



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

**New Zealand Council of Trade Unions
Te Kauae Kaimahi**

Submission on the

Draft Tertiary Education Strategy

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1.0 Introduction

- 1.1. Thank you for the opportunity to make a submission on the draft Tertiary Education Strategy. The New Zealand Council of Trade Unions - Te Kauae Kaimahi - (CTU) values this opportunity.
- 1.2 The CTU is the internationally recognised central trade union body in New Zealand and represents 38 affiliated unions with a membership of over 360,000 workers.
- 1.3 The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 1.4 Tertiary education is of critical importance to the CTU. The CTU vision is for a highly skilled workforce and workplaces that are committed to building a high-value and high-wage economy. Access to tertiary education and training is critical to achieving this vision.
- 1.5 A strong tertiary education system with good access for all New Zealanders is fundamental to realising the goals of increased productivity and higher skills levels in the New Zealand workforce and in the economy.
- 1.6 Tertiary education not only impacts on our productivity and skills levels but also has a beneficial impact on our society overall. Tertiary education enables the quality of people's lives to be improved, increases equity and builds a strong society and democracy.

2.0 The CTU and the Draft Tertiary Education Strategy

- 2.1 For some CTU unions tertiary education is the primary focus of work. The submissions from these unions on the draft Tertiary Education Strategy (TES) will reflect their specific issues and how the TES may affect the workforce they represent.
- 2.2 The CTU submission comments on some of the proposals in the draft TES and how the TES should respond to the education and training needs of New Zealand workers. The CTU response on the draft TES is focussed mainly on education and training as it relates to the broader workforce.

3.0 Summary of CTU Recommendations on the Draft Tertiary Education Strategy

3.1 The CTU:

- **Supports** the vision as outlined in the draft TES
- **Advocates** a continued emphasis on levels 2 & 3 qualification levels
- **Advocates** the up-skilling and retraining of adult workers as a priority
- **Supports** the ITF proposal of another priority to be added related to the contribution of skills development to increasing productivity
- **Advocates** literacy and numeracy as a goal for the workforce with adequate funding and support for these programmes
- **Opposes** the return to market practices and increase in competitive practices in the sector
- **Opposes** the publication of league tables that identify performance outcomes from the sector
- **Opposes** too much emphasis on international student expansion if it is at the cost of domestic students.

The CTU advocates the draft TES Strategy should:

- **Recognise** the needs of workers who are unable to commit to full-time study and their need for access to tertiary education
- **Recognise** the importance and role of workplace culture in improving training outcomes and productivity
- **Provide** more detail about how the education aspirations of Māori will be realised
- **Identify** the tertiary education needs of Pasefika and other ethnic groups
- **Identify** specific proposals on how to respond to workers and population groups who are at high risk from the economic recession
- **Clarify** the role of ITOs in the sector
- **Support** a complete review of the Performance Research Based (PBRF) model post 2012.

4.0 Strategic Direction

- 4.1 The CTU supports the goals set out in the draft strategy to:
- Provide New Zealanders of all backgrounds with opportunities to gain world-class skills and knowledge
 - Raise the skills and knowledge of the current and future workforce to meet labour market demand and social needs
 - Produce high quality research to build in New Zealand's knowledge base, respond to the needs of the economy and address environment and social challenges
 - Enable Māori to achieve education success as Māori.
- 4.2 The draft third TES that replaces the 2007-2012 TES is remarkably short and is described by the Minister's office as "shorter and sharper than the previous strategy".¹ Given the importance of tertiary education and the current challenges facing us we are concerned about the brevity and the lack of detailed strategy as well as the lack of detail about the steps needed for implementation.
- 4.3 There are important objectives left out of the strategy that are critical to improving skills levels and tertiary education outcomes for all New Zealanders.
- 4.4 The approach of the draft strategy is to deal holistically with tertiary education rather than separately with different component groups in the sector. We believe the strategy should be more specific about the needs and issues for different sector providers and the different responses needed by different parts of the sector.
- 4.5 The draft strategy has a strong emphasis on the need for financial cost restraints in tertiary education because of the economic recession. Tertiary training and education will play a significant role in how we emerge from the recession. More emphasis about the role of tertiary education in responding to the needs created by the recession must be included in the final strategy other than just reference to tertiary education sector spending cuts.

5.0 Economic Climate and Tertiary Education

- 5.1 Economic cycles are associated with changes in people's participation rates in study and progression of students to higher levels of study. A recent report on New Zealand Education sector *Profiles and Trends*² includes Smart (2009) reporting on the recession of the 1990s and the increases in the number of

¹ Anne Tolley, Beehive Press Release, 29th October, 2009

² Ministry of Education, *Profiles and Trends 2008, New Zealand's Education Sector*, 2008.

young people participating at secondary school level, which consequently led to more students entering tertiary education.

- 5.2 The impact of the recession on 15 to 19 year olds and those who leave the education system early is an indisputable and critical concern. The issue of industry trainees losing jobs, and thus their apprenticeships, as a result of the downturn is a critical issue that needs specific responses, as is the impact of the recession on young Māori.
- 5.3 The impact of the recession on those who are disadvantaged in the labour market is another critical response issue. It is essential that the draft strategy specifically respond to the needs of vulnerable workers and ensure continued and equitable access to training and workplace education.
- 5.4 The tertiary education sector and the labour market face major challenges in response to the recession. The final strategy must respond more intelligently and comprehensively than only looking at reducing access to some groups to tertiary education and signalling budget cuts in tertiary education funding.

6.0 Priorities

- 6.1 The CTU believes that the draft strategy does not provide enough connection between the strategic directions that the Government identifies it wants to work towards and the priorities it identifies. And we question whether the priorities do indeed provide the means to equip all New Zealanders with the knowledge, skills and values to be successful. We are concerned that too much emphasis is reflected in this strategy in seeing labour and improved tertiary education outcomes only as business commodities.

7.0 Targeting Priority Groups

- 7.1 There are some real unresolved tensions in the strategy. The strategy calls for an increase in the levels of people under the age of 25 involved in learning at level 4, but repeatedly emphasises the severe financial restraints and the need to constrain spending. But in order to increase the number of students undertaking level 4, there is an obvious flow-on need to increase the numbers of students who progress through levels 2 & 3.
- 7.2 While some people will commence qualifications and learning at level 4, there is a need for workers to be able to access learning training and opportunities at level 2 & 3 to be able to move on to achieving level 4 qualifications. Level 2 & 3 courses provide the bridge to achieving higher qualifications. For many workers the ability to access courses at levels 2 & 3 provides a pathway to higher level courses.
- 7.3 It is our experience, that all too frequently in New Zealand workplaces there are too few opportunities to study for a level 4 qualification except as a follow-on from level 2 & 3 courses. We have major concerns with the

emphasis being shifted away from level 2 & 3 qualifications and the subsequent impact of that on enabling workers to achieve at higher levels. It is important to avoid setting up learners to fail and therefore imperative that they start at the level that is right for them. Many need to achieve at the lower levels and to gain solid foundations before they try levels 4 and above.

- 7.4 We are concerned about the suggestion in the draft strategy that a focus on moving young people into tertiary education will be at the expense of access for those in other demographic groups, given the statement that, *“government may have to re-examine the level of assistance for those people who have already been supported to undertake tertiary education”*.
- 7.5 The retraining and up-skilling of adult workers in New Zealand who have been affected by the high unemployment rate must remain a top priority in the TES.
- 7.6 The draft strategy has a strong emphasis on supporting students in full-time study but this is simply not possible for many people because of caring for dependent relatives, other family commitments and employment obligations. The draft strategy refers to offering *“the chance to re-enter the education system”*. However, for many in this group, family, work and financial obligations make full-time study impossible.

8.0 Tertiary Education and Māori

- 8.1 The emphasis on enabling Māori to succeed in the tertiary education sector is strongly supported as a major priority but there is very little detail in the draft strategy about how the priority is to be realised.
- 8.2 The rate of increase of Māori holding degrees and achieving higher tertiary education levels must remain a major priority. The proportion of Māori holding a bachelors qualification, although having substantially increased over the last ten years, is still less than half the national average.
- 8.3 The CTU supports the point made by the Tertiary Education Union (TEU) that along with wānanga, Rural Education Activities Programmes (REAP) also have a significant role to play in contributing to Māori education achievements. Alongside wānanga, REAPs have proactively worked on taking a lead role in meeting education needs for many Māori whānau, hapū and iwi.

9.0 Diversity

- 9.1 There is also very little emphasis given to the needs of other ethnic groups. The proportions of Pasifika holding a higher level qualification is well under the national average also. We believe the strategy should reflect more detail about the education and training needs of a large Pasifika population and a growing Asian and migrant population.

10.0 Literacy, Language and Numeracy

- 10.1 Literacy, numeracy and language (LLN) skills must remain a priority for the whole population. Lack of literacy, numeracy and language skills will impede growth in productivity levels, and in the long run economic growth.
- 10.2 The draft strategy identifies the need for more adult learners to be gaining literacy, language, and numeracy skills for higher level study or skilled employment. This group of learners is listed as one of the priority groups.
- 10.3 Our concern is that in this capped funding environment there will be reduced government funding for some level 1- 3 qualifications that will prevent students into higher learning levels and improving their LLN capabilities.
- 10.4 The draft strategy notes that *“informal education provided by the adult and community education sector can play a key role”* and yet this sector has experienced major funding cuts recently. This statement therefore seems disingenuous in addressing the needs of this priority group.
- 10.5 Evidence from the Adult Literacy and Language Survey (ALLS)³ demonstrates clearly that a tertiary education strategy still needs to focus resources on informal and low level tertiary provision to meet the needs of over 40% of New Zealand adults who have literacy and numeracy learning needs.
- 10.6 The embedding projects in industry training reflect our understanding of the importance of contextualising literacy and numeracy provision for adult learners. Adults learn best when the subject matter is relevant to their work, family and community lives. The ability to absorb and understand new information is not a discrete skill, relevant only to one aspect of an adult’s life.
- 10.7 The draft strategy refers to the need for a holistic approach to teaching and learning (Refer to 2.2.2 Support and Encourage Student Performance). We submit that this needs to follow through to funding decisions as well.
- 10.8 The draft strategy identifies pastoral and academic support, creating learning environments and relevant teaching practice as *“critical ingredients”* of Māori students (Part 1, 1.2 point 4). These are critical ingredients for all adult learners, and especially those with literacy and numeracy needs.
- 10.9 For a worker, completing an informal non-assessed community course in a personal interest subject can be the crucial first step to lifting the literacy, skills and confidence necessary to engage in an industry based national certificate in the workplace.
- 10.10 There are clearly good reasons for maintaining multiple routes towards raising awareness for the demand for workplace LLN and accessing relevant

³ Competitive Education Research Unit, *Adult Literacy and Language Survey (ALLS) Survey, Numeracy, Skills and Education in New Zealand and Australia*, August 2009.

programmes, recognising that a “one size fits all” approach will not work as workplaces and workers as learners have different needs and issues.

- 10.11 The CTU Learning Representatives programme that trains workplace representatives to understand and break down the barriers to learning in the workplace and provides support to co-workers for completion of training and qualifications fits within a broad suite of LLN opportunities in workplaces.
- 10.12 REAPs also have an important role in providing a network of provision in isolated rural areas and are particularly well suited to deliver literacy and numeracy programmes in such areas.
- 10.13 Strong relationships between labour market and tertiary organisations must include formal recognition of the importance of the role of unions. Unions are part of industry and play a critical role in formulating and organising collectively to be able to represent and advocate for the needs for workers and their education and training needs.

11.0 Raising Productivity and Increasing Skills

- 11.1 The draft strategy provides a unique and timely opportunity to develop a stronger skills and training culture. Improving the skill levels of the New Zealand workforce will be dependent on strong connections between the tertiary education sector and the labour market. We believe the draft strategy falls short on industry training needs including components of delivery in workplaces.
- 11.2 The CTU strongly agrees with the view of the Industry Training Federation (ITF) that there is insufficient emphasis in the strategy in the priorities on how the strategy will, as stated in the draft document, *“raise the skills and knowledge of the current and future workforce to meet labour market demand and social needs”*.
- 11.3 None of the priorities identified in the draft strategy address this issue sufficiently. We share the view of the ITF to add another priority, which directly addresses how skills can be increased and support that this can be achieved by:
- The provision of better information about the match between tertiary education supply and labour market demand
 - A greater role for industry in the development and endorsement of industry related qualifications
 - Strengthening the role of industry training organisations to provide advice on spending on industry related vocational education and training
 - The development of performance criteria for TEOs that reflect the need for more effective links with industry.

- 11.4 The need to lift investment in training and skills and improve skills utilisation is just as vital in a recession as in a boom. We believe the draft strategy needs to have a much greater focus on skills and skills investment. 80% of the 2020 workforce is at work today. Future economic growth will rely more on increasing productivity and raising skills levels. However, the draft TES decreases emphasis and limits access to relevant education and training for workers.
- 11.5 Our low productivity levels reflect in part skills issues. Workplace productivity will grow in a labour market that is committed to education and skills development. The CTU believes that increases in productivity will come from a range of activities.
- 11.6 New Zealand is still in the middle of a skills crisis. The components of that crisis are low productivity, limited career options within enterprises leading to high staff turn-over, a rapidly emerging increased demand for labour in high skill jobs, a looming further shortage of skilled workers as many approach retirement, and an international shift to high skill / technological jobs as the competitive edge of nations.
- 11.7 The CTU has made a major investment along with Business New Zealand in initiatives that raise skills and enhance workforce development. There are strong relationships and programmes established for achieving an increased skill level in the workforce. The CTU is very positive about the role that a re-established Skills Forum, based on the NZ Skills Strategy, will be able to play in continuing this work and tertiary education and training programmes.
- 11.8 Skill development programmes in the workplace, particularly those that are linked to national qualifications, and industry standards provide an exceptional return to the organisations. The often quoted saying that “training is an investment not a cost” is now proven. A case study of an Auckland Plastics Manufacturer, Rotaform Plastics, demonstrated a dramatic increase in productivity which was underpinned by a successful workplace literacy programme⁴.
- 11.9 Nevertheless there is a level of employer commitment to workplace learning which is lower than is desirable. Much training that takes place is driven by compliance requirements and stops at the point where the compliance standards are met.

12.0 Qualifications and Workplace Culture

- 12.1 It is our experience that an increase in the number of people achieving at level 4 is dependent upon developing workplaces that have a strong workforce development culture.

⁴ <http://www.dol.govt.nz/workplaceproductivity/case-studies/rotaform-plastics-full.asp>

- 12.2 The draft strategy assumes that increasing the number of workers who have qualifications at level 4 will have an increased impact on productivity. While the holder of a level 4 qualification may be a more skilled worker, the link to increasing the productivity of that worker and productivity in the workplace is highly dependent on workplace systems that use those skills and also on innovative management systems and practices.
- 12.3 Promoting level 4 qualification within a workplace structure that recognises higher levels only within the supervisory structure will not lead to an increase or breakthrough in productivity.
- 12.4 The draft strategy fails to acknowledge the well-researched evidence⁵ linking informal learning with formal credentialisation as the process through which workplace skills are raised. Workplace skills development will not occur without a workplace culture that fosters informal learning.

13.0 Industry Training Organisations (ITOs)

- 13.1 There appears to be some confusion in the draft strategy over the role of ITOs. The strategy states that performance information about ITOs will be made available so that students and employers can make informed learning decisions. But workers do not have a choice about which ITO arranges their training agreement. The foundation of ITOs is the relationship to particular industries.
- 13.2 There is a suggestion that ITOs could be funded according to past performance or only funding their roll growth when performance thresholds are met. However, it has already been the practice of ITOs for nearly 20 years to be funded according to learner numbers. An issue of concern about linking funding to learner numbers as a performance measure is that this can lead to growth which may be regardless of quality or need.

14.0 Improving System Performance

- 14.1 The draft strategy states that the Government is committed to maintaining reasonable fees for students but will provide additional flexibility for providers to raise revenue. This is very ambiguous and it is unclear what is meant by this.
- 14.2 There is a complete absence in the draft strategy about how students can be better supported in education and training. Student fees are a factor in inhibiting full time study. One of the reasons why workers are more attracted to being part-time students is the need to maintain an income whilst studying.
- 14.3 On page 6 of the draft strategy the statement *“For tertiary study to be effective for second-chance learners, the quality of teaching and learning needs to improve to raise completion rates”* needs to be examined and

⁵ Eraut,M, (2004) Informal Learning in the Workplace, *Studies in Continuing Education*, Vol 26, No 2, July, 2004, page 245 – 273.

evidence provided about where teaching quality is an issue in the sector. This is an example of our concern regarding lack of supporting evidence in the draft TES.

- 14.4 The CTU supports the concerns of the TEU about the absence of recognition of ITPs as providers of education at undergraduate and post-graduate degree level. The final strategy must recognise the role of the many ITPs who already provide high-quality and well-respected undergraduate and post graduate programmes, in vocational and applied education, that are strongly linked to industries and communities.

15.0 Increased Competitive Emphasis

- 15.1 We are concerned that the draft strategy is signalling a return back towards a competitive tertiary education sector and more market-based practices in the sector. The experience in the 1990s, when the tertiary education sector was characterised by competition, led to a huge waste in resources and to a fragmented and un-coordinated sector that contributed to the skills crisis.
- 15.2 The draft strategy states that, *“Funding and student support will create incentives for higher level study”*. The question for us is where are the incentives going to be placed and what are the incentives?
- 15.3 We also are concerned with the proposal in the draft strategy to explore ways of giving providers some additional flexibility to raise revenue. We are concerned that the strategy will be open to interpretation and such ‘flexibility’ will lead to a return to destructive, competitive practices.
- 15.4 We note the comments by the New Zealand Union of Students’ Associations and their fears for increased student fees. In the 1990s when there was similar ‘flexibility’ on the issue of fees, students faced massive fee increases. These significant increases, some up to 30 percent in one year, greatly increased the level of student debt that students and graduates now collectively owe.

16.0 Completion Rates

- 16.1 There are different issues that need to be considered in regard to completion rates. We are concerned about the statement that *“funding is to be shifted away from low quality qualifications such as those with low completion rates or with poor educational or labour market outcomes”*.
- 16.2 Obviously completion rates are important but they are not the only issue, or the only measure of success. Low quality qualifications may well have high completion rates (for example if they have very low assessment or very high entry standards). A learner may get what he or she needs from a course (i.e. achieve success in his or her terms) without completing a course or a qualification.

- 16.3 New Zealand's relatively low completion rates in tertiary educations are related to a high proportion of part-time students. When completion rates for full-time students are compared, NZ ranks fourth out of 12 countries according to a recent OECD report⁶. But importantly the non-completion of a qualification or degree does not mean that the skills and competencies acquired are lost, or are not used in the labour market.
- 16.4 In industry training, the role of the employer as a third partner has a major influence over completions and the choice of qualifications and learning pathways. Employers can sometimes create barriers to completion. For example, when assessment procedures for unit standards do not match with scheduled work; when there is an expectation of increased pay rates with completion that does not materialise; and when training is scheduled at times that causes poor attendance.
- 16.5 Workplace learning needs some flexibility that allows workers to move in and out of training and education as their needs change. Some workers may find the work too hard and need to revert to lower levels, some choose the wrong course and need to come back to it later. Others need appropriate mentoring and support systems, including those in industry training, whose needs are quite different to those studying full-time in educational institutions.

17.0 Quality Assurance

- 17.1 The CTU supports accountability for funding and quality systems and programmes. We have concerns however about the publishing of what are essentially "league tables" as referred to on pages 6 - 7 of the draft strategy.
- 17.2 We support strong monitoring systems but with an emphasis on measuring what matters and having established and agreed processes for this that involves all stakeholders in the design. This is a very controversial area and there could be unintended and negative consequences on proceeding with this policy.
- 17.3 We are likewise, also very concerned about the policy for making retention and completion rates publicly available. The many factors that contribute to retention and completion outcomes often go beyond what the TEOs can influence. Pressure to increase completion and retention may lead to reduced access for disadvantaged students if entry restrictions are used to improve completion rates.

18.0 International Students

- 18.1 While international linkages and an international component can make an important economic contribution and contribute to the diversity of the

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http://www.oecd.org/document/24/0,3343,en_2649_39263238_43586328_1_1_1_1,00.html page 93

tertiary education environment, we are concerned that too great a focus on this will be at the expense of domestic student enrolments given the statement in the draft strategy to, *“review policy settings to ensure that international education can maximise its contribution to New Zealand’s economic performance.”*

18.2 The lessons learnt from the 1990s, when too great a focus was placed on gaining income from international student enrolments, are very relevant. It is essential to have strong national policy around this and not to allow again unfettered discretion of tertiary institutions in relation to international student expansion. Problems in the 1990s included the volatile nature of the income from international students, the change in the nature of institutions when the balance between local and international students became disproportionate (a matter of concern to many international students), and inadequate pastoral care for the students.

19.0 Quality Research and Innovation

19.1 High quality research is critical to economic growth. While the draft strategy focuses on the role and importance of research in improving economic and industry performance the strategy also needs to recognise the role that research has to play in addressing wider educational and social needs.

19.2 While the process of PBRF may be a useful measure for the aggregate return to the state for its investment in research, if individual PBRF scores are obtained by PBRF-funded institutions this will create a climate of distrust and of non-co-operation amongst researchers, as well as raising issues of privacy of information.

19.3 The CTU supports the TEU proposal that the final strategy support a complete review of the PBRF.