

# NZ University sector at a glance

New Zealand's universities deliver quality education and contribute to the country's economic growth and social well-being.

## World-class universities

- New Zealand is the only country in the world where all its universities are ranked within the top 500 (ie 3%) of universities globally.
- In addition New Zealand universities are also ranked highly by discipline:
  - each is ranked within the world's top 100 universities in one or more subjects;
  - 75% of them are ranked within the world's top 50 universities in one or more subjects.

## Contribution to innovation

University research helps to stimulate innovation and economic growth and develop solutions to economic and social issues:

- Universities account for 33% of research and development activity in NZ.
- Universities spend on research was around \$813 million in 2014.
- 19% of university research was basic (to advance theoretical knowledge), the rest was targeted-basic (theoretical targeted at a need), applied (specific practical aim) or experimental development (draws on knowledge to develop new or improve existing products).
- 62% of the university sector's active researchers are in STEM subjects ie Science, Technology, Engineering or Maths.
- International research estimates the typical rate of return from university research being at least 20% annually.

## Economic impact

- Universities combined expenditure is \$3.3 billion each year.
- Their combined economic impact is estimated at \$7 billion per annum, equivalent to 1.5% of GDP.
- The eight universities are located across 6 provinces and make a significant regional economic impact and contribution to their local communities.
- Universities employ nearly 20,000 staff and NZIER has estimated they are responsible for driving 1.1 additional jobs per staff member in their local communities.
- Commercialisation of their university research is worth around \$517 million a year.

## Key numbers

- 8 universities
- 19,966 FTE staff
- 132,375 EFTS students including:
  - 117,560 domestic students
  - 14,814 international students
  - 12,962 Māori
  - 9,483 Pasifika
  - 23,534 postgraduate students.
- 32% studying profession-led qualifications (eg law, accounting, medicine)
- 48% studying industry-focused qualifications (eg ICT, sciences, economics, agriculture).
- 20% other (eg languages, performing arts etc).



## Excellent graduate outcomes

- Graduates earn \$1.3 million more over their working lives than those with just a high school qualification.
- Graduates have very high rates of employment - only 2% of university graduates are unemployed 3 years after graduation, compared with 14% of those with school level qualifications only and 6% -10% for sub-university tertiary qualifications (certificates and diplomas).
- New Zealand has some of the best degree completion rates in the world - 17% who start at a university in NZ do not have a qualification within eight years compared with 18% in the UK, 27% in Australia, 42% in the US, ~50-55% in South America and Asia. Within New Zealand, non-completion rates are 35% for polytechnics/institutes of technology and 58% for wānanga.
- A university education is a good investment: - graduates take on average 7 years to pay off their loan (average balance on graduation is \$14,000); the breakeven point for most graduates is age 33 (ie where net additional earnings from a degree exceeds costs and lost income).

## Funding sources

- Government contributes 51% to university funding, of the remainder 28% is from student fees and 21% is income from research contracts and trading income.
- Graduates pay back all tuition subsidies and another \$289,000 in income taxes to the government over their working life (before GST and company taxes).
- Government expenditure on universities per student is \$10,418 in New Zealand, compared with Australia's \$15,789 or Canada's \$22,465.
- NZ universities are very cost-effective and efficient by international standards – NZ produces graduates at 70% of the cost of Australian graduates.
- Universities receive 54% of Student Achievement Component (SAC) funding and 97.5% of the Performance-Based Research Fund (PBRF).

## International education

- 11% of university students are international students.
- International education is NZ's 5<sup>th</sup> largest export market and is worth \$2.85 billion a year; Universities generate 35% of NZ's earnings from export education, earning \$1 billion per annum.
- New Zealand ranks 6th amongst OECD countries in the proportion of international students enrolled in university programmes.
- NZ has the 4th highest proportion of international students enrolled in advanced research programmes.
- Around 15.6% of international graduates become NZ residents, typically gaining residency here under skilled migrant criteria.

## Where international students are from

- 36% China
- 24% USA
- 10% Malaysia
- 7% India
- 5% Korea
- 4% Saudi Arabia
- 4% Vietnam
- 3% Japan
- 2% Germany
- 2% UK.

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