REAPANZ Submission on the Productivity Commission's
Draft Report on New Models of Tertiary Education

1. Introduction

Thank you for the opportunity to provide feedback on the draft findings, recommendations and questions outlined in the Draft Report on New Models of Tertiary Education – September 2016.

2. Background

REAP Aotearoa New Zealand (REAPANZ) is the national body which represents 13 REAPs[1] delivering education opportunities to rural communities in order to make a difference to the lives and long term plans of rural people. Working collaboratively with local partners including Iwi and Hapu is key to this progress.

REAPANZ receives funding from the Tertiary Education Commission (TEC) to support the delivery of Adult and Community Education (ACE). This is distributed to the 13 REAPs around the country to develop and deliver ACE programmes to rural communities.

3. Commentary

Please note that the terms learner and students are used interchangeably throughout this document.

3.1 Tertiary Education Funding

The draft report does not go far enough to address the fundamental issue of how tertiary education is currently funded or how it could be funded in the future.

The current inputs based system encourages training providers to maximise funding through enrolments which results in the perverse behaviour of "chasing student numbers", irrespective of whether or not the courses and programmes on offer meet local community, industry and economic needs.

The report does touch on this in Chapter 5 (Finding 5.5 – Investment Planning, 5.6 – Stable funding environment, and 5.7 Funding caps) however it does not consider how the government (via TEC) could make its' funding decisions based on an analysis of local community, industry and economic need.

A change in approach would result in training providers being able to offer courses and programmes that are reflective of local need therefore being more relevant and likely to be supported by local communities.

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[1] Rural Education Activities Programme

By taking the above approach, consideration could be given to true multi-year investment plans that enable training providers to be more innovative, take more risks through the provision of "loss leader" programmes and courses which encourage more participation due to relevance and local application, to offer programmes and courses that do not necessarily result in full qualifications but do meet local needs.

Until the current input driven funding system issues are addressed, any changes made to the tertiary education sector will be, at best, cosmetic and will not achieve the transformational changes required in the sector to change to becoming a truly learner centric with flexible and supportive options.

3.2   Adult and Community Education

The Government asked the the Commission to "consider the extent to which new models could improve the quality of tertiary education to the benefit of students, the economy and wider society, and improve access, participation and achievement in tertiary education. [The Commission] will take a whole-of-system perspective, focussing on New Zealand's universities, polytechnics, wānanga and private tertiary providers and seeking input from a wide range of organisations and people with a stake in tertiary education here and overseas".

The draft report is essentially silent on the subject of ACE funding and programmes even though significant numbers of learners participate in this form of tertiary education. We believe that there are many lessons that can be taken from the ACE sector and translated into the wider tertiary education sector to achieve positive outcomes.

The purpose of the ACE fund is to provide community-based education, foundation skills, and pathways into other learning opportunities that meet community learning needs.

The three priorities of ACE funding are to:
• target learners whose initial learning was not successful
• raise foundation skills
• strengthen social cohesion, enhancing a learner's ability to participate in society and economic life.

ACE funding is focused on meeting Tertiary Education Strategy (TES) priorities, addressing foundation education needs, and providing pathways into further education or the workplace. It is prioritised for ACE provision that primarily focuses on:
• Literacy, digital literacy, and/or numeracy
• English language, including English for Speakers of Other Languages (ESOL)
• New Zealand Sign Language
• Te Reo Māori.

It is intended that learners who graduate from ACE programmes are better equipped to participate in society and economic life. This includes being able to pathway into other forms of tertiary education. For this to be successful it is essential that the tertiary education sector is able (and prepared) to cater for the varying and diverse needs of ACE

graduates who may choose to pathway into further education, is flexible and learner centric and recognises that many learners may enter other parts of the tertiary education sector through non-traditional pathways and therefore may have different learning needs.

It is vital that the sector understands that learners who participate in ACE programmes have often had negative experiences of the education system, both compulsory and tertiary. Many learners graduate from their ACE programmes with improved foundation skills and increased confidence, thereby allowing them to postively participate in society and economic life.

Whilst many of the findings, recommendations and questions in the draft report are also relevant to the ACE sector, it is essential that any model for the tertiary education sector considers ACE provision to be a valid and contributing part of the sector alongside that of universities, polytechnics, private training establishments and industry training organisations.

REAPs support the notion of lifelong learning and as such are very supportive of ACE learners re-engaging in education with the confidence and desire to progress to futher tertiary education.

Having a flexible tertiary education sector that is learner centric, flexible and supportive will certainly enable ACE learners to engage in further education and training that can make a positive difference in their lives.

4. Feedback – Questions, Findings and Recommendations

The following feedback is limited to those areas that are considered relevant or pertinent to REAPANZ. We have not commented on each and every question, finding or recommendation.

4.1   Questions

4.1.1   Question 9.1 - What evidence is there about the impact of NZ tertiary education on participants' or graduates' wellbeing, separate from their labour market outcomes.

As outlined in 3.2, the outcomes achieved in the ACE sector are far less tangible than other parts of the sector however they can have a significant impact of a learner's life.

Positive outcomes for ACE learners are not centred around labour market outcomes or the achievement of educational performance indicators (EPIs). Rather they are focussed on engaging learners whose initial learning was not successful, raising foundation skills, and strengthening social cohesion, thereby enhancing a learner's ability to participate in society and economic life.

Many ACE providers are focussed on improving a learners' confidence levels which, when increased, restores self belief and esteem, and often ignites a desire to undertake more training and education and to "better oneself".

As such REAPANZ strongly recommends that the Commission considers how ACE training provision can have a positive impact on learners, and uses this to inform positive changes across the wider tertiary education sector.

4.1.2   Question 12.1 – what are important design features for a self-accreditation system?

We believe that any self-accreditation system must contain a set of guiding principles that are consistent with the outcomes sought from the TES.

Any self-accreditation system should be able to clearly demonstrate that:
- any training and education programmes and courses reflect local community, industry and economic need,
- programmes and courses are supported by a robust quality assurance programme
- the system is independently verified from time to time by an external agency.

4.1.3   Question 12.2 – What measures might encourage providers to enter into articulation agreements to provide pathways for students to study across providers?

We believe that there are significant disincentives within the current system for articulation agreements. These are connected to the current performance linked funding system which focusses on the achievement of EPIs along with retaining learner numbers in order to receive funding.

As previously stated, a rethink of the funding system is essential to encourage staircasing and articulation across providers. We believe that the funding should follow the learner irrespective of where they are accessing their education and that this could be apportioned or pro-rated over time. Some of the thinking outlined in Chapter 12.8 starts to investigate this sort of approach and we encourage the Commission to explore this more deeply.

4.1.4   Question 12.6 – What do you think of the Student Education Account (SEA) proposal as outlined in this draft report? What would you do to improve it?

We are supportive of a SEA approach. This would enable a learner to make choices about the tertiary education that best meets their needs.

We also believe that this approach should replace the current EFTS systems. This would result in tertiary education providers being more likely to provide programmes and courses that reflect local community, industry and economic needs as opposed to offering low value, high volume courses that may not necessarily meet needs.

4.1.5   Question 12.7 – What are the implication of the SEA proposal for students? For providers? For industry?

Students – the ability to make appropriate choices that best meet their needs. For example a student may decide to complete some foundation learning to improve literacy and numeracy skills prior to enrolling in a higher level programme thereby being better equipped to undertake a higher level (Level 3) training course.

Providers – the need to ensure that programmes and courses reflect local community, industry and economic needs.

Industry – an opportunity to influence training and education provision at a local level that best meets industry need.

4.1.6   Question 12.9 – Are there alternative models that could shift the tertiary education system from being provider-centric to genuinley student-centric?

The introduction of a SEA or voucher system would certainly shift the system from being provider-centric (supply driven) to student-centric (demand driven).

The fundamental thing for any student-centric system is that it must reflect local need as determined by the consumers of the training and education, the learners. The funding system must support this approach.

4.2   Findings

4.2.1   Finding 4.8 – Current funding and regulatory settings for tertiary education that focus on younger, full time learners completing full qualifications, the design of the student support system, and funding rules that make recognition of prior learning difficult, all present barriers to mid-career retraining.

We agree with this finding and encourage the Commission to consider how the current funding system influences this. The performance linked funding approach has created perverse behaviours where training providers are more focussed on securing "priority learners – Under 25s" in full qualifications with no transferable learning or credits.

Unpicking the current input driven funding models and refocussing them on being learner centric and driven will result in a system that positively addresses local community, industry and economic needs.

REAPANZ agrees with many of the other findings in the draft report. These are all symptomatic of an input driven system that is focussed on working within the current funding parameters therefore resulting in unitended and undesirable outcomes as noted in the report.

4.2.2   Finding 8.8 – The NZ sytem offers students a choice between relatively homogeneous providers. Such a system risks mediocrity and discriminates against some students.
Finding 8.9 – The funding and quality assurance systems do not reflect stated government commitments to improving educational outcomes for disadvantaged student groups, including Maori and Pasifika.
Finding 8.11 – The tertiary education system is poorly suited for lifelong learning.
Finding 8.16 – Features of the system combine to limit innovation and reduce responsiveness student demand........Nor is it on responsiveness to student demand.

Many of the findings above all point to a system that wrongly incentivises a training provider to offer minimum standards at low cost rather than providing an innovative and engaging learning experience that meets learner needs. The system is overly focussed on financial viability and management rather than achieving positive and relevant outcomes for learners.

All REAPs know first hand that all learners have varying needs that must be, at the very least, considered if not addressed in order for that learner to be successful in their learning journey. Many learners who participate in ACE programmes face challenges that do not necessarily exist for other learners who choose to undertake study through other parts of the tertiary education sector.

REAPs have taken the position that meeting learner (community) need is the paramount key business driver. Funding is not a key driver. This means that focus is placed on ensuring that ACE programmes and courses are fit for purpose and do support and meet local community, industry and economic needs. A lot of time and effort is put into seeking feedback from learners and other stakeholders about the appropriateness and relevance of programmes and courses.

In order to create a tertiary education system that is responsive to learner needs, the current incentives in the system need to be refocussed to ensure that training providers are able to commit appropriate effort and resources to ensuring that their programmes and courses are centred on achieving positive outcomes for learners that meet local community, industry and economic needs.

4.3   Recommendations

Many of the recommendations relate to clarity of roles between TEC, NZQA and the MoE. We support any initiatives that will ensure that the roles and responsibilities of these three agencies are clear, do not overlap and encourage collaboration between the three.

We agree with the recommendations that relate to improved service from these three agencies, in particular the cost, timeliness and value add of the services NZQA provides, and the timeliness of funding decisions made by TEC.

4.3.1   Recommendation 12.5 – The TEC should change the way it measures completions so that provider performance is not penalised if a student transfers to continue learning at a different provider or moves into work.

We support this recommendation as it will allow learners to make appropriate choices of where they may want to study that best meet their circumstances and current needs.

4.3.2   Recommendation 12.7 – Government should discontinue Performance Linked Funding

We support the discontinuance of the Performance Linked Funding system as we consider that this currently does not add value to learners and encourage training providers to be restrictive and inflexible.

4.3.3   Recommendation 12.22 – Government should:
- Extend funding eligibility to students who do not intend to pursue qualifications
- Remove specifications that set a lower and upper limit on fundable course duration
- Remove limits on the use of industry training funding on training at levels 5 and above on the NZQF.

We support the above recommendation with particular focus on extending funding eligibility to students who do not intend to pursue qualifications. This approach is truly learner-centric and would enable training providers to meet local community, industry and economic needs.

4.3.4   Recommendation 12.23 – Government should abolish University Entrance, leaving all universities free to set their own entry requirements

We agree with the first part of this recommendation but caution that allowing universities free to set their own entry requirements could result in:
- some learners being excluded from participating in university programmes, or
- learners being encouraged to undertake programmes that they are not equipped to be successful in.

The implications of this change would need to be fully considered.

5.   Conclusion

As stated previoulsy we believe that there are many positive lessons that could be learned from the ACE sector and strongly recommend that the Commission takes the time to consider these.

We invite the Commission to meet with REAPANZ representatives to discuss how aspects of the ACE sector could be applied in the wider tertiary education sector.