apprenticeship numbers also fell from 2009 to 2010. This was the first decrease in the number of modern apprentices since the introduction of the scheme in 2000. Young people who wish to enter a modern apprenticeship have to be aged between 16 and 21 years. The decline in the number of modern apprentices may reflect the reluctance of some employers to take on new apprentices at a time of low economic growth. For example, modern apprenticeships are widely used by the building and construction industry and the number of trainees in this industry has declined since 2008. In 2009, the government introduced initiatives to extend the timeframe for trainees to find work while still being eligible for training subsidies. These initiatives may counter, or delay, some of the effects of the weak labour market for young people in industries where modern apprenticeships are widely used. Trainees who change employers, or lose their jobs, can now continue their training for 12 weeks, double the previous limit.

Workplace-based learners by industry in 2010

Both the removal of inactive trainees from funded training and the weak labour market have affected industries differently. Based on the number of trainees active on 31 December, four out of every five industry training organisations had fewer industry trainees in 2010 than in 2009. Also, while there were seven industry training organisations with more trainees in 2010 than in 2009, only four of these were medium-sized or large organisations, that is, organisations with over 3,000 trainees. Of these four organisations there were only two – retail trade, and sport, fitness and recreation – which had an increase in the number of trainees in 2009 and in 2010.

There were five industry training organisations each with over 5,000 trainees, which had decreases from 2009 to 2010 of 20 percent and over. New Zealand Industry Training Organisation, which covers leather, meat, dairy and other industries, had the biggest decrease in the number of trainees, down from 12,000 in 2009 to just below 6,000 in 2010. Competenz, which covers engineering, food and manufacturing, had 25 percent fewer learners in 2010 than in 2009. At 9,960 learners, it is now New Zealand's biggest industry training organisation. The other three large organisations with a 20 percent or higher decrease in the number of trainees from 2009 to 2010 were building and construction services, the hospitality trade, and community support services.

Gateway in 2011

Gateway offers senior secondary students workplace-based learning, and the programme has expanded substantially since its introduction in 2001. Gateway placements increased from 2010 to 2011 by 6.4 percent.

Trades academies in 2011

Eight trades academies were established in 2011, providing 624 places for 16 and 17 year-olds. The academies allow students to earn both National Certificate of Educational Achievement credits 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. A further 13 trades academies are expected to open in 2012, providing over 2,000 places.

INDUSTRY TRAINING

Workplace-based learning is designed to facilitate a more skilled and productive workforce. The provision of workplace-based learning is industry led, while jointly funded by government and industry. Those participating in industry training are in employment. They enter individual training agreements with industry training organisations that lay out a programme of learning. Most of the training takes place on-job. 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 off-job training.

Industry training, apprenticeships, Gateway (a programme designed to help secondary school students experience workplace-based learning) and Youth Guarantee (a programme aimed at providing fees-free places for 16 and 17 year-olds to study vocational certificates at tertiary providers) are linked to the New Zealand Qualifications Framework, which means that participants earn credits towards national qualifications. Gateway also aims to assist students to gain employment.

Participation in industry training programmes, including apprenticeships, is linked to the completion of national certificates and diplomas. Learners can also gain credits through limited credit programmes and supplementary credit programmes.

Analytical tables: Data on workplace-based learners is available at: www.educationcounts.govt.nz/statistics/tertiary_education – select 'participation' or 'retention and achievement'.

INDUSTRY TRAINEES

The number of industry trainees¹ decreased in 2010 due to a review of industry training operational policy, which led to the removal of inactive trainees from the register, and the continuing effects of relatively high levels of unemployment. There were 3.3 percent fewer trainees in 2010 than in 2009. This compared to an increase of 3.6 percent in the total number of industry trainees from 2008 to 2009. Before this, the number of trainees had increased strongly. From 2004 to 2008, the number of trainees increased, on average, by 9.3 percent per year.

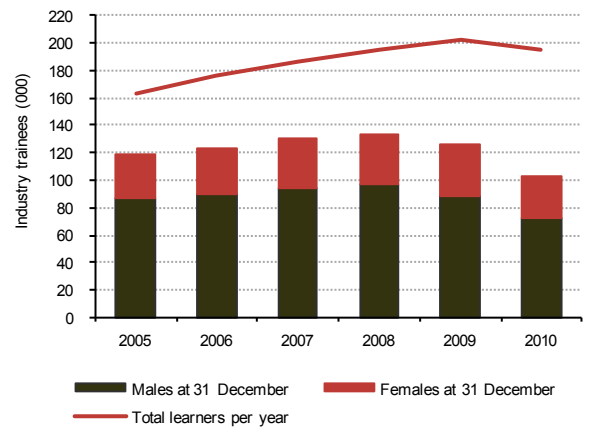
Number of workplace-based learners in 2010

Total per year (incl. modern apprentices)	195,000	(down 3.3% on 2009)
Males at 31 December	72,600	(down 18% on 2009)
Females at 31 December	29,700	(down 21% on 2009)

Notes: 1. There were 102,000 trainees at 31 December 2010 (down 19 percent on 2009). 2. Women are unevenly spread among the various industries and this may reflect employment patterns in the labour market. For example, over 90 percent of hairdressing and community support services trainees were women in 2010. Overall, the proportion of female trainees was 32 percent in 2010.

Source: Tertiary Education Commission.

Figure 6.1 Learners in industry training



PARTICIPATION IN INDUSTRY TRAINING

The proportion of the workforce in industry training decreased for the first time in many years. From 2009 to 2010, the proportion of industry trainees decreased from 9.3 percent of the workforce to 8.9 percent. This measure is shown in Figure 6.2, together with the proportions of industry trainees and provider-based students in the population aged 15 years and over.

Estimates of participation in industry training in the workforce

	2005	2006	2007	2008	2009	2010
Industry trainees in the workforce	7.9%	8.3%	8.6%	8.9%	9.3%	8.9%

Source: Tertiary Education Commission and Statistics New Zealand (2011) *Household Labour Force Survey*.

Figure 6.2 Participation rates for industry trainees and domestic provider-based students



EMPLOYERS PARTICIPATING IN TRAINING

The number of employers providing industry training has decreased since 2007, reflecting more difficult trading conditions in most industries since that time, as well as, the impact of the operational policy review which led to removal of inactive trainees from funded training. From 2009 to 2010, the number of employers providing industry training fell by 1.3 percent.

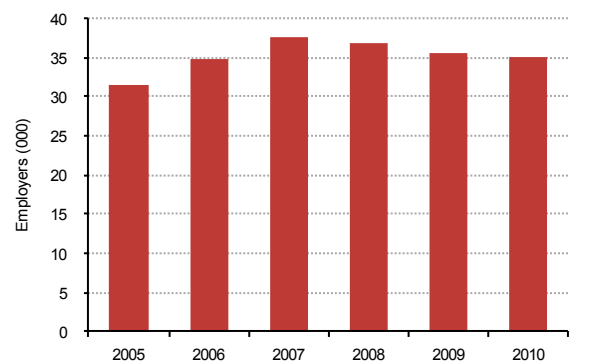
The Tertiary Education Commission estimates that two out of three employers and almost three out of four employees are potentially covered by an industry training organisation in New Zealand. All primary industries and 96 percent of manufacturing and construction industries are covered.

Number of employers involved in training

	2005	2008	2009	2010
Employers (000)	31,600	36,900	35,500	35,000

Source: Tertiary Education Commission.

Figure 6.3 Employers providing workplace-based learning



¹ Unless otherwise stated, industry training numbers are for the whole year, and include modern apprentices.

INDUSTRY TRAINING ORGANISATIONS

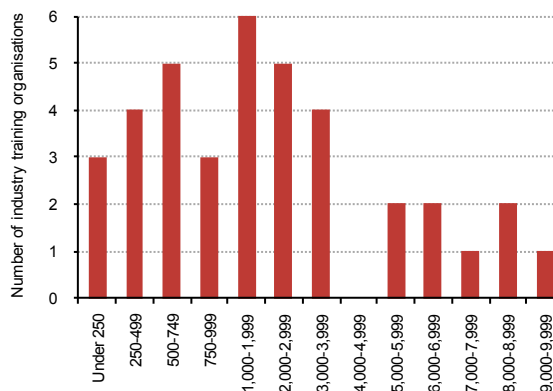
Industry training occurs on the job and industry training organisations make arrangements for workplace assessment and off-job training. Each of the 38 organisations covers a number of specific industry areas.

Industry training organisations vary greatly in size. At 31 December there was an average of 2,690 learners per organisation in 2010 and 3,310 in 2009. The median number of learners per organisation was 1,900 in 2010, 1,970 in 2009 and 1,480 in 2005.

Four out of five industry training organisations had fewer learners in 2010 than in 2009. The largest organisation in 2010, Competenz, which covers engineering, food and manufacturing, had 25 percent fewer learners than in 2009, down to 9,960 learners. New Zealand Industry Training Organisation, which covers leather, meat, dairy and other industries, had over 12,000 learners in 2009 and around 6,000 in 2010.

Source: Tertiary Education Commission.

Figure 6.4 Distribution of industry training organisations by number of learners (December 2010)



LEVEL OF TRAINING AND ETHNIC GROUP

In 2010, almost two-thirds of industry trainees were enrolled in levels 1 to 3 on the New Zealand Qualifications Framework and 31 percent were enrolled at level 4 and above. Less than 3 percent studied for qualifications at level 5 and above – industry training organisations can only enrol up to a maximum of 10 percent of their learners at level 5 and above.

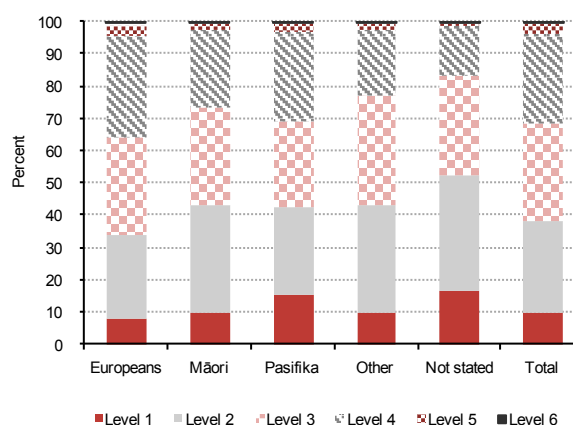
Proportions of industry trainees by ethnic group in 2010

Europeans	60%	(64% in 2005)
Māori	17%	(18% in 2005)
Pasifika	7.2%	(5.7% in 2005)
Other	11%	(7.0% in 2005)

Notes:
 1. Ethnic group is based on the single prioritised method of reporting.
 2. Trainees may be enrolled in programmes at more than one level.

Source: Tertiary Education Commission.

Figure 6.5 Distribution of industry trainees by level and ethnic group



AGE PROFILE OF INDUSTRY TRAINEES

Trainees aged 15 to 19 years had the largest decrease in their number from 2009 to 2010. Trainees aged 30 to 39 years also had a substantial decrease in their number, while the numbers for the groups aged 20 to 29 years and 40 years and over had smaller declines. Consequently, the proportions of trainees aged 15 to 19 years and 30 to 39 years decreased slightly from 2009 to 2010, while the proportions aged 20 to 29 years and 40 years and over increased slightly.

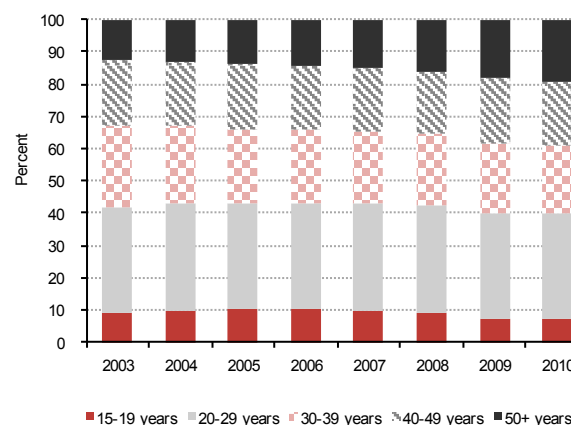
The workforce participation in industry training by age group increased slightly for 15 to 19 year-olds and for people aged 40 years and over.

Workforce participation in industry training by age group (Household Labour Force Survey)

	2006	2007	2008	2009	2010
15-19 years	12.4%	12.1%	12.6%	12.4%	12.6%
40+ years	5.3%	5.6%	5.9%	6.4%	6.8%

Source: Tertiary Education Commission and Statistics New Zealand.

Figure 6.6 Distribution of industry trainees by age group



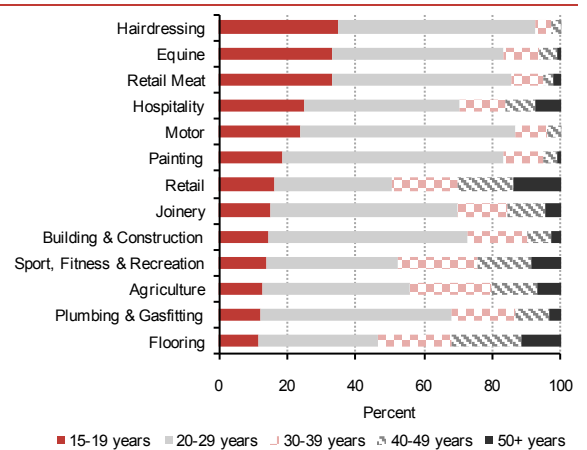
AGE GROUPS VARY BY INDUSTRY

The age distribution of trainees varies considerably across industries. In 2010, younger trainees – those aged 15 to 19 years – comprised one-third of the trainees in the equine industry and in meat retailing and a quarter of the trainees in the hospitality and motor trades. The highest proportion of trainees aged 15 to 19 years worked in the hairdressing trade (35 percent).

In 2010, 72 percent of trainees in community support services were aged 40 years and over. Also, the majority of trainees were aged 40 years and over in the following industries: apparel and textile, building service contractors, road transport, extractives, opportunity training, local government and plastics.

Source: Tertiary Education Commission.

Figure 6.7 Distribution of learners by selected industry and age group (December 2010)



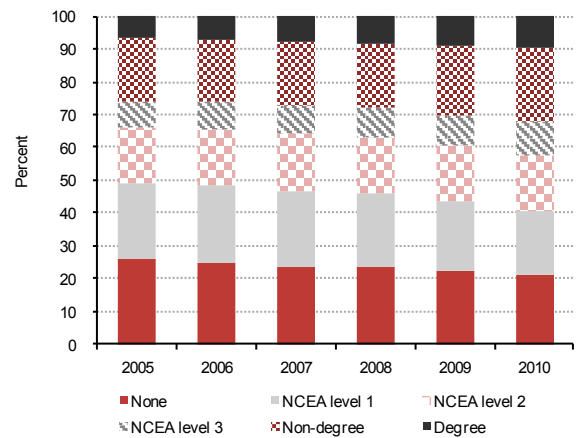
PROVIDING ACCESS TO QUALIFICATIONS

In recent years, the number of workers entering training without qualifications has decreased and those with a qualification have increased in number. This trend may partly reflect the improvements in school retention and attainment levels. In 2010, 21 percent of industry trainees had no previous qualification compared to 26 percent in 2005. The proportions of trainees with qualifications have increased from 2005 to 2010: NCEA level 3 up from 8.0 percent to 10 percent; bachelors degrees up from 6.8 percent to 9.7 percent; and non-degree up from 19 percent to 22 percent. The proportion of trainees with NCEA level 2 remained stable over the last five years at 17 percent, while the proportion with NCEA level 1 decreased from 23 percent to 20 percent.

Notes: 1. This is an estimate based on the participants whose previous qualification is known. Previous qualification data is self-reported and is not verified. 2. Non-degree qualifications are level 1 to 4 certificates and level 5 to 7 diplomas/certificates listed on the New Zealand Qualifications Framework.

Source: Tertiary Education Commission.

Figure 6.8 Distribution of learners by previous highest qualification



NATIONAL QUALIFICATION ACHIEVEMENT¹

There were 50,900 national certificates awarded in 2010. This was 16 percent higher than in 2009. However, the review of industry training operational policy and the introduction of performance-based funding have led to some shifts in the data for the 2010 year.

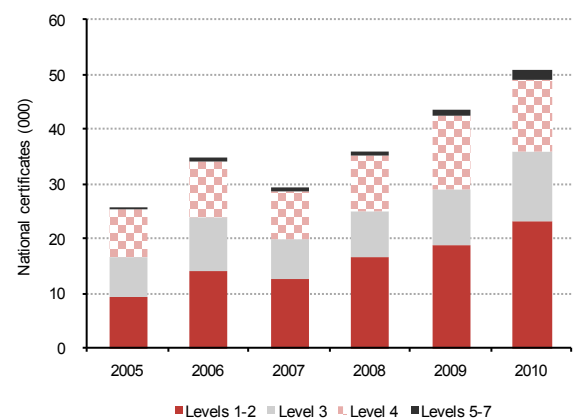
From 2009 to 2010, the number of certificates awarded increased by 24 percent for levels 1 and 2, by 20 percent for level 3 and by 77 percent for levels 5 to 7. National certificates awarded at level 4 decreased in number from 2009 to 2010 by 2.8 percent.

Number of national certificates awarded

	2005	2008	2009	2010
Total	23,900	36,000	43,800	50,900
Level 1-2	9,510	16,600	18,800	23,300
Level 3	7,330	8,590	10,400	12,500
Level 4	8,480	10,200	13,600	13,200
Levels 5-7	586	678	1,050	1,860

Source: Tertiary Education Commission.

Figure 6.9 National certificates gained by qualification level



¹ Industry training data may be revised for previous years and may not match figures previously published.

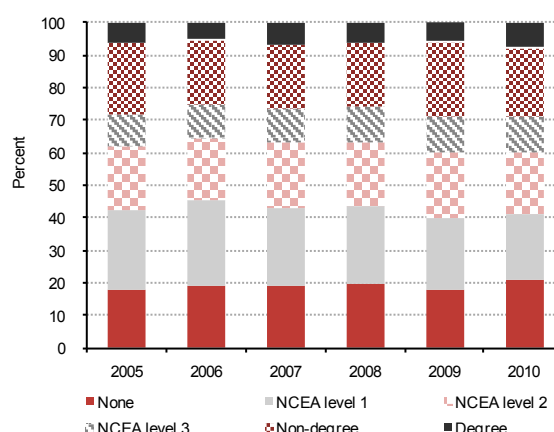
ACHIEVEMENT BY PREVIOUS QUALIFICATION

The review of industry training operational policy included the removal of inactive trainees from the register and this, together with the introduction of performance-based funding, has led to some shifts in the data for the 2010 year. For example, the proportion of learners with no previous qualification entering training has decreased, while the proportion of national certificates gained by this group has increased. In contrast, the proportion of learners who entered training with NCEA level 2 has been stable, while the proportion of national certificates gained by this group decreased from 2009 to 2010.

	2006	2007	2008	2009	2010
None	19%	19%	20%	18%	21%
NCEA level 1	26%	24%	24%	22%	20%
NCEA level 2	19%	20%	20%	20%	19%
NCEA level 3	10%	11%	11%	11%	11%

Source: Tertiary Education Commission.

Figure 6.10 National certificates gained by previous highest qualification



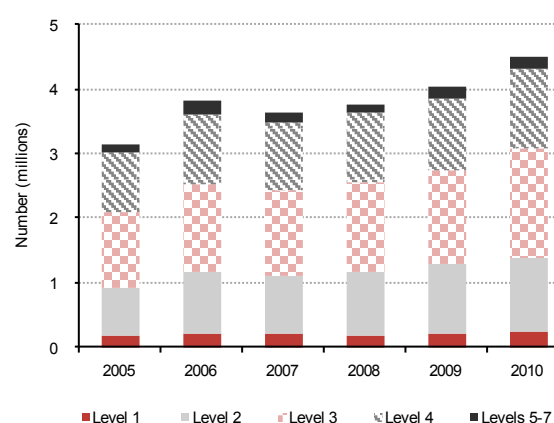
CREDIT ACHIEVEMENT

Workplace-based learners achieved 4.5 million credits towards national qualifications in 2010. Credit achievement has become one aspect of performance based funding that began in 2010. Additionally, the credit achievement reporting requirements were reviewed in 2010 by the New Zealand Qualifications Authority. These changes in the reporting requirements require caution to be used when comparing the 2010 credit achievement to previous years. Proportionately, credit achievement at levels 1 and 2 has been stable, while levels 4 and higher have decreased slightly in favour of credit achievement at level 3.

	2006	2007	2008	2009	2010
Level 1	6.0%	5.8%	4.9%	5.7%	5.3%
Level 2	24%	25%	26%	26%	25%
Level 3	36%	36%	37%	36%	38%
Level 4	28%	29%	29%	27%	27%
Levels 5-7	5.8%	4.2%	3.4%	4.6%	4.2%

Source: Tertiary Education Commission.

Figure 6.11 Credits gained by qualification level



COHORT PROGRAMME COMPLETION RATE

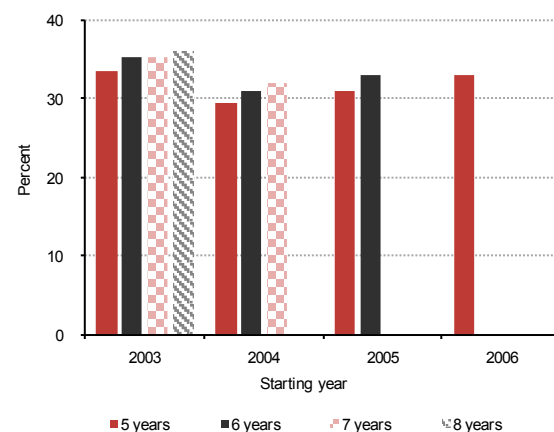
Of the industry trainees who started study in 2006, 33 percent of learners had completed their programme of study and gained a national qualification by 2010. Of the cohort of learners who started study in 2003, 36 percent had completed at least one programme after eight years.

	2003	2004	2005	2006
After 5 years	33%	29%	31%	33%
After 6 years	35%	31%	33%	
After 7 years	35%	32%		
After 8 years	36%			

Notes:
 1. These programme completion rates are for industry trainees excluding modern apprentices.
 2. The 8-year completion rates are only available for learners who commenced study in 2002 and 2003.
 3. These completion rates cover all programmes of study of varying durations.

Source: Ministry of Education and Tertiary Education Commission.

Figure 6.12 Industry training cohort programme completion rates by starting year



MODERN APPRENTICESHIPS¹

The number of modern apprentices decreased by 4.0 percent from 2009 to 2010, following a stable year from 2008 to 2009. Over the previous six years, the number of modern apprentices increased, on average, by 17 percent per year. The recent decline may reflect the reluctance of some employers to take on new apprentices at a time of low economic growth. Young people who wish to enter an apprenticeship are mostly aged between 16 and 21 years.

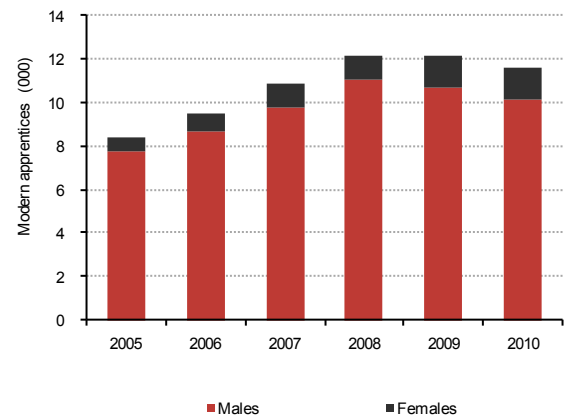
The number of female modern apprentices increased from 2009 to 2010 by 4.7 percent; however, women only accounted for 13 percent of the total number of modern apprenticeships in 2010.

Number of modern apprentices at December 2010

All apprentices	11,600	(down 4.0% on 2009)
Males	10,200	(down 5.2% on 2009)
Females	1,460	(up 4.7% on 2009)
Proportion of the workforce (15-19 years)	10%	(9.7% in 2009)

Source: Tertiary Education Commission and Statistics New Zealand.

Figure 6.13 Number of modern apprentices



APPRENTICES BY ETHNIC GROUP

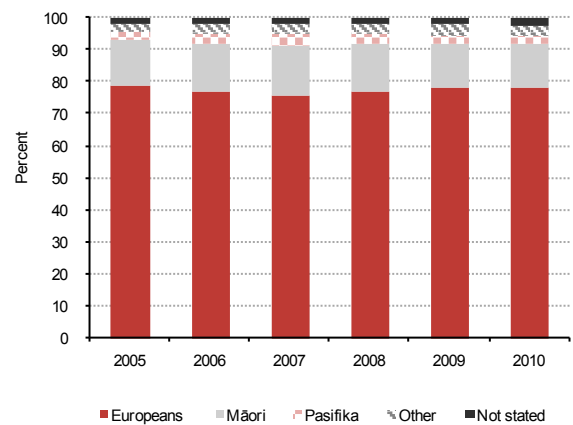
The distribution of modern apprentices by ethnic group remained unchanged from 2009 to 2010. The proportions of modern apprentices in the workforce who were in the European, Māori and Pasifika ethnic groups remained similar from 2009 to 2010. For the other ethnic group the proportion fell from 2.4 percent in 2009 to 0.2 percent in 2010, due to there being more employees and fewer apprentices in this group. Modern apprentices study mainly level 4 training programmes and 78 percent are European.

Proportion of modern apprentices by ethnic group in 2010

	People employed in the labour force	Percentage of modern apprentices
Europeans	0.6%	78%
Māori	0.7%	14%
Pasifika	0.4%	2.4%
Other	0.2%	3.3%

Note: The ethnic group data from the Tertiary Education Commission is based on the single prioritised method of reporting, while the data from the Household Labour Force Survey is based on a total response method.

Figure 6.14 Distribution of apprentices by ethnic group



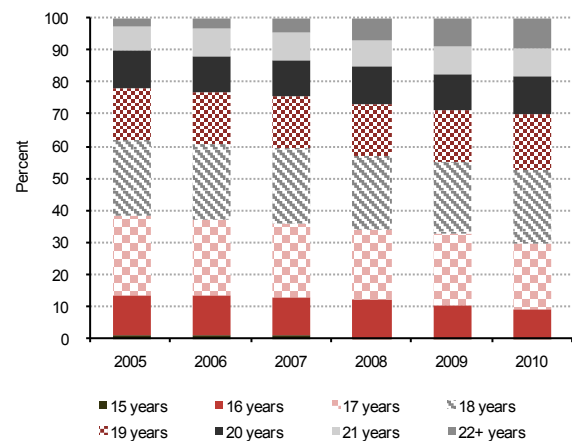
INCREASE IN AGE OF PARTICIPANTS

The average starting age of modern apprentices continued to trend upwards and, in 2010, it was just under 19 years. Of the active trainees in 2010, 43 percent started training at age 17 and 18, 17 percent at age 19, 21 percent at ages 20 and 21, and the remaining 9.2 percent started training at age 22 years and over.

While modern apprenticeships are aimed at young people – those aged 16 to 21 years – there were 1,070 apprentices in 2010 that had started their training at age 22 years and over. In contrast to the overall downward trend in apprenticeships, those aged 19, 20 and 22 years and over increased in number in 2010.

Source: Tertiary Education Commission.

Figure 6.15 Distribution of apprentices by starting age



¹ Unless otherwise stated, modern apprenticeship measures are based on the number of apprentices at 31 December.

APPRENTICESHIPS BY INDUSTRY

Modern apprentices were active in 34 industries in 2010. There were 342 apprentices on average per industry.

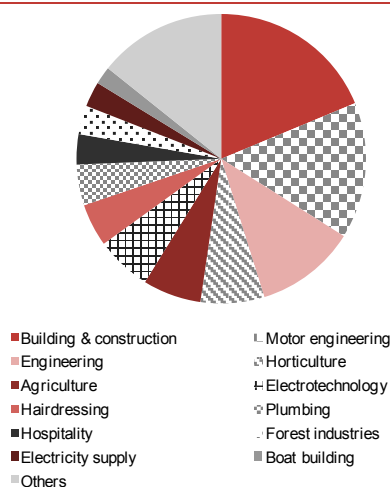
Women accounted for over 40 percent of all trainees in the industries of hairdressing (94 percent), tourism (84 percent), public sector (83 percent), equine industry (53 percent), retail trade (50 percent), and road transport (48 percent).

Largest changes in the number of apprentices from 2009 to 2010 by industry

Aluminium joinery (architectural)	+63%	(down 20% in 2009)
Extractives	+40%	(no change in 2009)
Baking	+31%	(down 30% in 2009)
Road transport	-55%	(down 73% in 2009)
Telecommunications	-53%	(up 43% in 2009)
Dairy manufacturing	-50%	(down 60% in 2009)

Source: Tertiary Education Commission.

Figure 6.16 Distribution of apprentices by selected industries



COHORT PROGRAMME COMPLETION RATE

Of the modern apprentices who started study in 2003, 44 percent of learners had completed at least one programme by 2010. Of the cohort of modern apprentices who started study in 2002, 43 percent had completed their apprenticeship after eight years.

Eight-year programme completion rates for apprentices by ethnic group

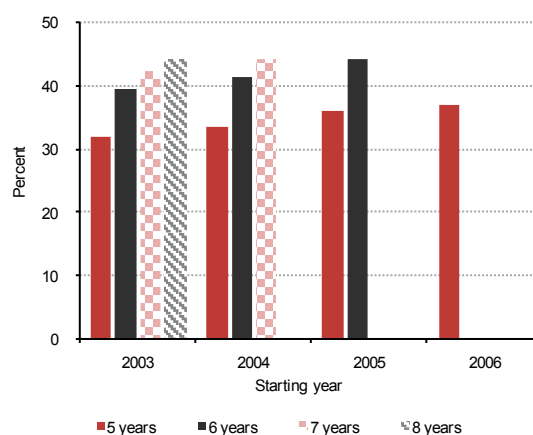
	Starting year:	2003
Europeans		47%
Māori		29%
Pasifika		23%
Other		49%

Notes:

1. Qualification attainment rates are for modern apprentices excluding industry trainees.
2. The 8-year completion rates are only available for learners who commenced study in 2002 and 2003.
3. These completion rates cover all programmes of study of varying durations.

Source: Ministry of Education and Tertiary Education Commission.

Figure 6.17 Modern apprentices' programme completion rates by starting year



MORE GATEWAY PLACEMENTS

The Gateway programme was introduced in 2001 to provide school students with workplace experience while learning. The programme is now open to all schools after a progressive rollout across schools of all deciles.

Participation in Gateway has increased significantly since the introduction of the programme in 2001. From 2010 to 2011, the number of Gateway students increased by 6.9 percent.

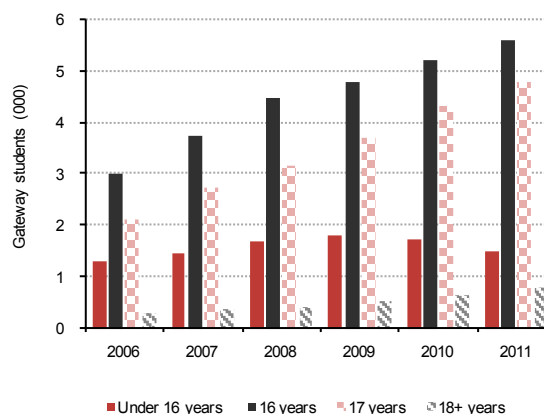
Number of Gateway placements

	2006	2007	2008	2009	2010	2011
Gateway placements	6,720	8,280	9,700	10,800	11,900	12,600
% change from previous year	19%	23%	17%	11%	10%	6.4%

Note: Data relates to trainees who started a placement during that year.

Source: Tertiary Education Commission.

Figure 6.18 Gateway placements by age group



OUTCOMES OF GATEWAY

Gateway students continued to achieve positive outcomes at a similar rate to previous years, with 94 percent of students progressing to a higher level of education, or to employment.

Twenty percent of Gateway students entered employment in 2011, compared to 32 percent in 2006. The decrease in recent years in the proportion of Gateway students entering employment may reflect the higher levels of unemployment for young people.

Proportion of students progressing to further education or employment

	2006	2007	2008	2009	2010	2011
To education	64%	61%	68%	72%	71%	74%
To employment	32%	35%	28%	24%	24%	20%

Source: Tertiary Education Commission.

Figure 6.19 Gateway students by outcome achieved



7 PROVIDER-BASED STUDENTS IN LEVELS 1 TO 3

The downward trend in provider-based level 1 to 3 certificate study, which started in 2005, continued in 2011. In contrast, enrolments at these levels by international students increased in 2011 and there also was a large increase in the number of learners in the recently established Youth Guarantee programme.

In 2011, the largest decreases were in the number of students in short courses and level 1 to 3 certificate courses. Learners in Youth Training had a small decrease in their number from 2010 to 2011. The Training Opportunities programme was refocused to Foundation-Focused Training Opportunities – a full-time, fully-funded 26-week programme – and Ministry of Social Development training for work programmes. The Foundation-Focused Training Opportunities programme provides literacy, language and numeracy education and vocational skills.

The decrease in student numbers at levels 1 and 3 continued to be greater for part-time students. Four out of ten students in level 1 and 2 qualifications were full-time in 2011, compared to only one in four in 2006. Of the students in level 3 qualifications, six out of ten were full-time in 2011, compared to just less than half in 2006. Most full-timers studying at levels 1 to 3 were aged 24 years and under in 2011.

There are differences in achievement between full-time and part-time students in student component-funded qualifications at these levels. Of the students starting a certificate in 2009, full-timers had completed this qualification, by 2011, at almost double the rate of part-time students. Similarly, full-time students are twice as likely to progress to further study compared with part-time students.

Enrolments by international students have generally been increasing since a low point in 2007. Asia continues to be largest source region for international students in level 1 to 3 qualifications.

PROVIDER-BASED LEARNING AT LEVELS 1 TO 3

- ▲ Level 1 to 3 qualifications can be divided into vocational certificates, which focus on specific work-related skills, and foundation certificates, which focus on general skills, literacy and language.
- ▲ For people who are disadvantaged in the labour market, the government provides specialised training programmes through Foundation-Focused Training Opportunities and Youth Guarantee. In addition, schools purchase courses at levels 1 to 3 from tertiary education providers through the Secondary-Tertiary Alignment Resource.
- ▲ Provision of level 1 to 3 qualifications is funded through the student achievement component, or through specialised training funds, and includes enrolments in level 1 to 3 certificates at polytechnics, wānanga and private training establishments.

Analytical tables: Data on learners in level 1 to 3 qualifications is available at: www.educationcounts.govt.nz/statistics/tertiary_education – select 'participation' or 'retention and achievement'.

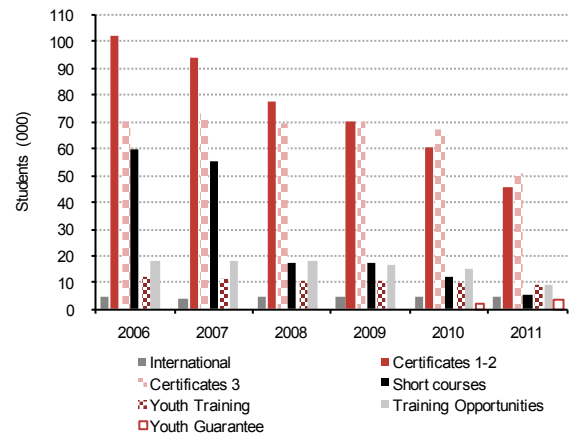
STUDENTS IN LEVEL 1 TO 3 QUALIFICATIONS

Most students in level 1 to 3 qualifications are funded through the student achievement component fund. In 2011, the number enrolled at level 3 was slightly higher than the number at levels 1 and 2.

Overall, the number of students in level 1 to 3 qualifications decreased, reflecting continued tightening of funding allocations. The decreases in 2011 continued for short courses and most level 1 to 3 qualifications. The exceptions to this were a substantial increase in Youth Guarantee places and the number of international students enrolled at these levels also increased in 2011. The weak economic conditions and labour market have not resulted in increased enrolments at this level.

Source: Ministry of Education and Tertiary Education Commission.

Figure 7.1 Students in level 1 to 3 qualifications



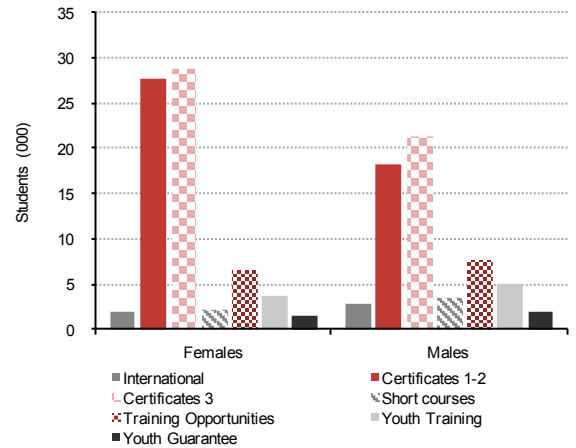
LEVEL 1 AND 3 STUDENTS BY GENDER

Women are more likely than men to be enrolled in level 1 to 3 certificates.

A higher proportion of men than women were enrolled in short courses, Foundation-Focused Training Opportunities, Youth Training and Youth Guarantee, and as international students.

Source: Ministry of Education and Tertiary Education Commission.

Figure 7.2 Students in level 1 and 3 certificates by gender



INTERNATIONAL STUDENTS ENROLLED IN LEVEL 1 TO 3 QUALIFICATIONS

The number of enrolments by international students in level 1 to 3 qualifications increased by 4.8 percent from 2010 to 2011. This follows a small decrease in 2010 and increases from 2007 to 2009. The largest number of students continued to come from Asia.

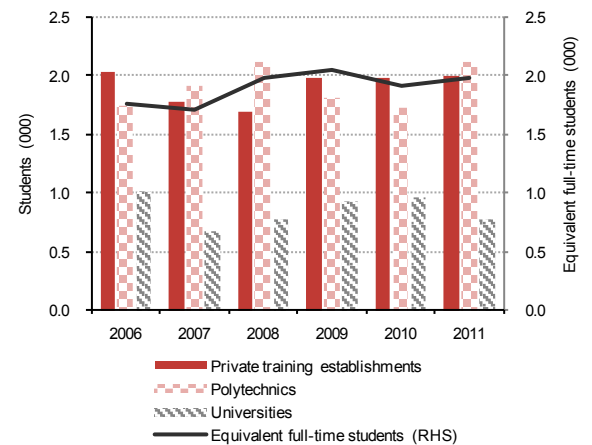
International students in level 1 to 3 qualifications in 2011

Total	4,850	(up 4.8% on 2010)
Private training establishments	1,990	(up 0.7% on 2010)
Polytechnics	2,100	(up 23% on 2010)
Universities	770	(down 19% on 2010)

Region of origin for international students in level 1 to 3 qualifications in 2011

Asia	3,270	(up 1.0% on 2010)
Middle East	579	(up 41% on 2010)
Pacific	371	(up 0.8% on 2010)
Europe	283	(up 4.0% on 2010)

Figure 7.3 Enrolments by international students in level 1 to 3 qualifications



STUDENT ACHIEVEMENT COMPONENT-FUNDED STUDENTS¹

Level 1 to 3 certificates provide foundation skills and entry-level job skills. Qualifications at levels 1 and 2 are considered to be equivalent to secondary school education. Level 3 provides entry to vocational qualifications. The largest number of student achievement component-funded learners at these levels now study towards level 3 certificates. The numbers studying at levels 1 and 2 have been decreasing for a number of years. Enrolments at level 3 fell in 2010 and 2011 while these numbers had been steady before this.

Student achievement component-eligible learners in 2011

Level 1	7,030	(down 5.3% on 2010)
Level 2	40,100	(down 27% on 2010)
Level 3	50,200	(down 25% on 2010)
Total	90,800	(down 24% on 2010)

Note: Expressed as equivalent full-time student units, enrolments in student achievement component-eligible certificates totalled 41,200 down 9.1 percent on 2010.

LEVEL 1 AND 2 STUDENTS BY SUB-SECTOR

The number of students studying towards level 1 and 2 certificates has been decreasing. In 2011, 60 percent studied at polytechnics. This is where there has been the largest decrease since 2007. The numbers at wānanga have been smaller, while the downward trend at wānanga has been weaker than at polytechnics.

Students in level 1 and 2 certificates in 2011

Total	45,800	(down 24% on 2010)
Polytechnics	26,800	(down 36% on 2010)
Wānanga	16,700	(down 7.5% on 2010)

Note: In 2011, private training establishments could not take funded enrolments in level 1 and 2 qualifications.

LEVEL 1 AND 2 STUDENTS BY FIELD OF STUDY

The largest number of students at levels 1 and 2 were studying towards certificates in society and culture. These were mostly in Māori language and culture and English as an additional language. Management and commerce was the next largest field of study, with business administration and office studies being the main areas of focus.

Students in level 1 and 2 certificates in 2011

Top five fields of study

Society and culture	13,900	(down 12% on 2010)
Management and commerce	9,280	(down 20% on 2010)
Agriculture, environmental and related studies	6,290	(down 28% on 2010)
Information technology	5,190	(down 32% on 2010)
Engineering and related technologies	3,990	(down 33% on 2010)

Figure 7.4 Student achievement component-funded students by qualification level

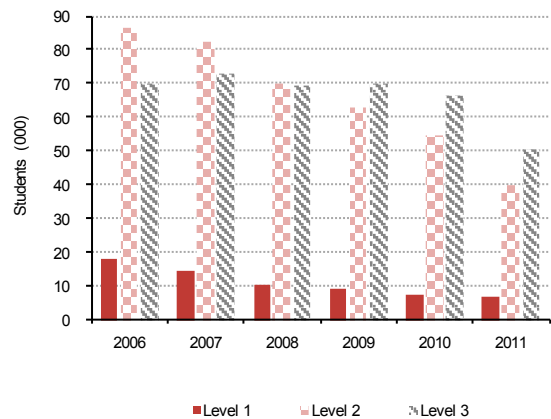


Figure 7.5 Students in level 1 and 2 certificates by sub-sector

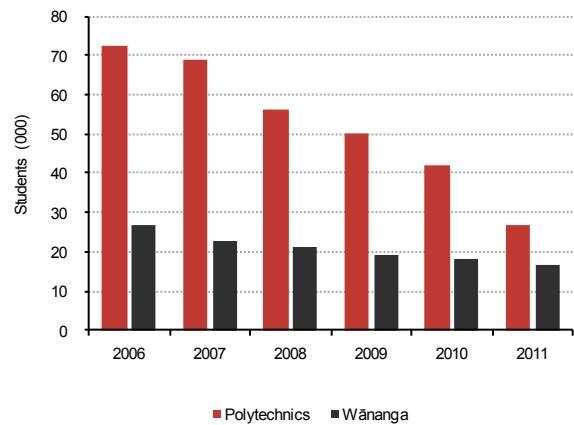
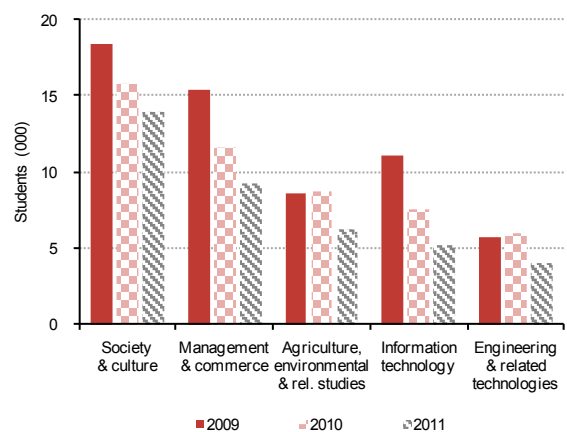


Figure 7.6 Students in level 1 and 2 certificates by top five fields of study



¹ The information on pages 61 to 65 covers student achievement component-funded students.

LEVEL 1 AND 2 STUDENTS BY STUDY TYPE

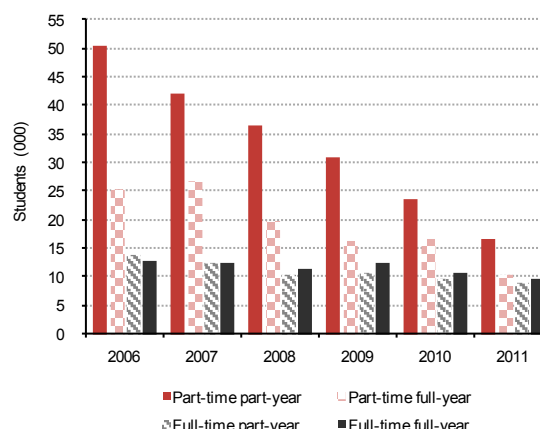
In 2011, 36 percent of students studying towards level 1 and 2 qualifications were studying part-time for part of the year. The number of students in this group has decreased markedly since 2005. The proportion of level 1 and 2 students in part-time study for the entire year has been steadier at 25 percent.

The proportion of level 1 and 2 students in full-time study has been increasing and 41 percent of students studied full-time in 2011.

Students in level 1 and 2 certificates in 2011

Part-time, part-year	16,700	(down 29% on 2010)
Part-time, full-year	10,500	(down 37% on 2010)
Full-time, part-year	8,870	(down 7.8% on 2010)
Full-time, full-year	9,680	(down 10% on 2010)

Figure 7.7 Students in level 1 and 2 certificates by study type

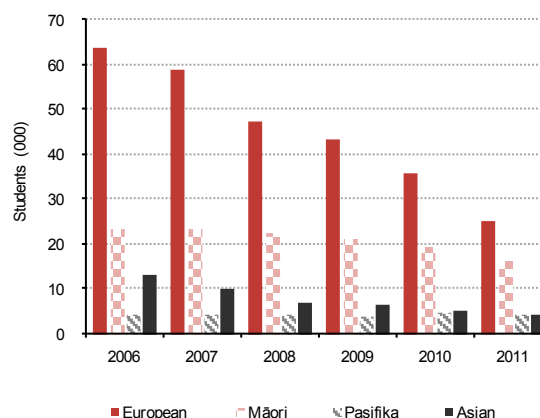


CHARACTERISTICS OF LEVEL 1 AND 2 STUDENTS

Characteristics of level 1 and 2 students in 2011

Employed in year prior to enrolment	47%
No school qualification	36%
Females	60%
Aged under 25 years	28%
Aged 25 to 39 years	31%
Aged 40 years and over	40%
Europeans	55%
Māori	35%
Pasifika	10%
Asians	9%

Figure 7.8 Level 1 and 2 students by ethnic group



LEVEL 3 STUDENTS BY SUB-SECTOR

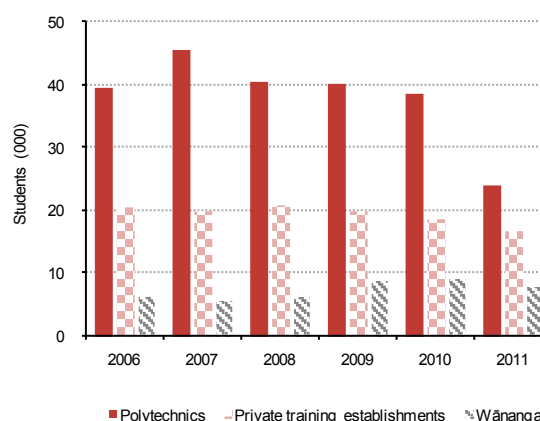
The number of students studying towards level 3 certificates has fluctuated by sub-sector. In 2011, the numbers decreased for each sub-sector.

The majority of level 3 component-funded learners study at polytechnics, followed by private training establishments and wānanga. A very small number also study at other tertiary education providers and universities.

Students in level 3 certificates in 2011

Total	50,200	(down 25% on 2010)
Polytechnics	23,900	(down 38% on 2010)
Private training establishments	16,600	(down 10% on 2010)
Wānanga	8,020	(down 12% on 2010)

Figure 7.9 Students in level 3 certificates by sub-sector



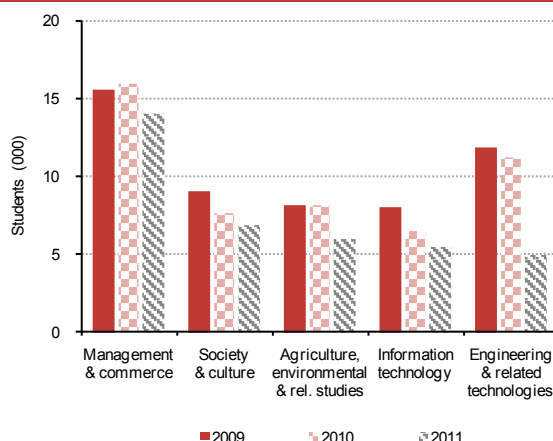
LEVEL 3 STUDENTS BY FIELD OF STUDY

The largest numbers of students at level 3 were studying towards certificates in management and commerce in 2011. These were mostly in business administration and computing. Society and culture was the next largest field, with the English for speakers of other languages being the dominant qualification in this field.

Students in level 3 certificates in 2011

Top five fields of study		
Management and commerce	14,000	(down 12% on 2010)
Society and culture	6,870	(down 9.9% on 2010)
Agriculture, environmental and related studies	5,970	(down 27% on 2010)
Information technology	5,460	(down 15% on 2010)
Engineering and related technologies	4,970	(down 56% on 2010)

Figure 7.10 Students in level 3 certificates by field of study



LEVEL 3 STUDENTS BY STUDY TYPE

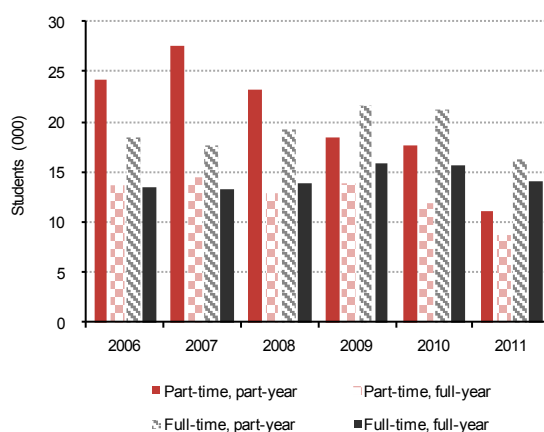
In 2011, 22 percent of learners in level 3 qualifications were studying part-time for part of the year. The number of students in this group has decreased since 2005. One in five students study part-time for the entire year and the size of this group has been steadier.

Full-time students made up 60 percent of level 3 students. Proportionally, the number of students in this group has increased in recent years.

Students in level 3 certificates in 2011

Part-time, part-year	11,200	(down 37% on 2010)
Part-time, full-year	8,700	(down 27% on 2010)
Full-time, part-year	16,300	(down 23% on 2010)
Full-time, full-year	14,000	(down 11% on 2010)

Figure 7.11 Level 3 students by study type

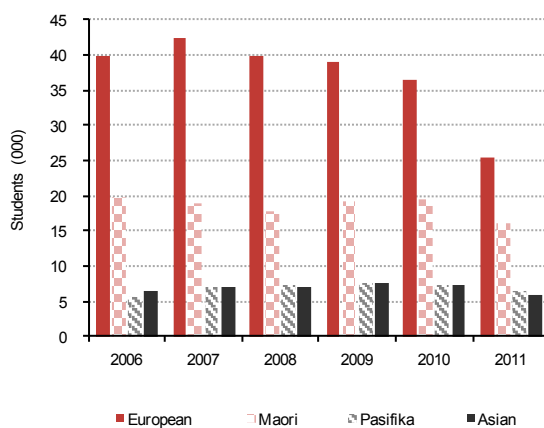


CHARACTERISTICS OF LEVEL 3 STUDENTS

Characteristics of level 3 students in 2011

Employed in year prior to enrolment	43%
No school qualification	32%
Females	57%
Aged under 25 years	42%
Aged 25 to 39 years	29%
Aged 40 years and over	28%
Europeans	51%
Māori	32%
Pasifika	13%
Asians	12%

Figure 7.12 Level 3 students by ethnic group



STUDENTS IN SHORT COURSES

The number of students enrolled in courses of one week or less continued to decrease in 2011. The decreases in these enrolments reflect the continued effects of tighter funding rules and the cutting of government funding for regulatory compliance courses.

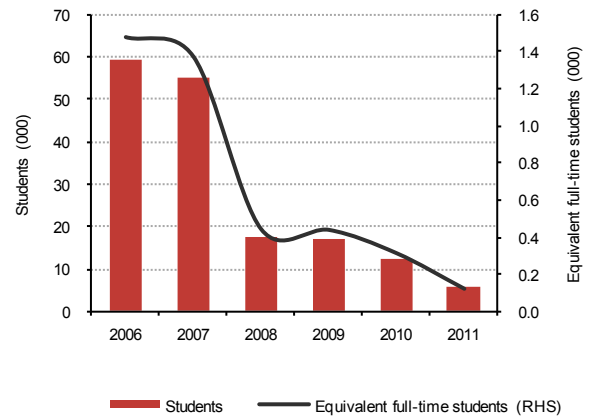
Nearly all short courses were delivered at polytechnics in 2011.

Students in short courses in 2011

Total students	5,840	(down 53% on 2010)
Equivalent full-time students	125	(down 61% on 2010)

Note: Data includes students who were enrolled for a course of one week or less that is part of a longer qualification.

Figure 7.13 Students and equivalent full-time student units in courses of less than one week’s duration



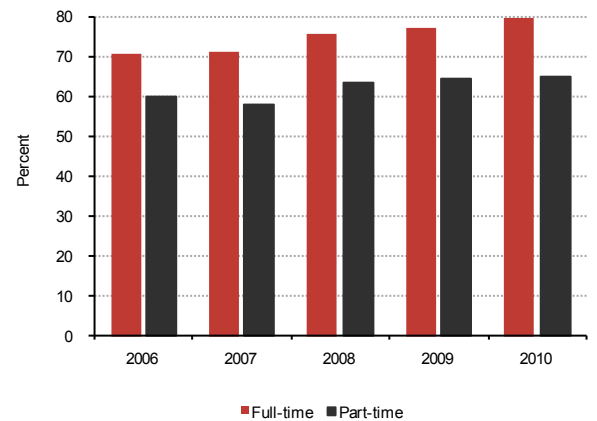
FIRST-YEAR RETENTION

Seventy percent of domestic students who started a level 1 to 3 certificate in 2010 either completed it in the same year or were still studying towards it in 2010. The rate was higher for full-time students, at 79 percent, and lower for part-time students, at 65 percent. In both cases rates have been increasing since 2007.

First-year retention rates in 2011 (for domestic students who started study in 2010)

	Part-time	Full-time
Polytechnics	54%	77%
Private training establishments	85%	83%
Wānanga	97%	82%
Māori	74%	75%
Pasifika	73%	77%
Asians	76%	86%
Europeans	60%	80%

Figure 7.14 First-year retention rates of domestic students in level 1 to 3 certificates by study type



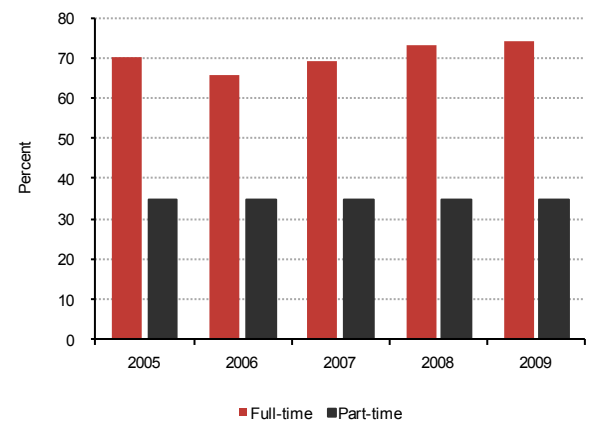
THREE-YEAR COMPLETION

Fifty percent of domestic students who started a level 1 to 3 certificate in 2009 had completed it by 2011. The rate was higher for full-time students, at 74 percent, and much lower for part-time students, at 40 percent. In both cases rates have been increasing over the last four years.

Three-year completion rates in 2011 (for domestic students who started study in 2009)

	Part-time	Full-time
Polytechnics	29%	70%
Private training establishments	55%	80%
Wānanga	68%	78%
Māori	46%	71%
Pasifika	46%	70%
Asians	55%	78%
Europeans	36%	76%

Figure 7.15 Three-year completion rates of domestic students in level 1 to 3 certificates by study type



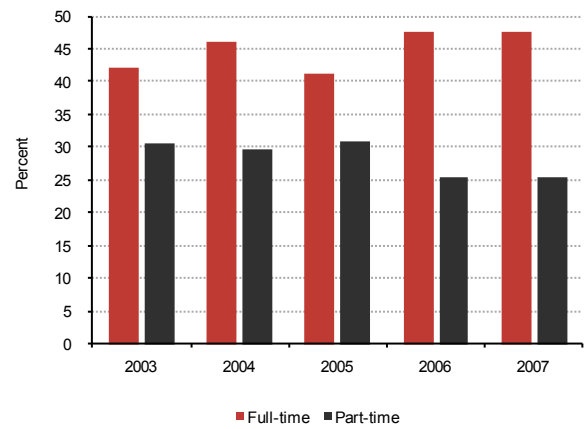
FIVE-YEAR PROGRESSION

Thirty percent of domestic students who started a level 1 to 3 certificate in 2007 had gone on to study at a higher level by 2011. The rate was higher for full-time students, at 44 percent, and much lower for part-time students, at 27 percent. Comparing the students who started a level 1 to 3 certificate in 2007 with those who started in 2006, shows that the five-year progression rate remained stable due to an increase in the rate for part-timers and a decrease for full-timers. Before this the part-time rate had been decreasing.

Progression rates in 2011 (for domestic students who started study in 2006)

	Part-time	Full-time
Polytechnics	25%	45%
Private training establishments	29%	41%
Wānanga	37%	46%
Māori	31%	47%
Pasifika	29%	41%
Asians	35%	40%
Europeans	25%	46%

Figure 7.16 Five-year progression rates of domestic students in level 1 to 3 certificates by study type



FOUNDATION-FOCUSED TRAINING OPPORTUNITIES

From 2011, Training Opportunities was split into Foundation-Focused Training Opportunities and Ministry of Social Development training for work programmes. This split caused a significant drop in the numbers in the programme in 2011.

Foundation-Focused Training Opportunities is a full-time, fully-funded programme providing vocational and foundation skills for people who are disadvantaged in terms of employment and educational achievement.

Numbers of trainees in 2011

Total	9,190	(down 40% on 2010)
Women	49%	
Māori 40%, Europeans 31%, Pasifika 15%, Asians 7.4%, Other ethnic group 5.7%.		
Aged 18 to 24 years 50%, aged 25 to 39 years 24%, aged 40 years and over 22%.		

Source: Tertiary Education Commission, extracted 1.8.2012. Ministry of Education interpretation and calculations.

CREDITS GAINED IN FOUNDATION-FOCUSED TRAINING OPPORTUNITIES

About one in three trainees gain more than 20 credits on the New Zealand Qualifications Framework. About one in four trainees did not gain any credits in 2010 and 2011, a smaller proportion than in previous years. One reason for the apparent reduction in achievement levels is the change in the targeting of the programme that occurred when it was split from 2011.

Credits gained through Foundation-Focused Training Opportunities in 2011

No credits	27%	(22% in 2010)
1-20 credits	43%	(33% in 2010)
21-40 credits	16%	(20% in 2010)
41-60	7.7%	(11% in 2010)
More than 61 credits	7.0%	(13% in 2010)

Proportion with more than 20 credits:

Māori 32%, Europeans 31%, Pasifika 29%, Asians 29%, Other ethnic group 21%.
Women 35%, men 26%.

Source: Tertiary Education Commission, extracted 1.8.2012. Ministry of Education interpretation and calculations.

OUTCOMES OF FOUNDATION-FOCUSED TRAINING OPPORTUNITIES

In 2011, a lower proportion of trainees went on to employment than in the previous year, reflecting the continued high levels of youth unemployment. It also reflects the split of the programme with those most ready to make a successful transition to the labour market being allotted to the Ministry of Social Development programme. The proportion with other outcomes also increased in 2011.

Outcomes achieved in Foundation-Focused Training Opportunities in 2011

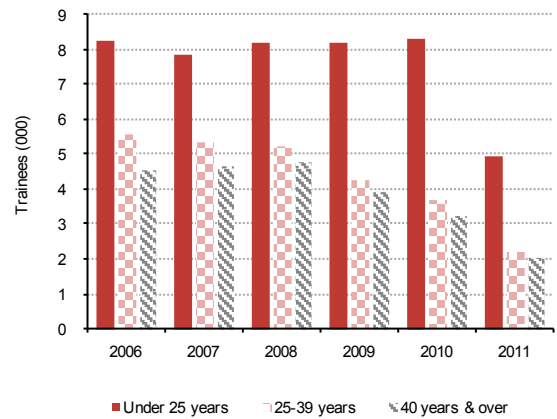
To employment	42%	(48% in 2010)
To education and training	23%	(24% in 2010)
Other	35%	(28% in 2010)

In 2011, European trainees were more likely to move to employment than trainees in other ethnic groups. Asian trainees were more likely than European, Maori and Pasifika trainees to move to further education and training. European women and men were equally likely to move to employment. In the other ethnic groups, men were more likely than women to move to employment and less likely to move to further education and training.

Note: Outcomes are measured within two months of trainees finishing their course.

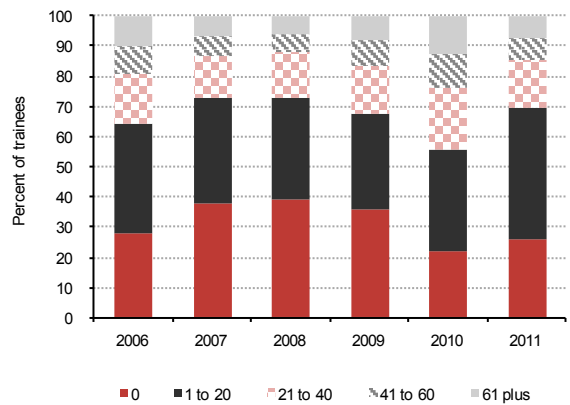
Source: Tertiary Education Commission, extracted 1.8.2012. Ministry of Education interpretation and calculations.

Figure 7.17 Trainees in Foundation-Focused Training Opportunities by age group



Note: Data for 2006 to 2010 refers to Training Opportunities.

Figure 7.18 Credits gained by trainees in Foundation-Focused Training Opportunities



Note: Data for 2006 to 2010 refers to Training Opportunities.

Figure 7.19 Outcomes achieved by trainees in Foundation-Focused Training Opportunities



Note: Data for 2006 to 2010 refers to Training Opportunities.

PARTICIPATION IN YOUTH TRAINING

Youth Training provides full-time, fully funded vocational and foundation skills training to young people who have left school with no or lower-level qualifications. The number of trainees in Youth Training continued to decrease in 2011. The decrease continued to be in trainees aged less than 17 years, as the access to early leaving exemptions from schools was further tightened.

Numbers of trainees in 2011

Total	9,050	(down 5.0% on 2010)
Women	44%	
Māori 48%, Europeans 36%, Pasifika 14%, Other ethnic group 1.0%, Asians 1.0%.		
Aged under 16 years 17%, aged 16 years 43%, aged 17 years 32%, and aged 18 years and over 8.8%.		

Note: From 2012 onwards, Youth Training and Youth Guarantee will be combined. A new Youth Guarantee Fund has been established. The new Youth Guarantee programme will extend the range of course and study options available to students.

Source: Tertiary Education Commission, extracted 1.8.2012. Ministry of Education interpretation and calculations.

CREDITS GAINED IN YOUTH TRAINING

About one in five trainees did not gain any credits on the New Zealand Qualifications Framework in 2011.

Four out of every ten trainees gained more than 20 credits in 2011.

Credits gained through Youth Training in 2011

No credits	22%	(19% in 2010)
1-20 credits	39%	(35% in 2010)
21-40 credits	20%	(21% in 2010)
41-60 credits	10%	(12% in 2010)
More than 60 credits	9%	(13% in 2010)

Proportion with more than 20 credits:

Other ethnic group 42%, Pasifika 41%, Europeans 39%, Asians 37%, Māori 37%.

Women 42%, men 36%.

Source: Tertiary Education Commission, extracted 1.8.2012. Ministry of Education interpretation and calculations.

OUTCOMES OF YOUTH TRAINING

The proportions of trainees going on to employment decreased from 2010 to 2011, while those going on to further education and training increased, reflecting high levels of youth unemployment in 2011.

Outcomes achieved by trainees in Youth Training in 2011

To employment	34%	(41% in 2010)
To education and training	39%	(35% in 2010)
Other	27%	(24% in 2010)

In 2011, trainees from the European, Asian and Other ethnic groups were more likely to go on to employment than Māori and Pasifika trainees. Trainees from the Asian, Pasifika and Other ethnic groups were more likely to go on to further education and training. Men and women in the European and Māori ethnic groups were equally likely to go into employment. Women were more likely than men to go on to employment in the Asian and Other ethnic groups, while the reverse applied in the Pasifika group.

Note: Outcomes are measured within two months of trainees finishing their course.

Source: Tertiary Education Commission, extracted 1.8.2012. Ministry of Education interpretation and calculations.

Figure 7.20 Trainees in Youth Training by age group

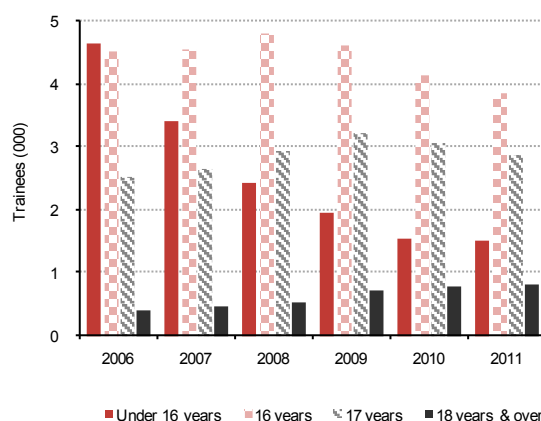


Figure 7.21 Credits gained by trainees in Youth Training

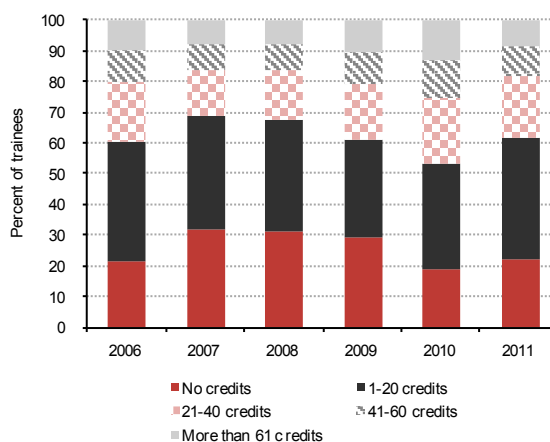
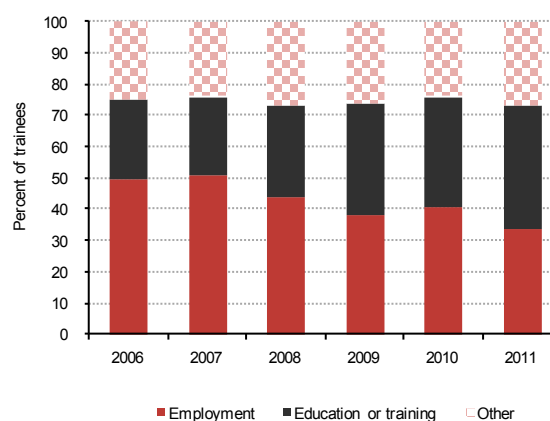


Figure 7.22 Outcomes achieved by trainees in Youth Training



YOUTH GUARANTEE PLACES

The Youth Guarantee programme was implemented in 2010, providing fees-free places for 16 and 17 year-olds to study for vocational certificates at tertiary providers.

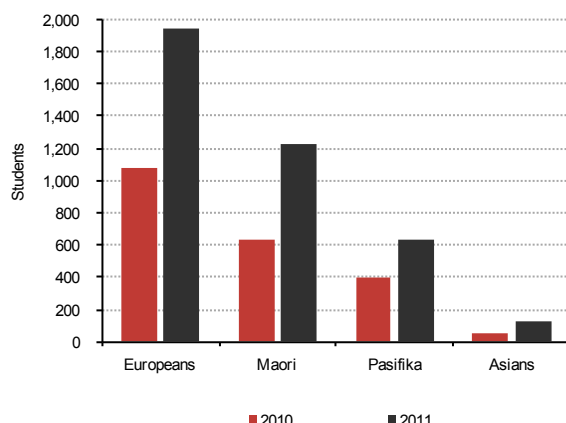
In 2011, 3,590 students took up these places. Fifty-seven percent of students were male, 49 percent were European, 31 percent Māori and 16 percent Pasifika.

Students in Youth Guarantee places by gender

	2010	2011
Females	41%	43%
Males	59%	57%

Source: Ministry of Education.

Figure 7.23 Students in Youth Guarantee by gender and ethnic group



YOUTH GUARANTEE LEARNERS BY SUB-SECTOR

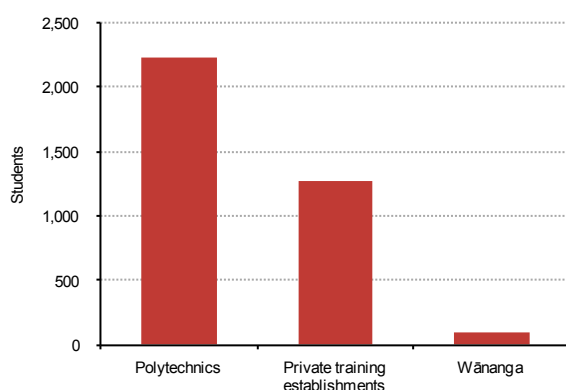
In 2011, 65 percent of Youth Guarantee learners studied at a polytechnic and 32 percent at private training establishments.

Youth Guarantee learners at tertiary education providers in 2011

Polytechnics	65%
Private training establishments	32%
Wānanga	2.9%

Source: Ministry of Education.

Figure 7.24 Students in Youth Guarantee by sub-sector



YOUTH GUARANTEE LEARNERS BY FIELD OF STUDY

The largest numbers of Youth Guarantee learners in 2011 were in foundation studies and employment-skills studies. There were also large numbers studying towards certificates in business, tourism, engineering, food and hospitality, and architecture.

Top five fields of study for Youth Guarantee places in 2011

Mixed field studies	865
Management and commerce	612
Engineering and related technologies	591
Food, hospitality and personal services	516
Architecture and building	501

Source: Ministry of Education.

Figure 7.25 Youth Guarantee by most common field of study



SECONDARY-TERTIARY ALIGNMENT RESOURCE

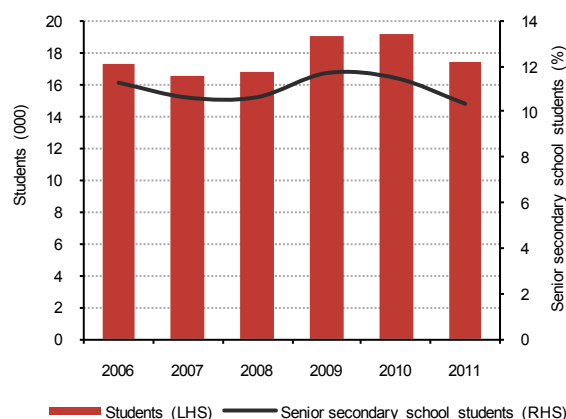
The Secondary-Tertiary Alignment Resource (STAR) assists schools to meet the needs of their senior secondary students by providing funding for a wide range of courses that provide greater learning opportunities. Courses can be work-based and/or lead towards the achievement of unit standards that contribute towards qualifications on the New Zealand Qualifications Framework. Funding can be used to purchase courses from tertiary education providers or help schools provide courses themselves.

In 2011, 423 schools used STAR funding to enrol students in tertiary courses. This represents 86 percent of schools with a secondary roll. The number of senior secondary school students enrolled in STAR-funded courses at tertiary education providers decreased by 9.4 percent. The average length of courses increased as the amount of study decreased by a lesser amount in 2011, at 7.5 percent.

STAR students at tertiary education providers in 2011

Students	17,400	(down 9.4% on 2010)
Equivalent full-time student units	1,660	(down 7.5% on 2010)

Figure 7.26 Students in STAR courses at tertiary education providers



STAR PROVIDERS AND FIELDS OF STUDY

STAR students in 2011

At 18 polytechnics	81%
At 12 private training establishments	17%
At 6 universities	6.3%
In food, hospitality and personal services	16%
In engineering and related technologies	15%
In agriculture, environmental and related studies	10%
In society and culture	10%
In education	9.2%

In 2011, STAR students represented 10 percent of secondary school students (year 11 and above).

Note: Students are counted in each type of programme they are enrolled in, so the sum of the components may not add to the total.

8 PROVIDER-BASED STUDENTS IN LEVELS 4 TO 7 NON-DEGREE QUALIFICATIONS

In 2011, the number of students enrolled in level 4 to 7 non-degree study decreased overall, although international student enrolments in these qualifications increased. The overall study load, as measured in equivalent full-time student units, also declined in 2011.

In 2011, there were 120,000 domestic students enrolled in level 4 to 7 non-degree study and 18,500 international students.

The decrease in domestic students was relatively evenly spread across field of study, sub-sector and ethnic group. However, enrolments by students aged 25 years and over declined more strongly than those by younger students. Also, enrolments by the Pasifika ethnic group decreased less strongly than for the other ethnic groups.

Domestic enrolments by men declined slightly more than those for women.

In 2011, domestic enrolments in level 4 to 7 non-degree qualifications declined less strongly at private training establishments than at public tertiary education institutions. Universities and polytechnics showed above average declines, although most enrolments at these levels are at polytechnics.

Creative arts and engineering and related technologies showed below average declines in domestic enrolments, while the decline in enrolments in teacher education training was above average.

The rates at which full-time students complete these qualifications have increased in recent years. The number of students completing is also higher this year, and for the past several years. This revision of the historical data is due to providers revising their statistics as a consequence of some of their funding being tied to student completions.

Progress to higher levels of study, in the year following the completion of a qualification, has been increasing for level 4 certificates, while it has remained stable for level 5 to 7 diplomas.

Enrolments by international students in level 5 to 7 diplomas increased in 2011 and in equivalent full-time student terms the increase was even stronger. Level 4 certificate enrolments by international students also increased in 2011, although in equivalent full-time student terms study at this level decreased.

Level 4 to 7 qualifications provide continuing pathways for students progressing from school and create entry points into the system for those seeking to gain vocational qualifications or a change in career. The level of complexity of study approximates to advanced trades, technical and business qualifications. They can also be used as prerequisite qualifications for higher-level programmes such as bachelors degrees. All qualifications at level 4 are certificates, while those at levels 5 to 7 are either certificates or diplomas.

ENROLMENTS IN LEVEL 4 TO 7 NON-DEGREE STUDY

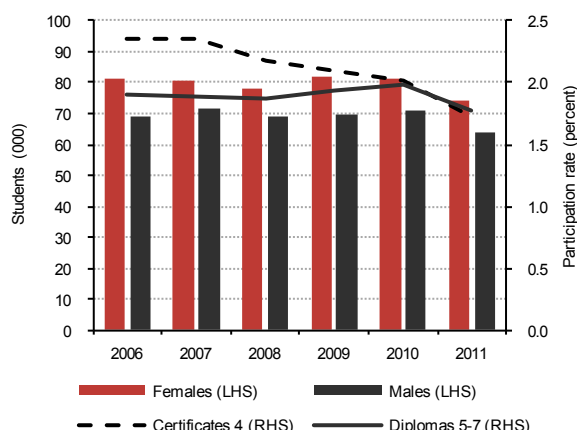
Domestic and international students enrolled in level 4 to 7 non-degree study decreased in number by 9.3 percent from 2010 to 2011. Enrolments by women dropped by 8.4 percent and for men the drop was 10 percent. Fifty-four percent of students in level 4 to 7 non-degree study were women in 2011 and five years earlier the proportion was the same.

The participation rate of New Zealanders in level 4 certificates and level 5 to 7 diplomas declined in 2011. This continued the decline for level 4 certificates over the past 5 years, while for diploma-level study the drop in 2011 followed an increase in the participation rate in 2010.

Students in level 4 to 7 non-degree study by gender in 2011

Total	138,000	(down 9.3% on 2010)
Females	74,300	(down 8.4% on 2010)
Males	63,800	(down 10.4% on 2010)

Figure 8.1 Participation in level 4 to 7 non-degree study by gender



ENROLMENTS BY LEVEL OF STUDY

Student numbers declined for both level 4 certificates and level 5 to 7 diplomas. This continued the pattern of greater enrolments in diploma-level study, compared to certificate-level study, which started in 2009.

Students in level 4 to 7 non-degree study by level in 2011

	Students	% change from 2010	Equivalent full-time student units	% change from 2010
All students	138,000	-9.3%	69,600	-5.8%
Certificates 4	66,000	-13%	31,600	-6.7%
Diplomas 5-7	75,900	-5.5%	38,000	-5.0%
Domestic students	120,000	-12%	59,200	-8.1%
Certificates 4	60,600	-14%	29,200	-6.7%
Diplomas 5-7	62,200	-8.7%	30,000	-9.6%

Note: Diplomas 5-7 include certificates at levels 5 to 7.

Figure 8.2 Students in level 4 to 7 non-degree study

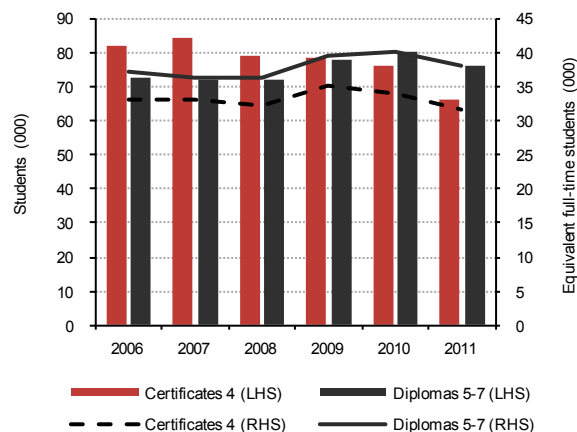


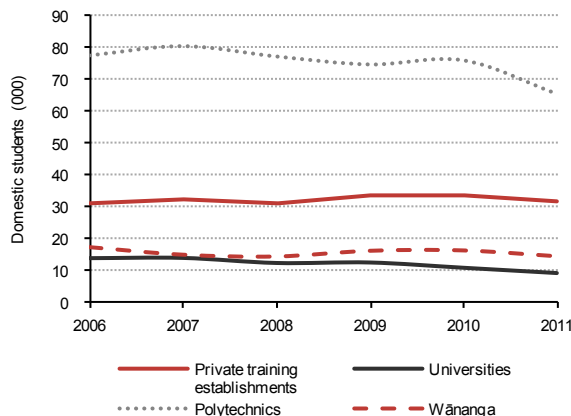
Figure 8.3 Domestic students in level 4 to 7 non-degree study by type of provider

TYPE OF PROVIDER

While most people who study level 4 to 7 non-degree qualifications are enrolled at polytechnics, numbers at this provider type fell by 14 percent, compared to the average drop of 12 percent. At universities the decrease in enrolments was also above average, at 15 percent, while private training establishments showed the lowest fall, at 6.7 percent.

Domestic students in level 4 to 7 non-degree study by provider type in 2011

Total	120,000	(down 12% on 2010)
Polytechnics	65,700	(down 14% on 2010)
Private training establishments	31,600	(down 6.7% on 2010)
Wānanga	14,600	(down 11% on 2010)
Universities	9,420	(down 15% on 2010)



FIELD OF STUDY

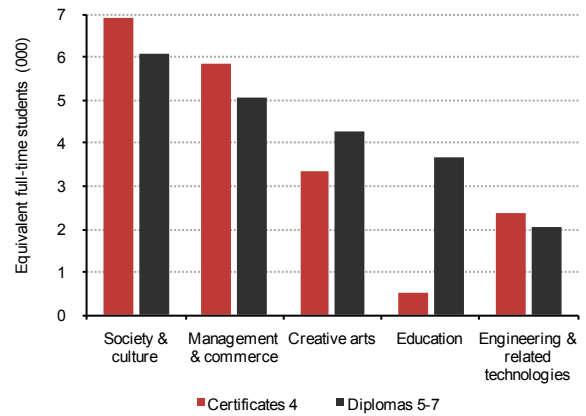
The most common fields of study continue to be society and culture and management and commerce. Study loads decreased in all fields of study apart from information technology, which increased by 12 percent, mostly in level 4 certificates.

Domestic equivalent full-time student units in level 4 to 7 non-degree study by selected fields of study in 2011

Society and culture	13,000	(down 10% on 2010)
Management and commerce	10,900	(down 8.4% on 2010)
Creative arts	7,620	(down 1.0% on 2010)
Education	4,150	(down 18% on 2010)
Engineering and related technologies	4,420	(down 5.2% on 2010)

Note: Figure 7.4 uses equivalent full-time student units.

Figure 8.4 Domestic students in level 4 to 7 non-degree study for the top five fields of study in 2011



ETHNIC GROUP

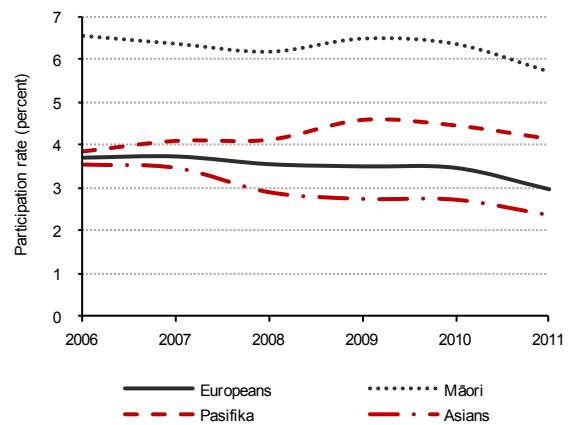
While the majority of domestic enrolments in level 4 to 7 non-degree study are by students from the European ethnic group, Māori have the highest participation rate at this level of study.

All ethnic groups showed decreases in enrolments in 2011. European and Asian students had the largest decreases in 2011, while Pasifika students had the lowest percentage decrease.

Domestic students enrolled in level 4 to 7 non-degree study by ethnic group in 2011

Europeans	73,400	(down 14% on 2010)
Māori	29,800	(down 7.3% on 2010)
Pasifika	11,800	(down 3.9% on 2010)
Asians	11,400	(down 9.4% on 2010)
Other	5,100	(down 8.7% on 2010)

Figure 8.5 Participation rates in level 4 to 7 non-degree study by ethnic group



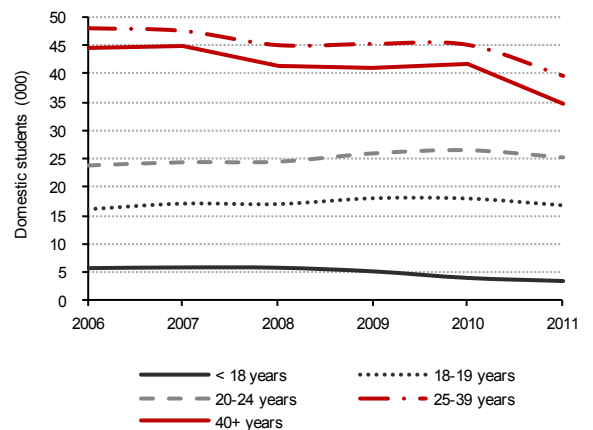
AGE

Most people who study level 4 to 7 non-degree qualifications are aged 25 years and over. In 2011, older students showed a greater decline in enrolments than younger students. Following declines in level 4 to 7 non-degree enrolments by younger students in recent years, under 18 year-olds made up 2.8 percent of enrolments in 2011.

Domestic students in level 4 to 7 non-degree study by age group in 2011

Under 18 years	3,350	(down 14% on 2010)
18-19 years	16,700	(down 6.6% on 2010)
20-24 years	25,200	(down 5.2% on 2010)
25-39 years	39,600	(down 12% on 2010)
40 years and over	34,600	(down 17% on 2010)

Figure 8.6 Domestic students in level 4 to 7 non-degree study by age group



FIRST-YEAR RETENTION

First-year retention rates for level 4 certificates and level 5 to 7 diplomas declined in 2011. However, since records began in 1994, retention rates for both level 4 certificates and level 5 to 7 diplomas have been increasing.

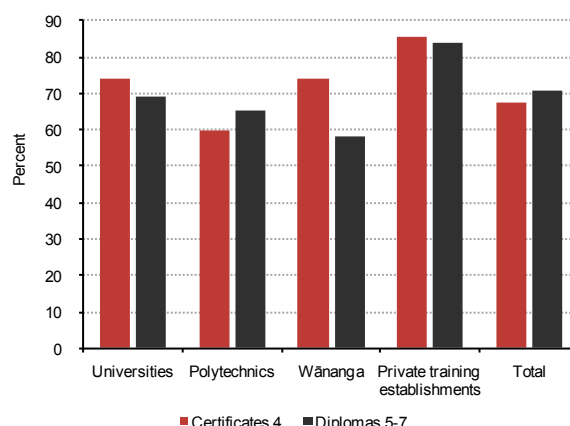
There are differences in the retention rates by sub-sector. Universities and wānanga have higher rates for level 4 certificates than for level 5 to 7 diplomas, while for polytechnics the order is reversed. Private training establishments have similar retention rates for level 5 to 7 diplomas and level 4 certificates.

Percentage of domestic students who either completed a qualification or continued study in the year after starting their studies

Year study started	2006	2007	2008	2009	2010
Certificates 4	68	68	69	73	68
Diplomas 5-7	66	69	71	72	71

Note: Diplomas 5-7 include level 5 to 7 certificates.

Figure 8.7 First-year retention rates for domestic students who started a level 4 to 7 non-degree qualification in 2010 by sub-sector



GRADUATE PROGRESSION TO HIGHER-LEVEL STUDY

Students are more likely to progress to study at a higher level in the year following the completion of a level 4 certificate than a level 5 to 7 diploma. These rates have been increasing for students completing level 4 certificates, while for level 5 to 7 diplomas the rates have been more uniform.

The rate at which level 4 certificate- and level 5 to 7 diploma students progress to study at a higher level, five years after completing a qualification, are similar.

Progression rates to higher-level study in 2011 for domestic students who completed a level 4 to 7 non-degree qualification

First-year progression – for students who completed a qualification in 2010:		
Certificates 4	28%	(27% for students who completed in 2009)
Diplomas 5-7	18%	(18% for students who completed in 2009)
Five-year progression rates – for students who completed a qualification in 2006:		
Certificates 4	37%	(36% for students who completed in 2005)
Diplomas 5-7	29%	(30% for students who completed in 2005)

Note: Diplomas 5-7 include level 5 to 7 certificates.

Figure 8.8 Progression to higher levels of study for domestic students in level 4 to 7 non-degree study by completion year

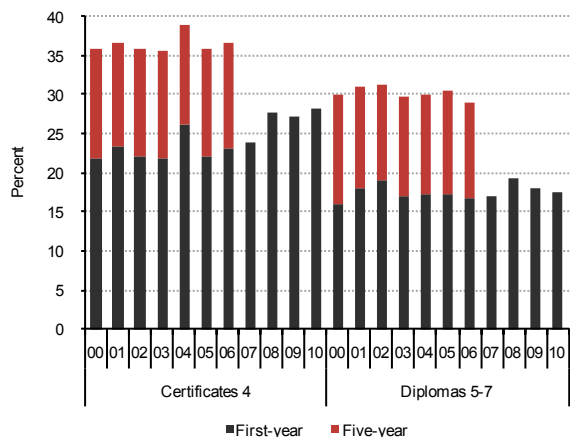


Figure 8.9 Domestic students who completed a level 4 to 7 non-degree qualification by level

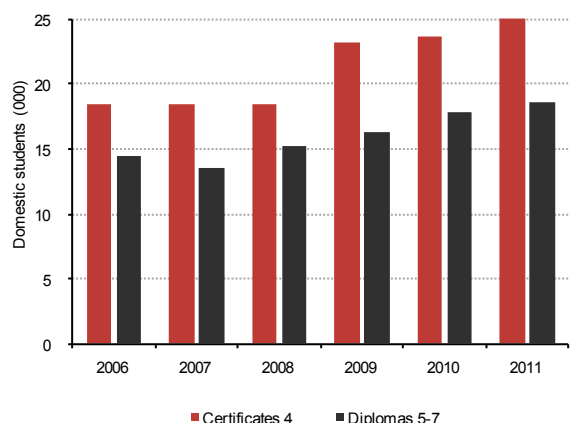
COMPLETION OF QUALIFICATIONS

There was a 6.1 percent increase in the number of domestic students completing a level 4 certificate in 2011, and a 3.6 percent increase in level 5 to 7 diploma completions. Institutions had substantial increases on the 2010 results, a consequence of some of their funding being tied to student completions.

Domestic students who completed a qualification in 2011

Certificates 4	25,000	(up 6.1% on 2010)
Diplomas 5-7	18,600	(up 3.6% on 2010)

Note: Diplomas 5 to 7 include level 5 to 7 certificates.



FIVE-YEAR COMPLETION RATES

Of the full-time students who started a level 4 to 7 non-degree qualification in 2007, those studying level 4 certificates were more likely to complete this qualification within 5 years. This pattern was more pronounced for Pasifika and Māori students.

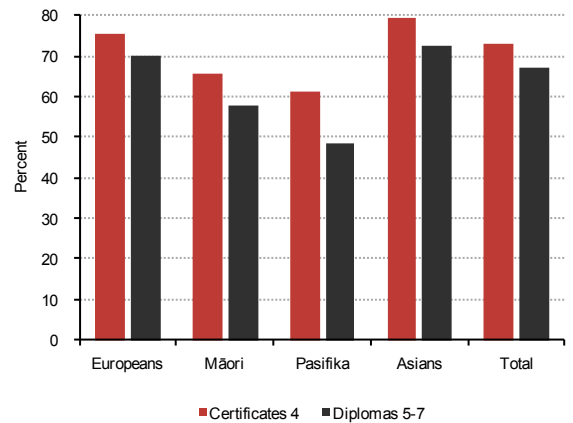
When full-time and part-time students are combined, the five-year completion rates for level 4 certificates and level 5 to 7 diplomas are similar, although the rate for diplomas increased by 3 percentage points from 2010 to 2011.

Percentage of domestic students (full-time and part-time) who completed a qualification within five years

Year study started	2003	2004	2005	2006	2007
Certificates 4	40	40	40	41	41
Diplomas 5-7	38	41	39	40	43

Note: Diplomas 5-7 include level 5 to 7 certificates.

Figure 8.10 Five-year completion rates for full-time domestic students who started a level 4 to 7 non-degree qualification in 2007 by ethnic group



INTERNATIONAL STUDENTS

In 2011, international students made up 16 percent of all students studying level 4 to 7 non-degree qualifications, up from 13 percent in 2010. This increase resulted from an 8.9 percent increase in international students, and a 12 percent decline in domestic student numbers.

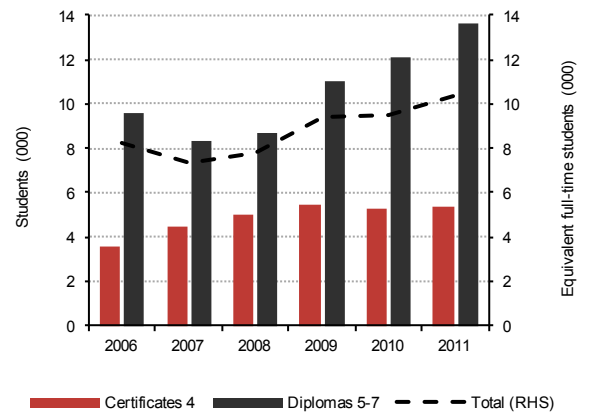
International enrolments in level 5 to 7 diplomas continued to increase in 2011, contrasting with a smaller increase in enrolments in certificates at level 4. Equivalent full-time student numbers also increased for diploma-level study, but declined for level 4 certificate study.

International students in level 4 to 7 non-degree study in 2011

	Students	% change from 2010	Equivalent full-time student units	% change from 2010
Total	18,500	+8.9%	10,400	+10%
Certificates 4	5,370	+2.1%	2,400	-7.9%
Diplomas 5-7	13,600	+13%	8,000	+17%

Note: Diplomas 5-7 include level 5 to 7 certificates.

Figure 8.11 Participation in level 4 to 7 non-degree study by international students



9 PROVIDER-BASED STUDENTS IN BACHELORS AND POST-GRADUATE QUALIFICATIONS

The number of students enrolled in bachelors and higher qualifications remained steady from 2010 to 2011. Numbers increased in masters and doctoral programmes while they remained steady for bachelors degrees. Offsetting these increases, were falls in graduate certificates/diplomas, bachelors degrees with honours and postgraduate certificates/diplomas.

In equivalent full-time student terms, study increased in 2011 for bachelors degrees and masters and doctoral levels. These increases were partially offset by declines in the study of graduate certificates/diplomas, honours degrees, and postgraduate certificates/diplomas. This result led to a further increase in the average study load at these levels – another move toward more full-time study, a trend also seen in 2010.

Domestic students showed a small decline in number from 2010 to 2011. Most students in bachelors or higher qualifications study at a university and domestic enrolments at these providers decreased in 2011. Domestic enrolments in bachelors and higher qualifications increased for the other sub-sectors – wānanga and private training establishments had the largest proportional increases from 2010 to 2011.

In 2011, business and management was the largest field of study for domestic students in bachelors degrees. Teacher education was the largest field of study for students in bachelors or higher qualifications. The number of enrolments by domestic students in business and management, language and literature and accountancy showed above average declines from 2010 to 2011, while those in the biological sciences increased. Nursing showed the largest increase in 2011, following a large increase last year.

The number of enrolments by Māori and Pasifika students continued to show above average increases in 2011, as did enrolments by students aged 20 to 24 years. All other ethnic groups and all other age groups had a decline in the number enrolments from 2010 to 2011. However, the Asian population continued to have the highest rate of participation in bachelors or higher qualifications.

The retention and completion rates for people studying bachelors and postgraduate qualifications have increased in recent years. There is a big difference in completion rates between part-time and full-time students, especially at bachelors level. Seventy-three percent of the domestic full-time students who started a bachelors degree in 2007 had completed this qualification by 2011, compared to 42 percent of part-time students.

International students enrolled in bachelors and higher qualifications increased from 2010 to 2011 at all levels other than masters. Almost two-thirds of international students are enrolled in bachelors degrees, and these students continued to increase in number from 2010 to 2011. This increase continues the upward trend started last year.

Bachelors and higher qualifications are largely theoretically based qualifications that make up four levels of the New Zealand Qualifications Framework. Level 7 is made up of bachelors degrees, graduate certificates and diplomas, and certificates of proficiency. Level 8 qualifications comprise postgraduate certificates and diplomas, and bachelors degrees with honours. Level 9 qualifications are masters degrees. Level 10 qualifications are doctoral degrees, including doctor of philosophy, professional doctorates and higher doctorates.

Analytical tables: Data on learners in bachelors and postgraduate qualifications is available at: www.educationcounts.govt.nz/statistics/tertiary_education – select 'participation' or 'retention and achievement'.

ENROLMENTS IN BACHELORS AND HIGHER QUALIFICATIONS¹

The number of domestic and international students in bachelors and higher qualifications decreased by 0.5 percent from 2010 to 2011, with the number of men falling slightly more than the number of women.

Equivalent full-time student numbers rose 0.3 percent to 156,000. This suggests that while the numbers of students studying fell, those who were studying increased their study load.

The participation rate in these levels of study fell overall from 2010 to 2011 but the rate remained higher than that seen between 2003 and 2008.

Students in bachelors and higher qualifications by gender in 2011

Total	205,000	(down 0.5% on 2010)
Females	121,000	(down 0.3% on 2010)
Males	83,600	(down 0.8% on 2010)

ENROLMENTS BY LEVEL OF STUDY

Most students in these levels of study are enrolled in bachelors degrees, with enrolments and study loads increasing in 2011. The number of masters and doctoral students was also up on 2010, but graduate certificate and diploma students declined substantially.

Enrolments over the past ten years show a repeating pattern of rises and plateaus. Doctorates have shown the largest percentage increase since 2002, at 107 percent, followed by honours degrees, at 61 percent.

Students in bachelors and higher qualifications by level of study in 2011

	Students	% change from 2010	Equivalent full-time student units	% change from 2010
Total	205,000	-0.5%	156,000	+0.3%
Bachelors degrees	147,000	+0.3%	118,000	+1.4%
Graduate certs/dips	13,400	-9.7%	6,390	-14%
Honours	26,700	-2.4%	17,300	-2.5%
Masters	14,100	+1.5%	7,890	+1.4%
Doctorates	8,270	+3.9%	6,470	+3.8%

TYPE OF PROVIDER

Domestic student numbers in bachelors and higher qualifications declined by 1.0 percent in 2011, driven by a decline in enrolments at universities of 3.1 percent. This is in contrast to higher numbers for the other sub-sectors where the increase in the number of bachelors-degree students at polytechnics was 2010, at private training establishments 625 and at wānanga 516.

Domestic students in bachelors and higher qualifications by sub-sector in 2011

Total	178,000	(down 1.0% on 2010)
Universities	142,000	(down 3.1% on 2010)
Polytechnics	27,900	(up 5.6% on 2010)
Wānanga	3,260	(up 17% on 2010)
Private training establishments	5,930	(up 12% on 2010)

Figure 9.1 Participation in bachelors and higher qualifications by gender

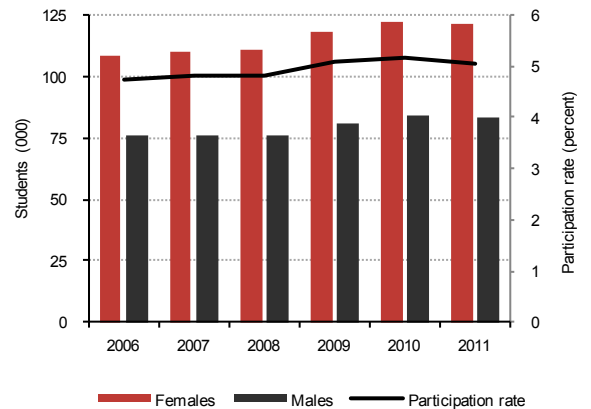


Figure 9.2 Participation in bachelors and higher qualifications by level of study

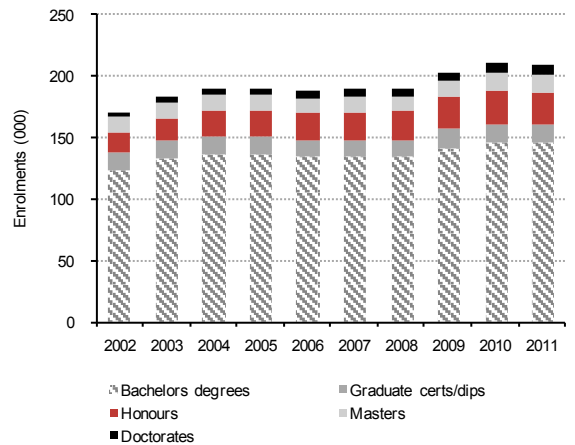
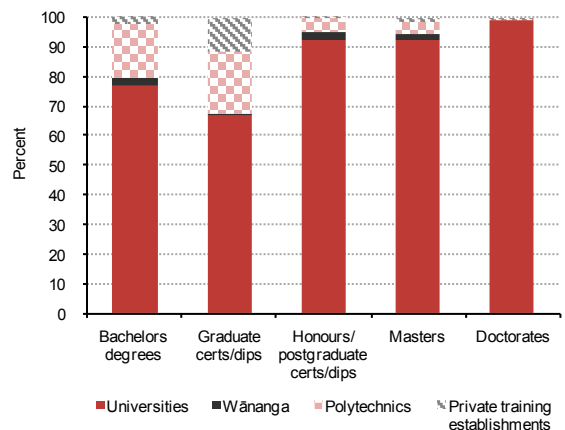


Figure 9.3 Domestic students in bachelors and higher qualifications by sub-sector



¹ In this chapter honours includes bachelors degrees with honours and postgraduate diplomas and certificates.

FIELD OF STUDY

The nine fields of study listed below comprised 45 percent of all study in bachelors and higher qualifications in 2011. Nearly all these fields of study had declines in enrolments, with business and management, language and literature, and accountancy showing above average declines. Only nursing and biological sciences showed increases, with nursing showing an above average increase. Nursing also showed a large increase in 2010.

Domestic equivalent full-time student units in bachelors and higher qualifications by selected fields of study in 2011

Teacher education	9,600	(down 0.7% on 2010)
Business and management	9,140	(down 3.7% on 2010)
Studies in human society	7,540	(down 1.7% on 2010)
Nursing	7,440	(up 6.6% on 2010)
Biological sciences	6,610	(up 1.2% on 2010)
Law	6,380	(down 1.2% on 2010)
Language and literature	5,230	(down 7.9% on 2010)
Behavioural science	4,920	(down 0.6% on 2010)
Accountancy	4,050	(down 5.9% on 2010)

ETHNIC GROUP

Participation in bachelors and higher qualifications increased for Māori and Pasifika students, and declined for Asian students. However, Asian students continued to have the highest participation rate at these levels.

Domestic students enrolled in bachelors and higher qualifications by ethnic group in 2011

Europeans	123,000	(down 0.9% on 2010)
Māori	21,400	(up 3.4% on 2010)
Pasifika	11,000	(up 2.7% on 2010)
Asians	31,600	(down 2.9% on 2010)
Other	10,400	(down 1.8% on 2010)

AGE AND GENDER

For bachelors and higher qualifications, only domestic students aged 20 to 24 years increased in number in 2011; all other age groups declined in number.

Women made up 61 percent of domestic enrolments in bachelors and higher qualifications. The number of men decreased by 1.4 percent from 2010 to 2011, nearly double the rate for women, whose numbers declined by 0.8 percent.

Domestic students in bachelors and higher qualifications by age group in 2011

Under 18 years	924	(down 6.8% on 2010)
18-19 years	34,700	(down 1.9% on 2010)
20-24 years	67,400	(up 2.3% on 2010)
25-39 years	46,300	(down 3.1% on 2010)
40 years and over	28,500	(down 3.8% on 2010)

Figure 9.4 Domestic students in bachelors and higher qualifications for top five fields of study in 2011

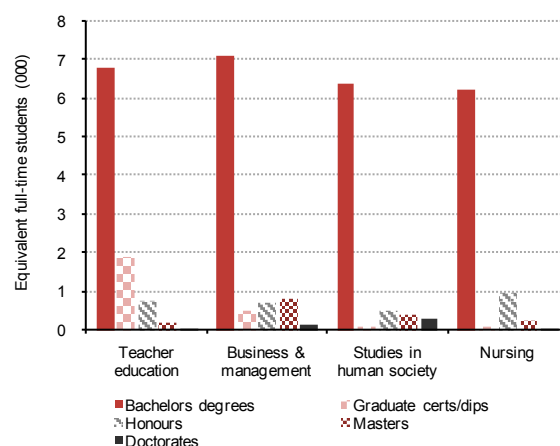


Figure 9.5 Participation rates in bachelors and higher qualifications by ethnic group

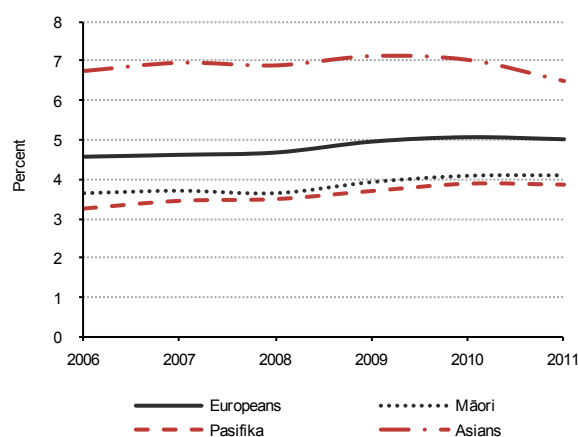
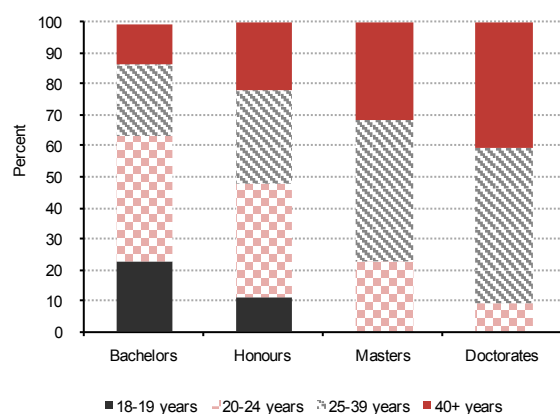


Figure 9.6 Domestic students in bachelors and higher qualifications by age group



FIRST-YEAR RETENTION

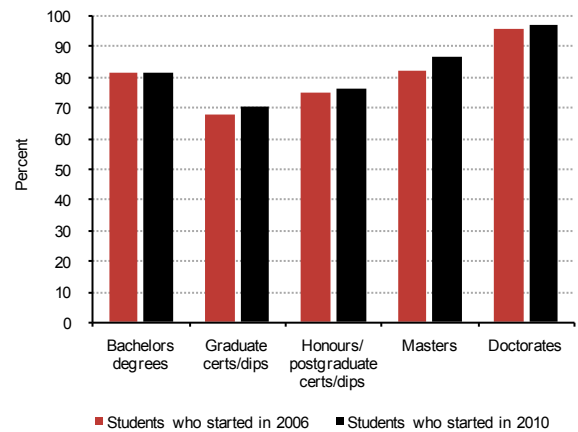
The first-year retention rates of students in bachelors and higher qualifications were considerably higher than those for lower-level qualifications.

While the rate at which 2010 students continued to study in the following year was similar to the rate for 2009 students, there have been slight increases in the first-year retention rates over the period from 2006 to 2010 (see Figure 9.7).

Percentage of domestic students who started study in 2010 and either completed a qualification or continued studying in 2011

Bachelors degrees	81%	(83% for 2009 starters)
Graduate certificates/diplomas	71%	(70% for 2009 starters)
Honours	76%	(78% for 2009 starters)
Masters	87%	(85% for 2009 starters)
Doctorates	97%	(98% for 2009 starters)

Figure 9.7 First-year retention rates for domestic students by level of study



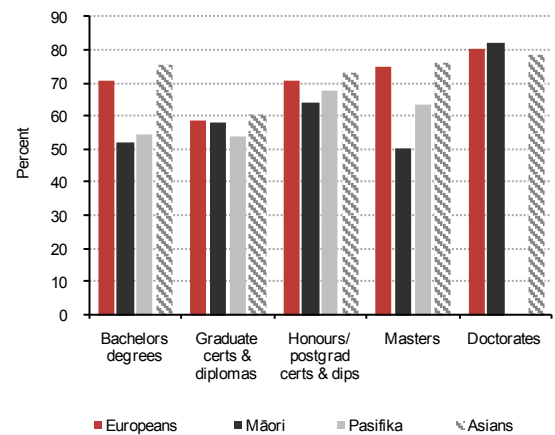
FIVE-YEAR RETENTION

The rates at which students were still studying bachelors or higher qualifications five years after starting study, or had completed a qualification, have improved in recent years. When comparing people who started study at these levels in 2006 with those who started study in 2001, there was an improvement for all ethnic groups.

Five-year retention rates for domestic students in bachelors or higher qualifications

	Starting year 2001	Starting year 2006
Total	61%	68%
Asians	68%	73%
Europeans	62%	69%
Māori	50%	54%
Pasifika	49%	57%

Figure 9.8 Five-year retention rates for domestic students who started a bachelors or higher qualification in 2006 by ethnic group and level



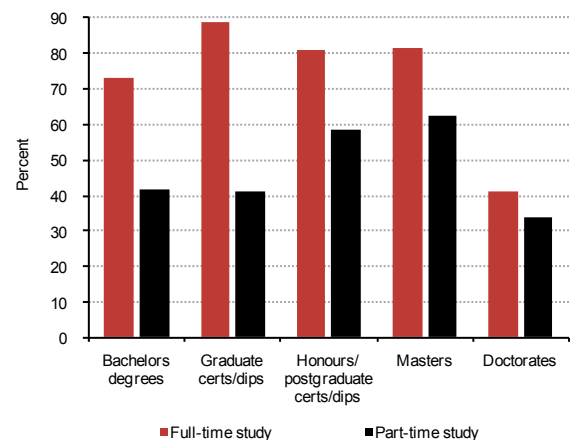
FIVE-YEAR COMPLETION

The five-year completion rates of students who started study in 2007 were slightly higher than for students who started study in 2006. While completion rates vary with the level of study, more variation occurs between full-time and part-time students.

Five-year completion rates for domestic students who started study in 2007

Full-time		
Bachelors degrees	73%	(72% for 2006 starters)
Graduate certificates/diplomas	89%	(89% for 2006 starters)
Honours	81%	(80% for 2006 starters)
Masters	81%	(76% for 2006 starters)
Doctorates	41%	(38% for 2006 starters)
Part-time		
Bachelors degrees	42%	(39% for 2006 starters)
Graduate certificates/diplomas	41%	(39% for 2006 starters)
Honours	59%	(57% for 2006 starters)
Masters	63%	(62% for 2006 starters)
Doctorates	34%	(33% for 2006 starters)

Figure 9.9 Five-year completion rates for domestic students who started a bachelors or higher qualification in 2007 by level of study



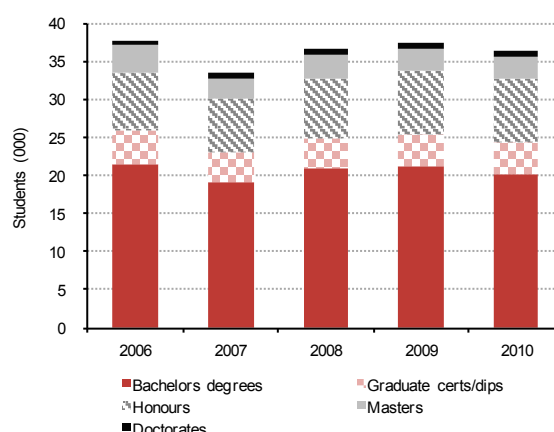
COMPLETION OF QUALIFICATIONS

The number of domestic students completing bachelors and higher qualifications increased from 2010 to 2011. The number of qualifications completed by domestic students is expected to increase over the next few years, reflecting higher enrolment numbers in recent years and rising completion rates. There were more qualifications completed at degree level and higher in 2011 than in 2010, except for doctorates. The number of bachelors degrees completed by domestic students rose by 10 percent.

Bachelors and higher qualifications completed by domestic students in 2011

Total	40,900	(up 7.8% on 2010)
Bachelors degrees	23,200	(up 10% on 2010)
Graduate certificates/diplomas	5,130	(up 14% on 2010)
Honours	8,490	(up 0.7% on 2010)
Masters	3,330	(up 3.6% on 2010)
Doctorates	696	(down 3.9% on 2010)

Figure 9.10 Bachelors and higher qualifications completed by domestic students by level of study



INTERNATIONAL STUDENTS

In 2011, international students made up over 13 percent of all students studying bachelors and higher qualifications, up 0.5 percentage points on 2010, continuing a slight upward trend since 2009.

International student numbers continued to increase in 2011, compared to a small decline in domestic students.

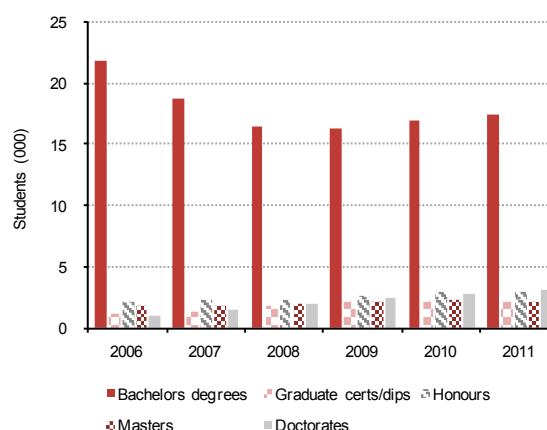
Doctoral enrolments by international students continued to have the largest proportional increase in 2011. Enrolments in bachelors degrees by international students also continued to increase in number in 2011 – up by 3.2 percent. In general, the increases in international enrolments in 2011 were lower than in 2010. Masters was the only qualification level to show a decline in international enrolments in 2011.

International students in bachelors and higher qualifications in 2011

Total	27,200	(up 3.2% on 2010)
Bachelors degrees	17,400	(up 3.2% on 2010)
Graduate certificates/diplomas	2,070	(up 2.4% on 2010)
Honours	2,890	(up 1.9% on 2010)
Masters	2,150	(down 3.6% on 2010)
Doctorates	3,140	(up 12% on 2010)

In terms of equivalent full-time student units, total international enrolments in these levels of study were at 20,000, up 3.8 percent on 2010

Figure 9.11 Enrolments by international students in bachelors and higher qualifications by level of study



10 NON-FORMAL TERTIARY EDUCATION

Adult and community education

Adult and community education is provided by community groups, secondary schools and tertiary education providers. The national priorities for adult and community education were reduced in 2010 from five to three priorities as follows:

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

In 2011, adult and community education included ACE networks; English language services to adult migrant and refugee New Zealanders from non-English-speaking backgrounds; rural education activities programmes; some community-based groups funded indirectly through schools, and adult education through other government initiatives, including health and prisoner education.

ACE IN TERTIARY EDUCATION INSTITUTIONS

In 2011, 53,600 students enrolled in community education programmes at tertiary education institutions. Of these students, 3,070 were international students, representing 5.6 percent of total ACE enrolments at public providers.

The enrolments represented 3,080 equivalent full-time students, down by 29 percent from 2010. This compared to a 24 percent decrease in the student headcount. The number of students enrolled in community education at tertiary education institutions has decreased since 2004 due to a shift from demand-led funding to capped funding.

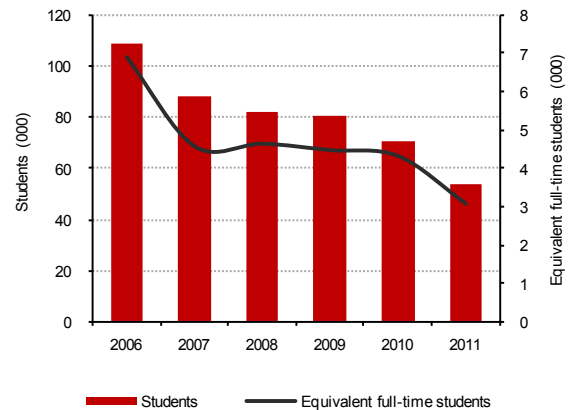
Sixty-one percent of ACE students were enrolled at polytechnics, 22 percent at universities and 16 percent at wānanga. The enrolments in ACE by international students were evenly split between universities and polytechnics in 2011.

Sixty-two percent of students in 2011 were European, 18 percent were Māori, 11 percent Asian, 6.2 percent Pasifika and 5.0 percent reported to be in other ethnic groups.

Women made up 52 percent of students and three out of every four students were aged 25 years and over. The most

common fields of study in 2011 were society and culture, management and commerce, and creative arts. Courses were provided by all 18 polytechnics, 8 universities and 1 wānanga. In 2010, 66 percent of these students were subsidised through tuition subsidy funding.

Figure 10.1 Students in non-formal education in tertiary education institutions

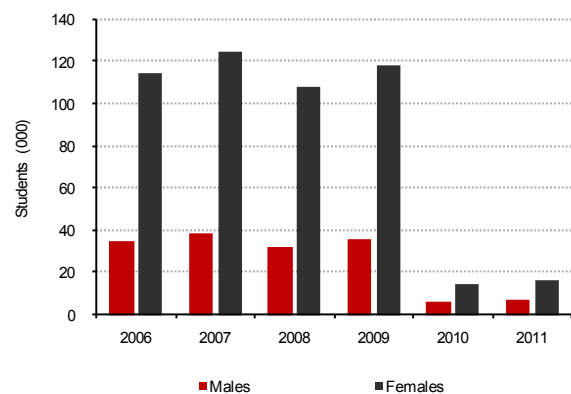


ACE IN SCHOOLS

Secondary schools provide community education programmes for adults in addition to their regular daytime curriculum.

In 2011, there were 23,999 enrolments in funded school community education programmes, up 16 percent on enrolments on 2010. Before this, in 2009, the government announced significant cuts in funding for this provision to take effect in 2010. The remaining funding became allocated through a contestable funding round targeting priority areas of provision (English language, literacy and numeracy, New Zealand Sign Language and Te Reo Māori).

Figure 10.2 Students in community education in schools



ACE IN COMMUNITIES

In 2011, a total of 36 organisations provided ACE courses in communities with a government subsidy of \$11.2 million. In 2010, the number of community ACE providers was 55 and government funding was \$11.8 million. This provision attracted 35,000 learners.

Adult literacy, language and numeracy

Adult literacy, language and numeracy are delivered through formal and non-formal education in workplaces and through providers. Provision commenced under the Intensive Literacy, Language and Numeracy Fund in 2010, which replaced funding under the Foundation Learning Pool. The new fund provides support for the intensive provision of quality literacy and numeracy learning, which is delivered in an appropriate, structured context with strong community links. Provision is intended for learners with very low literacy and numeracy.

In 2011, 41 providers received a total of \$13.1 million in funding. This compares to 44 providers and \$12.8 million in funding in 2010. Intensive literacy programmes were provided at polytechnics, universities, private training establishments, other tertiary education providers, rural education activity programmes and schools.

The Workplace Literacy Fund provides support for employees to increase their literacy, language and numeracy skills. In 2011, 26 providers received a total of \$12.5 million in funding. This compares to 25 providers and 10 employers and \$15 million in funding in 2010.

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