



# **Universities New Zealand Briefing: Contributing to Government Goals**

**December 2011**

## **Contributing to government goals**

The eight universities, represented by Universities New Zealand – Te Pōkai Tara, constitute a unique resource with which your government could partner to achieve its goals. No other group of public organisations is as well equipped to assist the government in achieving its targets as are the universities, yet at present that capability is not being engaged to the greatest extent possible.

Your government has stated that it has four key goals for the next three years which are relevant here:

- to boost economic growth
- to create high value jobs
- to grow the export education sector
- to achieve greater educational achievement for Māori and Pasifika peoples.

New Zealand's universities are uniquely well placed to partner with government in pursuit of these objectives.

### **Boosting economic growth and creating high value jobs**

The universities make a major contribution to the New Zealand economy and job market, a contribution which under the right circumstances could be further enhanced.

The government is emphasising economic growth and creating jobs as a focus for the next three years. New Zealand's universities are natural partners for the government, contributing to efforts to raise the skills and earnings of individuals, generate jobs and grow the economy.

#### Higher education

- There are approximately 40,000 university graduates per year - individuals who will have higher lifetime incomes (and therefore pay higher taxes), incomes that continue to rise for a longer period of their careers, a lower rate of unemployment and better health outcomes than those without a university degree.
- Indeed, research shows that the single most important determinant of outcomes for a child is the level of education of its mother.
- In 2010, 80% of all bachelor's degree graduates nationwide and 87% of all postgraduates were products of the universities. These are the professionals and innovators of the future, the only degree-level graduates taught in a research-rich environment.
- The professional workforce - including engineers, health and social services professionals, ICT and telecommunications professionals, teachers, accountants, doctors and many others - is trained almost exclusively by the universities.
- Universities are the only institutions which provide the high-level research/enquiry skills needed by many professionals.
- With over 19,000 staff (FTE), the universities are themselves major employers and have an economic impact on their regions well above the direct impact of staff salaries. For each full-time equivalent job that a university creates, one

more job is created in the wider region. In addition, the direct and indirect expenditure by the universities and their students is estimated to be three to four times that of the universities themselves. The university sector is thus responsible for contributing \$10-\$12 billion to the national economy. While a significant part of the revenue that generates this benefit comes from government, an increasingly large part does not.

#### Research, commercialisation and business development

- Universities undertake the bulk of New Zealand's fundamental research and much of its applied research, employ half of its researchers, produce 50% of the patents emanating from its public institutions – primarily universities and Crown Research Institutes (CRIs) – and train nearly all of its postgraduate students, the researchers and innovators of the future.
- Statistics New Zealand's 2010 Research and Development Survey showed that research in universities was worth \$802 million, accounting for a third of New Zealand's total research and development expenditure, compared to research produced by the CRIs valued at \$565 million. Revenues from contract research carried out at universities increased from \$386 million in 2007 to \$501 million in 2010, representing an increase from 14.6% of total income to 16% of total income. This reflects a strong level of engagement with businesses and other organisations that seek access to research expertise.
- Each university is committed to research commercialisation and there have been some outstanding results. Between 2003 and 2008, over \$185 million of capital was raised by universities for start-up companies and 51 new start-ups were formed. During these six years the market capitalisation of university start-ups grew from \$76 million to \$860 million, while the number of staff employed by these start-ups grew from 198 to 492 on an FTE basis.
- Improving the connection between university researchers and business is helping to further capture the commercial value of university research for the benefit of the country. Universities New Zealand, together with Business NZ and the University Commercialisation Offices of New Zealand (UCONZ), has recently completed a series of events promoting university research to business. Building on the success of these events, a further round is planned for 2012.
- University business schools help educate thousands of CEOs and other business people through short courses and other forms of professional education each year.

#### **Growing the export education sector**

Universities have a major impact on the export education sector, both in the numbers of quality international students they attract and in the total revenue this provides. Perhaps more importantly, the universities are the drivers of New Zealand's international reputation for high-quality education.

- New Zealand universities have always been strongly connected internationally, but international education has become an increasingly important part of their operations.
- Since 2000 there has been strong growth in the number of international students in the universities, with numbers rising from 6,000 to close to 23,000 by 2010.

- Universities are the largest contributors to the estimated \$2.1 billion economic impact of export education, contributing approximately a third of total revenue.
- New Zealand ranks fifth amongst OECD countries in the proportion of international students enrolled in university programmes and third in the proportion enrolled in advanced research programmes.
- New Zealand already has the highest proportion of foreign students\* as a percentage of its university enrolments in the OECD (25% for university programmes and 50% for advanced research programmes). In the broader community, New Zealand has the highest proportion of international students per capita in the OECD.
- The universities have demonstrated that they have a strong contribution to make in pursuing education, research and innovation initiatives as part of New Zealand's bilateral and multi-lateral trade relationships.
- For international postgraduate students especially, the quality and contribution of the university's research activities are more important than the attractiveness of New Zealand itself as a study destination. Universities must be able to position themselves offshore as high-quality study destinations by promoting their research and innovation capabilities.

### **Educational achievement for Māori and Pasifika peoples**

Universities are the major providers of higher education to Māori and Pasifika peoples and of research that is improving the education, health, welfare and economic development of these peoples.

- 75% of all Māori students and 81% of all Pasifika students gaining qualifications at bachelor's level and above in 2010 were university graduates.
- All universities have put strategies in place to strengthen the engagement of Māori and Pasifika communities with the university and encourage increased student participation from these communities.
- All of the universities offer Māori Studies programmes and most offer Pacific languages and other Pasifika programmes.
- At the student level, strategies include bridging programmes for secondary school students and mentoring and other student support following enrolment.
- There is an established link between achievement at secondary school and progression to university for Māori students. Māori and Pasifika students' access to university and achievement at university will be significantly enhanced by strengthening their achievement at secondary school and the secondary-tertiary interface. Particularly important is universities' engagement with lower decile schools, promoting interventions which encourage students to achieve at secondary school.
- Collaboration between the sub-sectors of tertiary education establishing clear pathways from secondary school to degree study at universities can also support the progression of Māori, Pasifika and students from low income families. For

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\* foreign students comprise international students and other students who are not citizens of the country in which they are enrolled

example, the universities have a number of agreements that enable students to undertake foundation programmes at Institutes of Technology and Polytechnics and other tertiary providers before starting their university study. Not only is this good for students but it also allows institutions to focus on what they do best and avoids costly duplication.

- Universities are well positioned to partner with the government, iwi, communities and business to encourage and support greater access to university for Māori and Pasifika students and students from low income families.

### **In conclusion**

No other sector in the public education and research domain offers to government such a wide range of capabilities able to help address its key objectives. We invite the government to consider how it might partner with the universities and enable them to make an even greater contribution to these objectives and to New Zealand's development than is currently possible.

## Key figures

**Table 1 – University student and staff numbers (2010)**

University	Students (EFTS)	Staff (FTE)
Auckland	32,700	4,700
Auckland University of Technology	19,000	1,900
Waikato	10,400	1,500
Massey	20,100	3,000
Victoria	17,000	1,900
Canterbury	15,700	1,900
Lincoln	2,700	700
Otago	19,900	3,800
<b>Total</b>	<b>137,500</b>	<b>19,400</b>

**Table 2 – International enrolments in New Zealand universities (2010)**

Region	Other*	Bachelor's	Honours	Master's	Doctorate	Total
Africa	24	89	23	37	115	280
Asia	2,454	8,096	1,697	1,112	1,340	14,391
Europe	165	1,434	176	390	617	2,743
Middle East	703	578	187	78	195	1,658
Central & South America	46	94	27	82	157	391
North America	18	2,238	67	175	334	2,900
Pacific	60	294	99	111	38	581
<b>Total</b>	<b>3,470</b>	<b>12,823</b>	<b>2,276</b>	<b>1,985</b>	<b>2,796</b>	<b>22,944</b>

\* Includes Certificates at Levels 1-4 and Diplomas at Levels 5-7. Students who were enrolled at more than one qualification level have been counted at each level. Consequently the sum of students by level may not add to the total number of students.

**Table 3 – University income and operating expenditure (2010)**

(\$Million)	Income				Operating Expenditure	
	Government	Fees	Research contracts	Total (including other sources)	Salaries component	Total
Auckland	351	201	218	888	516	861
AUT	139	113	9	288	168	266
Waikato	94	65	27	212	123	203
Massey	181	122	72	425	244	415
Victoria	144	98	35	330	179	314
Canterbury	143	90	24	303	179	290
Lincoln	28	19	24	94	55	100
Otago	253	132	92	586	318	552
<b>Total</b>	<b>1,339</b>	<b>840</b>	<b>501</b>	<b>3,126</b>	<b>1,782</b>	<b>3,001</b>

## **About Universities New Zealand – Te Pōkai Tara**

Universities New Zealand – Te Pōkai Tara is the name adopted in 2010 by the New Zealand Vice-Chancellors' Committee. It is a statutory body established under Part 19 of the Education Act 1989, comprising the eight Vice-Chancellors of the New Zealand universities and funded by the universities.

The work of Universities NZ is supported by a secretariat based in Wellington.

Universities NZ advances university education and research activities and promotes the common interests of the universities nationally and internationally. It works at the interface between government and the universities. It makes an informed contribution to policy issues, maintains dialogue between government and the universities and contributes well-argued, unified responses to developments that may impact on university autonomy or New Zealand's comparative position with international university systems.

Much of the work of Universities NZ is undertaken through committees and working parties which draw on the considerable expertise available in the university sector to address policy and related issues in research, international education, the advancement of Māori and many other matters of relevance to the universities.

Universities NZ has statutory responsibility for quality assurance in the universities, inter-university course approval and moderation procedures and scholarships. It fulfils its quality assurance responsibilities through its Committee on University Academic Programmes and through the NZ Universities Academic Audit Unit.

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