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New models of tertiary education are coming, ready or not

The Commission provides the recipe for a diverse, adaptable and responsive tertiary education system.

The Productivity Commission released its final report “New models of tertiary education” today.

The report is a broad-ranging inquiry into how well New Zealand’s tertiary education system is set up to respond to emerging trends in technology and the internationalisation of education, and changes in the structure of the population, and the skills needed in the economy and society. As part of the inquiry, the Commission was asked to identify potential barriers to innovation.

“A good tertiary education system is one that meets the needs of all learners – including those from diverse backgrounds and with diverse goals. Our current system serves many students well. But it could be better, and it could do more to extend the benefits of tertiary education to groups who currently can’t access it” says Commission Chair, Murray Sherwin.

“This is a tightly controlled and inflexible system. Providers have too few incentives to find better ways of reaching and teaching learners. This report and its package of recommendations seek to give providers the scope to innovate in the delivery of tertiary education, and incentives to do so.”

Key recommendations include better quality control and self-accreditation for strong performers; making it easier for students to transfer between courses; abolishing University Entrance; better careers education for young people; enabling tertiary institutions to own and control their assets; making it easier for new providers to enter the system; and facilitating more and faster innovation by tertiary education providers.

The Commission has not recommended a Student Education Account, which it had floated in a September 2016 draft report, saying the preconditions required for student accounts were not present in the New Zealand system. But the report does recommend changes to how student places are centrally-allocated to tertiary providers.

“Government largely controls the allocation of resources in the system, but our assessment is that those resources don’t flow to providers who are innovative, of high quality, or responsive to student needs.”

“The allocation of places between providers should be based on student demand. This report sets out in some detail how this could work much better. The Government needs a different regulatory and funding model if it is to enable innovative models of tertiary education.”

“Together, the recommendations in this report will create valuable dynamism and experimentation that is currently lacking in the tertiary education system. They will also enable more New Zealanders to participate and succeed in tertiary education. The report provides the recipe for a system that is

diverse, adaptable and responsive – in other words, a system that supports new models, and is better able to respond to the new models of education that are being developed elsewhere.”

About the inquiry

The Government asked the Productivity Commission to carry out an inquiry into “new models of tertiary education”. The inquiry takes a whole-of-system perspective, considering how trends – especially in technology, tuition costs, skill demand, demography and internationalisation – may drive changes in business models and delivery models in the tertiary sector.

About the New Zealand Productivity Commission

The Commission – an independent Crown entity – was established in April 2011 and completes in-depth inquiry reports on topics selected by the Government, carries out productivity-related research, and promotes understanding of productivity issues.

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