

## **MITO SUBMISSION - PRODUCTIVITY COMMISSION DRAFT REPORT: NEW MODELS OF TERTIARY EDUCATION NOVEMBER 2016**

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### **1. Background**

In November 2015 the Government asked the Productivity Commission to carry out an inquiry into “new models of tertiary education”. The terms of reference for this inquiry invited the Commission to examine how well New Zealand's tertiary education system is set up to respond to, and take advantage of, trends in technology, internationalisation, population, tuition costs and demand for skills. The Commission was also asked to identify potential barriers to innovation.

An Issues Paper was published in February 2016, outlining some questions for the inquiry to consider, describing the tertiary education system and trends influencing it, and seeking submissions to help the Commission develop its advice and recommendations. The Commission then met with a wide range of stakeholders to gather information and feedback in order to prepare the draft report.

The Commission met with MITO Directors and senior leadership team at the strategic planning workshop in April 2016. MITO made a submission to the Commission in May 2016, answering some of the 78 specific questions to which responses were invited.

A Draft Report was released for consultation at the end of September 2016; submissions close on 21 November 2016 and the final report is due to Government on 28 February 2017.

### **2. Inquiry to Date**

The Issues Paper had a largely provider-centric description of the tertiary education landscape and a lack of information and data about industry training. This has largely been addressed in the Draft Report: there is a full section about employers, industry training and the labour market, and Industry Training Federation and ITO submissions have clearly been considered in developing the findings and recommendations.

The Draft Report contains 33 recommendations the Commission believes would improve the tertiary education system's ability to respond flexibly to future pressures or opportunities.

### **3. Industry Training Federation submission**

MITO supports the Industry Training Federation submission in whole and will not repeat content from their document in this submission.

The ITF submission provides some general theme-based comments on the draft report. MITO would like to add a further observation to their ‘Employers as Providers’ comment: Industry training utilises employers’ plant and equipment. Increasingly, as plant and equipment become more and more sophisticated and costly, it is not efficient for Government to invest in replicating similar education in tertiary providers. Furthermore, industry training utilises skilled practitioners as trainers and assessors, who necessarily keep up-to-date with relevant technological advances, industry best practice, and legislative changes. Acknowledging employers as providers is vital to an innovative model of tertiary education.

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### 4. Feedback on recommendations relevant to MITO

- R12.3: MITO does support the recommendation that *the Ministry of Education should design a new quality control regime for tertiary education that encourages innovation and takes a risk-based approach*; however, does not support the recommendation that *the Ministry of Education should design a new quality control regime for tertiary education that enforces minimum standards of quality*. Refer ITF submission.
- R12.4: While MITO supports the concept of the recommendation that *the Ministry of Education and the Tertiary Education Commission should prioritise analysis of the value-add of tertiary education, including at provider level and by ITO. It should identify what kinds of study, at what providers, result in the best outcomes for different groups of students – including comparisons between provider-based and ITO-arranged training. It should publish this information for use by students, parents, providers, ITOs and purchasing agencies*, before giving our support for this recommendation we would like to know more about how the Ministry of Education will define the ‘value-add’ of tertiary education and what information will be published for use by stakeholders. Refer ITF submission.
- R12.5: MITO supports the recommendation that *the Tertiary Education Commission 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*.
- R12.6: MITO supports the recommendation that *students should be able to mix and match courses from different providers. The funding and regulatory system should not penalise providers for participating in such arrangements*.
- R12.13: MITO does not support the recommendation that *NZQA should review their programme approval processes, with a view to reducing timeframes and removing any unnecessary requirements. It should set a target for the median timeframe for approvals*. Refer ITF submission.
- R12.22: MITO supports the recommendation that *Government should extend funding eligibility to students who do not intend to pursue qualifications*.  
While MITO agrees that setting a lower and upper limit on fundable course duration does not regulate low-quality provision, we do not support the recommendation that *Government should remove specifications that set a lower and upper limit on fundable course duration*. Refer ITF submission.  
MITO supports the recommendation that *Government should remove limits on the use of industry training funding on training at levels 5 and above on the NZQF*. Refer ITF submission.
- R12.23: MITO supports the recommendation that *Government should abolish University Entrance, leaving all universities free to set their own entry requirements*. Refer ITF submission.
- R12.31: MITO strongly supports the recommendation that *the Ministry of Education should review the funding rates applicable to New Zealand and Managed Apprenticeships, with a view to equalising them*.

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R12.33: MITO supports the recommendation that *the Tertiary Education Commission should, in consultation with providers, set – and stick to – a reasonable deadline by which they will confirm funding allocations.*

### **5. About MITO**

MITO is the industry training organisation for the automotive, transport, logistics, industrial textile fabrication and extractive industries. We collaborate with our industries to develop qualifications and training programmes with clear and measurable standards that lift the performance of our industries' workforces.

Every year MITO helps thousands of learners gain the skills and knowledge they need to achieve their qualifications and progress their careers.