



PROFILE & TRENDS

2007 **2008** **2009** **NEW ZEALAND'S
TERTIARY
EDUCATION SECTOR**



New Zealand's tertiary education system

Tertiary Sector Performance Analysis and Reporting
Strategy and System Performance
MINISTRY OF EDUCATION

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New Zealand's tertiary education system

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1 AN OVERVIEW

Tertiary education makes a unique and invaluable contribution to New Zealand's national development in all dimensions – social, economic and environmental. It 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.

The information presented here 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 tertiary education system works.

The diversity of the tertiary education sector is evident in the mix of organisations that make it up: public tertiary education institutions, private training establishments, industry training organisations, adult and community education providers, and others. In addition, employers provide industry-related training in the workplace.

There are three kinds of public tertiary education institutions – universities, institutes of technology and polytechnics, and wānanga. Another 16 tertiary education providers, known as 'other' tertiary education providers, also deliver programmes of national significance and receive government funding. In addition, there are 727 registered private training establishments that cater for a range of learners and eight government training establishments.

TERTIARY EDUCATION IN NEW ZEALAND

Tertiary education includes all post-school education:

- foundation education, such as adult literacy and education for those with low qualifications who are looking for employment
- certificates and diplomas
- bachelors degrees
- industry training, including Modern Apprenticeships
- adult and community education and other non-formal adult education, and
- postgraduate qualifications, many of which require students to conduct substantial original research.

Tertiary education also includes tertiary programmes delivered in secondary schools, such as Gateway and the Secondary-Tertiary Alignment Resource (STAR).

2009 TERTIARY EDUCATION STATISTICS

You can find the latest tertiary education statistics in *Profile & Trends 2009* and the analytical tables on the Ministry of Education's Education Counts website: www.educationcounts.govt.nz

2 TERTIARY EDUCATION ORGANISATIONS

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 develop new knowledge that underpins their teaching and they undertake research in a wide range of fields. They are expected to have well-established international links and to meet international standards of scholarship. There are eight universities spread throughout New Zealand, which in 2009, collectively enrolled 177,000 students, including 22,300 international students. These enrolments represented 134,000 equivalent full-time students.

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 over the past 16 years to meet the increasingly diverse needs of learners and the economy. Many polytechnics offer applied degree-level education and are involved in research activities, particularly applied research and research in technological areas. They provide pathways into tertiary education for adult learners and for learners with low prior qualifications, preparing them to achieve at higher levels. Institutes of technology and polytechnics offer regional tertiary education; there are 20 polytechnics spread across the country. The number of students enrolled in 2009 was 192,000, including 11,600 international students. These enrolments represented 78,300 equivalent full-time student units.

Wānanga – Māori centres of tertiary learning

New Zealand's three public wānanga offer study at all levels, from foundation education to postgraduate study and research, where ahuatanga Māori (Māori tradition) and tikanga Māori (Māori custom) are an integral part of the programme. 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. In 2009, wānanga had 42,600 students or 25,100 equivalent full-time student units.

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 targeted training programmes. Some establishments have arrangements with industry training organisations to deliver programmes funded through the industry training fund. Private training establishments may also receive tuition subsidies through the student achievement component, while some receive no Crown funding at all. Many of those that receive no funding are English language schools that cater to full-fee-paying international students. In 2009, private training establishments had 77,000 students, including 10,100 international students. These enrolments represented 43,700 equivalent full-time student units.

Registered private training establishments must meet financial, educational and management quality requirements set by the New Zealand Qualifications Authority to provide safeguards for learners.

In 2009, 378 of the 727 registered private training establishments received government funding through the student component as well as Youth Training and Training Opportunities, the two largest targeted training programmes funded by the Tertiary Education Commission.

Government training establishments

There are eight government agencies that provide training, including the Armed Services and Police. These are recognised as government training establishments.

Workplace learning

There is also considerable formal training activity in the workplace. Some of this is funded through the Industry Training Fund (which includes Modern Apprenticeships), while the rest is supported by business. Workplace learning increases the skills of employees and it counts towards a qualification. For employers, workplace learning provides productivity gains. Industry training is facilitated through industry training organisations. At the end of 2009, there were 39 industry training organisations in New Zealand, established by particular industries or groups of industries and recognised by the Minister for Tertiary Education under the Industry Training Act 1992.

Industry training organisations facilitate workplace learning in employment, by:

- setting national skill standards for their industry
- developing appropriate training arrangements for their industry that will lead to qualifications recognised on the New Zealand Qualifications Framework and arranging for the delivery of the training
- moderating the assessment of training within their industry against the established national standards
- monitoring training quality
- providing leadership to industry on skill and training needs, and
- providing information and advice to employees and their employers.

Industry training aims to raise the workforce skill levels and boost competitive advantage for business. Its delivery is flexible. Industry training can be conducted on-job, off-job, through a registered training provider, through training provided by other staff in the workplace, or a combination of these. 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 is jointly funded by the government through the Industry Training Fund and by industry through financial and in-kind contributions. In 2009, industry contributed \$78 million in cash to industry training, representing 30 percent of the total cost.

Non-formal education providers

Government-funded adult and community education is provided by community groups, secondary schools and tertiary education providers. Other non-formal adult learning, which covers any form of intentional organised learning provided by an external body, takes place in the workplace and in institutional settings. Other non-formal adult learning may be provided by employers, tertiary education providers, schools, clubs or individuals such as skiing or gym instructors.

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 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.

3 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.

In 2010, new investment plans will be developed with tertiary education organisations based on the goals and priorities of New Zealand's 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:

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 āhautanga 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 sub-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.

The Tertiary Education Commission used the priority outcomes of the second tertiary education strategy to guide its investment discussions with tertiary education organisations as they developed investment plans for the 2008 to 2010 period. These investment plans will conclude at the end of 2010.¹

In June 2010, the Tertiary Education Commission published guidance for tertiary education organisations on developing their next investment plans. Funding for 2011 and beyond will be approved by the Tertiary Education Commission towards the end of 2010.

¹ To consult the strategy itself use the link: www.minedu.govt.nz/theMinistry/PolicyAndStrategy/TertiaryEducationStrategy.aspx.

4 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 of tertiary education, and
- defines the constitution and functions of different types of public tertiary education institutions.

In 2007, the Education Act was amended to provide the mechanisms for changes to the administration of tertiary education implemented in 2008. The amendment gave effect to a new system for planning, funding and monitoring the provision of tertiary education. The objective of the amendment was 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 2009, the Act was again amended, this time to enable the implementation of new governance arrangements for institutes of technology and polytechnics. These arrangements aim to improve the capability and effectiveness of polytechnic councils and to allow the government to respond more quickly if polytechnics experience educational or financial performance risks.

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.

5 GOVERNMENT AGENCIES

The main government agencies with a responsibility for tertiary education are the Ministry of Education, the Tertiary Education Commission, the New Zealand Qualifications Authority and Career Services Rapuara.

The Ministry of Education

The Ministry of Education is the government department responsible for developing the policy 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 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.² The Commission is made up of a board of six to nine commissioners appointed by the Minister. The commission's responsibilities are as follows:

- giving effect to the tertiary education strategy
- allocating the government's tertiary education funding to tertiary education organisations according to funding mechanisms determined by the Minister
- advising government on the tertiary education strategy, tertiary education priorities, sector activities and the performance of the sector
- monitoring the performance of tertiary education institutions
- providing advice to the Minister on tertiary education policy
- assessing investment plans and approving funding to steer the tertiary education system, and
- conducting research and monitoring in support of its roles.

The New Zealand Qualifications Authority

The New Zealand Qualifications Authority is also a Crown agent. Like the Tertiary Education Commission, it has a board appointed by the Minister. Its functions are to:

- provide an overarching quality assurance role for the tertiary sector
- establish and maintain the New Zealand Qualifications Framework
- develop and assure the quality of the national qualifications
- register private training establishments
- conduct quality assurance for private training establishments and wānanga
- administer the trade, vocational and school sector qualifications system, and
- evaluate overseas qualifications for immigration and employment purposes.

Career Services Rapuara

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

Career Services' work includes:

- developing and providing career information
- 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.

² 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.

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

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 is responsible for providing leadership in the areas of social development and social policy, and the delivery of social services, particularly income support.

Financial support is provided to students by 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 Te Tari Taake

Inland Revenue 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 Student Loan Scheme Act 1992 and the annual regulations made under that Act which set the interest rates for borrowers overseas and the repayment threshold.

The Department of Labour

The Department of Labour is the agency that advises the government on all matters to do with New Zealand's labour force. As part of that role, the department collects and analyses a great deal of information about the skills needed in the labour market and about how the tertiary education system interacts with the labour market.

6 HOW THE TERTIARY EDUCATION SYSTEM WORKS

The New Zealand tertiary education system is designed to work around four main elements:

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

Quality assurance

High-quality qualifications and study programmes are a key requirement for students in the tertiary education sector. Quality assurance of tertiary education in New Zealand is intended to provide a minimum standard for the quality of the learning programmes offered to students. It focuses on the systems and processes that support delivery of learning by tertiary education organisations. Quality assurance recently underwent a major reform and the new system began to be implemented in late 2009. The following information describes the system as it is intended to operate and it outlines how the system differs from the earlier approaches.

Quality assurance agencies decide whether providers, qualification developers and the programmes they deliver meet appropriate quality standards. There are currently two quality assurance agencies:

- the New Zealand Qualifications Authority, and
- the New Zealand Vice-Chancellors’ Committee.

QUALITY ASSURANCE IN TERTIARY EDUCATION IN NEW ZEALAND

Only those tertiary education courses, qualifications and providers that have been quality assured by a quality assurance body are able to access government funding, industry training funding, student loans and allowances, and Training Opportunities and Youth Training funding.

The New Zealand Qualifications Authority

The New Zealand Qualifications Authority has an overarching responsibility for the system of quality assurance in tertiary education. It has delegated some of its powers to the Institutes of Technology and Polytechnics of New Zealand and this organisation has created a quality assurance body, ITP Quality, to give effect to that delegation and to manage the quality assurance processes for polytechnic qualifications at the undergraduate level.

As the delegating authority, the New Zealand Qualifications Authority has responsibility to audit ITP Quality's quality assurance systems. The New Zealand Qualifications Authority retains responsibility for course approval and accreditation for all qualifications offered by providers, other than universities and polytechnics, and for postgraduate qualifications offered by polytechnics.

New Zealand Qualifications Framework³

One of the mechanisms for managing quality is the New Zealand Qualifications Framework. The register imposes certain common standards 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 register. For a description of the register go to the section on [*What the tertiary education sector provides*](#).

QUALITY IMPROVEMENT FOCUS

As part of the tertiary education reforms, the government has set a new direction for quality assurance. This is being implemented over the period 2009 to 2012.

Quality assurance in tertiary education around the world has mostly focused on making sure that the organisations delivering tertiary education and the qualifications that people enrol in meet minimum standards. That continues to be an important component of the new quality system being implemented in the New Zealand tertiary education sector.

Under the new system, this emphasis on minimum standards will be complemented in the future by a quality improvement focus – that will see greater emphasis on, strengthening of and more harmonisation of the processes for continuous improvement in tertiary education organisations.

Organisations will assess their own performance against a set of quality indicators as part of ongoing self-review. These indicators have an evaluative focus – organisations will look at the value of their work, with an emphasis on how well they are helping to improve outcomes for students.

Examples of the kind of indicators are 'learners acquire useful skills and knowledge and develop their cognitive abilities' and 'programmes reflect changes in subject content, resources, teaching practice and technologies'.

Self-review is accompanied by a system of external evaluation and review that gives assurance to students, government and others that organisations' self-review and quality systems are helping improve outcomes.

³ Formally known as the New Zealand Register of Quality Assured Qualifications.

ITP Quality

The Board of ITP Quality operates as a quality assurance body under the authority delegated to the Institutes of Technology and Polytechnics of New Zealand by the New Zealand Qualifications Authority under section 260 of the Education Act 1989. ITP Quality was established in 1991 and has been operating the delegation independently since January 1993.

ITP Quality is responsible for approving polytechnic programmes at undergraduate degree level and below and for accreditation of institutes of technology and polytechnics to deliver approved programmes. ITP Quality has also been granted the authority from the New Zealand Qualifications Authority to audit institutes of technology and polytechnics for compliance and effectiveness against academic standards. A polytechnic that successfully meets the standards may be awarded 'quality assured' status for a period of up to four years.

The New Zealand Vice-Chancellors' Committee

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 Universities Academic Audit Unit carries out quality audits of the eight universities.

The Committee on University Academic Programmes

This committee is a standing committee of the New Zealand Vice-Chancellors' Committee that considers academic matters across the university system. These include: inter-university course approval and moderation procedures; advice and comment on academic developments; the encouragement of the coherent and balanced development of curricula; and the facilitation of credit transfer between qualifications.

Within policy determined by the New Zealand Qualifications Authority, the committee sets criteria for validating and monitoring university qualifications. It approves new qualifications in the university system. It also has responsibility for oversight of inter-university subject conferences. Its membership includes representation of other tertiary education interests and the student body.

A sub-committee on university entrance coordinates advice on the standard required for entrance to universities. The sub-committee also regulates discretionary entrance and coordinates the evaluation of overseas qualifications for the purposes of admission to university.

The New Zealand Universities Academic Audit Unit

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 and monographs. The unit maintains professional relationships with all quality assurance bodies working in tertiary education in New Zealand, and with similar agencies internationally.

The Inter-Institutional Quality Assurance Bodies Consultative Group

Established by the New Zealand Qualifications Authority as a forum for quality assurance bodies, this group brings together all the quality assurance oversight bodies - the New Zealand Qualifications Authority, the Vice-Chancellors' Committee, and the Institutes of Technology and Polytechnics of New Zealand. The aim is to provide a system-wide focus on the quality of tertiary education provision and qualifications.

The group provides a forum for quality assurance bodies. 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.

Investing in tertiary education

The tertiary education strategy 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 the investment plan developed by tertiary education organisations.

Investment plans

In 2008, investment plans began to replace the charters and profiles used previously. Developing an investment plan is the first prerequisite for eligibility for public funding for quality-assured providers. The investment plan sets targets for outcomes, it describes the provision aimed at achieving those outcomes and how success will be measured. In assessing a plan with a tertiary education organisation, the Tertiary Education Commission looks for evidence of alignment with its core roles, and to the priority outcomes of the tertiary education strategy. The Tertiary Education Commission approves the funding level for each tertiary education organisation 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 education sector. The quality assurance and performance monitoring system now has 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 available to students and the public. The Tertiary Education Commission is developing a mechanism for linking funds to performance.

When working with tertiary education organisations as they develop their investment plans in 2010, a set of output indicators will be integrated into plans. These indicators and targets developed by the Tertiary Education Commission provide an annual snapshot of the educational performance of each provider. They cover course pass rates, qualification completions and the participation and retention of students in study. The investment plans also state 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. 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.

MONITORING AND EVALUATING NEW ZEALAND'S TERTIARY EDUCATION STRATEGY

The Ministry of Education is responsible for monitoring the progress of the tertiary education sector towards the goals of the Tertiary Education Strategy 2010-15. The first monitoring report since the publication of the new strategy will be published in the second half of 2010.

The overall approach to monitoring the third tertiary education strategy is similar to that used for the previous strategies. The Ministry has developed a monitoring framework and will publish a series of annual monitoring reports and undertake some evaluation of the effect of the strategy.

The Ministry works in close collaboration with the Tertiary Education Commission and the New Zealand Qualifications Authority to ensure that the overall monitoring of the tertiary education system is connected and aligned, and to avoid duplication of effort.

Monitoring will provide ongoing information that will help provide insight into the extent to which the intended changes are happening and to what degree. The monitoring information will provide a broad picture that enables understanding of:

- the contribution of tertiary education to government goals
- the general direction and trends in tertiary education in relation to the focus areas of the strategy, and
- overall progress towards the priority outcomes.

The results of the monitoring project will:

- assess the improvements in outcomes relating to the strategy
- inform ministers of the overall progress being made against the strategy
- provide a detailed view of the overall health of the tertiary education system, using a set of enduring indicators against which broader changes can be monitored
- provide system-level contextual information to inform planning and the decisions of tertiary education organisations and the Tertiary Education Commission
- provide context for the monitoring of the education Crown entities
- provide alerts to any possible need to reconsider the policy mix
- inform the next set of tertiary education priorities and future investment plans, and
- feed into developing the next strategy.

How funding works

The tertiary education system funding framework complements the tertiary education reforms and the tertiary education strategy. Its purpose is to resource and steer the tertiary education system, while providing tertiary education organisations with the flexibility to operate in a responsive and innovative way. The two largest funding components cover:

- the teaching and learning of domestic students, and
- research (through centres of research excellence funding and the Performance-Based Research Fund).

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 courses funded through the student achievement component are approved by the Tertiary Education Commission after assessment of each tertiary education organisation's 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. These funding categories were last reviewed in 2005. The Tertiary Education Commission calculates and publishes revised funding rates annually.

Funding for research

The phased introduction of the Performance-Based Research Fund was completed in 2007. 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. Before the introduction of the Performance-Based Research Fund, the main 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.

In 2002 and 2003, the government invited bids from tertiary education organisations to host centres of research excellence - inter-institutional research networks focused on areas of established research excellence of importance to New Zealand. Seven centres were funded, each for a period of six years. In 2006, bids were invited for extension of the programme and in May 2007 the government announced that the centres will receive \$31.4 million of operating funding in addition to a one-off capital funding of \$20 million. The following centres were given extended funding:

- 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 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
- Nga Pae o te Maramatanga – Horizons of Insight (hosted by the University of Auckland) The National Institute of Research Excellence for Māori Development and Advancement, and
- The Riddet Centre (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 funds supported by the government through Vote Research, Science and Technology. 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.

Go to chapters 13 and 16 of *Profile & Trends 2009* for more explanations of the research funding system and how its components relate to each other: www.educationcounts.govt.nz/publications/series/2531/79882.





MINISTRY OF EDUCATION

45-47 Pipitea Street
PO Box 1666
Thorndon
Wellington 6140

Telephone: (04) 463 8000

Facsimile: (04) 463 8001

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