



MINISTRY OF EDUCATION

Te Tāhuhu o te Mātauranga

What we get for what we spend

*Outputs and outcomes of the
Government's tertiary education
expenditure 2006-2010*



This report forms part of a series called Supporting the tertiary education system.

Published by

Tertiary Sector Performance Analysis
Tertiary, International and System Performance
MINISTRY OF EDUCATION

© Crown Copyright
All rights reserved.
All enquiries should be made to the publisher.

February 2012

ISSN (Print) 2230-2204

ISSN (Online) 2230-2212

What we get for what we spend

1	Summary	1
2	Introduction	4
	Purpose of the report	4
	Scope of the report	4
	Data	5
	Structure of the report	5
3	Student Achievement Component – total	6
4	Student Achievement Component – by subsector	10
	4.1 Universities	10
	4.2 Polytechnics	13
	4.3 Wānanga	16
	4.4 Private training establishments	19
5	Performance-Based Research Fund	22
6	Industry Training Fund	26
7	Modern Apprenticeships	30
8	Training Opportunities	33
9	Youth Training	36
10	Student Loans and Allowances	39
11	Data definitions	43
12	References	51

TABLES

1	Inputs, outputs and outcomes of the Student Achievement Component fund	8
2	Inputs and outputs of the Student Achievement Component fund – universities	11
3	Inputs and outputs of the Student Achievement Component fund – polytechnics	14
4	Inputs and outputs of the Student Achievement Component fund – wānanga	17
5	Inputs and outputs of the Student Achievement Component fund – private training establishments	20
6	Inputs, outputs and impact of the Performance-Based Research Fund (including research top-ups)	24
7	Inputs, outputs and outcomes of the Industry Training Fund	28
8	Inputs, outputs and outcomes of Modern Apprenticeships	31
9	Inputs, outputs and outcomes of Training Opportunities	34
10	Inputs, outputs and outcomes of Youth Training	37
11	Inputs, outputs and outcomes of student loans and student allowances	41
12	Calculation of CPI deflator	43
13	Student Achievement Component data definitions	44
14	Performance-Based Research Fund data definitions	46
15	Industry Training Fund data definitions	47
16	Modern Apprenticeships data definitions	48
17	Training Opportunities data definitions	49
18	Youth Training data definitions	49
19	Student support data definitions	50

1 SUMMARY

This report synthesises the inputs, outputs and outcomes of the Government's tertiary education expenditure over the period 2006 to 2010 in eight key funds. In total, these funds distributed around \$4.6 billion to providers and students in 2010.

Student Achievement Component (SAC) (\$1,909 million in 2010)

- Total SAC funding has increased in real terms between 2006 and 2010. This has been driven by a moderate increase in the number of funded equivalent full-time students (EFTS) and increases in funding rates.
- Actual delivered EFTS increased by just 0.9 percent in 2010, with over-delivery in the system dropping to 4.4 percent in 2010, compared with 5.1 percent in 2009.
- The *value* of successful course-level study¹ increased in 2010 due to a mix of continued over-delivery and the improvement in the percentage of successful course-level study.
- The five-year completion rate of students who studied SAC-funded qualifications on a full-time basis continued to increase in 2010.
- Between 2006 and 2010, an increasing proportion of SAC-funded qualifications awarded were to students aged under 25 and studying at level 4 or higher. The proportion of Māori or Pasifika students completing SAC-funded qualifications at level 4 or higher dropped slightly in 2010.
- People with tertiary qualifications continued to enjoy higher earnings premiums and a higher likelihood of employment than people with school-level or no qualifications.

Performance-Based Research Fund (PBRF) (\$250 million in 2010)

- There was a substantial increase in PBRF funding (including research top-ups) between 2006 and 2010 in real terms.
- Although dropping slightly in 2010, the amount of external research income earned per staff member is significantly higher than in 2006.
- The volume of research degree completions per staff member has continued to rise over time.
- Postgraduate qualification completion rates have continued to improve.
- The rate of citation of indexed publications by authors from New Zealand tertiary education institutions has improved over time.

Industry Training Fund (\$148 million in 2010)

- In 2010, there was a decrease in the Industry Training Fund of 7.4 percent in real terms. This was driven by a decrease in standard training measure (STM) load of 16 percent in 2010. This fall was largely as a result of audits of ITOs that removed inactive trainees, but also reflects some recession effects.
- The credit attainment rate of trainees increased significantly in 2010 to reach 60 percent. The removal of inactive trainees following the audit of a number of ITOs in 2010 was one factor helping drive the improvement in this figure.
- Programme and qualification completion rates have generally increased between 2006 and 2010.
- People with the type of vocational qualifications gained in industry training continued to have an earnings and employment advantage over people with school or no qualifications.

¹ This is calculated by multiplying the funding rates for the various courses by the EFTS consumed and then dividing this by the amount of SAC funding in that calendar year.

- The earnings gain from participation in industry training was greatest for young trainees, and especially for those whose training is at level 4 or higher.

Modern Apprenticeships (\$42 million in 2010)

- In 2010, the amount of funding allocated to Modern Apprenticeships decreased by 5.8 percent in real terms. This was due to a decrease in STM load of 4 percent.
- The number of new trainees starting a Modern Apprenticeship declined sharply in 2009 and 2010, reflecting the impact of the recession.
- The credit attainment rate increased significantly in 2010 to reach 85 percent. This is well above the attainment rate of 62 percent reported in 2008.
- The completion rate of programmes and qualifications has generally exhibited an increasing trend over time.
- Among the younger population, there was a significant employment advantage and generally an earnings advantage for those with tertiary qualifications compared with those people with school or no qualifications.

Training Opportunities (\$78 million in 2010)

- Total funding allocated to Training Opportunities decreased in real terms between 2006 and 2010. The number of placements has also decreased, as the employment market has changed and as the criteria for acceptance into the programme have changed.
- The number of credits attained rose significantly in 2010. The number of credits attained per \$1,000 of real government expenditure also increased significantly in 2010.
- The two-month post-study outcomes have seen the proportion of trainees who do not find employment or undergo further training remain relatively constant at around 30 percent. However, with the onset of the recession there has been a decrease in the proportion of trainees in employment and an increase in the proportion of trainees in further training.

Youth Training (\$54 million in 2010)

- Total funding allocated to Youth Training fell in real terms between 2006 and 2010. This was due to a fall in the number of participants in Youth Training.
- The number of credits attained increased in 2010 for the second year running. The number of credits per training week also increased in 2010.
- The number of credits attained per \$1,000 of real government expenditure increased in 2010.
- Between 2006 and 2010, the proportion of trainees not in further study or in employment two months post study has remained relatively constant at around 25 percent. However, with the onset of the recession in 2009, there has been a fall in the number of placements resulting in employment, while the number of placements resulting in further study has increased.

Student loans and student allowances (\$1,551 million allocated to student loans (new lending) and \$609 million allocated to student allowances in 2010)

- There were substantial increases in government expenditure on student loans (new lending) and student allowances between 2006 and 2010.
- There were significant increases in the numbers of student loan borrowers and student allowance recipients between 2006 and 2010. Part of this increase is a result of increased participation during the recession, but changes to eligibility criteria have also had an impact.

- The representation of students from low-decile schools in tertiary education was maintained between 2006 and 2010.

2 INTRODUCTION

Purpose of the report

This report is the second of an annual series that synthesises, in one document, the inputs, outputs and outcomes of the Government's tertiary education expenditure. Although much of this information is already available in other publications,² in many cases outputs and outcomes are not directly linked to tertiary education funds for multiple-year periods. This can make it difficult to assess the performance of these funds over time.

The outputs and outcomes presented in this report have been selected with the Tertiary Education Strategy and the Ministry of Education's Statement of Intent in mind. The priorities from these documents that apply to tertiary education are listed below:

Tertiary Education Strategy 2010-2015

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

Ministry of Education Statement of Intent 2011/12-2016/17

- Every young person has the skills and qualifications to contribute to their and New Zealand's future
- Relevant and efficient tertiary education provision that meets student and labour market needs
- Māori achieving education success as Māori.

Scope of the report

This report examines the outputs and outcomes of eight of the largest funds used to allocate funding to the tertiary education sector. These funds are:

- Student Achievement Component (SAC)³
- Performance-Based Research Fund (PBRF)⁴
- Industry Training Fund
- Modern Apprenticeships Fund
- Training Opportunities
- Youth Training
- Student loans (new lending)
- Student allowances.

² Such as the Ministry of Education's annual report on the tertiary system, *Profile and trends*, and the Tertiary Education Commission's *Annual reports*. The Tertiary Education Commission also publishes Education Performance Information for the Student Achievement Component and industry training at the following web page: www.tec.govt.nz/Learners-Organisations/Learners/performance-in-tertiary-education.

³ Including TEI base investment and Tripartite-rates funding.

⁴ Including research top-ups.

Combined, these funds distributed around \$4.6 billion to tertiary education providers and students in 2010.

It is important to note that the emphasis in this report is on comparing the trends in performance of the individual funds over time, rather than comparing different funds. This also applies to the subsector analysis of the Student Achievement Component (SAC), where the performance of each subsector should not be compared directly with the others. The subsectors teach qualifications at different levels and have different student populations, which mean that direct comparison can be misleading.

Data

The data used in this report has been acquired from various sources, including the Ministry of Education, the Tertiary Education Commission, Statistics New Zealand and Thomson Reuters. A detailed definition of each of the measures in this report is presented in the Appendix. Note that the government expenditure in this report is presented on a GST-exclusive basis and the Consumers Price Index has been used to adjust government expenditure for inflation.

There are caveats that apply to some of the data used in this report. For example, the earnings returns for qualifications and unemployment rates data use Statistics New Zealand Household Labour Force Survey data which applies to the resident population. This group includes more recent immigrants, who are likely to have acquired their qualifications overseas. In addition, this data does not allow us to identify which government fund led to the attainment of a qualification. For example, a graduate may have attained the qualification via industry training or SAC-funded education. Although some data is available on the post-study outcomes of graduates from specific tertiary funds, this is not yet available on an annual basis.⁵

Structure of the report

For each fund, background information is presented on the objectives of each of the funds, as well as any substantive policy changes that have taken place over the period of this analysis. Any major planned changes to policy are also included. A data table of the inputs, outputs and outcomes of tertiary education expenditure is then presented for each fund. This is complemented with written highlights and graphs. Finally, a data appendix is presented, which defines the measures in this report.

⁵ See Mahoney (2011), Scott (2009) and Crichton (2009).

3 STUDENT ACHIEVEMENT COMPONENT – TOTAL

Background

The Student Achievement Component (SAC)⁶ is the single largest item of tertiary education expenditure in Vote Tertiary Education. It represents the Government's contribution to the direct costs of teaching and learning, and other costs at tertiary education providers and is driven by learner numbers. The total value of the SAC is determined by Government budget decisions, with the annual allocations to providers based on the volume and mix of provision proposed in providers' investment plans.⁷

Policy context

Since 2003, a number of policy changes have been made that have had an effect on the allocation of SAC funding. Before 2008, the focus was on managing growth and limiting expenditure in areas not considered high priorities for the Government. This included, for example, funding private training establishments (PTEs) from a capped, ring-fenced pool between 2003 and 2007. From 2004 to 2007, caps were applied on funding for certificate and diploma-level study at the remaining SAC-funded providers.⁸

From 2008, the focus for government and providers was on achieving certainty of funding, with a shift from the previous demand-driven model to one where the Tertiary Education Commission approved funding for providers through investment plans. Part of the money previously delivered through student enrolments was split off into the Tertiary Education Organisation Component (TEOC). For consistency in the trend analysis, tertiary education institution (TEI) base investment (which was part of the TEOC) is treated as part of the SAC. The government has now agreed to reverse this split. From 2011, all funding allocated for tuition has been allocated through the SAC.

The Government's focus for the SAC is now on improving the effectiveness of its investment. Better course and qualification completion and progression rates for students are expected.

To encourage better performance, the Government began publishing provider-level performance information in 2010.⁹ From 2012, 5 percent of SAC funding will be contingent on providers' meeting set performance benchmarks, based on indicators such as qualification completion, successful course completion and student progression to further study.

Highlights

- Government expenditure on the SAC continued to grow in 2010 in nominal (4.3 percent) and real (2.4 percent) terms.¹⁰ In real terms, total SAC funding increased by 14 percent between 2006 and 2010.
- The number of funded equivalent full-time students (EFTS) in 2010 was up 7.5 percent on the 2006 level and 1.6 percent on the 2009 level. Actual delivered EFTS in 2010 were up 11 percent on the 2006 level and 0.9 percent on the 2009 level.
- Around 4.4 percent of enrolled EFTS at providers were not funded by the government in 2010. This was a slight fall from the 5.1 percent over-delivery in 2009, but still well above the 1.5 percent over-delivery exhibited in 2008, when funding caps were introduced for

⁶ Note that, for data consistency, SAC funding includes the TEI base investment and Tripartite-rates funding and excludes Tripartite-adjusted funding, and research top-ups funding.

⁷ The mix of provision determines the total amount of funding because funding categories reflect the different costs of provision in some subject areas.

⁸ Also note that in 2006 the Government agreed, as part of the Universities Tripartite Forum, to contribute additional funding to meet universities' increasing staffing costs. Part of this funding was distributed via SAC funding rates for universities.

⁹ Performance information is available on the Tertiary Education Commission website at: www.tec.govt.nz/Learners-Organisations/Learners/performance-in-tertiary-education.

¹⁰ The Consumers Price Index (CPI) has been used in this study to adjust spending for the impact of inflation.

TEIs.¹¹ The main contributor to this over-delivery was the impact of the recession of 2009/10 boosting participation in tertiary education.

- Actual per EFTS funding increased by 1.5 percent in real terms in 2010, compared with a fall of 3.2 percent the previous year. A fall in overall over-delivery was a factor in this increase.
- In terms of course completion status, there was an improvement in performance in 2010. The percentage of successful study was 80 percent in 2010, compared with the combined percentage of successful study and 'not yet knowns' of 78 percent in 2009.
- The dollar value of course completions to each dollar of government funding showed an improvement in 2010. The value of successful completions per dollar of government funding excluding the 'not yet knowns' (\$0.84) was equal to the successful completions plus the 'not yet knowns' in 2009 (\$0.84). Updated data should see the final figure for 2010 end up above the 2009 result.
- As a percentage of all domestic students completing a qualification, students who were aged under 25 and who completed a qualification at level 4 or higher on the New Zealand Qualifications Framework (NZQF) increased from 28 percent in 2006 to 30 percent in 2010.
- As a percentage of all domestic Māori or Pasifika students who completed a qualification, Māori or Pasifika students who completed a qualification at level 4 or higher comprised 51 percent in 2010, compared with 56 percent in 2006.
- In 2010, the five-year qualification completion rate for SAC-funded students was 45 percent, compared with 45 percent in 2006 and 48 percent in 2009. For those students who studied on a full-time basis, the five-year qualification completion rate improved from 67 percent in 2006 to 73 percent in 2010.
- New Zealand residents with tertiary qualifications continued to enjoy an income and employment advantage over those with no or school qualifications in 2010.

Technical note:

Course completion status of actual EFTS delivered

This measure captures the volume of successful course-level study in each calendar year weighted by the EFTS consumed in those courses. In this analysis, successful study includes those courses that were reported as being completed successfully and also those postgraduate courses for which thesis study is ongoing and no completion was expected. These postgraduate thesis students are not expected to complete within the calendar year of analysis as their enrolment may be spread over several years. However, these students are subject to milestone reporting at their institutions during the year and so their continued enrolment is treated as a 'success'.

There are situations where course-level results are still to be reported, extensions have been granted, the enrolment has been deferred or the course has not yet finished. In addition, only formal students are required to have course completions reported. Some providers report completion outcomes for non-formal students, while others do not. These categories are labelled in this analysis as 'not yet known'.

Finally, providers can label the course outcome as 'not successfully completed'.

Each of these three statuses is presented as a percentage of actual delivered EFTS. This gives a sense of the efficiency of the tertiary education system. This gives a minimum and maximum limit to the percentage of successful study in that year. The actual successful study percentage will lie somewhere between these two limits.

Dollar value of successful course-level study per dollar of government funding

This is calculated by multiplying the funding rates for the various courses by the EFTS consumed and then dividing this by the amount of SAC funding in that calendar year. This is calculated to get a sense of how much value the government is getting for its expenditure, given that courses are funded at different rates depending on the subject area. As above, two sets of data are presented: one for completed courses and ongoing thesis study and another that also includes the 'not yet knowns'. This gives a minimum and maximum limit to the value of successful study in that year.

¹¹ Private training establishment SAC funding had been capped since 2003.

Table 1
Inputs, outputs and outcomes of the Student Achievement Component fund

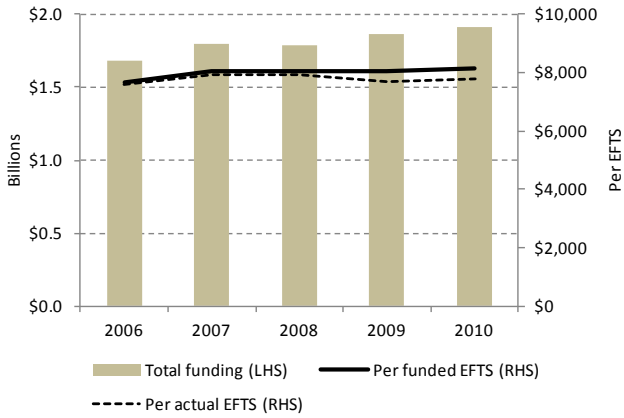
Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$1,516	\$1,661	\$1,723	\$1,831	\$1,909	26%	4.3%
		Real	\$1,677	\$1,794	\$1,791	\$1,864	\$1,909	14%	2.4%
	Enrolments	Funded EFTS (000s)	218.5	222.6	222.7	231.2	234.9	7.5%	1.6%
		Actual EFTS delivered (000s)	221.5	227.0	226.0	243.0	245.3	11%	0.9%
		% over-/under-delivery	1.4%	2.0%	1.5%	5.1%	4.4%		
	Per EFTS funding	Funded – nominal	\$6,940	\$7,460	\$7,737	\$7,920	\$8,127	17%	2.6%
		Funded – real	\$7,677	\$8,061	\$8,041	\$8,061	\$8,127	5.9%	0.8%
Actual – nominal		\$6,846	\$7,316	\$7,623	\$7,535	\$7,783	14%	3.3%	
Actual – real		\$7,573	\$7,905	\$7,923	\$7,669	\$7,783	2.8%	1.5%	
Outputs	Course completion status of actual EFTS delivered	Completed or in ongoing thesis study	73%	74%	76%	77%	80%		
		Not yet completed or known	5%	4%	3%	1%	3%		
		Not completed	22%	22%	21%	21%	18%		
		Total	100%	100%	100%	100%	100%		
	\$ value of successful course-level study per \$ of Government funding	Completed or in ongoing thesis study	\$0.75	\$0.77	\$0.78	\$0.82	\$0.84		
		Not yet completed or known	\$0.05	\$0.04	\$0.03	\$0.02	\$0.03		
		Total	\$0.80	\$0.80	\$0.81	\$0.84	\$0.87		
	Domestic students completing qualifications	Level 4+ and age < 25 years (000s)	27.0	26.1	29.3	32.7	33.1	23%	1.4%
		Total (000s)	97.6	91.3	101.6	111.5	112.1	15%	0.5%
		Level 4+ and age < 25 years as % of total	28%	29%	29%	29%	30%		
	Domestic Māori and Pasifika students completing qualifications	Level 4+ (000s)	12.0	12.0	13.0	16.6	17.2	43%	3.5%
		Total (000s)	21.5	23.3	27.2	32.1	34.0	58%	5.9%
		Level 4+ as % of total	56%	52%	48%	52%	51%		
Five-year qualification completion rate	Full-time students	67%	71%	70%	72%	73%			
	All students	45%	48%	47%	48%	45%			
Outcomes	Premium on median hourly earnings by highest qualification (base = no qualifications) (ages 15 and over)	Lower secondary school	7%	6%	5%	6%	5%		
		Upper secondary school	7%	8%	4%	0%	0%		
		Level 1-3 certificates	17%	17%	18%	17%	21%		
		Level 4-7 certificates/diplomas	34%	38%	32%	34%	32%		
		Bachelors	57%	57%	57%	57%	52%		
		Postgraduate	83%	82%	82%	80%	94%		
	Unemployment rate by highest qualification (ages 15 and over)	No qualifications	5.4%	6.0%	6.1%	8.6%	9.4%		
		Lower secondary school	4.1%	4.0%	4.8%	8.2%	8.5%		
		Upper secondary school	4.1%	4.4%	4.4%	6.9%	8.2%		
		Level 1-3 certificates	3.9%	3.9%	2.9%	5.7%	7.9%		
Level 4-7 certificates/diplomas		2.7%	2.3%	3.3%	4.2%	4.9%			
	Bachelors	2.2%	2.2%	2.4%	4.1%	4.6%			
Postgraduate	1.9%	2.1%	1.3%	2.4%	3.2%				
Context	Qualification attainment of the working-age population (ages 15 and over)	No qualifications	27%	26%	27%	26%	27%		
		Lower secondary school	10%	12%	9%	9%	8%		
		Upper secondary school	15%	12%	15%	15%	15%		
		Level 1-3 certificates	9%	8%	9%	10%	10%		
		Level 4-7 certificates/diplomas	25%	25%	24%	23%	23%		
		Bachelors	11%	12%	11%	12%	12%		
		Postgraduate	4%	5%	5%	5%	5%		
	Participation rate of domestic students by selected age group	18-19	41%	42%	42%	45%	46%		
		20-24	30%	30%	30%	32%	33%		
		Total	13%	12%	12%	12%	12%		

Note: All real values are in 2010 dollars.

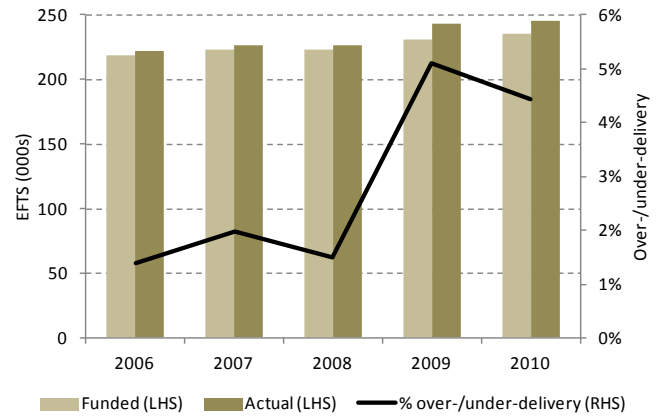
Source: Ministry of Education, Tertiary Education Commission and Statistics New Zealand

Inputs

Government funding – real (2010 dollars)

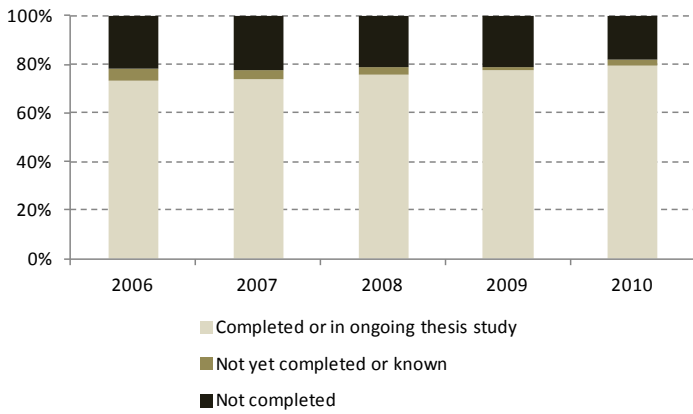


Equivalent full-time student (EFTS) places

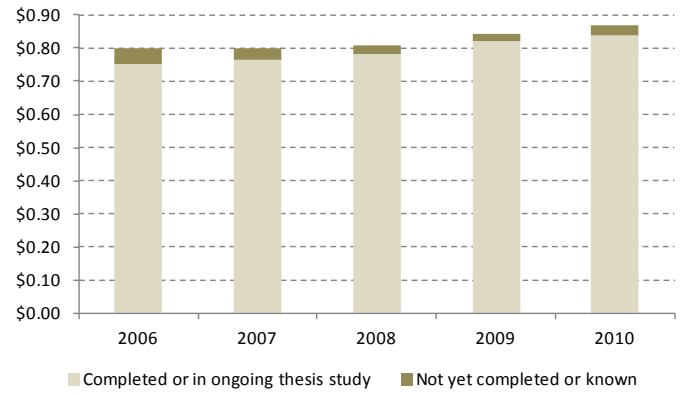


Outputs

Course completion status of actual EFTS delivered

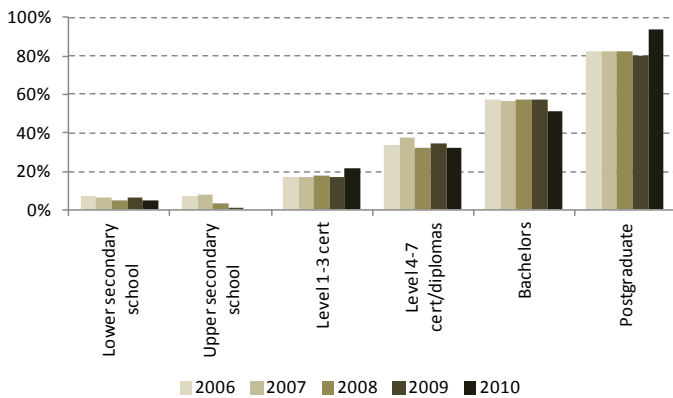


Value of course-level outputs per \$ of government funding

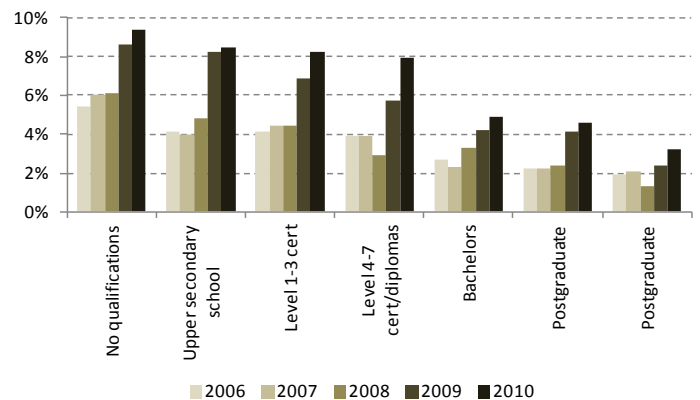


Outcomes

Premium on median hourly earnings compared with no qualifications (ages 15+)



Unemployment rates (ages 15+)



4 STUDENT ACHIEVEMENT COMPONENT – BY SUBSECTOR

4.1 Universities¹²

Highlights

- Total funding for universities increased in nominal (31 percent) and real (18 percent) terms between 2006 and 2010.
- Total funded EFTS increased by 9.1 percent between 2006 and 2010, while actual delivered EFTS increased by 13 percent over the same period. The over-delivery of EFTS in universities in 2010 (3.4 percent) was of a similar level to 2009 (3.3 percent).
- On a per EFTS basis, real funding per actual EFTS increased by 4.8 percent between 2006 and 2010. Part of this increase was a result of the introduction of the Tripartite-rates fund and a funding category review. Real funding per actual EFTS rose slightly in 2010 by 0.6 percent.
- The amount of successful course-level study as a percentage of actual delivered EFTS has remained relatively stable in universities between 2006 and 2010. In 2010, the percentage of successful study that excluded the ‘not yet known’ outcomes was 84 percent. When the ‘not yet known’ outcomes are included, this percentage increased to 86 percent.
- The lift in the value of successful course-level study per dollar of government funding in 2009 and 2010 was caused by over-delivery in the universities as the recession boosted participation.
- As a percentage of all students completing a qualification, students who were aged under 25 and who completed a qualification at level 4 or higher on the NZQF increased from 53 percent in 2006 to 57 percent in 2010.
- Almost all domestic Māori or Pasifika students who completed a qualification in 2010 did so at level 4 or higher.
- The five-year qualification completion rate for all SAC-funded students enrolled in universities improved from 53 percent in 2006 to 58 percent in 2010. For full-time students, the five-year completion rate improved from 73 percent to 76 percent.

¹² Colleges of education are treated as universities for the entire period between 2006 and 2010.

Table 2
Inputs and outputs of the Student Achievement Component fund – universities

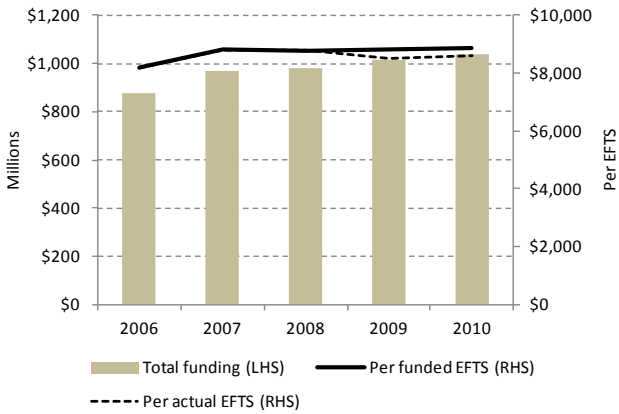
Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$794	\$898	\$944	\$996	\$1,038	31%	4.2%
		Real	\$878	\$971	\$981	\$1,014	\$1,038	18%	2.4%
	Enrolments	Funded EFTS (000s)	107.3	110.3	111.7	115.1	117.0	9.1%	1.6%
		Actual EFTS delivered (000s)	107.3	110.3	111.5	119.0	121.0	13%	1.7%
		% over-/under-delivery	0.0%	0.0%	-0.2%	3.3%	3.4%		
	Per EFTS funding	Funded – nominal	\$7,401	\$8,147	\$8,448	\$8,654	\$8,873	20%	2.5%
		Funded – real	\$8,186	\$8,802	\$8,780	\$8,808	\$8,873	8.4%	0.7%
		Actual – nominal	\$7,401	\$8,147	\$8,465	\$8,375	\$8,579	16%	2.4%
		Actual – real	\$8,186	\$8,802	\$8,798	\$8,524	\$8,579	4.8%	0.6%
	Outputs	Course completion status of actual EFTS delivered	Completed or in ongoing thesis study	82%	82%	83%	83%	84%	
Not yet completed or known			2%	2%	2%	2%	2%		
Not completed			16%	16%	16%	15%	14%		
Total			100%	100%	100%	100%	100%		
\$ value of successful course-level study per \$ of Government funding		Completed or in ongoing thesis study	\$0.82	\$0.83	\$0.84	\$0.87	\$0.88		
		Not yet completed or known	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03		
		Total	\$0.84	\$0.85	\$0.86	\$0.89	\$0.90		
Domestic students completing qualifications		Level 4+ and age < 25 years (000s)	17.4	15.8	18.2	18.6	17.8	2.1%	-3.9%
		Total (000s)	33.1	29.2	33.2	33.1	31.4	-5.1%	-5.2%
		Level 4+ and age < 25 years as % of total	53%	54%	55%	56%	57%		
Domestic Māori and Pasifika students completing qualifications		Level 4+ (000s)	3.6	3.5	4.0	4.1	4.0	10%	-3.8%
		Total (000s)	3.7	3.6	4.1	4.2	4.0	9.1%	-3.9%
		Level 4+ as % of total	99%	97%	98%	99%	100%		
Five-year qualification completion rate		Full-time students	73%	76%	75%	75%	76%		
		All students	53%	56%	56%	57%	58%		

Note: All real values are in 2010 dollars.

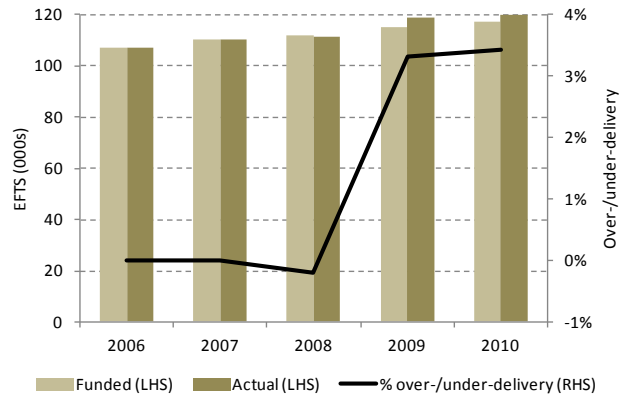
Source: Ministry of Education and Tertiary Education Commission

Inputs

Government funding – real (2010 dollars)

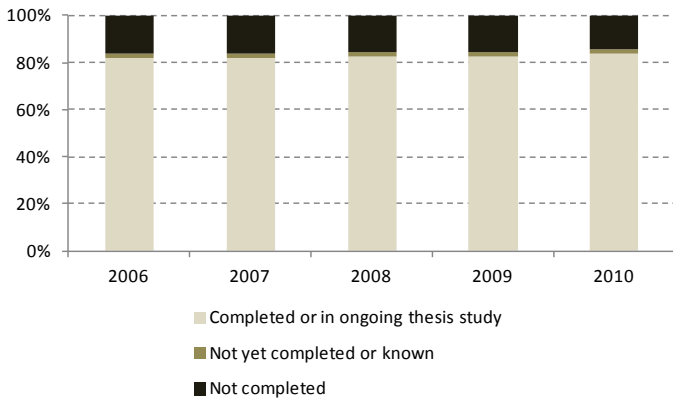


Equivalent full-time student places

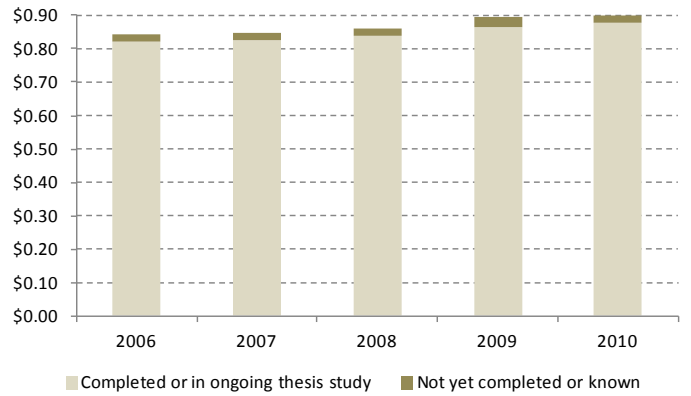


Outputs

Course completion status of actual EFTS delivered



Value of course-level outputs per \$ of government funding



4.2 Polytechnics

Highlights

- Total funding for polytechnics increased in nominal (20 percent) and real (8.2 percent) terms between 2006 and 2010.
- Total funded EFTS increased by 4.8 percent between 2006 and 2010, while actual EFTS increased by 4.3 percent over the same period.
- The increase in actual EFTS of 1.2 percent in 2010 was lower than the increase in funded EFTS of 3.0 percent. This resulted in under-delivery of 0.4 percent.
- Real funding per actual EFTS increased by 3.7 percent between 2006 and 2010. Real funding per actual EFTS increased by 2.2 percent in 2010, mainly due to a reduction in over-delivery.
- There was a clear improvement in the percentage of successful course-level study in polytechnics in 2010. Seventy-four percent of course-level study was successfully completed in 2010. This is higher than the amount in 2009, even when taking into consideration the 'not yet known' number in that year.
- The dollar value of successful course-level study outputs per dollar of government funding increased again in 2010. This was a result of an improvement in the percentage of successful study, whereas the improvement in the previous year resulted mostly from over-delivery.
- As a percentage of all students completing a qualification, students who were aged under 25 and who completed a qualification at level 4 or higher on the NZQF remained steady at 18 percent in 2010.
- As a percentage of all domestic Māori or Pasifika students who completed a qualification, those at level 4 or higher comprised 42 percent in 2010, compared with 50 percent in 2006.
- The five-year SAC-funded qualification completion rate for full-time students remained unchanged at 70 percent in 2010. For all SAC-funded students, the five-year qualification completion rate was 35 percent in 2010, compared with 36 percent in 2006.

Table 3

Inputs and outputs of the Student Achievement Component fund – polytechnics

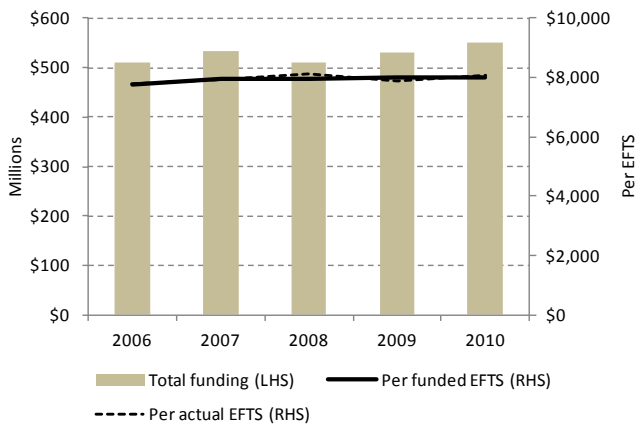
Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$460	\$494	\$492	\$522	\$550	20%	5.3%
		Real	\$509	\$534	\$511	\$532	\$550	8.2%	3.5%
	Enrolments	Funded EFTS (000s)	65.5	67.2	64.1	66.7	68.7	4.8%	3.0%
		Actual EFTS delivered (000s)	65.5	67.3	62.8	67.5	68.4	4.3%	1.2%
		% over-/under-delivery	0.1%	0.1%	-2.0%	1.3%	-0.4%		
	Per EFTS funding	Funded – nominal	\$7,024	\$7,348	\$7,673	\$7,839	\$8,015	14%	2.2%
		Funded – real	\$7,770	\$7,940	\$7,975	\$7,979	\$8,015	3.2%	0.5%
		Actual – nominal	\$7,019	\$7,338	\$7,831	\$7,737	\$8,049	15%	4.0%
		Actual – real	\$7,764	\$7,929	\$8,139	\$7,875	\$8,049	3.7%	2.2%
Outputs	Course completion status of actual EFTS delivered	Completed or in ongoing thesis study	67%	67%	69%	71%	74%		
		Not yet completed or known	6%	4%	2%	1%	3%		
		Not completed	28%	29%	29%	28%	23%		
		Total	100%	100%	100%	100%	100%		
	\$ value of successful course-level study per \$ of Government funding	Completed or in ongoing thesis study	\$0.67	\$0.68	\$0.68	\$0.73	\$0.75		
		Not yet completed or known	\$0.05	\$0.04	\$0.02	\$0.01	\$0.03		
		Total	\$0.73	\$0.72	\$0.70	\$0.74	\$0.78		
	Domestic students completing qualifications	Level 4+ and age < 25 years (000s)	5.8	6.0	6.2	7.5	8.2	42%	8.6%
		Total (000s)	32.8	33.2	35.6	40.6	40.7	24%	0.1%
		Level 4+ and age < 25 years as % of total	16%	17%	17%	18%	18%		
	Domestic Māori and Pasifika students completing qualifications	Level 4+ (000s)	3.4	3.3	3.2	4.2	4.5	33%	6.5%
		Total (000s)	6.7	7.0	8.0	10.2	10.7	61%	4.8%
		Level 4+ as % of total	50%	46%	41%	41%	42%		
	Five-year qualification completion rate	Full-time students	61%	68%	67%	70%	70%		
		All students	36%	37%	36%	39%	35%		

Note: All real values are in 2010 dollars.

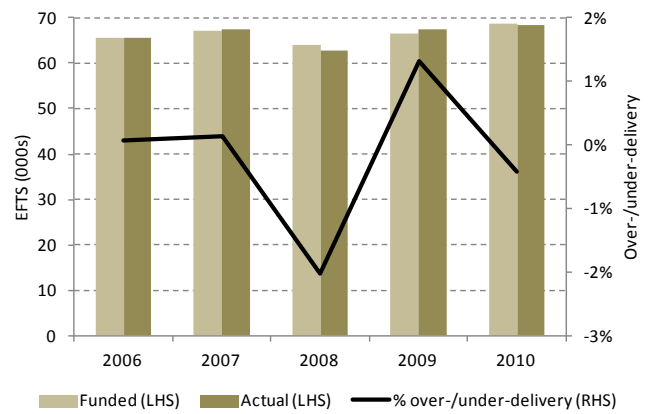
Source: Ministry of Education and Tertiary Education Commission

Inputs

Government funding – real (2010 dollars)

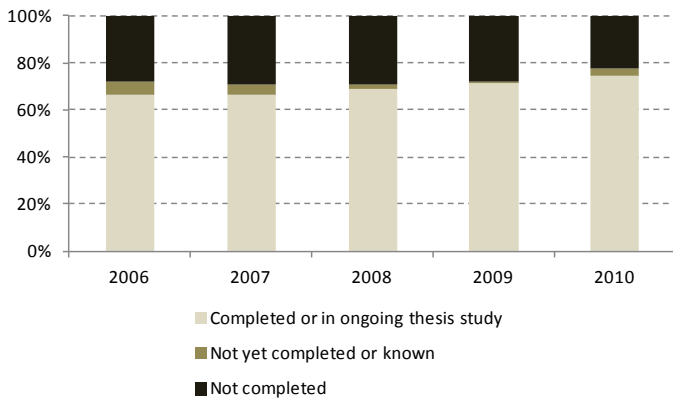


Equivalent full-time student places

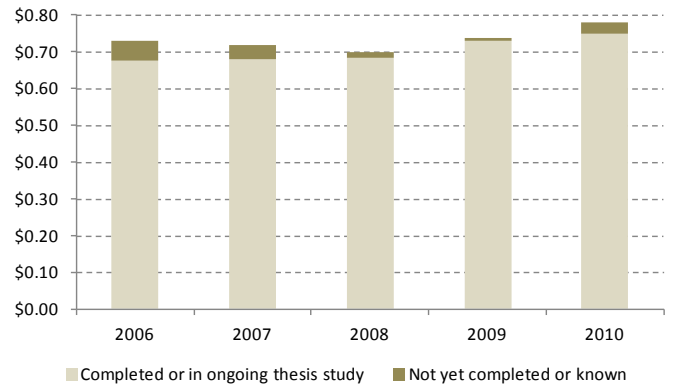


Outputs

Course completion status of actual EFTS delivered



Value of course-level outputs per \$ of government funding



4.3 Wānanga

Highlights

- Total funding for wānanga increased in nominal (23 percent) and real (11 percent) terms between 2006 and 2010.
- Total actual EFTS increased at a slightly faster rate (10 percent) than funded EFTS (8.5 percent) between 2006 and 2010.
- A faster rate of growth in actual EFTS (2.8 percent) compared with funded EFTS (1.4 percent) in 2010 resulted in over-delivery of 2.0 percent in 2010, compared with 0.5 percent in 2009.
- Real funding per actual EFTS increased by 0.8 percent between 2006 and 2010.
- The percentage of successful course-level study at wānanga improved in 2010.
- Due to a mix of a higher successful completion rate and a greater amount of over-delivery, the value of course-level completions per dollar of government funding increased significantly in 2010.
- The student population at wānanga has traditionally been older, so the proportion of domestic students aged under 25 and studying at level 4 or higher completing a qualification is relatively low. In 2010, 4 percent of domestic completers studied at level 4 or higher and were aged under 25.
- Because of the reduction in delivery in wānanga up to 2006, there is some volatility in the percentage of Māori or Pasifika students that are completing qualifications at level 4 or higher. Although the percentage in 2010 (36 percent) was lower than in 2006 (45 percent), it was an improvement over the 2008 result (30 percent).
- The five-year qualification completion rate for all SAC-funded students increased from 52 percent in 2006 to 56 percent in 2010. For students studying full-time, the five-year completion rate in 2010 (69 percent) was higher than in 2006 (67 percent).¹³

¹³ The significant drop in the five-year completion rate in 2008 was mainly confined to qualifications at level 4.

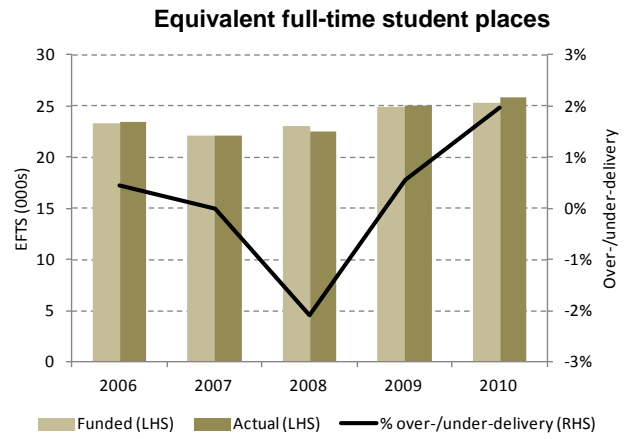
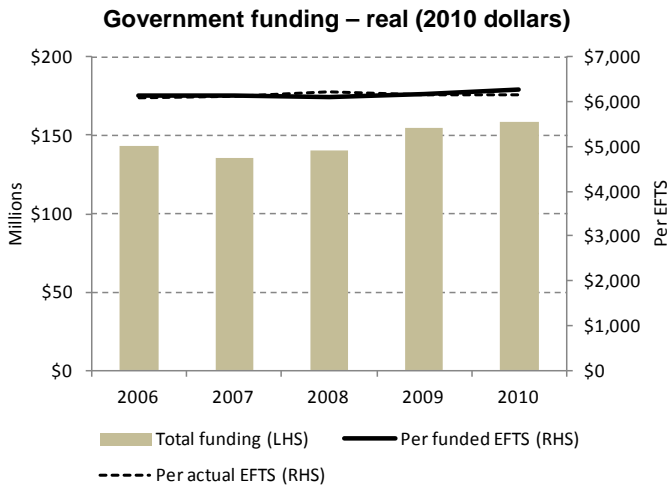
Table 4
Inputs and outputs of the Student Achievement Component fund – wānanga

Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$129	\$125	\$135	\$152	\$159	23%	4.7%
		Real	\$143	\$135	\$140	\$154	\$159	11%	2.9%
	Enrolments	Funded EFTS (000s)	23.3	22.0	23.0	25.0	25.3	8.5%	1.4%
		Actual EFTS delivered (000s)	23.4	22.0	22.5	25.1	25.8	10%	2.8%
		% over-/under-delivery	0.4%	0.0%	-2.1%	0.5%	2.0%		
	Per EFTS funding	Funded – nominal	\$5,537	\$5,674	\$5,859	\$6,073	\$6,269	13%	3.2%
		Funded – real	\$6,125	\$6,130	\$6,090	\$6,181	\$6,269	2.4%	1.4%
		Actual – nominal	\$5,513	\$5,674	\$5,985	\$6,041	\$6,149	12%	1.8%
Actual – real		\$6,098	\$6,130	\$6,220	\$6,148	\$6,149	0.8%	0.0%	
Outputs	Course completion status of actual EFTS delivered	Completed or in ongoing thesis study	61%	66%	70%	73%	77%		
		Not yet completed or known	14%	7%	5%	0%	1%		
		Not completed	25%	27%	25%	27%	23%		
		Total	100%	100%	100%	100%	100%		
	\$ value of successful course-level study per \$ of Government funding	Completed or in ongoing thesis study	\$0.61	\$0.66	\$0.67	\$0.73	\$0.78		
		Not yet completed or known	\$0.14	\$0.07	\$0.05	\$0.00	\$0.01		
		Total	\$0.75	\$0.73	\$0.72	\$0.73	\$0.79		
	Domestic students completing qualifications	Level 4+ and age < 25 years (000s)	0.4	0.5	0.4	0.7	0.8	115%	15%
		Total (000s)	18.1	14.9	16.8	17.6	19.9	9.6%	13%
		Level 4+ and age < 25 years as % of total	2.3%	3.0%	2.5%	4.0%	4.0%		
	Domestic Māori and Pasifika students completing qualifications	Level 4+ (000s)	3.1	3.1	2.8	4.0	3.9	28%	-1%
		Total (000s)	6.9	7.7	9.2	10.1	11.0	60%	10%
		Level 4+ as % of total	45%	40%	30%	40%	36%		
	Five-year qualification completion rate	Full-time students	67%	69%	60%	65%	69%		
		All students	52%	57%	59%	59%	56%		

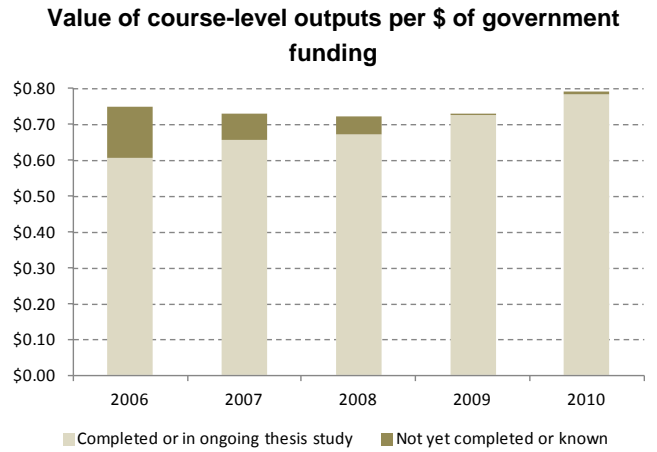
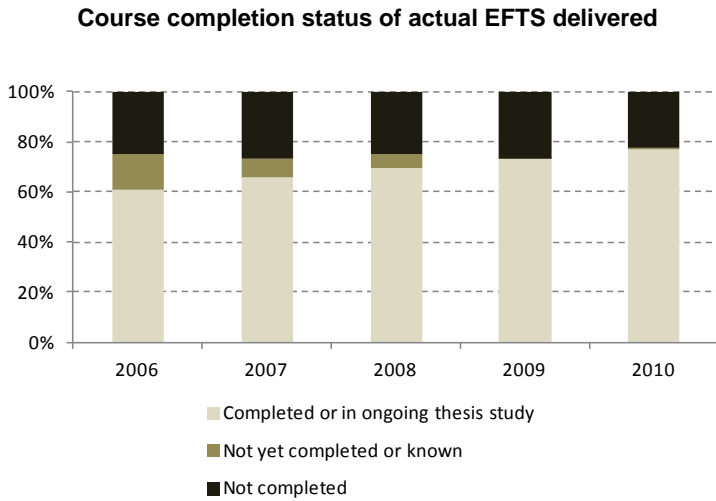
Note: All real values are in 2010 dollars.

Source: Ministry of Education and Tertiary Education Commission

Inputs



Outputs



4.4 Private training establishments¹⁴

Highlights

- Total funding for private training establishments (PTEs) increased in nominal (21 percent) and real (9.8 percent) terms between 2006 and 2010.
- Total funded EFTS increased by 6.9 percent between 2006 and 2010, while actual EFTS increased by 19 percent over the same period.
- There was a decrease in actual EFTS of 4.2 percent in 2010. This was a faster rate of decrease than that in funded EFTS (1.8 percent) and so there was a decrease in the substantial over-delivery in PTEs from 29 percent in 2009 to 26 percent in 2010.
- Real funding per actual EFTS decreased by 7.9 percent between 2006 and 2010. The main cause of this decrease was a rise in the rate of over-delivery in PTEs over time. Between 2009 and 2010, real funding per actual EFTS rose 3.4 percent as over-delivery fell.
- Compared with 2007, there was an improvement in the percentage of successful course-level study in private training establishments in 2010.
- The lift in the value of course-level completions was maintained in 2010, despite a fall in over-delivery in private training establishments. An improvement in successful course-level study was a factor.
- As a percentage of all students completing a qualification, students who were aged under 25 and who completed a qualification at level 4 or higher on the NZQF increased from 24 percent in 2006 to 30 percent in 2010.
- As a percentage of all domestic Māori or Pasifika students who completed a qualification, those who completed a qualification at level 4 or higher comprised 56 percent in 2010, compared with 45 percent in 2006.
- The five-year qualification completion rate for all SAC-funded students in 2010 (49 percent) was an improvement over 2006 (45 percent). The five-year qualification completion rate for full-time students improved from 67 percent in 2006 to 72 percent in 2010.

¹⁴ Other tertiary education providers have been treated as PTEs for this analysis.

Table 5

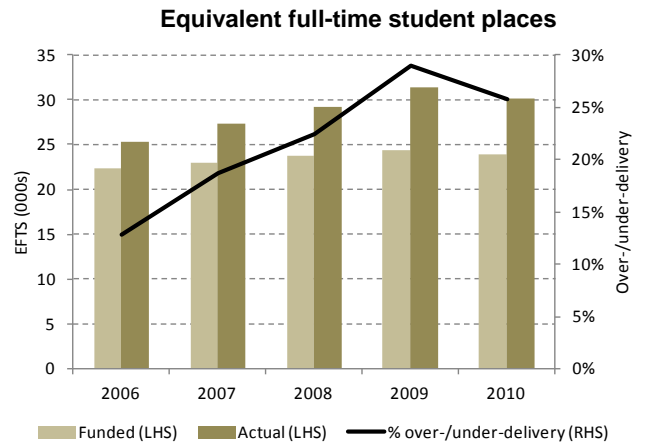
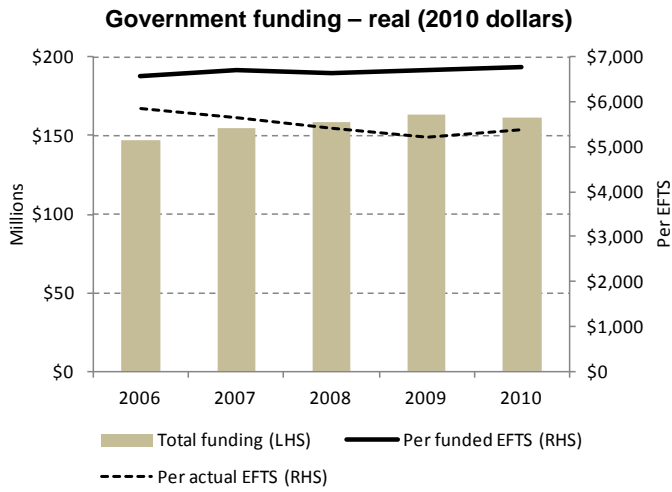
Inputs and outputs of the Student Achievement Component fund – private training establishments

Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$133	\$143	\$152	\$161	\$162	21%	0.8%
		Real	\$147	\$155	\$158	\$163	\$162	9.8%	-0.9%
	Enrolments	Funded EFTS (000s)	22.4	23.0	23.8	24.4	23.9	6.9%	-1.8%
		Actual EFTS delivered (000s)	25.3	27.3	29.2	31.4	30.1	19%	-4.2%
		% over-/under-delivery	13%	19%	22%	29%	26%		
	Per EFTS funding	Funded – nominal	\$5,953	\$6,213	\$6,397	\$6,590	\$6,763	14%	2.6%
		Funded – real	\$6,584	\$6,713	\$6,649	\$6,707	\$6,763	2.7%	0.8%
		Actual – nominal	\$5,278	\$5,237	\$5,226	\$5,110	\$5,377	1.9%	5.2%
Actual – real		\$5,838	\$5,658	\$5,432	\$5,201	\$5,377	-7.9%	3.4%	
Outputs	Course completion status of actual EFTS delivered	Completed or in ongoing thesis study	66%	66%	70%	74%	77%		
		Not yet completed or known	7%	7%	6%	2%	6%		
		Not completed	27%	27%	25%	25%	17%		
		Total	100%	100%	100%	100%	100%		
	\$ value of successful course-level study per \$ of Government funding	Completed or in ongoing thesis study	\$0.76	\$0.78	\$0.84	\$0.94	\$0.96		
		Not yet completed or known	\$0.07	\$0.08	\$0.07	\$0.02	\$0.07		
		Total	\$0.83	\$0.86	\$0.91	\$0.96	\$1.03		
	Domestic students completing qualifications	Level 4+ and age < 25 years (000s)	3.6	4.1	4.7	6.2	6.6	85%	7.5%
		Total (000s)	15.2	15.4	17.6	22.0	22.0	45%	0.2%
		Level 4+ and age < 25 years as % of total	24%	27%	27%	28%	30%		
	Domestic Māori and Pasifika students completing qualifications	Level 4+ (000s)	2.1	2.3	3.0	4.5	5.0	140%	10%
		Total (000s)	4.7	5.3	6.3	8.4	9.0	92%	6.5%
		Level 4+ as % of total	45%	44%	48%	54%	56%		
	Five-year qualification completion rate	Full-time students	67%	71%	74%	76%	72%		
		All students	45%	53%	50%	49%	49%		

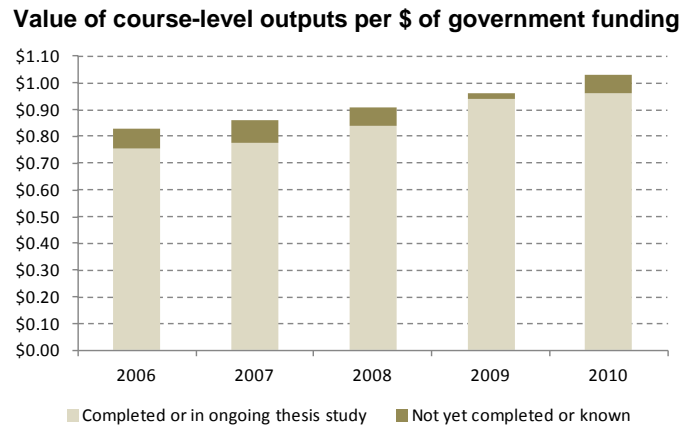
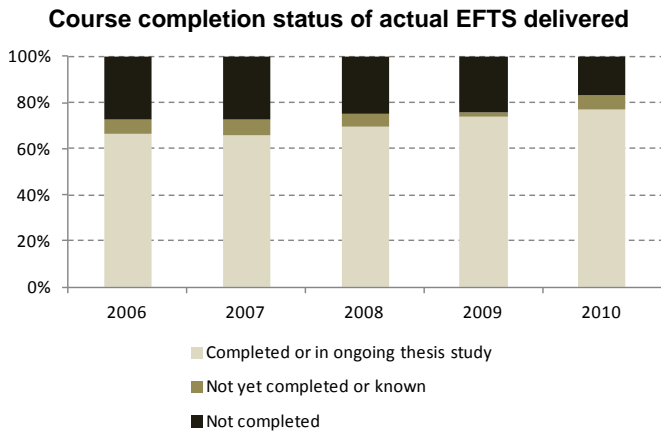
Note: All real values are in 2010 dollars.

Source: Ministry of Education and Tertiary Education Commission

Inputs



Outputs



5 PERFORMANCE-BASED RESEARCH FUND

Background

The primary purpose of the Performance-Based Research Fund (PBRF) is to encourage and reward excellent research in the tertiary education sector. In addition, the PBRF is designed to encourage higher completion rates in postgraduate research courses.

The PBRF was introduced over a transition period between 2004 and 2007, where it progressively replaced research top-ups as the allocation method for research funding. Research top-ups allocated funding to providers based on the number of domestic enrolments at bachelors level and higher. For the purposes of trend analysis of research performance, the funding allocated via the PBRF and the research top-ups has been combined in this analysis.

The PBRF funding allocation is based on three components: the Quality Evaluation (QE) (60 percent), research degree completions (RDC) (25 percent) and external research income (ERI) (15 percent). The Quality Evaluation uses peer review to assess the quality of research produced by staff at participating providers. The evaluations are scheduled to take place every six years, with the next round due in 2012. The Tertiary Education Commission publishes the results of the Quality Evaluations at the provider level, which gives providers an additional incentive to maximise their research quality.

The RDC measure allocates funding based on the weighted volume of doctoral and masters theses completions, while the ERI measure allocates funding based on each participating provider's share of total ERI in the sector. The RDC and ERI components use data submitted annually by providers to the Tertiary Education Commission.

For the purposes of this analysis, PBRF performance information reported in Table 6 is only for those institutions that participated in the 2006 Quality Evaluation.

Policy context

There have been no changes to the way the PBRF allocates funding via the ERI and RDC components since the introduction of the PBRF in 2004. However, over time there have been several changes to the way the Quality Evaluation has been carried out. For the 2006 Quality Evaluation, the main change was the inclusion of two quality categories for new and emerging researchers (R(NE) and C(NE)) that were designed to take into account that they were at the start of their research careers.

For the 2012 Quality Evaluation, in addition to the 12 peer review panels, there will be two expert advisory groups. These are the 'Professional and Applied Research' and 'Pacific Research' advisory groups. The purpose of the two advisory groups is to ensure that these two types of research receive appropriate assessment.

The Government called for an evaluation strategy for the PBRF when it was first introduced. The evaluation strategy had three phases, beginning in mid-2004 and scheduled to end in late-2014. Phases one and two have been completed and phase three, the longer-term phase, is scheduled to begin after the next Quality Evaluation round in 2012.

Highlights

- Government expenditure on the PBRF continued to grow in 2010 in nominal (4.7 percent) and real (2.9 percent) terms.
- Real external research income (ERI) per full-time equivalent (FTE) staff member fell in 2010 by 3.5 percent, but was 20 percent higher than in 2006.
- The volume of research degree completions (RDCs) per FTE increased by 11 percent in 2010. The 2010 figure is 38 percent higher than reported in 2006.
- The long-term completion rates of PhD and masters students continued to improve. In 2010, the eight-year completion rate of PhD students was 69 percent, compared with 55 percent in 2006. The five-year completion rates of all masters students was 68 percent in 2010, compared with 57 percent in 2006.
- The academic impact of TEI¹⁵ research has continued to grow. In 2009, 0.40 percent of world indexed publications were from New Zealand TEIs, compared with 0.39 percent in 2006. The share of world indexed citations increased even more, from 0.34 percent in 2006 to 0.42 percent in 2009.
- The distribution of the academic impact of research by authors from New Zealand TEIs has continued to improve. In 2009, 55 percent of subject areas reported on by Thomson Reuters had an academic impact equal to or above the world average, compared with 46 percent in 2006.
- The percentage of publications by authors from New Zealand TEIs that attracted citations has been steadily rising. In 2006, 61 percent of publications received at least one citation. By 2009, this had increased to 66 percent.

¹⁵ TEIs include universities, polytechnics and wānanga.

Table 6

Inputs, outputs and impact of the Performance-Based Research Fund (including research top-ups)

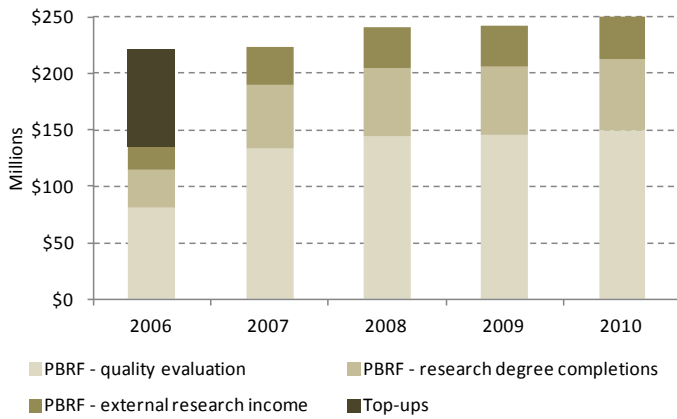
Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m) Nominal	Top-ups	\$78.0						
		PBRF – QE	\$73.2	\$123.8	\$138.9	\$143.2	\$150.0		4.7%
		PBRF – RDC	\$30.5	\$51.6	\$57.9	\$59.7	\$62.5		4.7%
		PBRF – ERI	\$18.3	\$31.0	\$34.7	\$35.8	\$37.5		4.7%
		Total	\$199.9	\$206.3	\$231.6	\$238.7	\$250.0	25%	4.7%
	Government funding (\$m) Real	Top-ups	\$86.3						
		PBRF – QE	\$80.9	\$133.7	\$144.4	\$145.7	\$150.0		2.9%
		PBRF – RDC	\$33.7	\$55.7	\$60.2	\$60.7	\$62.5		2.9%
		PBRF – ERI	\$20.2	\$33.5	\$36.1	\$36.4	\$37.5		2.9%
		Total	\$221.2	\$222.9	\$240.7	\$242.9	\$250.0	13%	2.9%
PBRF-eligible FTE staff	(in 2006 Quality Evaluation)	8,078	8,078	8,078	8,078	8,078			
Outputs	PBRF Quality Evaluation results	% of staff rated 'A'	7%						
		% of staff rated 'B'	26%						
		% of staff rated 'C' or 'C(NE)'	34%						
		% of staff rated 'R' or 'R(NE)'	33%						
	PBRF external research income (ERI) (\$m)	Nominal	\$304.6	\$322.0	\$372.3	\$411.1	\$403.9	33%	-1.8%
		Real	\$337.0	\$347.9	\$386.9	\$418.5	\$403.9	20%	-3.5%
		Real ERI per FTE (\$000s)	\$41.7	\$43.1	\$47.9	\$51.8	\$50.0	20%	-3.5%
	PBRF research degree completions (RDCs)	Volume-weighted RDCs	3,658	3,950	4,343	4,546	5,032	38%	11%
Volume-weighted RDCs per FTE		0.45	0.49	0.54	0.56	0.62	38%	11%	
Qualification completion rates	PhD 8-year completion rates	55%	58%	62%	63%	69%			
	Masters 5-year completion rates	57%	65%	67%	68%	68%			
Outcomes (TEIs)	Share of world indexed publications and citations	% of world indexed publications	0.39%	0.39%	0.40%	0.40%			
	% of world indexed citations	0.34%	0.37%	0.39%	0.42%				
5 year windows	Distribution of fields of research by level of academic impact (citations/publications) (world average = 1)	1.50 and over	5%	8%	7%	9%			
		1.00-1.49	40%	41%	46%	46%			
		0.50-0.99	52%	50%	45%	45%			
		0-0.49	3%	1%	2%	1%			
	% of publications cited		61%	62%	64%	66%			

Notes: 1. All real values are in 2010 dollars. 2. The PBRF-eligible FTE data, Quality Evaluation results, ERI data and RDC data presented in this table refer only to those institutions that participated in the 2006 Quality Evaluation.

Source: Ministry of Education, Tertiary Education Commission and Thomson Reuters

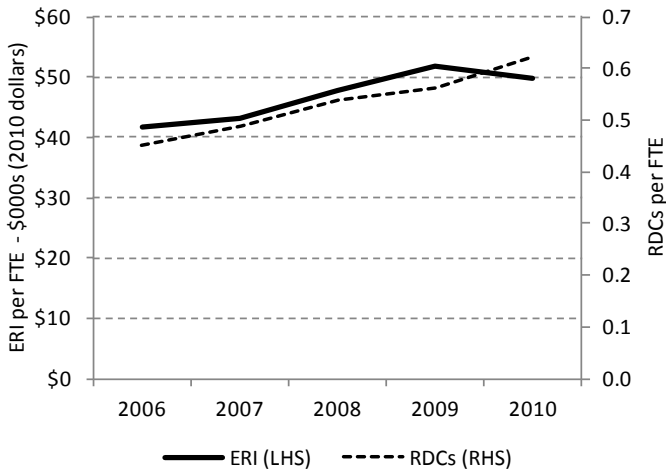
Inputs

Government funding – real (2010 dollars)

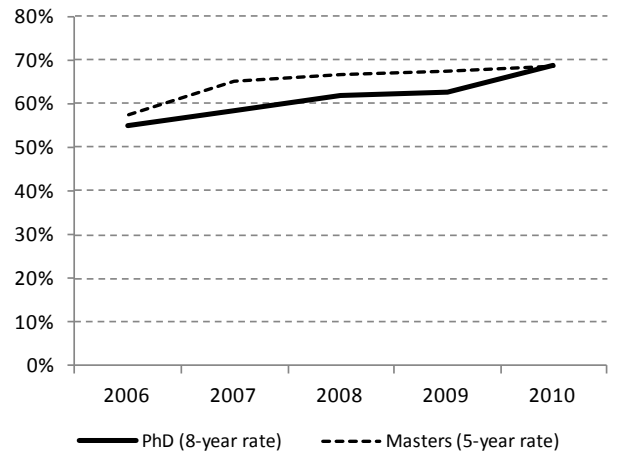


Outputs

External research income and research degree completions

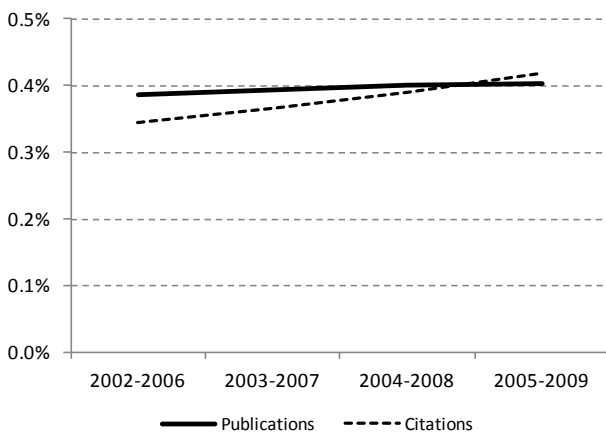


Postgraduate qualification completion rates

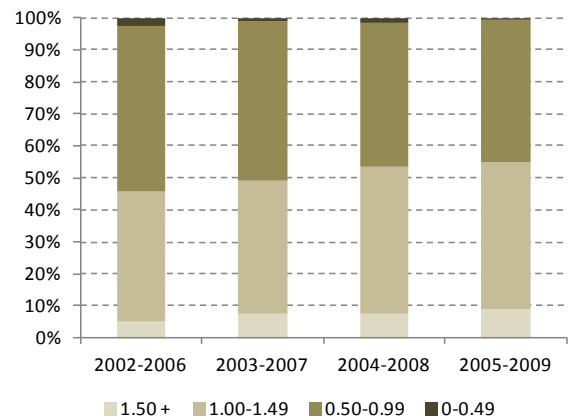


Outcomes

Share of world indexed publications and citations by New Zealand tertiary education institutions



Distribution of academic impact across subject areas by New Zealand tertiary education institutions



Note: The two Outcomes graphs above use data based on five-year overlapping windows.

6 INDUSTRY TRAINING FUND

Background

The Industry Training Fund provides for systematic training in skills characteristic of, or likely to be valuable to, an industry. It is delivered to people employed in that industry and uses a work-based training approach. Industry training organisations (ITOs) are funded to purchase on-job and off-job training from workplace trainers and tertiary education organisations respectively, and employ assessors who administer unit standards assessments within the workplace.¹⁶ The system operates on a cost-sharing principle, with Government contributing approximately 70 percent of the total cash cost of training, and industry contributing the remainder. Industry also makes a significant in-kind contribution. Government funding is delivered to ITOs based on the volume of standard training measure (STM) units. One STM is equivalent to 120 credits of study.

Policy context

The major change to the operation of the Industry Training Fund during the period 2006 to 2010 was the move to an STM funding rate. This was phased in over the period 2005 to 2007.

From 2009, the Government has set higher expectations of the performance expected from ITOs. This included, for example, compliance audits of all ITOs, which revealed that a number of ITOs were claiming funding they were not entitled to. From 2011, new operational policies have been introduced, which set a limit on funding for individual trainees of 70 credits per annum, require all funded trainees to have gained some credits, and ensure ITOs are funded at rates that reflect the actual progress of trainees.

Highlights

- In 2010, Government expenditure on the Industry Training Fund decreased in nominal (5.8 percent) and real (7.4 percent) terms. This decrease reflects a fall in industry trainees and also audits of ITOs in 2010. Total real expenditure increased by 4.5 percent between 2006 and 2010.
- Delivered STM load decreased by 16 percent in 2010. The delivered STMs were 5.8 percent lower than in 2006.
- The number of new trainee commencements fell by 7.1 percent in 2010.
- Per STM funding grew by 10 percent in real terms in 2010. This rise resulted from a decrease in the amount of over-delivery by ITOs.
- The number of credits attained increased by 7.6 percent in 2010 and were 8.7 percent higher than in 2006. The largest increase in credits attained in 2010 was at level 5 on the NZQF (16 percent).
- The credit attainment rate increased significantly in 2010 to reach 60 percent. This compared with 47 percent in 2009 and 52 percent in 2006. The number of credits attained per \$1,000 of real government expenditure increased by 16 percent in 2010.
- The number of National Certificates attained increased by 41 percent between 2006 and 2010.
- The number of National Certificates at level 4 or higher on the NZQF as a percentage of all qualification completions decreased from 37 percent in 2006 to 32 percent in 2010.
- Both the five-year programme completion rate and the five-year qualification completion rate for trainees have displayed improvement over time. In 2010, the programme completion rate was 31 percent (26 percent in 2006) and the qualification completion rate was 28 percent (21 percent in 2006).

¹⁶ Industry training organisations (ITOs) also design qualifications and forecast skills shortages.

- In 2010, people with level 1 to 3 certificates and level 4 to 7 certificates/diplomas continued to enjoy an earnings premium over people with school or no qualifications, although this finding is for all people with this level of qualification, not just those gained through industry training.¹⁷
- The earnings gain from an industry training qualification is highest for those who are younger and who train at higher levels (Crichton 2009).
- In 2010, the chances of being unemployed were lower for people with tertiary qualifications, although this applies to all people with this level of qualification, not just those in industry training. People with level 4 to 7 certificates/diplomas have the greatest advantage over people with upper secondary school qualifications.

Technical note:

A programme of learning contains all of the unit standards under which trainees are assessed in order to show competency in the tasks required to perform their jobs. Industry trainees may embark on a number of training programmes (but usually they do just one) in pursuit of the learning set out in their training agreement.

¹⁷ Note that Crichton (2009) found that industry training participants only achieved an earnings premium for qualifications at level 4 or higher. For males, attaining a level 3 or higher qualification resulted in an earnings premium.

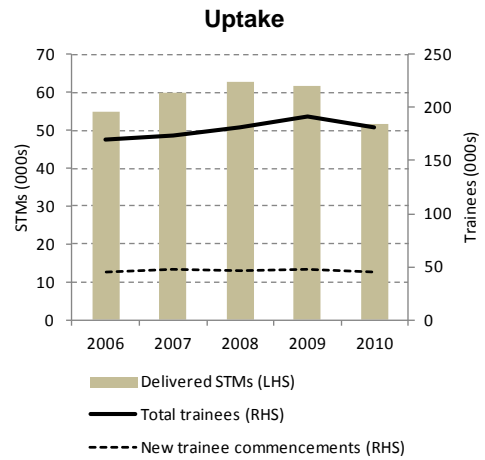
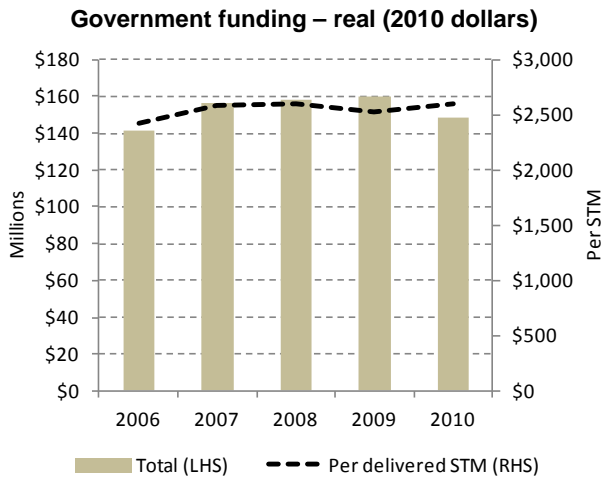
Table 7
Inputs, outputs and outcomes of the Industry Training Fund

Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$128.1	\$144.3	\$152.4	\$157.1	\$148.1	16%	-5.8%
		Real	\$141.7	\$155.9	\$158.4	\$159.9	\$148.1	4.5%	-7.4%
	Enrolments	Delivered STMs (000s)	54.9	59.9	62.9	61.7	51.7	-5.8%	-16%
		Trainee numbers (000s)	169.3	173.8	181.3	191.3	181.3	7.1%	-5.2%
		New trainee commencements (000s)	44.9	47.8	45.8	47.9	44.5	-0.9%	-7.1%
	Per delivered STM funding	Nominal	\$2,332	\$2,407	\$2,422	\$2,546	\$2,863	23%	12%
Real		\$2,580	\$2,601	\$2,517	\$2,591	\$2,863	11%	10%	
Outputs	Credits attained (000s) by NZQF level	Level 1	219.6	201.1	176.5	216.6	215.2	-2.0%	-0.7%
		Level 2	842.4	810.9	892.4	946.4	1,001.8	19%	5.9%
		Level 3	1,207.2	1,153.9	1,208.2	1,229.6	1,373.8	14%	12%
		Level 4	945.2	901.3	924.9	892.3	955.9	1.1%	7.1%
		Level 5	172.7	111.1	95.7	116.6	135.7	-21%	16%
		Level 6+	46.6	36.3	26.7	67.4	50.0	7.3%	-26%
		Total	3,433.6	3,214.6	3,324.4	3,468.9	3,732.4	8.7%	7.6%
	Credit attainment rate		52%	45%	44%	47%	60%		
	Credits attained per \$1,000 – real		24.2	20.6	21.0	21.7	25.2	4.0%	16%
	National certificates gained by NZQF level	Level 1-3 (000s)	20.4	16.6	21.4	26.8	31.3	53%	17%
		Level 4+ (000s)	12.2	10.4	11.7	15.3	14.7	20%	-4.4%
		Total (000s)	32.6	27.0	33.1	42.1	46.0	41%	9.2%
		Level 4+ as % of total	37%	39%	35%	36%	32%		
	Completion rates	Five-year programme completion	26%	33%	29%	31%	31%		
		Five-year qualification completion	21%	29%	26%	28%	28%		
Outcomes	Premium on median hourly earnings (base = no qualifications) (ages 15 and over)	Lower secondary school	7%	6%	5%	6%	5%		
		Upper secondary school	7%	8%	4%	0%	0%		
		Level 1-3 certificates	17%	17%	18%	17%	21%		
		Level 4-7 certificates/diplomas	34%	38%	32%	34%	32%		
	Unemployment rate by highest qualification (ages 15 and over)	No qualifications	5.4%	6.0%	6.1%	8.6%	9.4%		
		Lower secondary school	4.1%	4.0%	4.8%	8.2%	8.5%		
		Upper secondary school	4.1%	4.4%	4.4%	6.9%	8.2%		
		Level 1-3 certificates	3.9%	3.9%	2.9%	5.7%	7.9%		
	Level 4-7 certificates/diplomas	2.7%	2.3%	3.3%	4.2%	4.9%			

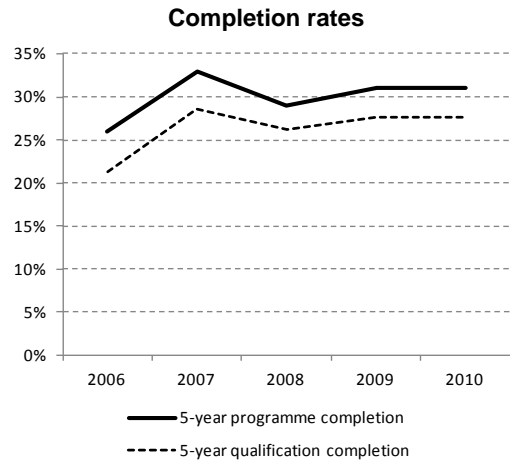
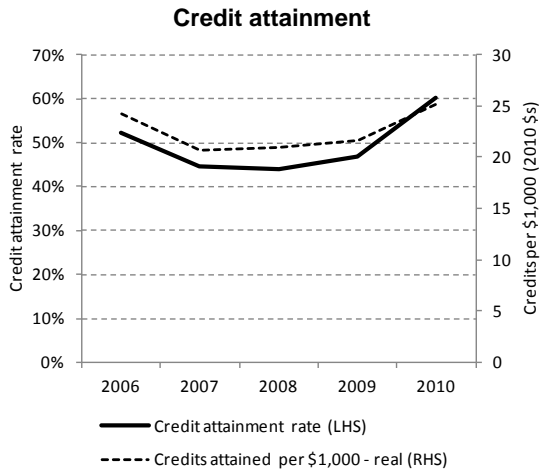
Note: All real values are in 2010 dollars.

Source: Ministry of Education, Tertiary Education Commission and Statistics New Zealand

Inputs

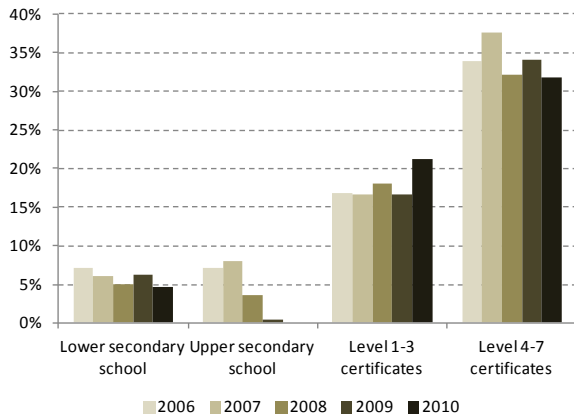


Outputs

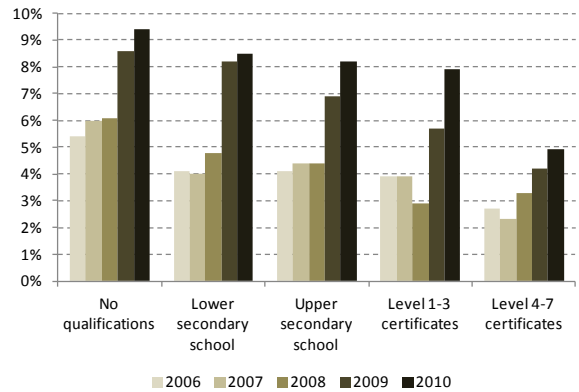


Outcomes

Premium on median hourly earnings compared with no qualifications (ages 15+)



Unemployment rates (ages 15+)



7 MODERN APPRENTICESHIPS

Background

The Modern Apprenticeships programme is a work-based education initiative that makes it easier for employers to recruit and train young people and provide them with an opportunity to gain a nationally recognised qualification. The programme provides systematic training in skills characteristic of, or likely to be valuable to, an industry. It is delivered to people employed in that industry and uses a work-based training approach. The Modern Apprenticeships programme applies to trainees aged under 21 years, although it can accommodate some older people wishing to change careers. Modern Apprenticeships are available only in some industries. Government funding is delivered to ITOs based on the volume of standard training measure (STM) units. One STM is equivalent to 120 credits of study.

A key part of the Modern Apprenticeships approach is the use of co-ordinators, who provide more services to employers and trainees than are available for non-targeted industry training. This involves providing suitable young people with work placements leading into apprenticeship training (brokerage), and with peer support services that support both learners and employers throughout the process. This additional support significantly increases the average cost of Modern Apprenticeship training over the normal model of industry training.

Policy context

There were no major policy changes to Modern Apprenticeships between 2006 and 2010. However, the rise in trainees between 2005 and 2008 reflects a decision by the Government to make more places available.

Highlights

- Government expenditure on Modern Apprenticeships decreased in 2010 in nominal (4.1 percent) and real (5.8 percent) terms. This decrease reflected a fall in the number of trainees. In real terms, total spending was 24 percent higher in 2010 compared with 2006.
- In 2010, the number of trainees decreased by 2.7 percent and total STM load decreased by 4 percent. Compared with 2006, there was a significant increase in STMs (32 percent) and trainees (30 percent) as the Modern Apprenticeship programme was expanded.
- The number of new trainee commencements decreased for the second year running. In 2010, the number of new commencements was 35 percent lower than at its peak in 2008. This reflects the impact of the recession in 2009/10 on the younger population, with many employers unable to take on new apprentices in those years.
- Between 2009 and 2010, per STM funding decreased by 1.8 percent in real terms.
- The number of credits attained rose by 13 percent in 2010 and was around 58 percent higher than in 2006.
- The credit attainment rate increased significantly in 2010 to reach 85 percent. This compares with a rate of 72 percent in 2009 and 62 percent in 2008. The number of credits attained per \$1,000 of real government expenditure increased by 20 percent in 2010 and is 27 percent higher than in 2006.
- The number of National Certificates attained increased by 73 percent between 2006 and 2010.
- The five-year programme completion rate decreased in 2010 to reach 37 percent. However, the five-year qualification completion rate increased to reach 46 percent.
- In 2010, people aged 15 to 24 with level 1 to 3 certificates and level 4 to 7 certificates or diplomas continued to enjoy an earnings premium over people with school or no qualifications, although this applies to all people with this level of qualification, not just those obtained via the Modern Apprenticeships programme.

- In 2010, the chances of being unemployed were generally lower for people in the 15 to 24 age group with tertiary qualifications, compared with people with school-level qualifications. However, this includes all people with this level of qualification, not just those obtained through the Modern Apprenticeship programme.

Technical note:

A programme of learning contains all of the unit standards under which trainees are assessed in order to show competency in the tasks required to perform their jobs. Industry trainees may embark on a number of training programmes (but usually they do just one) in pursuit of the learning set out in their training plan.

Table 8
Inputs, outputs and outcomes of Modern Apprenticeships

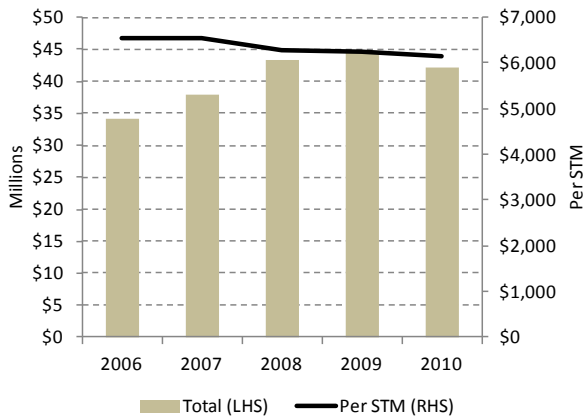
Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$30.8	\$35.1	\$41.8	\$44.0	\$42.2	37%	-4.1%
		Real	\$34.0	\$37.9	\$43.4	\$44.7	\$42.2	24%	-5.8%
	Enrolments	Delivered STMs (000s)	5.2	5.8	6.9	7.2	6.9	32%	-4.0%
		Trainee numbers (000s)	11.4	12.7	15.0	15.2	14.8	30%	-2.7%
		New trainee commencements (000s)	3.9	4.3	5.4	4.1	3.5	-10%	-14%
Per delivered STM funding	Nominal	\$5,905	\$6,056	\$6,052	\$6,148	\$6,142	4.0%	-0.1%	
	Real	\$6,532	\$6,543	\$6,290	\$6,257	\$6,142	-6.0%	-1.8%	
Outputs	Credits attained (000s) by NZQF level	Level 1	14.5	12.6	13.6	22.9	20.2	39%	-12%
		Level 2	100.8	97.3	111.1	142.9	126.1	25%	-12%
		Level 3	174.4	188.2	209.0	251.8	300.2	72%	19%
		Level 4	149.8	157.3	177.2	198.2	249.5	67%	26%
		Level 5	4.5	5.2	4.8	5.0	5.0	10%	-0.5%
		Level 6+	0.6	1.0	0.3	0.8	0.7	11%	-13%
		Total	444.6	461.5	516.1	621.6	701.6	58%	13%
	Credit attainment rate		71%	66%	62%	72%	85%		
	Credits attained per \$1,000 – real		13.1	12.2	11.9	13.9	16.6	27%	20%
	National certificates gained by NZQF level	Level 1-3 (000s)	0.2	0.2	0.2	0.3	0.4	120%	38%
		Level 4+ (000s)	2.5	2.5	2.9	3.4	4.3	70%	25%
		Total (000s)	2.7	2.7	3.1	3.7	4.7	73%	26%
		Level 4+ as % of total		93%	93%	92%	92%	91%	
	Completion rates	Five-year programme completion		33%	36%	44%	37%		
		Five-year qualification completion		43%	34%	45%	46%		
Outcomes	Premium on median hourly earnings (base = no qualifications) (ages 15 and over)	Lower secondary school	-2%	-4%	-4%	-4%	-2%		
		Upper secondary school	2%	6%	4%	-1%	0%		
		Level 1-3 certificates	18%	14%	20%	9%	11%		
		Level 4-7 certificates/diplomas	20%	19%	20%	19%	20%		
	Unemployment rate by highest qualification (ages 15 and over)	No qualifications	14.6%	17.9%	18.1%	23.7%	28.5%		
		Lower secondary school	10.2%	10.1%	12.9%	21.3%	25.5%		
		Upper secondary school	7.5%	7.4%	8.2%	12.8%	14.8%		
		Level 1-3 certificates	9.3%	9.0%	8.8%	10.6%	14.6%		
	Level 4-7 certificates/diplomas	9.1%	5.4%	8.1%	14.0%	13.2%			

Note: All real values are in 2010 dollars.

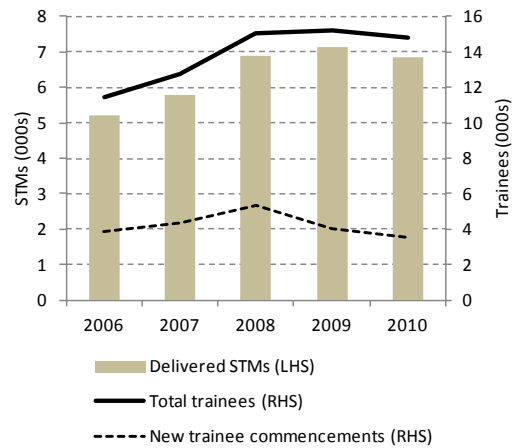
Source: Ministry of Education, Tertiary Education Commission and Statistics New Zealand

Inputs

Government funding – real (2010 dollars)

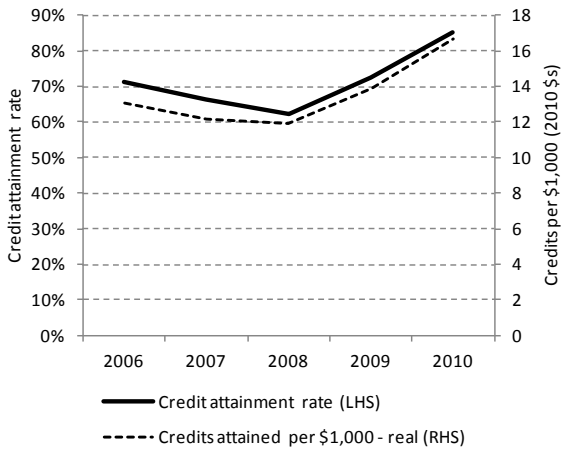


Uptake

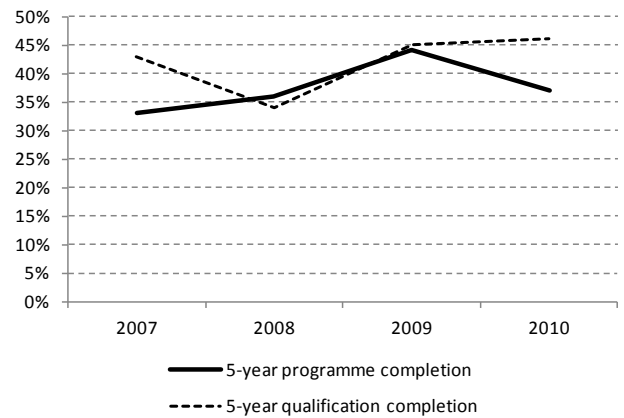


Outputs

Credit attainment

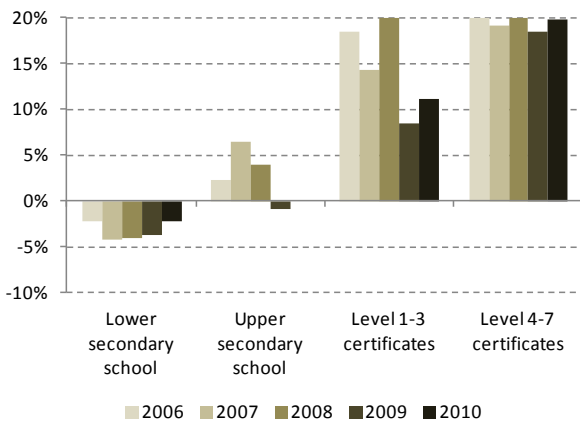


Completion rates

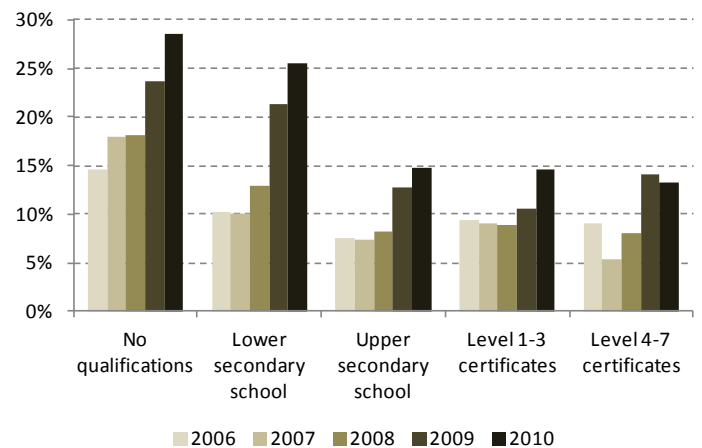


Outcomes

Premium on median hourly earnings compared with no qualifications (ages 15-24)



Unemployment rates (ages 15-24)



8 TRAINING OPPORTUNITIES

Background

Training Opportunities is a training scheme targeted to long-term unemployed people aged 18 years or older with low or no qualifications and assessed as being at risk of labour market disadvantage. The scheme aims to improve the chances of these trainees obtaining employment.

The training focuses on accumulating generic workplace skills, but must be tied to specific industries to ensure it has practical relevance. Training is linked to the New Zealand Qualifications Framework (NZQF) and learners gain credits that can be used to contribute towards qualifications. Training is paid for on a weekly fee basis, and is mostly delivered by private training establishments. Funding is derived from the Ministry of Social Development (MSD) through Vote Social Development, and administered by the Tertiary Education Commission on MSD's behalf.

Policy context

In 2003, the unemployment-related eligibility criteria for entrance to Training Opportunities was widened to include those assessed as being at risk of experiencing long periods of unemployment, as well as those who had actually experienced long periods of unemployment. Although there were no major changes to the operation of Training Opportunities between 2006 and 2009, in 2010 the Government announced that 40 percent of Training Opportunities funding would be administered by the Ministry of Social Development from 2011 and would be invested in short, employment-focused training programmes. The remaining 60 percent of Training Opportunities funding would continue to be administered by the Tertiary Education Commission in 26-week-long courses of study targeted towards those at greatest risk of long-term benefit receipt and directed to lifting trainees' foundation skills. This funding is named Foundation Focused Training Opportunities.

Highlights

- Government expenditure on Training Opportunities decreased in 2010 in nominal (8.6 percent) and real (10 percent) terms. Total real expenditure was 12 percent lower in 2010 than in 2006.
- The number of training weeks decreased in 2010 (9.4 percent), and was around 9 percent lower in 2010 than in 2006.
- Between 2009 and 2010, funding per training week decreased by 0.9 percent in real terms.
- The number of credits attained in 2010 was similar to that achieved in 2006. However, the total number of credits attained increased by 27 percent in 2010.
- On a per training week basis, the number of credits attained increased by 10 percent between 2006 and 2010. The number of credits attained per \$1,000 of government expenditure increased by 14 percent in the same period. A factor in the decrease in credit achievement up to 2008 was the strengthening labour market, which resulted in trainees leaving for employment earlier in their training and so accumulating fewer credits (TEC 2008). In addition, the available pool of trainees was greatly reduced. With the recession of 2009/10, the number of trainees remaining longer on the programme, and hence earning credits, rose.
- The number of learners in employment two months post placement improved slightly in 2010 to reach 47 percent. This compares with 53 percent in 2006. This drop is not unexpected, given the recession. The percentage of trainees who were not in further training or not in employment two months post study remained relatively stable at 28 percent to 30 percent between 2006 and 2010.

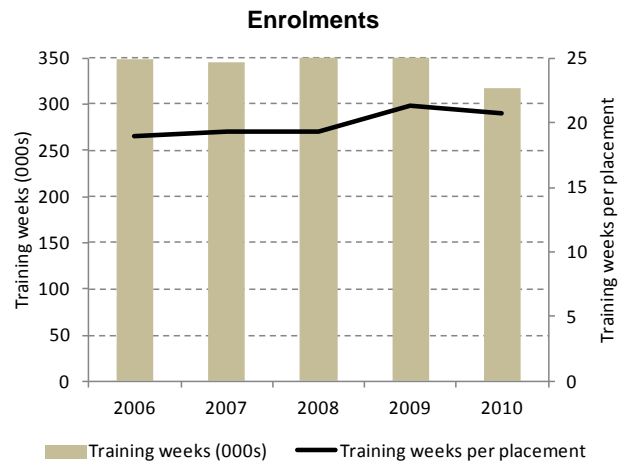
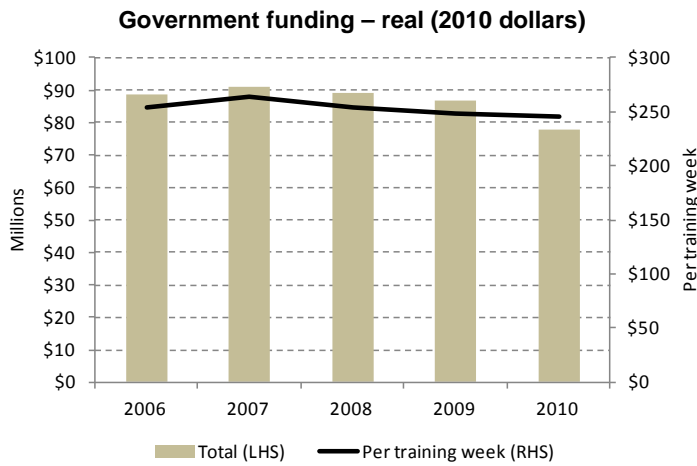
Table 9
Inputs, outputs and outcomes of Training Opportunities

Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$80.1	\$84.5	\$85.9	\$85.1	\$77.8	-2.8%	-8.6%
		Real	\$88.6	\$91.3	\$89.3	\$86.6	\$77.8	-12%	-10%
	Enrolments	Number of trainees (000s)	17.0	16.4	17.0	15.3	14.3	-15%	-6.5%
		Number of placements (000s)	18.4	17.9	18.2	16.4	15.2	-17%	-7.0%
		Number of training weeks (000s)	349.1	345.0	350.9	349.3	316.5	-9.3%	-9.4%
		Training weeks/placements	19.0	19.3	19.3	21.3	20.8	9.6%	-2.6%
Per training week cost	Nominal	\$229	\$245	\$245	\$244	\$246	7.2%	0.9%	
	Real	\$254	\$265	\$254	\$248	\$246	-3.1%	-0.9%	
Outputs	Credits attained (000s) by NZQF level	Level 1	121.3	90.0	94.6	99.7	117.4	-3.2%	18%
		Level 2	146.8	107.0	101.7	114.5	147.3	0.3%	29%
		Level 3	65.1	47.4	44.0	50.7	71.8	10%	42%
		Level 4+	13.8	9.1	9.1	7.7	10.5	-24%	36%
		Total	347.0	253.5	249.4	272.6	346.9	0.0%	27%
	Credits attained per training week		1.0	0.7	0.7	0.8	1.1	10%	40%
	Credits attained per \$1,000 – real		3.9	2.8	2.8	3.1	4.5	14%	42%
Outcomes	2-month post-study outcomes	Employment (full-time)	46%	48%	43%	37%	39%		
		Employment (part-time)	6%	6%	7%	8%	8%		
		Other training	18%	18%	20%	27%	25%		
		Other	30%	29%	30%	28%	28%		
Context	Unemployment rate by highest qualification (ages 15 and over)	No qualifications	5.4%	6.0%	6.1%	8.6%	9.4%		
		Lower secondary school	4.1%	4.0%	4.8%	8.2%	8.5%		
		All	3.6%	3.6%	3.9%	5.8%	6.7%		
	Trainees as % of registered unemployed aged 18-64		43%	71%	96%	30%	23%		

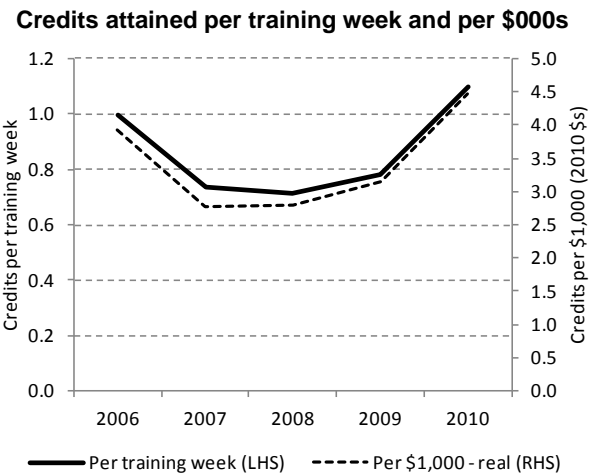
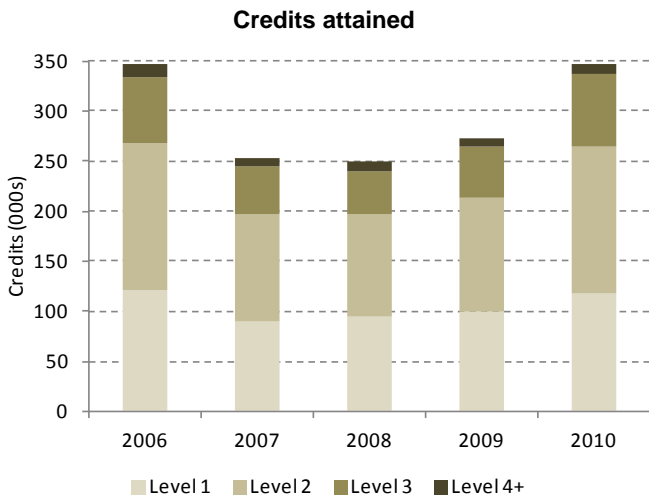
Note: All real values are in 2010 dollars.

Source: Ministry of Education, Tertiary Education Commission and Statistics New Zealand

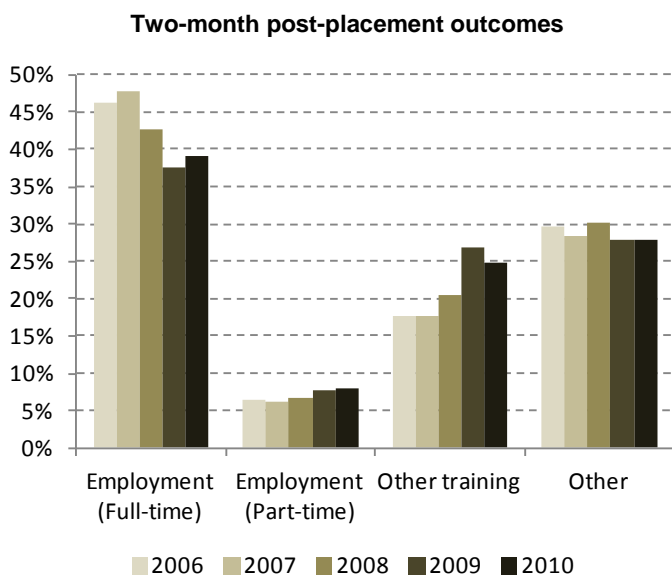
Inputs



Outputs



Outcomes



9 YOUTH TRAINING

Background

Youth Training is a scheme whereby learners under 18 years of age with low or no qualifications and assessed as being at risk of labour market disadvantage undergo training in varying blocks (usually of no more than a couple of months' duration) with the aim of improving their chances of obtaining employment.

The training focuses on accumulating generic workplace skills, but must be tied to specific industries to ensure it has practical relevance. Training is linked to the New Zealand Qualifications Framework (NZQF) and learners gain credits that can be used to contribute towards qualifications. Training is paid for on a weekly fee basis, and is mostly delivered by private training establishments, with some delivery by polytechnics and schools.

Policy context

In 2003, the unemployment-related eligibility criteria for entrance to Youth Training was widened to include those assessed as being at risk of experiencing long periods of unemployment, as well as those that had actually experienced long periods of unemployment. During the period 2005 to 2010, there were no major changes to the operation of Youth Training. However, a tightening of the early school leaver exemption in 2006 would have affected the intake into Youth Training, as many of those granted exemptions usually had to be enrolled in training of this type.

From 2012, Youth Training will be incorporated into the Government's new Youth Guarantee programme and will cease to exist as a funding stream.

Highlights

- Government expenditure on Youth Training decreased in 2010 in nominal (7.1 percent) and real (8.7 percent) terms. Total real funding is 14 percent lower in 2010 than in 2006.
- Between 2006 and 2010, the number of placements and trainees fell by 21 percent and 19 percent respectively. The strengthening labour market between 2005 and 2007 and the tightening up of the criteria for granting early school leaver exemptions in 2007 were both factors in this decrease.
- The number of training weeks decreased by 9.5 percent in 2010. The number of training weeks in 2010 was 11 percent lower than in 2006.
- Between 2009 and 2010, funding per training week increased by 0.9 percent in real terms.
- The number of credits attained in 2010 increased by 6.1 percent. The number of credits attained is now around 28 percent higher than in 2008.
- The number of credits attained per \$1,000 of government expenditure increased by 17 percent in 2010. With the recession of 2009/10, the number of trainees remaining longer on the programme, and hence earning credits, rose.
- The number of learners in employment two months post study was around 39 percent in 2010. This compares with 51 percent in 2006, before the onset of the recession. The percentage of trainees not in further training or not in employment two months post study decreased slightly in 2010 to 25 percent. This compares with 27 percent in 2008.

Table 10
Inputs, outputs and outcomes of Youth Training

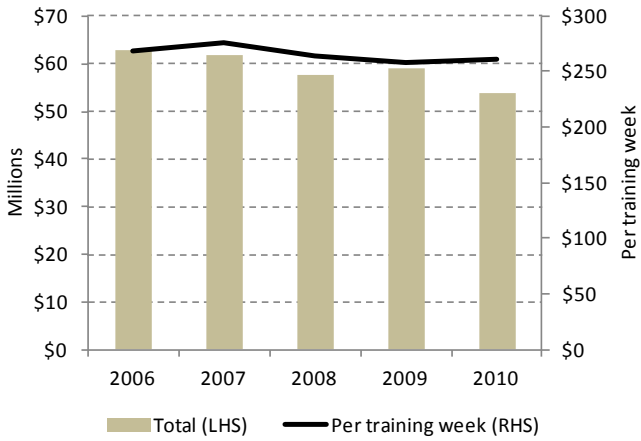
Type	Measure		Year					% change	
			2006	2007	2008	2009	2010	2006-10	2009-10
Inputs	Government funding (\$m)	Nominal	\$56.7	\$57.1	\$55.4	\$57.9	\$53.8	-5.0%	-7.1%
		Real	\$62.7	\$61.7	\$57.6	\$59.0	\$53.8	-14%	-8.7%
	Enrolments	Number of trainees (000s)	10.8	10.0	9.7	9.6	8.8	-19%	-8.7%
		Number of placements (000s)	12.1	11.1	10.7	10.5	9.5	-21%	-9.1%
		Number of training weeks (000s)	233.4	223.8	218.5	228.4	206.7	-11%	-9.5%
		Training weeks/placements	19.2	20.2	20.4	21.8	21.7	13%	-0.4%
	Per training week cost	Nominal	\$243	\$255	\$254	\$254	\$260	7.2%	2.7%
Real		\$269	\$276	\$264	\$258	\$260	-3.1%	0.9%	
Outputs	Credits attained (000s) by NZQF level	Level 1	106.0	80.3	81.8	97.2	101.2	-4.5%	4.1%
		Level 2	98.9	74.2	67.6	82.5	87.8	-11%	6.3%
		Level 3	29.4	23.0	18.4	23.0	26.2	-11%	14%
		Level 4+	3.6	3.5	2.2	2.3	2.6	-29%	11%
		Total	237.9	181.1	170.0	205.1	217.7	-8.5%	6.1%
	Credits attained per training week		1.0	0.8	0.8	0.9	1.1	3.3%	17%
	Credits attained per \$1,000 – real		3.8	2.9	3.0	3.5	4.0	6.6%	16%
Outcomes	2-month post study outcomes	Employment (full-time)	45%	46%	38%	31%	32%		
		Employment (part-time)	4%	5%	6%	7%	7%		
		Other training	25%	25%	29%	36%	36%		
		Other	25%	24%	27%	26%	25%		
Context	Unemployment rate by highest qualification (ages 15-19)	No qualifications	21%	21%	22%	34%	34%		
		Lower secondary school	13%	12%	15%	26%	30%		
		All	14%	13%	15%	23%	25%		

Notes: All real values are in 2010 dollars.

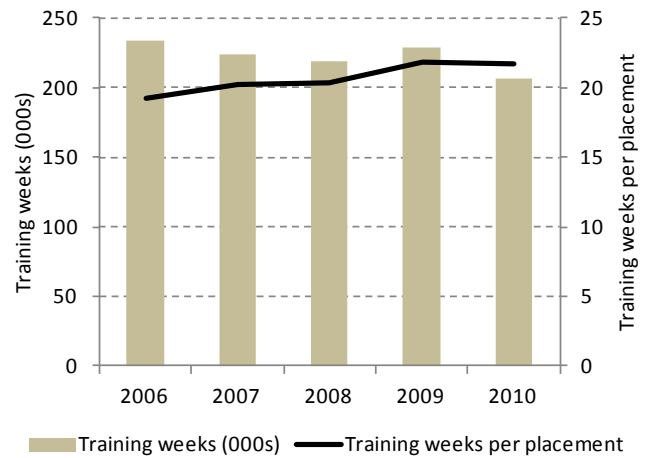
Source: Ministry of Education, Tertiary Education Commission and Statistics New Zealand

Inputs

Government funding – real (2010 dollars)

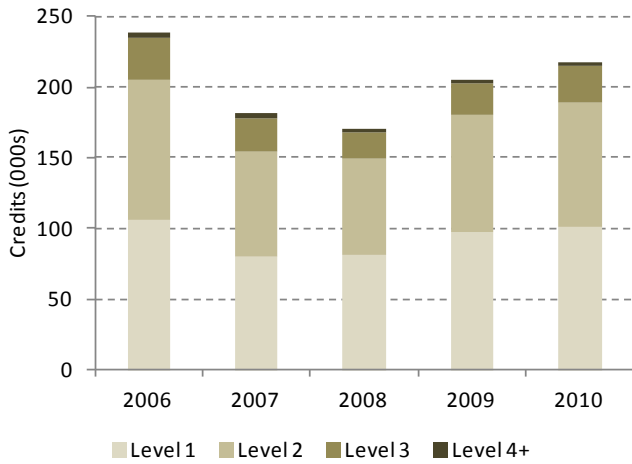


Enrolments

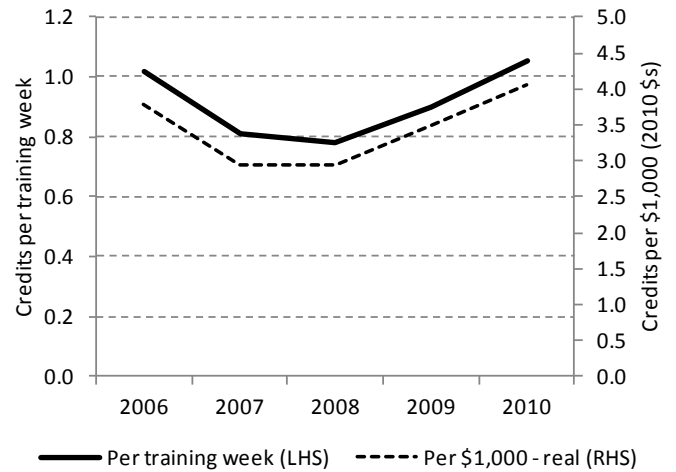


Outputs

Credits attained

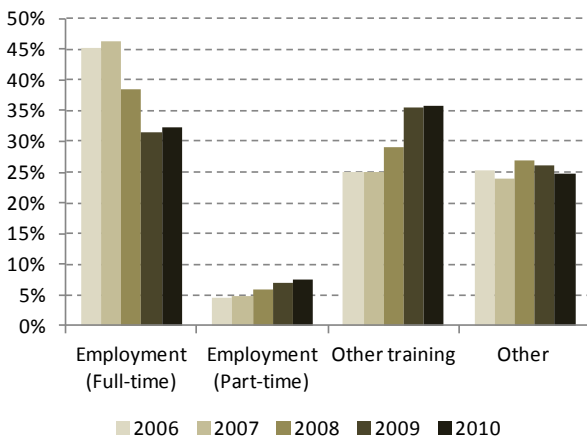


Credits attained per training week and \$000s



Outcomes

Two-month post-placement outcomes



10 STUDENT LOANS AND ALLOWANCES

Background

The two main components of the student support system are the Student Loan Scheme and Student Allowances. Student loans allow students enrolled in eligible courses to borrow money while studying to pay for tuition fees, course costs and living costs. The loans are interest free while the students are living in New Zealand. Student allowances are paid to students on a means-tested basis to assist students with low incomes to participate in tertiary education. There is no requirement to pay back a student allowance.

Government wants the student support system to enable a wide range of people to access tertiary education, gaining knowledge and skills that enhance the economic and social well-being of New Zealand. Student support should:

- ensure that Government's investment in tertiary education is financially sustainable and well managed as an asset
- ensure that tertiary education is affordable for students and mitigate severe financial hardship during study
- be consistent with the wider social assistance and tax systems, and with other Government policy objectives.

Source: Student Loan Scheme annual report 2011 (p 9)

Policy context

In 2006, student loans were made interest free for borrowers resident in New Zealand. From 2006 to 2009, the parental income threshold for student allowances was raised each year and indexed to inflation. In 2007, the Government restricted student loan eligibility to those courses that attracted Student Achievement Component funding. In 2009, the age for parental means testing of student allowances reduced from 25 to 24 and there was a one-off increase in the living costs component of student loans (\$5 per week), with the living cost component indexed to inflation thereafter.

In major changes announced in the 2010 Budget, access to student loans has been tightened. In 2011, an academic performance element and life-time entitlement was introduced to the Student Loan Scheme. Permanent residents and Australian citizens now face a two-year stand-down before they can access student loans. Changes were also made to the student loan administration fee structure, with the Ministry of Social Development loan establishment fee increasing from \$50 to \$60, and a \$40 annual Inland Revenue account fee being introduced.¹⁸ A number of smaller changes were made to the student allowances policy including limiting entitlement for allowances for adult students at secondary school.

In Budget 2011, eligibility for student loans was further tightened. Part-time, part-year borrowers will not be eligible for the course-related cost entitlement for part-time from 1 January 2012. In 2013, borrowers aged 55 and over will only be able to borrow for tuition fees and all new loan applications will require details of a contact person. Borrowers with overdue repayment obligations amounting to \$500 or more and in default for one or more years will be ineligible for loans from 7 February 2013.

Changes were also made to repayment policies in Budget 2011, with the repayment threshold being held at \$19,084 until 2015. The current three-year repayment holiday for overseas-based borrowers was reduced to one year from 1 April 2012 and borrowers will now need to apply for

¹⁸ This Inland Revenue fee will not be charged if a Ministry of Social Development fee is charged in the same tax year.

the holiday. Changes were also made to how income is assessed for student loan repayment purposes.

Highlights

- Student loan borrowing increased in 2010 in nominal (12 percent) and real (9.1 percent) terms. This reflects an increase in borrower numbers with the Ministry of Social Development of 6.9 percent in 2010. The increase in borrower numbers is likely to partly reflect the greater demand during the recession. In real terms, student loan lending was 27 percent higher in 2010 than in 2006.
- The uptake rate of student loans reached 74 percent in 2010, up from 65 percent in 2006.
- Student allowance expenditure increased in 2010 in nominal (18 percent) and real (16 percent) terms. This increase reflects changes to eligibility and the impact of the recession. In addition, there has been a shift to more students studying full-time, which means more people become eligible for student allowances. In real terms, expenditure on student allowances was 47 percent higher in 2010 than in 2006.
- The number of students receiving student allowances and/or student loans increased by 6.5 percent in 2010. The proportion of these students who received both a student allowance and a student loan increased from 28 percent in 2009 to 32 percent in 2010. The proportion who received only a student loan fell from 66 percent in 2009 to 61 percent in 2010.
- In 2010, the number of borrowers with Inland Revenue was 25 percent higher than in 2006. In real terms, the amount of student loan debt with Inland Revenue increased by 19 percent between 2006 and 2010.
- The nominal value of the Student Loan Scheme was \$12.1 billion on 30 June 2011.¹⁹ The initial write-down on new borrowing decreased from 45.25 cents in 2010 to 44.69 cents in 2011, meaning the Government's cost of lending fell. This reflects changes to the Student Loan Scheme, such as freezing the repayment threshold.
- The relative access rates for all tertiary education indicate that relative access has been maintained for students from lower-decile schools between 2006 and 2010. Similarly, the relative access rate at bachelors level or higher remained unchanged in 2010.

Technical note:

Relative access rate

The relative access rate (RAR) measures the rate at which students from low-decile schools access tertiary education relative to students from higher-decile schools.

We measure the RAR for two groups of students. The first measures the RAR for students with a minimum of level 2 NCEA who started provider-based tertiary education aged 18 or 19. The second measures the RAR for students with level 3 NCEA and UE who started bachelors-level or higher provider-based tertiary education aged 18 or 19.

We examine the RAR for three decile groupings: decile 1 to 3, decile 4 to 7 and decile 8 to 10.

For example, suppose that 80 percent of students from decile 8 to 10 schools with level 3 NCEA and UE go on to do bachelors or higher study, while 60 percent of students from decile 1 to 3 schools do so. The RAR for decile 1 to 3 schools would be $60/80 = 75$ percent.

¹⁹ This compares with a fair value of \$7.2 billion and a carrying value of \$7.5 billion.

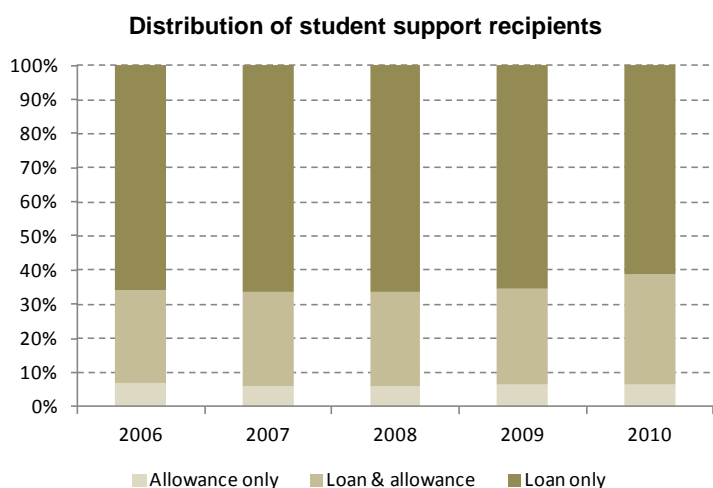
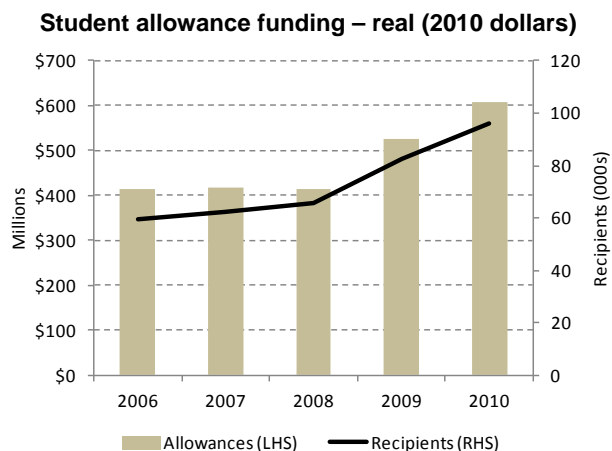
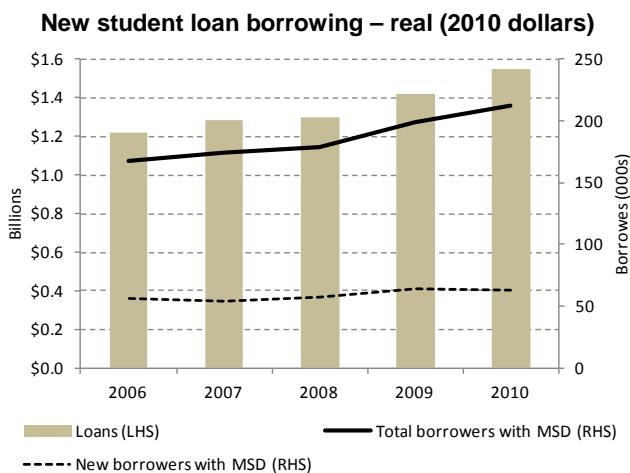
Table 11
Inputs, outputs and outcomes of student loans and student allowances

Type	Fund	Measure		Year					% change		
				2006	2007	2008	2009	2010	2006-10	2009-10	
Inputs	Student loans	Amount loaned in year (\$m)	Nominal	\$1,100	\$1,180	\$1,241	\$1,389	\$1,551	41%	12%	
			Real	\$1,223	\$1,282	\$1,297	\$1,421	\$1,551	27%	9.1%	
		Borrowers with MSD (000s)	All	167.4	173.8	178.5	198.7	212.5	27%	6.9%	
			First-time	56.0	54.3	57.0	64.2	63.5	13%	-1.1%	
		Uptake rate	Full-time	73%	75%	76%	79%	82%			
			Part-time	45%	45%	48%	48%	50%			
			Total	65%	67%	69%	71%	74%			
		Average amount borrowed	Nominal	\$6,569	\$6,791	\$6,953	\$6,991	\$7,298	11%	4.4%	
			Real	\$7,303	\$7,376	\$7,263	\$7,151	\$7,298	-0.1%	2.0%	
		Median amount borrowed	Nominal	\$5,663	\$5,868	\$6,000	\$6,101	\$6,375	13%	4.5%	
	Real		\$6,296	\$6,373	\$6,268	\$6,241	\$6,375	1.3%	2.1%		
	Student allowances	Expenditure (\$m)	Nominal	\$373	\$384	\$397	\$514	\$609	64%	18%	
			Real	\$414	\$417	\$414	\$526	\$609	47%	16%	
		Recipients (000s)		59.5	62.5	65.7	82.6	95.9	61%	16%	
	Average allowance	Nominal	\$6,266	\$6,141	\$6,035	\$6,226	\$6,350	1.3%	2.0%		
		Real	\$6,967	\$6,670	\$6,304	\$6,369	\$6,350	-8.9%	-0.3%		
	Student loans and allowances	Total student support expenditure (\$m)	Nominal	\$1,472	\$1,564	\$1,638	\$1,904	\$2,160	47%	13%	
			Real	\$1,637	\$1,699	\$1,711	\$1,948	\$2,160	32%	11%	
		Mix of student loan and student allowance recipients (000s)	Allowances only	10.3	11.4	12.2	13.9	14.0	36%	0.8%	
			Loan and allowances	49.1	51.1	53.5	68.7	81.9	67%	19%	
Loan only			118.3	122.7	125.0	130.0	130.6	10%	0.4%		
All	177.8	185.1	190.7	212.7	226.5	27%	6.5%				
Average student support expenditure per recipient	Nominal	\$8,283	\$8,448	\$8,588	\$8,952	\$9,536	15%	6.5%			
Real	\$9,209	\$9,175	\$8,972	\$9,158	\$9,536	3.6%	4.1%				
Outcomes	Relative access rate (decile 8-10 = 100%)	All tertiary education	Decile 1-3	77%	74%	75%	76%	75%			
			Decile 4-7	86%	86%	87%	88%	87%			
		Bachelors or higher	Decile 1-3	88%	88%	88%	88%	88%			
			Decile 4-7	94%	95%	94%	96%	96%			
	Student loan debt	Borrowers with IRD (000s)		470.5	499.3	530.3	561.8	587.5	25%	4.6%	
			Student loan balance held with IRD (\$m)	Nominal	\$7,470	\$8,400	\$8,550	\$9,100	\$9,829	32%	8.0%
		Median loan balance with IRD	Nominal	\$10,652	\$11,087	\$10,883	\$11,090	\$11,399	7.0%	2.8%	
			Real	\$11,843	\$12,041	\$11,369	\$11,345	\$11,399	-3.8%	0.5%	
				As at end of June							
				2007	2008	2009	2010	2011			
	Value of the Student Loan Scheme	Value ratios	Nominal value (\$m)		\$9,413	\$9,573	\$10,259	\$11,145	\$12,070	28%	8.3%
			Carrying value (\$m)		\$6,011	\$6,741	\$6,533	\$6,790	\$7,460	24%	9.9%
			Fair value (\$m)		\$5,443	\$5,521	\$5,464	\$6,261	\$7,221	33%	15%
		Value ratios	Carrying to nominal		63.9	70.4	63.9	60.9	61.8		
			Fair to nominal		57.8	57.7	53.3	56.2	59.8		
	Initial fair value write-down on new lending	Cents		40.25	39.15	47.39	45.25	44.69			

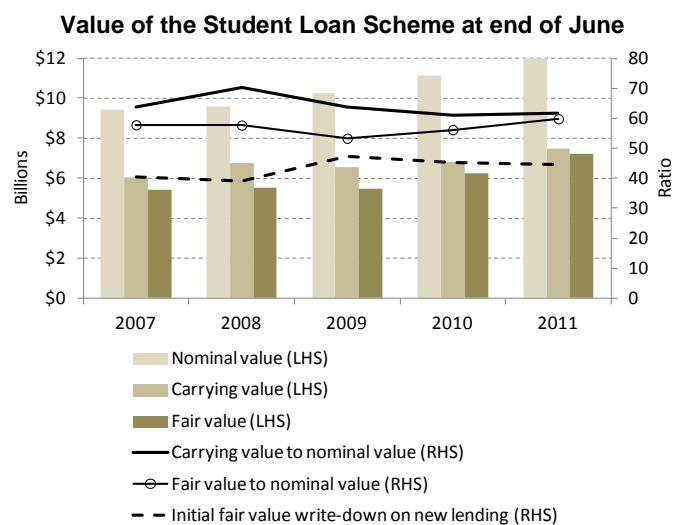
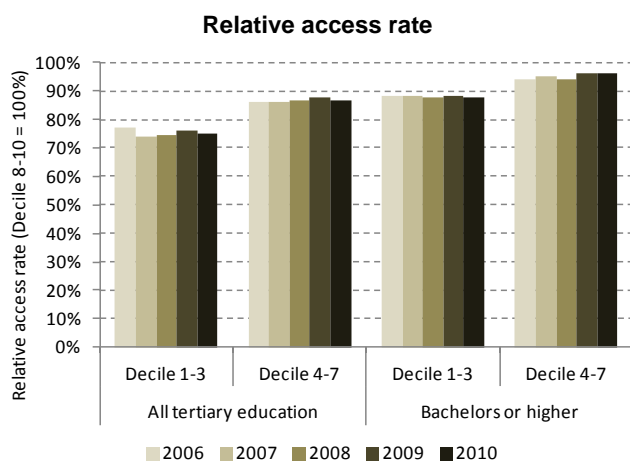
Notes: 1. All real values are in 2010 dollars. 2. The fair value and carrying value of the Student Loan Scheme is prepared according to NZ equivalents to International Financial Reporting Standards (NZ IFRS).

Source: Ministry of Education, Ministry of Social Development, Inland Revenue and Statistics New Zealand

Inputs



Outcomes



Since 2006, the fair value and carrying value of the Student Loan Scheme are prepared according to NZ equivalents to International Financial Reporting Standards (NZ IFRS).

11 DATA DEFINITIONS

This section presents the definitions of the data used in this report.

Adjusting for inflation

In this report, the Consumers Price Index is used as a deflator to adjust funding for inflation. The calculations for creating the deflator are presented in Table 12 below. The quarterly CPI values have been annualised by taking an average. Then the index has been rebased with 2010 as the base year.²⁰

Note that two deflators have been used. For government expenditure that goes to tertiary institutions, a deflator that removes the effect of the GST increase in October 2010 has been removed as expenditure is exclusive of GST. For expenditure on student support, a deflator including the GST increase is used.

Table 12
Calculation of CPI deflator

Quarter	CPI excluding GST increase			CPI including GST increase		
	Quarterly	Annualised	Deflator	Quarterly	Annualised	Deflator
2006.1	985			985		
2006.2	1,000			1,000		
2006.3	1,007			1,007		
2006.4	1,005			1,005		
2007.1	1,010			1,010		
2007.2	1,020			1,020		
2007.3	1,025			1,025		
2007.4	1,037			1,037		
		999	0.90		999	0.90
2007.1	1,010			1,010		
2007.2	1,020			1,020		
2007.3	1,025			1,025		
2007.4	1,037			1,037		
		1,023	0.93		1,023	0.92
2008.1	1,044			1,044		
2008.2	1,061			1,061		
2008.3	1,077			1,077		
2008.4	1,072			1,072		
		1,064	0.96		1,064	0.96
2009.1	1,075			1,075		
2009.2	1,081			985		
2009.3	1,095			1,000		
2009.4	1,093			1,007		
		1,086	0.98		1,086	0.98
2010.1	1,097			1,097		
2010.2	1,099			1,099		
2010.3	1,111			1,111		
2010.4	1,114			1,137		
		1,105	1.00		1,111	1.00

Source: Statistics New Zealand and Ministry of Education

Sources of data

The tables that follow contain information on the sources of the data, which are indicated by the following acronyms:

- MoE = Ministry of Education
- TEC = Tertiary Education Commission
- MoE/TEC = derived by the Ministry of Education from unit record data supplied by the Tertiary Education Commission
- SNZ = Statistics New Zealand
- TR = Thomson Reuters

²⁰ Note that the impact of the GST increase in October 2010 has been removed from the CPI deflator.

Table 13
Student Achievement Component data definitions

Type	Measure and data source	Definition	
Inputs	Government funding (\$m) (TEC)	Nominal	Total expenditure from SAC, Tripartite-rates and TEI base investment. This excludes funding distributed via the research top-ups in 2006
		Real	Total funding adjusted for CPI inflation and expressed in 2010 dollars
	Enrolments (TEC)	Funded EFTS (000s)	Number of EFTS funded by the government
		Actual delivered EFTS (000s)	Number of EFTS actually delivered by TEOs
		% over-/under-delivery	Difference between the actual EFTS delivered and funded EFTS as a percentage of funded EFTS. A positive figure indicates over-delivery and a negative figure indicates under-delivery
	Per EFTS funding	Funded – nominal	Total nominal funding divided by funded EFTS
		Funded – real	Total real funding divided by funded EFTS
Actual – nominal		Total nominal funding divided by actual EFTS	
Actual – real		Total real funding divided by actual EFTS	
Outputs	Completion status of actual EFTS delivered (MoE)	Completed or in ongoing thesis study	Number of EFTS-weighted course completions divided by total actual EFTS
		Not yet completed or known	Number of EFTS-weighted course completions and courses where there is a valid extension or where completion information is still pending divided by total actual EFTS
		Not completed	Number of EFTS-weighted course completions that were not completed divided by total actual EFTS
		Total	Sum of the 3 categories above
	\$ value of successful course-level completions per \$ of government funding (MoE)	Completed or in ongoing thesis study	Value of course completions per dollar of government funding, which is calculated by multiplying the EFTS consumed in each funding category by the value of the SAC funding rate. This is then divided by total SAC funding
		Not yet completed or known	In addition to the category above, this also includes the value of course EFTS that have a valid extension or are still pending results
		Total	Total of the 2 categories above
	Domestic students completing qualifications (MoE)	Level 4+ and age < 25 (000s)	Number of students aged under 25 and studying at level 4 or higher that completed SAC-funded qualifications
		Total (000s)	Number of domestic students completing SAC-funded qualifications
		Level 4+ and age < 25 as % of total	Percentage of domestic students completing a qualification that were aged under 25 and studying at level 4 or higher
	Domestic Māori or Pasifika students completing qualifications (MoE)	Level 4+ (000s)	Number of domestic Māori or Pasifika students that completed a SAC-funded qualification at level 4 or higher
		Total (000s)	Number of domestic Māori or Pasifika students that completed a SAC-funded qualification
		Level 4+ as % of total	Percentage of domestic Māori or Pasifika students completing a SAC-funded qualification that were studying at level 4 or higher
	Five-year qualification completion rate (MoE)	Full-time students	Percentage of students who studied full-time and who completed their qualification within 5 years of commencing study
		All students	Percentage of students who completed their qualification within 5 years of commencing study
Outcomes	Premium on median hourly earnings by highest qualification (base = no qualifications) (SNZ)	Lower secondary school Upper secondary school Level 1-3 certificates Level 4-7 certificates/diplomas Bachelors Postgraduate	Premium on median income by highest qualification compared with people with no qualifications for the population aged 15 and over in the June quarter
	Unemployment rate by highest qualification (SNZ)	No qualifications Lower secondary Upper secondary Level 1-3 certificates Level 4-7 certificates/diplomas Bachelors Postgraduate	Unemployment rate for the population aged 15 and over by highest qualification in the June quarter

Table 13 continued

Context	Qualification attainment of the working-age population (SNZ)	No qualifications Lower secondary school Upper secondary school Level 1-3 certificates Level 4-7 certificates/diplomas Bachelors Postgraduate	Distribution of the population aged 15 and over by their highest qualification in the June quarter
	Participation rate of domestic students by selected age group (MoE)	Under 18 18-19 20-24	Number of domestic SAC-funded students expressed as a percentage of the total population

Table 14
Performance-Based Research Fund data definitions

Type	Measure and data source		Definition
Inputs	Government funding (\$m) Nominal (TEC)	Top-ups	Funding allocated via research top-ups
		PBRF – QE	Funding allocated via the PBRF quality evaluation component
		PBRF – RDC	Funding allocated via the PBRF research degree completions component
		PBRF – ERI	Funding allocated via the PBRF external research income component
		Total	Total funding
	Government funding (\$m) Real (TEC)	Top-ups	Funding allocated via research top-ups in real terms
		PBRF – QE	Funding allocated via the PBRF quality evaluation component in real terms
		PBRF – RDC	Funding allocated via the PBRF research degree completions component in real terms
		PBRF – ERI	Funding allocated via the PBRF external research income component in real terms
		Total	Total funding in real terms
PBRF-eligible FTE staff (TEC)	(in 2006 Quality Evaluation)	PBRF-eligible FTEs at all TEOs participating in 2006 Quality Evaluation	
Outputs	2006 Quality Evaluation results (TEC)	% of staff rated 'A' % of staff rated 'B' % of staff rated 'C' or 'C(NE)' % of staff rated 'R' or 'R(NE)'	Quality category assigned in 2006 Quality Evaluation
	PBRF external research income (\$m) (TEC)	Nominal	Total ERI as per PBRF definition
		Real	Total ERI adjusted for CPI inflation and expressed in 2010 dollars
	PBRF research degree completions(TEC)	Real ERI per FTE (\$000s)	Real ERI per PBRF-eligible FTE in 2009 dollars (000s)
		Volume-weighted RDCs Volume-weighted RDCs per FTE	Total weighted volume of RDCs at TEOs participating in PBRF. PhDs weighting = 3, Masters course weighting is between 0.75 and 1 Volume of RDCs divided by PBRF-eligible FTEs
	Qualification completion rates (MoE)	PhD 8-year completion rates	Percentage of students that started a PhD and completed within 8 years of commencement of that qualification
Masters 5-year completion rates		Percentage of students that started a masters degree and completed within 5 years of commencement of that qualification	
Outcomes TEIs 5-year windows	Share of world indexed publications and citations (TR)	% of world indexed publications	Percentage of world indexed publications authored by staff at New Zealand TEIs, measured in 5-year overlapping time periods
		% of world indexed citations	Percentage of world indexed citations of publications authored by staff at New Zealand TEIs, measured in 5-year overlapping time periods
	Distribution of fields of research by level of academic impact (citations/publication) (world average = 1) (TR)	1.50 and over 1.00 to 1.49 0.50 to 0.99 0 to 0.49	Distribution of the academic impact (citations per publication) of publications authored by staff at New Zealand TEIs in the Thomson Reuters research subject fields. The academic impact had been normalised to the world average in that field, so a value of 1 indicates that the academic impact of New Zealand authored publications is the same as the world average. Only subject areas with more than 50 or more publications in each 5-year period are included in this analysis
	% of publications cited (TR)		Percentage of publications authored by staff at New Zealand TEIs that are cited

Table 15
Industry Training Fund data definitions

Type	Measure		Definition	
Inputs	Government funding (\$m) (TEC)	Nominal Real	Total government funding for the Industry Training Fund Total government funding for the Industry Training Fund adjusted for CPI inflation and expressed in 2010 dollars	
	Enrolments	STMs (000s) (TEC) Trainee numbers (000s) (TEC) New learner commencement (000s) (TEC)	Total number of standard training measures (STMs) paid for in each year. One STM is equivalent to one EFT, or 120 credits attained in the equivalent of one calendar year Number of distinct trainees active at any time during the year Learners new to industry training	
	Per STM cost	Nominal Real	Total Industry Training funding divided by total STMs Total Industry Training funding divided by total STMs adjusted for CPI inflation and expressed in 2010 dollars	
Outputs	Credits attained by NZQF level (000s) (TEC)	Level 1 Level 2 Level 3 Level 4 Level 5 Level 6+	Credits attained by NZQF level	
		Total	Total number of credits attained	
	Credit attainment rate		Total number of credits attained divided by the number of STMs x 120	
	Credits attained per \$1,000 - real		Total number of credits attained per \$1,000 of government funding in 2010 dollars	
	National Certificates gained by NZQF level (TEC)	Level 1-3		Number of qualifications completed at level 1-3 on the NZQF
		Level 4+		Number of qualifications completed at level 1-3 on the NZQF
		Total		Number of qualifications completed
Level 4+ % of total			Number of completed qualifications at level 4 or higher as a percentage of all completed Industry Training-funded qualifications	
Completion rates (MoE/TEC)	5-year programme completion		Percentage of trainees who complete a programme of learning within 5 years of commencement	
	5-year qualification completion		Percentage of trainees who complete a qualification within 5 years of commencement	
Outcomes	Premium on median hourly earnings (base = no qualifications) (ages 15 and over) (SNZ)	Lower secondary school Upper secondary school Level 1-3 certificates Level 4-7 certificates/diplomas	Premium on median income by highest qualification compared with people with no qualifications for the population aged 15 and over in the June quarter	
	Unemployment rate by highest qualification (ages 15 and over) (SNZ)	No qualifications Lower secondary school Upper secondary school Level 1-3 certificates Level 4-7 certificates/diplomas	Unemployment rate for the population aged 15 and over by highest qualification in the June quarter	

Table 16
Modern Apprenticeships data definitions

Type	Measure		Definition
Inputs	Government funding (\$m) (TEC)	Nominal Real	Total government funding for the Modern Apprenticeships Total government funding for the Modern Apprenticeships adjusted for CPI inflation and expressed in 2010 dollars
	Enrolments	STMs (000s) (TEC) Trainee numbers (000s) (MoE/TEC) New trainee commencements (000s) (MoE/TEC)	Total number of standard training measures (STMs) paid for in each year. One STM is equivalent to 1 EFT, or 120 credits attained in the equivalent of 1 calendar year Number of distinct trainees active at any time during the year Learners new to Modern Apprenticeships
	Per STM cost	Nominal Real	Total Modern Apprenticeships funding divided by total STMs Total Modern Apprenticeships funding divided by total STMs adjusted for CPI inflation and expressed in 2010 dollars
Outputs	Credits attained by NZQF level (000s) (TEC)	Level 1-3 Level 4+	Credits attained by NZQF level
		Total	Total number of credits attained
	Credit attainment rate		Total number of credits achieved divided by the number of STMs x 120
	Credits attained per \$1,000 – real		Total number of credits attained per \$1,000 of government funding in 2010 dollars
	National Certificates gained by NZQF level (TEC)	Level 1-3 (000s)	Number of qualifications completed at level 1-3 on the NZQF
		Level 4+ (000s)	Number of qualifications completed at level 1-3 on the NZQF
		Total (000s)	Number of qualifications completed
Completion rates (MoE/TEC)	5-year programme completion	Percentage of trainees who complete a programme of learning within 5 years of commencement	
	5-year qualification completion	Percentage of trainees who complete a qualification within 5 years of commencement	
Outcomes	Premium on median hourly earnings (base = no qualifications) (ages 15 and over) (SNZ)	Lower secondary school Upper secondary school Level 1-3 certificates Level 4-7 certificates/diplomas	Premium on median income by highest qualification compared with people with no qualifications for the population aged 15 and over in the June quarter
	Unemployment rate by highest qualification (ages 15 and over) (SNZ)	No qualifications Lower secondary school Upper secondary school Level 1-3 certificates Level 4-7 certificates/diplomas	Unemployment rate for the population aged 15 and over by highest qualification in the June quarter

Table 17
Training Opportunities data definitions

Type	Measure		Definitions
Inputs	Government funding (\$m) (TEC)	Nominal Real	Total government funding allocated via Training Opportunities Total government funding allocated via Training Opportunities adjusted for CPI inflation and expressed in 2010 dollars
	Enrolments (MoE/TEC)	Number of trainees (000s) Number of placements (000s) Number of training weeks (000s) Training weeks/placements	Number of distinct trainees active at any time during the calendar year Number of placements by distinct trainees occurring at any time during the calendar year Total number of trainee weeks paid during the calendar year (funding unit) Average number of trainee weeks paid per placement by distinct trainee
	Per training week cost	Nominal Real	Total government funding divided by number of training weeks Total real government funding divided by number of training weeks
Outputs	Credits attained by NZQF level (000s) (MoE/TEC)	Level 1 Level 2 Level 3 Level 4+ Total	Credits attained by NZQF level Total credits attained
	Credits attained per training week Credits attained per \$1,000 – real		Total credits attained divided by total training weeks Total credits attained divided by real government funding (in \$000s)
Outcomes	Two-month post-study outcomes for each trainee (MoE/TEC)	Employment full-time (%) Employment part-time (%) Other training (%) Other (%)	Distribution of the 2-month post-study outcomes for each trainee by outcome type
Context	Unemployment rate by highest qualification (ages 15 and over) (SNZ)	No qualifications Lower secondary school All	Unemployment rate by highest qualification for the population aged 15 and over in the June quarter
	Trainees as % of unemployed with no/low qualifications	Ages 15+	Number of trainees divided by the number of unemployed aged 15 and over who have no or low qualifications (in June quarter)

Table 18
Youth Training data definitions

Type	Measure		Definitions
Inputs	Government funding (\$m) (TEC)	Nominal Real	Total government funding allocated via Youth Training Total government funding allocated via Youth Training adjusted for CPI inflation and expressed in 2010 dollars
	Enrolments (MoE/TEC)	Number of trainees (000s) Number of placements (000s) Number of training weeks (000s) Training weeks/placements	Number of distinct trainees active at any time during the calendar year Number of placements by distinct trainees occurring at any time during the calendar year Total number of trainee weeks paid during the calendar year (funding unit) Average number of trainee weeks paid per placement by distinct trainee
	Per training week cost	Nominal Real	Total government expenditure divided by number of training weeks Total government expenditure divided by number of training weeks adjusted for CPI inflation and expressed in 2010 dollars
Outputs	Credits attained by NZQF level (000s) (MoE/TEC)	Level 1 Level 2 Level 3 Level 4+ Total	Credits attained by NZQF level Total credits attained
	Credits attained per training week Credits attained per \$1,000 – real		Total credits attained divided by total training weeks Total credits attained divided by real government funding (in \$000s)
Outcomes	2-month post-study outcomes for each trainee (MoE/TEC)	Employment full-time (%) Employment part-time (%) Other training (%) Other (%)	Distribution of the 2-month post-study outcomes for each trainee by outcome type
Context	Unemployment rate by highest qualification (ages 15-19) (SNZ)	No qualifications NCEA Level 1 All	Unemployment rate by highest qualification for the population aged 15-19 in the June quarter
	Trainees as % of unemployed with no/low qualifications	Ages 15-19	Number of trainees divided by the number of unemployed aged 15-19 who have no or low qualifications (June quarter)

Table 19
Student support data definitions

Type	Fund	Measure		Definitions
Inputs	Student loans	Amount loaned in year (\$m) (MSD)	Nominal	Total amount drawn down by student loan borrowers
			Real	Total student loans adjusted for CPI inflation and expressed in 2010 dollars
		Borrowers with MSD	All (000s)	Total number of borrowers with MSD
			First-time (000s)	Total number of first-time borrowers with MSD
		Uptake rate (MoE)	Full-time	Percentage of students that are estimated to be eligible for students loans that actually draw down a loan by study status
	Part-time			
	Total			
	Per borrower funding	Nominal	Total amount borrowed divided by total borrowers with MSD	
		Real	Total real amount borrowed divided by total borrowers with MSD	
	Student allowances	Expenditure (\$m) (MSD)	Nominal	Total amount allocated to student allowance recipients minus refunds
			Real	Total real amount allocated to student allowance recipients minus refunds
		Recipients (000s) (MSD)		Number of students receiving a student allowance
		Per recipient funding	Nominal	Total value of student allowances divided by number of recipients
	Real		Total real value of student allowances divided by number of recipients	
	Student loans and allowances	Total student support expenditure (MSD)	Nominal	Sum of new student loan lending and student allowances expenditure
			Real	Sum of new student loan lending and student allowances expenditure in real terms
		Mix of student loan and student allowance recipients (000s) (MSD)	Allowances only	Number of people who receive only a student allowance
Loan and allowances			Number of people who receive a student allowance and draw down a student loan	
Loan only			Number of people who only draw down a student loan	
All			Total number of people receiving a student allowance and/or a student loan	
Average student support expenditure per recipient		Nominal	Student loan lending and student allowance expenditure divided by total people receiving these forms of student support	
		Real	Student loan lending and student allowance expenditure divided by total people receiving these forms of student support in real terms	
Outcomes	Relative access rate	All tertiary education	Decile 1-3	See technical note on page 40
			Decile 4-7	
		Bachelors or higher	Decile 1-3	See technical note on page 40
			Decile 4-7	
	Student loan debt (IRD)	Borrowers with Inland Revenue (000s)		Number of borrowers with IRD as at 30 June
			Median loan balance with Inland Revenue	Nominal Real
		Student loan balance held with Inland Revenue at 30 June		Total amount of student loans held by IRD at 30 June
				Real
	Value of Student Loan Scheme	Nominal value (\$m)		Balance of borrowings with Inland Revenue and MSD at 30 June. It includes loan principal, interest and penalties
		Carrying value (\$m)		Carrying value is the value of the Student Loan Scheme asset shown in the scheme's accounts at 30 June. From 2006, this is prepared according to NZ equivalents to International Financial Reporting Standards (NZ IFRS)
		Fair value (\$m)		Amount for which the Student Loan Scheme could be exchanged between knowledgeable, willing parties in an arm's length transaction at 30 June. In a sense, it is an appraisal of the value of the portfolio should it be offered for sale on the open market. From 2006, this is prepared according to NZ equivalents to International Financial Reporting Standards (NZ IFRS)
Value ratios	Carrying to nominal	Carrying value divided by nominal value multiplied by 100		
	Fair to nominal	Fair value divided by nominal value multiplied by 100. Essentially, it represents the proportion of loans that will be written off for that cohort of borrowers		
Initial fair value write-down on new borrowing		Amount that is written down by the government for new lending		

12 REFERENCES

Crichton, S (2009) *Does workplace-based learning improve earnings?* Wellington: Department of Labour and Statistics New Zealand.

Mahoney, P (2011) *What do men and women earn after their tertiary education?* Wellington: Ministry of Education.

Ministry of Education (2011) *Statement of intent 2011/12-2016/17*, Wellington: Ministry of Education.

Ministry of Education (2009) *Tertiary Education Strategy 2010-2015*, Wellington: Ministry of Education.

Ministry of Education (2011) *Student Loan Scheme annual report 2010*, Wellington: Ministry of Education.

Scott, D (2009) *What do students earn after their tertiary education?* Wellington: Ministry of Education and Statistics New Zealand.

TEC (2008) *Annual report 2008*, Wellington: Tertiary Education Commission.



MINISTRY OF EDUCATION

Te Tāhuhu o te Mātauranga