



## Briefing Note: OECD's Education at a Glance 2023

<b>To:</b>	Hon Jan Tinetti, Minister of Education		
<b>Cc:</b>			
<b>Date:</b>	21 August 2023	<b>Priority:</b>	Medium
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<b>Messaging seen by Communications team:</b>	Yes	<b>Round Robin:</b>	No

### Purpose of Paper

- The purpose of this paper is for you to:
  - note** that the OECD will release the 2023 edition of its annual *Education at a Glance* report on 12 September 2023 at 9pm, New Zealand time.
  - note** that the Ministry will publish a New Zealand summary report to accompany this release.
  - note** that a communications Q&A is being prepared and will be sent to your office separately.

### Summary

- This note briefs you on the release of the OECD's annual *Education at a Glance*. This publication is considered a key reference for assessing New Zealand's education system in an international context.
- This year's report relates mostly to 2021 or 2022. Expenditure indicators relate to 2020. The impacts of COVID-19 therefore remain a key factor influencing changes seen in this year's results. However, the performance of New Zealand's education system relative to other OECD countries remains moderate to high.
- The release often attracts considerable media attention overseas. However, in New Zealand, media, sector, and political attention is typically more limited.

## Proactive Release

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It is recommended that you:

**agree** that the Ministry of Education release this briefing in full once it has been considered by you and once the OECD report has been published.



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**General Manager–Tertiary Policy**  
**Te Pou Kaupapahere**

21/08/2023



Hon Jan Tinetti  
**Minister of Education**

27/08/2023

☒ Agree / ☐ Disagree

Proactively Released

## Background

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1. Education at a Glance (EAG) is an annual report comparing the education systems of the 38 OECD countries and a number of participating partner countries over a large range of indicators. Its purpose is to support system performance assessment and policy development with international evidence.
2. The report has been provided to countries under embargo until its release on 12 September at 9pm, New Zealand time.
3. The report provides one of the most extensive ranges of comparative education system indicators available. They are high-level national indicators, typically with age and gender only as demographic variables. The report is based on the international standard way of classifying level of education, which differs from the framework used in New Zealand. As high-level national indicators, they can hide a large amount of variability within the country systems. However, Education at a Glance remains the most extensive reference for assessing New Zealand's education system in an international context.
4. This year's report relates mostly to 2021 or 2022. Expenditure indicators relate to 2020. The impacts of COVID-19 remain a key factor influencing some of the changes seen in this year's results.
5. This year's edition of EAG has a focus on vocational education and training (VET) and the OECD will also publish a separate *Spotlight on VET* report. The reports will be available on the OECD's website (<https://www.oecd.org/education-at-a-glance/>).
6. Below is a brief summary of New Zealand's results. As in previous years, the Ministry will publish a fuller New Zealand summary report to accompany the 12 September OECD release.

### Participation in education

7. Participation in ECE is above the OECD average for under three's, and around the OECD average for three- and four-year-olds. Participation for five-year-olds in ECE or schooling is slightly above average, reflecting the later typical school starting age of six in most OECD countries.
8. Participation is around the OECD average for schooling ages 6 to 14. The age range at which at least 90 percent of the New Zealand population is in education is 5 to 17, similar to the average across OECD countries.
9. Participation remains lower than the OECD average at upper secondary ages 15 to 19. Employment rates for New Zealanders in this age group are amongst the highest in the OECD. The proportion not in employment or education is around the OECD average.
10. Participation at traditional tertiary ages (18 to 24) is also around the OECD average, but is relatively high at older ages, over twice the OECD average for adults aged 25 and over.

### Educational achievement and transitions to further study and employment

11. Educational attainment in the New Zealand population (aged 25 to 64) is around the OECD average. Around 19 percent of 25 to 64-year-olds have less than the equivalent of NCEA 2 (compared to an OECD average of 20 percent). Forty-one percent have at least NCEA 2 or equivalent but less than a tertiary diploma (compared to an OECD

average of 42 percent). Forty percent have a tertiary diploma or higher (same as the OECD average).

12. The existence of a one-year upper secondary qualification (NCEA 1) is relatively uncommon in the OECD (it exists in around half a dozen countries). Under international definitions, those with this as their highest attainment are counted in the 19 percent with below upper secondary attainment. In 2022, around 10% of school leavers in New Zealand left with NCEA Level 1.
13. New Zealanders complete initial upper secondary education at about the same rate as the OECD average. However, compared with other OECD countries, more are likely to have transitioned to, and completed via upper-secondary-level (i.e. Level 1-3) vocational qualifications in post-school settings. This is more typical in a number of anglophone countries but is less common across OECD countries where vocational education tracks and programmes are part of initial school education. Overall, the share of New Zealanders completing a Level 1 to 3 vocational qualification is less than the OECD average.
14. However, New Zealand has one of the highest shares of adults participating in and completing Level 4 qualifications. Overall, the share of adults with a school or tertiary qualification at NZQF Level 2 to 4 is around the OECD average. The share of students doing diploma level qualifications is slightly higher than the OECD average.
15. Those with tertiary qualifications are noticeably more likely to hold a bachelor's degree and less likely to hold a master's degree than what is typical in other OECD countries, but the overall share of adults with a bachelor's or higher-level qualification is the same as the OECD average. The share of our population with doctorates is also about the average.
16. New Zealand tertiary students are slightly more likely to be female, and there are more students aged 25 and over than the average across OECD countries.
17. The share of students studying in different fields is also about the same as the OECD average. However, the share of female students in STEM and agriculture fields is amongst the highest in the OECD.

## **International**

18. International student data in this year's edition relates to 2021, so reflects the significant impact of COVID-19 on international students to New Zealand. New Zealand and Australia were the two countries showing the largest declines in shares of international students in 2020 and 2021 as a result of COVID-induced border closures. In 2019, New Zealand had the third highest share of international students amongst its tertiary student population (at 21 percent). In 2021, New Zealand was ninth (at 12 percent). Australia's share fell from 28 percent to 22 percent. In absolute number terms, New Zealand's share of international students remains small, at under one percent of all international students globally. OECD countries as a group attract around two-thirds of all international students, with the biggest destinations being the United States, United Kingdom, Australia, Germany and Canada.
19. Education at a Glance provides unique information on where New Zealanders go to when they travel overseas to do tertiary study. In 2021, 35 percent were in the United States, 24 percent in Australia, 12 percent in the United Kingdom and 9 percent were in Germany. Prior to COVID-19, Australia was the most popular destination, attracting nearly half of New Zealand students.

## **Post-education outcomes**

20. New Zealand traditionally is characterised as having higher than average social and labour market outcomes across all levels of education, but smaller differences between the least and most educated. This is sometimes interpreted by some commentators as lower benefits of education, but may also reflect social, cultural and economic settings that act to reduce inequity.
21. New Zealand has comparatively high employment rates regardless of level of educational attainment, in fact in the top five OECD countries in 2022. The strong labour market post COVID-19 has kept unemployment low and acted to reduce participation in upper secondary and tertiary education. Our relatively higher employment rates amongst low-qualified people means the employment advantage in New Zealand for a tertiary education is smaller than it is in other OECD countries.
22. Similarly, the earnings advantage in New Zealand for a tertiary education remains lower than that in other OECD countries. On this measure New Zealand has traditionally ranked in the bottom quarter of countries. While relative earnings for education are less than the OECD average, actual earnings are at or above the OECD average.
23. Employment rate differences between men and women reduce with higher levels of education. In New Zealand, this gender gap for tertiary qualified people is seven percentage points – similar to the OECD average. The gap has been reducing across OECD countries over time, and the reduction in New Zealand has largely mirrored the OECD average.

## **Teachers, the learning environment, and the organisation of schools**

24. Teacher salary comparisons relate to 2021 and 2022, so do not reflect the recent settlement of teacher's collective agreements. Average actual salaries in 2021 for New Zealand primary and secondary teachers were above the OECD average, with New Zealand ranking around 10th in the OECD. Average actual salaries for teachers relative to the earnings of full-time full-year workers with a tertiary diploma or higher were lower for primary teachers (at 91 percent) but close to parity for secondary teachers (99 percent). On these measures, New Zealand ranked 7th for primary teachers, and 9th for upper secondary teachers (from around 20 OECD countries reporting).<sup>1</sup>
25. Between 2015 and 2021, average actual salaries for New Zealand primary and secondary teachers grew in real terms by 12 percent, compared with an OECD average growth of 15 percent for primary teachers and 16 to 17 percent for secondary teachers.
26. In statutory salary terms, starting salaries in New Zealand have traditionally been around the OECD average, and there is a shorter period to the top of the scale than is the case in most OECD countries. Salaries at the top of the scale are lower than the OECD average. Statutory figures do not capture the full range of actual earnings teachers receive, for example from extra teaching or management units and allowances.
27. From 25 OECD countries reporting the level of teacher qualifications, 42 percent of primary teachers and 69 percent of upper secondary teachers held a master's degree or higher. In New Zealand, a bachelor's degree is more common, with 4 percent of primary teachers and 14 percent of upper secondary holding a master's or higher.

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<sup>1</sup> Teacher salaries for each country are adjusted by a purchasing power parity factor (PPP). The way these factors are calculated for each country is likely to influence salary comparison rankings. However, note the results comparing teacher salaries with those of tertiary educated workers are not impacted by this.

28. Student to teacher ratios (which are expressed in full-time-equivalent rather than headcount terms) are largely similar to the OECD average for primary, secondary and most levels of tertiary education. The figures for ECE show New Zealand having amongst the best ratios in the OECD. However, due to a number of factors around how this is counted and reported, these figures are likely not to represent the true picture. We are working to improve the reporting on this for future editions.
29. Compared to the average across OECD countries, New Zealand has both a slightly higher share of secondary teachers aged over 50 (43 compared with 40 percent) and a slightly higher share aged under 30 (11 compared with 8 percent). The share of school teachers who are male is similar to the OECD average (which is 18 percent at primary and around 40 percent at upper secondary). At tertiary levels, New Zealand has a lower share of male teaching staff, 47 percent compared with 57 percent for the OECD average. The share remains higher (at around two-thirds) at senior academic levels at universities.
30. At 39.4 weeks, the number of weeks primary schools are open in New Zealand is about a week longer than the average across OECD countries. The number of weeks ranges from 35 to 44 across OECD countries.
31. This year's edition includes an indicator on national or central student evaluation and assessment systems. National or central assessment systems in schools exist in almost all OECD countries. They are less common at upper secondary level. While assessment is still an expectation of our system, New Zealand is in a handful of countries (with Poland and Costa Rica) which do not, or no longer have national or central standards-based assessment at any level.
32. The most common purposes for doing assessments were for student diagnostic information for teachers, education system monitoring, and evaluation of school performance.
33. In terms of national or centrally run examination systems, New Zealand is similar to most OECD countries with these in place at upper secondary level. Around a dozen countries also have national examinations at lower secondary level. The main purposes for examinations were for certification, graduation or grade completion, eligibility for tertiary education, and selection for specific tertiary programmes.

### **Financial resources invested in education**

34. Expenditure data in EAG relates to 2020. In terms of total public and private expenditure per student, New Zealand sits in the middle of OECD countries, just under the OECD average. This has not changed much over time. Average expenditure per student is in the bottom quarter at primary levels, and about average at secondary levels. At tertiary levels, New Zealand is above average, and when expenditure on research is excluded, New Zealand expenditure on tertiary is in the top quarter.
35. In the first year of the pandemic, around a third of OECD countries saw increases in expenditure per student, a third largely stayed the same, while a third saw decreases. For New Zealand, public expenditure increases (on a per student basis) were amongst the highest in the OECD (along with Australia, Canada and Ireland). These increases in public expenditure were offset by reductions in private expenditure as a result of fewer international students.
36. Increases in public expenditure and reductions in private expenditure (including that from international students) have seen the public share of education expenditure

increase in 2020 and 2021, in particular at post-schooling levels. The government share of education expenditure was 95 percent for primary education, around 90 percent at secondary level, and around 60 percent at tertiary level.

37. The largest gains in public funding shares were in post-schooling VET, with the public share increasing from 70 percent in 2019 to 83 percent in 2020, reflecting the apprenticeship support initiatives introduced in 2020. At tertiary diploma level and higher, the public share of investment increased from 54 percent in 2019 to 58 percent in 2020 and 60 percent in 2021. New Zealand's public share sits around the OECD average at schooling levels but is lower than average at tertiary levels. We are in a group of typically anglophone countries with policy settings that support a higher private share of tertiary costs with larger public financial support systems.
38. The share of total government expenditure that is allocated to education remains higher than the OECD average. In previous years New Zealand has ranked near the top in this measure but in 2020 and 2021 the share declined, and our relative position has shifted towards the average. This is due to total government expenditure increasing more than government education expenditure during this period. While the share has declined, the actual increase in government education expenditure in 2020 was significant, amongst the top five, in percentage terms, across OECD countries.
39. As a share of gross domestic product, education expenditure in New Zealand sits just above the OECD average, at 5.4 percent. Again, it is lower for primary, average for secondary, and a little above average for tertiary, more so if research is not counted. This indicator is often used as a proxy for a country's 'ability to pay'. Traditionally New Zealand has performed very well on this indicator. The change in our relative position this year relates less to education expenditure and more to the changes in GDP across OECD countries.
40. In terms of public expenditure as a share of GDP, New Zealand sits about the average at schooling levels, and above average at tertiary levels. Public expenditure on education has increased 20 percent in real terms since 2015, compared to 12 percent on average across the OECD. GDP increased by 19 percent compared to 8 percent on average across the OECD.
41. This data so far relates only to schooling and tertiary education. Expenditure on early childhood education is kept separate in EAG as it is less complete due to data comparability and availability across a number of OECD countries. New Zealand reports data on public expenditure on ECE but does not report data on private expenditure on ECE. While public ECE investment comparisons are not included in this year's EAG, in previous years New Zealand's investment per child in ECE has been shown to be high. When New Zealand's public-only expenditure per child is compared alongside total public and private expenditure per child in other countries, New Zealand ranks in the top ten. As a percentage of GDP, New Zealand's public expenditure on ECE is around the middle.

### **Vocational Education and Training (VET)**

42. This year's edition of EAG has a focus on VET. Accompanying the report, the OECD will publish a separate *Spotlight on VET* report. Key summary points follow.
43. New Zealand is in a minority group (of mainly anglophone countries) that have a predominantly generally-oriented initial schooling system, with relatively little vocational tracking, and where VET (including that which is at a level equivalent to upper

secondary) is done after leaving school. Differences in how systems operate across countries, including how different countries may position VET skill levels, is a factor for interpreting cross-country comparisons for VET.

44. VET students in such countries, including New Zealand, are noticeably older. In New Zealand, while the most common age of VET students is under 20, the average age is over 30, the highest in the OECD, along with Australia and Ireland.
45. For both New Zealand and Australia, expenditure per student at upper secondary levels (Levels 1-3) is lower for VET than it is for non-VET. By contrast, in most countries where upper secondary-level VET is done as part of the initial schooling system, expenditure per student is higher for VET than it is for non-VET, in part due to the higher student to teacher ratios in post-school settings.
46. Compared to New Zealand, countries with vocational programmes within initial schooling tend to have higher levels of VET participation and attainment at Levels 1 to 3, but less at Level 4. While transition to Level 1 to 3 VET programmes post-school is common in New Zealand, the share of the population with this level and type of attainment is less than the OECD average. By contrast, New Zealand has the highest percentage of the population enrolled in VET programmes at Level 4 in the OECD, and the second highest share of the population qualified at this level. When VET across all levels from upper secondary to diploma level is combined, New Zealand's VET share is similar to the OECD average.
47. Employment and earnings comparisons between VET graduates and non-VET graduates are presented for a combined Level 1-4 group. VET graduates on average across the OECD have higher employment than non-VET graduates, and this is true also for New Zealand. However average earnings are about the same for VET and non-VET, both in New Zealand and for the OECD average.

## Key Risks and Benefits

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48. Internationally, this report attracts interest and commentary from a wide audience. However, in New Zealand, the media and sector response is typically low. Post release attention in the past has sometimes focused on:
  - the relatively lower earnings advantage for our tertiary-qualified people
  - education spending levels
  - the salaries of New Zealand teachers
  - the level of retention and achievement in upper secondary.
49. Education at a Glance data typically covers several time periods. For this edition most indicators relate to 2021, educational attainment and labour market outcomes relate to 2022, while expenditure indicators relate to 2020. There is a risk that the media may not pay close attention to the specific dates that data has come from, and therefore misrepresent the results.
50. A set of communication responses is being prepared in anticipation of possible attention the release may generate, and we are working with your Office to confirm any media release arrangements in relation to this release.