



# A brief history of institutes of technology and polytechnics (ITPs) in New Zealand

This potted history traces the origins of New Zealand's ITP sector, documenting the key events that have influenced its position in the education system, and exploring where there might be opportunities for the future.

## The origins of ITPs

### Early years: from the nineteenth century through the post-war era

ITPs in New Zealand grew out of nineteenth-century technical colleges. These colleges initially trained school-leavers from about the age of 14 for work in technical occupations. They delivered most of their courses in the evenings to people who worked full-time during the day, and they were mainly located in urban centres. The Wellington School of Design was the first technical college to be established in 1886.

Around the turn of the twentieth century, technical colleges expanded to offer day classes to students who wanted an education beyond primary school but weren't looking for an academic environment. Evening classes still overwhelmingly dominated delivery – in 1914, there were 16,602 students attending evening classes and 1,839 attending day classes.

The post-World War II era brought reform, with the extension of free secondary education and the school leaving age rising to 15. As the population and the economy grew, so too did the demand for secondary education. By 1959, full-time enrolments at technical high schools had climbed to 25,304, and the number of New Zealanders enrolled in part-time and correspondence technical classes had climbed to 55,540.

Technical colleges in the main centres were split in the early 1960s to create standalone secondary schools and ITPs, with the latter growing swiftly over the next two decades.

Outside the main centres, a separate group of organisations called 'community colleges' emerged during the 1970s. They delivered a mix of adult, non-vocational education alongside some technical training. Funding incentives in the 1980s saw these regional community colleges shift to focus strongly on vocational training, and ultimately evolving into regional ITPs.

By 1990, there were 56,771 students enrolled full-time at 25 technical institutes, polytechnics and community colleges around New Zealand.

### Growth and reform

Major education reform was introduced through the Education Act 1989. Reform focused on the idea that education and learning was lifelong and not limited to several years of intensive study after secondary school. At the same time, the school-leaver age was raised to 16, where it remains today.

The Education Act enacted the following changes:

- › ITPs became Crown entities – autonomous institutions governed by councils and managed by chief executives.

- › ITPs were allowed to award degrees for the first time.
- › ITPs were able to enrol international learners on a full cost-recovery basis.

### 1990s

The 1990s was a period of growth for the ITPs. The education reforms, along with the introduction of the Student Loan Scheme from 1992, and increased student fees, enabled expansion and increased learner numbers. However, by the end of the 1990s, not all ITPs were experiencing prosperity. Population trends saw many people leaving rural areas, which began to squeeze the regional ITPs in particular.

The government's decision to uncap the funding system in 1999 helped to mitigate emergent sustainability issues for ITPs. It allowed ITPs to grow their provision quickly, especially with the expansion of sub-degree provision and Adult and Community Education (ACE). Between 2000 and 2004 (when the system was re-capped), certificate and diploma level provision at ITPs doubled, and ACE provision increased more than five-fold.

### 2000s

Funding caps were progressively reintroduced for ITPs from 2004, along with fee regulation of various kinds. Funding from low-level courses was removed and reinvested in ITPs through the Quality Reinvestment Fund, which supported a shift towards degree-level provision.

ITPs were increasingly encouraged to focus on delivering qualifications at higher levels to young people studying full-time on campus. One polytechnic, the Auckland Institute of Technology, transformed into a university (the Auckland University of Technology) during this time, in 2000.

The introduction of the Performance Based Research Fund (PBRF) in 2003 led to a drop in funding for ITPs. The PBRF represented a move away from roll-based, research top-up funding to a model designed to reward high-quality research outputs of specific kinds. The result was a transfer in research funding to the universities; by 2012, ITPs received less than 3 percent of the PBRF's \$300 million funding.

### 2010s

The end of the 2000s saw a change of government. Policy priorities shifted to fully volume-based funding, with capability funds disestablished. Quality Reinvestment Funding had not lead to increases in enrolments at ITPs, which were starting to face financial pressures once again. This was worsened by funding cuts for various types of courses often delivered by ITPs, including regulatory health and safety courses and short awards.

External factors would provide a temporary reprieve for the ITPs, with a spike in enrolments due to:

- › the global financial crisis (GFC) in 2008, and the subsequent economic downturn which saw many people returning to and enrolling in ITPs; and
- › population growth, in particular a "baby blip" (an echo of the post-war baby boom) that was moving through the education system at the time.

However, the New Zealand economy recovered much quicker from the GFC than other countries, with rebounding employment and/or on-the-job training reducing enrolments in full-time qualifications. The baby blip moved through the system, followed by a slow but steady decline in school-leaver numbers in most parts of New Zealand, a trend which is forecast to continue for some years to come. Universities, seeking to maintain enrolment levels in their core school-leaver cohort, responded by accepting a wider range of students than in previous years, some of whom would likely otherwise have gone to ITPs.

Policy changes, combined with the downturn in enrolments, increased the financial pressure on the ITP sector. The development of Educational Performance Indicators (EPIs) to measure course and qualification completions, retention and progression revealed that some ITP delivery was not delivering good outcomes for students. However, EPIs measured all providers against the same yardstick, regardless of the prior educational achievement of the students they enrolled, which disadvantaged ITPs delivering to higher-need student cohorts. Five percent of each organisation's funding was tied to the EPIs via Performance Linked Funding (PLF), which saw some ITPs returning funding to the Crown for poor educational performance.

The introduction of competitive Student Achievement Component (SAC) funding at levels 1 and 2 in 2012 resulted in a further loss of funding and enrolments for ITPs. Increased secondary school attainment was already eating into ITP's foundation education delivery; competitive funding saw that loss increase, with a growing proportion of SAC 1-2 funding going to wānanga and private training establishments (PTEs). As well as the direct effect on ITPs' foundation provision, this change also indirectly affected demand for level 3+ delivery at ITPs because it removed their internal "pipeline" of students progressing from lower levels.

Tertiary funding increases in recent years have mainly been targeted at specific levels or fields of study, or administered via specific initiatives (eg, ICT Graduate Schools, Entrepreneurial Universities, or Centres of Asia-Pacific Excellence) or via the PBRF, with the result that ITPs' financial pressures have gradually increased.

ITPs have sought to manage funding pressures through a mix of cost-cutting initiatives, including restructuring, mergers, collaborations of various kinds, and reductions in course offerings; and revenue generation, mainly through international student enrolments.

Mergers in the sector include:

- › Wellington Polytechnic merged into Massey University in 1999.
- › Manawatu Polytechnic changed its name to UCOL in 1998, and in 2001 and 2002 respectively merged with Wairarapa Regional Polytechnics and the Wanganui Regional Community Polytechnic.
- › Auckland Technical Institute changed its name in 1989 to the Auckland Institute of Technology, then became the Auckland University of Technology in 2000.
- › Hutt Valley Polytechnic and the Central Institute of Technology merged to form Weltec in 2001.
- › Telford Rural Polytechnic merged into Lincoln University in 2011.
- › EIT and Tairāwhiti Polytechnic merged in 2011.
- › Weltec and Whiriteia Community Polytechnic formed a close strategic partnership, beginning in 2012, with a single governing Council to a single Chief Executive in 2015.
- › CPIT and Aoraki became Ara Institute of Canterbury in 2016.
- › BOPP and Waiariki became Toi Ohomai Institute of Technology in 2016.
- › Telford decoupled from Lincoln University and became part of Taratahi in 2017.

## Where are we going? Future opportunities for the sector

A thriving ITP sector is vital to the health of the New Zealand's economy, environment and society. At their best, ITPs offer a high-quality applied learning pathway that enables learners – including the best and brightest – to acquire advanced technical skills that can give them satisfying, creative and productive working lives, as employees or as entrepreneurs and job-creators.

The jobs of today will not be the jobs of tomorrow. The education sector must react and prepare learners for a fast-changing future of work. We expect to see increased demand for upskilling and retraining options for people already in work whose jobs are affected by technological change. ITPs, with their capability in delivering hands-on work-relevant training to adults, will be critical to meeting these training needs over the coming decade.

ITPs can also be critical enablers of economic growth in regional New Zealand, by understanding and responding to – and in some cases anticipating – the skill needs of their local and regional labour markets. A skilled workforce is a valuable commodity that regions can use to help attract and retain business investment outside New Zealand's large urban centres.

The present convergence of factors provides an opportunity to re-envision New Zealand's ITP sector for the needs of today and tomorrow, while addressing its financial challenges. Through the ITP Roadmap 2020 project, TEC is working with the sector to identify a path to sustainability for the ITP network. The only option off the table is the status quo.

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## Further reading and sources

See [www.tec.govt.nz/focus/our-focus/itp-roadmap-2020/](http://www.tec.govt.nz/focus/our-focus/itp-roadmap-2020/) for more information on the ITP Roadmap 2020 project.

The TEC has published a timeline of policy and funding reforms from 1988 to the present day: **[A timeline of changes to the policy and funding environment for ITPs](#)**

Much of the historical information in this document is drawn from *Te Ara, the Encyclopedia of New Zealand*: **[teara.govt.nz/en/tertiary-education](http://teara.govt.nz/en/tertiary-education)**

Additional information was sourced from Malcolm Abbott's research paper for the Centre for Research in International Education at **[www.crie.org.nz/research-papers/M.Abbott\\_H.D\\_OP2.3.pdf](http://www.crie.org.nz/research-papers/M.Abbott_H.D_OP2.3.pdf)**