



Tertiary Education Commission
Te Amorangi Mātauranga Matua



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA



MINISTRY OF EDUCATION
Te Tāhuhu o te Mātauranga

Tertiary Education in New Zealand – “The Next Steps”

8 June 2006

Dear Colleague,

Initial consultation provides a platform for remainder of 2006

It is now two months since the Minister for Tertiary Education, Hon Dr Michael Cullen, announced several proposals around the next stage of the tertiary education reforms, and invited your feedback.

The purpose of this letter is twofold. Firstly, we want to acknowledge and thank you for considering the material distributed in April, consisting of the Minister’s announcement speech, a media release, Cabinet Paper and background paper to support consultation.

Secondly, we want to report back to you on the initial responses received and outline how we plan to continue consultation over the remainder of 2006.

In the initial consultation period from 4 April to 12 May, the three education agencies, the Tertiary Education Commission, Ministry of Education and New Zealand Qualifications Authority, were heavily engaged in a round of consultative opportunities to present the broad outline of proposed changes centred on the key areas of policy development: distinctive contributions, investing in a plan and funding, and quality and monitoring.

The emphasis throughout was on ensuring a shared understanding that the proposed changes are inter-dependent and had to be considered as a package. While the impact in terms of implementation is largely on those organisations that are allocated funding from the existing Student Component fund, all parts of the sector and wider stakeholders have a role to play in these changes.

The attached high level summary provides a brief overview of the significant aspects of this initial consultation, the ground covered and the views heard. This will clarify some areas of potential confusion and highlight areas of broad agreement.

All views, comments and formal submissions are being taken into consideration as part of the concurrent policy development process for providing the next round of advice to Cabinet.

What's next and how can you remain involved?

The opportunities for consultation and engagement in 2006 will continue at two connected levels.

The first level will be a period of formal consultation conducted by the Ministry of Education on the development of the next Tertiary Education Strategy and Statement of Tertiary Education Priorities. Together these documents set the direction for the tertiary education system and are an important part of the reforms within the sector. They are expected to be published by the end of the year.

The second level will focus on operational policy and addressing relationship and implementation issues. This level will be managed by the Tertiary Education Commission as the lead agency for "The Next Steps" programme of work.

Your valued involvement will be sought at both levels through this next stage and as implementation of key aspects of the reform begin to take shape in 2007 for effect from 2008.

We look forward to keeping you updated about the opportunities ahead as we work together to build a successful future for tertiary education in New Zealand.

Yours sincerely,



Howard Fancy
Secretary for Education
Ministry of Education



Janice Shiner
Chief Executive
Tertiary Education
Commission



Dr Karen Poutasi
Chief Executive
New Zealand Qualifications
Authority

Broad support for changes in Tertiary Education

On 4 April 2006, the Minister for Tertiary Education, Hon Dr Michael Cullen, announced a set of proposals to build on reforms in the tertiary education sector by supporting the sector to improve the quality and sophistication of its planning and responsiveness to the needs of stakeholders in tertiary education in New Zealand. This high-level overview offers a summary of significant aspects of this initial consultation, the ground covered and the views heard.

Beginning the conversation

In the six weeks following the Minister's announcement the Tertiary Education Commission (TEC), working with the Ministry of Education and New Zealand Qualifications Authority facilitated more than fifty meetings to build awareness and understanding of the proposed changes. These included a series of dedicated meetings organised by the TEC with lead representatives of Universities, Institutes of Technology and Polytechnics, Wānanga, Private Training Establishments and Industry Training Organisations.

The breadth and diversity of key stakeholder groups with 'vested and invested' interests in the future of tertiary education was further reflected by the distribution of packs of information to more than 1,100 organisations throughout New Zealand.

Additional events during this time included pre-scheduled meetings with reference groups representing Māori, Pacific and Learner interests, as well as supplementary seminars in Auckland, Wellington and Christchurch to present information to a cross-section of sector organisations and stakeholders - including business and employer groups, economic development agencies, the science and applied research communities, professional institutes and associations, lifelong learning groups and local body representatives. Arranged at short notice, these meetings attracted almost 200 people; a sign that the right

connections are being made and that plans to hold similar forums for wider audiences in the future should be well supported.

The Ministry of Education's Tertiary Consultative Group met in the last week of the initial consultation period on 10 May. This meeting brought together representatives from tertiary workforce unions, learner associations, tertiary education organisations, business, quality assurance bodies, the three key education agencies, the Department of Labour and the Ministry of Social Development.

Wide-ranging topics canvassed at the Tertiary Consultative Group included the importance of the interface between secondary and tertiary education, collaboration between tertiary education organisations and the notion of networks of provision, the essential role of effective governance to deliver the reforms and the fit-for-purpose focus being applied to current thinking about possible changes to the Student Component funding system (noting some likely similarities to the approach already being taken with Adult and Community Education).

A theme at this group, and at other consultative meetings, was that the sector could not afford to be too inward looking given that outcomes for tertiary education have to be grounded in local society and local cultures as well as having a global outlook.

Constructive feedback

A background paper was available from 10 April to support this consultation. This paper sought feedback against three key areas: 1) Understanding how different types of organisation make a distinctive contribution and work together; 2) Designing an alternative to the current Student Component funding system; and 3) Developing a quality and monitoring system that focuses on outcomes.

The points put forward for consideration generated various levels of both concern and consensus.

▪ Distinctive contributions

- There was a concern that aspirations for parts of the sector to play more to their strengths and to develop more depth might founder without tailored funding to enable changes and support strengthened capability.
- The need for differentiation – rather than a one-size-fits-all approach – was broadly agreed. Clarity of roles is desirable.
- The consultation surfaced some of the differences in roles between ITPS and ITOs and issues such as overlapping provision.
- Concern was expressed that any differentiation within the system shouldn't impede learners' movement and staircasing back and forth between different types of organisation.
- A point was made that foundation learning should not be seen as the sole preserve of any one part of the sector as upskilling and literacy needs are encountered across the board.
- Alongside general support for an increase in strategic collaboration across the sector and less duplication, comments were also made in favour of a competitive environment and the importance of student choice.
- The question was asked whether any appraisal had been made of how reliant the different sectors are on each other to operate as a whole and what the sector

might look like if providers such as PTEs were more integrated into the system?

▪ Investing in a plan and funding

- There was broad acceptance of a constraint on the amount of funding available. However, volume or numbers of students and associated teaching and learning needs was still expected to be an important consideration for funding.
- Some interest was expressed in whether funding would be allocated for costs not directly associated with teaching and learning and/or costs specific to different needs such as delivering provision in isolated locations.
- It was accepted the proposed investment driven approach would build on existing profile processes and that these would become more like a plan of provision with each provider being funded according to an approved plan.
- Concern was expressed that a system with fewer formulae would put more dependency on agencies like the TEC exercising judgement to get the balance of investment right – this was identified as a potential risk if there was low input from stakeholders such as employers and ITOs.
- The funding assurance of multi-year funding was widely welcomed with a caveat that there should be enough flexibility to support and encourage innovation and responsiveness to stakeholder needs.

▪ Quality and monitoring

- The concept of more transparent performance evidence to inform investment decisions was widely endorsed.
- Benchmarking of outcomes across the tertiary sector was raised as an appropriate starting point.
- Commitments to ensuring compliance and bureaucracy are kept to a practical minimum were welcomed, although some reservation was voiced that levels of self-monitoring should not compromise the need for performance to be highly accountable.

Points of clarification

Many important questions and views were put forward during this consultation that will continue to be explored and debated. Some of these included:

- ***Balancing economic and social outcomes***
 - Some debate occurred around the importance of having a balanced view of tertiary education to ensure that social outcomes are valued and that gains made in levels of participation and access are not diminished.
- ***National or regional lenses?***
 - A strong set of opinions contended that in a country as small as New Zealand regional thinking must always be balanced with national thinking.
 - The importance of supporting and leveraging off the strategic leadership role of ITOs was acknowledged.
 - Clarification was needed that use of the term 'regional hub', as applied to the role of ITPs, did not imply that ITPs would be administering regional plans for other parts of the sector or acting as 'purchasers' in their region.
 - A regional lens would vary greatly from region-to-region, and was intended more as a means of pooling information and targeting resources than as an end in itself.
- ***How will stakeholders have a say?***
 - Almost all stakeholder groups wanted more engagement in the policy process and implementation stages.
 - Many stakeholder groups also sought some assurance that they would have some influence on 'investing in a plan'.

Please note: While the timeframe for formal submissions has closed, the TEC welcomes ongoing feedback and is preparing for further consultation. To join our mailing list send your details to 2006reforms@tec.govt.nz

Wide range of submissions

During the initial consultation on the "Next Steps" reforms, formal submissions were received from more than 55 organisations, including:

Achieve - Education Disability Network; Ag Challenge Ltd; AIS St Helens; Aoraki Polytechnic; Appliance & Electronic Industry Association; Association of Staff in Tertiary Education; Association of University Staff; Aviation, Tourism and Travel Training Organisation; Business New Zealand; Christchurch Polytechnic Institute of Technology (CPIT); Christchurch Small Business Enterprise Centre; Competenz ITO; Eastern Institute of Technology; Edenz Colleges; EMA Central; ETITO (Electrotechnology Industry Training Organisation); Firetech Training Limited; FITEC (Forest Industries Training and Education Council); Flexible Learning Systems Ltd; Hospitality Standards Institute; Ideal Success Charitable Trust; Independent Tertiary Institutions (ITI); Industry Training Federation; IPENZ - Institution of Professional Engineers New Zealand; ITPNZ - Institutes of Technology & Polytechnics New Zealand; Manukau City Council; Museums Aotearoa; National School of Aesthetics; Nelson Marlborough Institute of Technology; New Zealand Association of Private Education Providers; New Zealand Catholic Education Office; New Zealand Council of Trade Unions; New Zealand Horticulture ITO; New Zealand Industry Training Network; New Zealand Industry Training Organisation Inc.; New Zealand Post Primary Teachers Association; New Zealand Public Service Association; New Zealand School of Music; New Zealand Screen Council; New Zealand Universities Academic Audit Unit; New Zealand University Students Association; Northland Polytechnic; Primary Industry Polytechnic Tutors Association; PTE Sector Advocacy Group; Registered Master Builders Federation; REINZ ITO (Real Estate Institute); St John; Tai Poutini Polytechnic; Tairāwhiti Polytechnic; Te Mana Akonga - National Maori Tertiary Students Association; Telford Rural Polytechnic; The Open Polytechnic of New Zealand; Tourism Industry Association; Te Wānanga o Aotearoa; Te Whare Wānanga o Awanuiāraangi; UNITEC; UNITEC Student Union; University of Auckland; WelTec Wellington Institute of Technology; Whitireia Community Polytechnic.