

Enabling a Responsive Tertiary Education System: A TANZ Position Paper

In our capacity as members of the ITP sector, the TANZ institutions have produced this position paper to (i) identify desirable attributes for a more effective tertiary education system (ii) provide an overview of an alternative funding model for consideration and (iii) raise some issues particularly relevant to the ITP sector.

Our central argument is that the New Zealand tertiary education sector has moved from an over-reliance on a market-led model to a centrally managed model. We believe the latter is now constraining, rather than enabling, institutions' ability to respond to government, industry and community needs; maintain currency; and remain financially viable.

We advocate a balanced approach between these two models, underpinned by the following position statements.

- 1 We support the need for
 - a coherent national tertiary education strategy
 - that achieves an appropriate balance between individual learner needs and national development goals
 - in a cost efficient manner.

- 2 We believe that the appropriate balance is most likely to be achieved by
 - a strategic focus on high-level goals and outcomes
 - within a regime of light-handed 'steering'
 - but avoiding micro-management of institutional behaviour.

- 3 We maintain that to be effective, the approach to managing the overall system must
 - recognise the diversity across the sector, as well as the constituencies each institution within the sector serves
 - safeguard institutions' autonomy at operational level so that the identified learner and stakeholder needs can be met.

- 4 Unquestionably, there is a need for Government to be involved in managing the direction of the overall system. **The fundamental change we propose is a shift from a purchasing model to a funding model.** We are convinced this approach would significantly lower administration and compliance costs, while enabling institutions' responsiveness to the constituencies they serve. The proposal includes:
 - 4.1 Institutions to be funded to meet the high-level strategic goals set by Government.
 - 4.2 Institutions to be responsible for reallocating this funding among the various course categories in ways they believe meet the high-level goals, while taking into account the needs of their own particular learner and stakeholder groups.
 - 4.3 The model to include appropriate safeguards and monitoring of behaviours not clearly aligned with the overall strategic goals.
 - 4.4 The notion of institutions focusing on their distinctive contributions to be retained, and furthermore incentivised through the funding regime.
 - 4.5 Government's role to ensure the circumstances exist in which student choice is informed and stimulated by pricing signals in accord with Government policy objectives/strategic goals.

- 5 More specifically, we propose the following:
- 5.1 Institutions to be funded on a triennial basis, rather than a short-term annual one, so that students and potential students have confidence that a course they enrol in will be sustained.
 - 5.2 Similarly, institutions to establish fees on a triennial basis, alongside a corresponding fee maxima policy.
 - 5.3 Government to set course fees maxima in line with its policy objectives, eg course fees for areas identified as ‘high need’ set at a level that encourages participation; areas identified as ‘over-supplied’ priced accordingly.
 - 5.4 Rather than a national, uniform resourcing level for all institutions, a funding system be established that reflects (a) the differences in nature and diversity between regional institutes and other providers (b) the impact of the mix of part time and full time students (c) other aspects of the student population that affect delivery, eg entry level, special needs, age and (d) the breadth of delivery in terms of qualification level, length of courses/programmes and disciplines covered.
 - 5.5 The long-term goal for the sector to emphasise the development of an integrated national system of lifelong learning. Such a system to aim at maximising flexibility of learning opportunities for individuals throughout their lives, while maintaining quality standards appropriate to the level and focus of the learning. ‘Flexibility’ includes:
 - A variety of access modes, eg face to face contact, distance/e-learning, and ‘blended’/mixed mode
 - A sector-wide commitment to and availability of recognition of prior learning/relevant experience (RPL)
 - The continued recognition of workplace learning
 - Easily transported learning (between institutions, across different segments of the sector, and between workplace and institutional settings).
- 6 Two further proposals related specifically to the ITP sector are:
- 6.1 ITP institutions to retain the right to offer degrees with a practical vocational emphasis. This is already firmly in place and clearly validated by student demand.
 - 6.2 ITP institutions to be the preferred providers for ITO funded delivery, at a level of 80% or greater nationally.
- 7 As far as the student loan system is concerned, we suggest that the following need to be made more explicit:
- 7.1 An effective student loans system needs to take into account the unintended incentives and consequences that may arise from the policy, as well as how the policy is implemented.
 - 7.2 Wherever there is a ‘private good’ accruing to the individual, that individual is expected to make a contribution. To the extent that there is a ‘public good’, however, financial support to the individual is warranted.
 - 7.3 The loans policy should make it transparent to individuals that the contribution they make to their own tertiary education is a small component of the ‘private good’ they will derive over time (i.e. that the contribution they make is a worthwhile investment in their own future).