Draft submission on the Tertiary Education Strategy (TES) consultation

We appreciate the opportunity to provide feedback on the draft Tertiary Education Strategy (TES) and support its intent to deliver a more responsive, integrated, and equitable tertiary education system. The priorities outlined in the draft are broadly aligned with the needs we see across the Construction and Infrastructure sector and the wider vocational education ecosystem. However, the pace of change in industry and technology means that innovation in education cannot be optional — it must be actively funded and accelerated. Strategic investment in educational innovation (including new delivery models, qualification design, and digital tools) would allow many of the intended outcomes of the TES to be realised faster, at greater scale, and with stronger impact for learners, employers, and communities.

Summary

The draft TES establishes sensible priorities and acknowledges many of the system's long-standing challenges. However, without substantive reform of funding mechanisms, regulatory processes, and provider capability requirements, the strategy risks remaining aspirational.

This submission recommends that the TES:

- Be explicitly long-term (10–15 years) and underpinned by bipartisan commitment to provide sector stability.
- Introduce a sixth priority – System Responsiveness and Agility – to focus on regulatory, funding, and approval processes that enable rapid adaptation.
- Link all priorities directly to the levers that can drive change: funding, NZQA approval processes, TEC investment settings, and provider capability development.
- Embed clear implementation and monitoring frameworks, with accountability for agencies and providers to deliver measurable outcomes beyond participation and completion rates.

Strategic direction and objectives

The overarching objective appropriately emphasises economic outcomes but must clarify the timeframe for "long-term strategic direction." After years of structural churn, sector confidence requires a strategy that survives political cycles. We recommend a formal cross-party process to secure bipartisan endorsement.

The strategy should also strengthen its focus on:

- System responsiveness – streamlined qualification and programme approval, flexible funding, and faster innovation cycles.
- Degree apprenticeships and lifelong learning models as part of future tertiary architecture.

The link drawn between low productivity and "gaps in entrepreneurial skills" risks overstating individual capability factors while underplaying structural drivers such as capital investment, regulatory settings, and industry incentives.

Priority 1: Achievement

Achievement must be defined more broadly than qualification completion. A robust framework should distinguish:

- Completion rates
- Skills acquisition and application
- Employment readiness and outcomes
- "Distance travelled" measures

While achievement is a critical system outcome, we caution against relying on narrow measures such as credit accumulation or qualification completion rates as proxies for success. As Waihanga Ara Rau's *Compliance Training Project Report* highlights, the current compliance training environment often results in learners achieving credits without acquiring the expected workplace competence — "post course many learners would not be able to work safely back on the job, without supervision"[1]

We support the inclusion of "distance travelled," but the TES must specify how NZQA and TEC will develop, validate, and fund these measures. We suggest NZQA and TEC develop and share organization Impact Measures demonstrating their tactical response to the strategic direction outlined in the TES and the achievement section in particular.

Retention should not be pursued at any cost — in some cases, early withdrawal into suitable employment represents a successful outcome. Jobs and Skills Australia have recently found that having a VET qualification benefits Australia through an uplift of income, further higher qualifications, increased employability, and reduction in income support. Their work also demonstrated that people who don't complete a whole VET qualification still benefit more than people who have not engaged in any VET at all[2].

Seamless transitions between provider-based and work-based learning remain aspirational. Te Pūkenga's experience demonstrates this will not be achieved without:

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[1] https://www.waihangaararau.nz/short-course-training-project/
[2] https://www.jobsandskills.gov.au/news/positive-outcomes-vet-graduates-our-latest-vnda-data

- Changes to RPL funding and recognition
- Changes to allow funding following a learner, rather than a programme or provider
  - Programme design flexibility
  - Alignment with NZQA's new Integrated Quality Assurance Framework (IQAF)

Priority 2: Economic impact and innovation

The focus on innovation and labour market relevance is welcome, but current funding and regulatory settings make responsiveness extremely difficult. We recommend:

- Funding reform – SAC rates and rules should support work-based learning and "right-sized" programmes (not just 120+ credit models).
- NZQA process reform – qualification development and programme approval timelines must be shortened to match industry needs.
- Teaching capability requirements – the TES should commit to a pathway for mandatory teaching qualifications or professional development in the VET sector. ConCOVE's work on standardising and legitimising the training advisor role has been well received by the sector and will require broader consideration for ongoing support.
- Research commercialisation – expectations should be matched with dedicated funding, capability-building, and incentives for collaboration with industry and iwi.

We caution that the requirement for providers within the system to deliver outputs for business needs for both today and tomorrow must be adequately funded. The TES and its resulting funding implementation via the TEC must allow for appropriate and timely delivery to these needs.

Priority 3: Access and participation

We support stronger regional provision and note that this must also be aligned with work-based learning delivery. Collaboration across the sector is required to lift performance and the operational measures for all providers must support the need for collaboration. We also recommend that apprenticeships and work-based learning at all levels (5–7, not just Level 4) be explicitly recognised as a mechanism to improve access.

Micro-credentials should be positioned as tools within a lifelong learning strategy, not as a strategy themselves. Additionally, the full potential for micro-credentials has been stymied by barriers to implementation, ConCOVE's report on The Place of Micro-Credentials highlights further steps to be considered[3].

Funding settings that favour large programmes must be reviewed to allow flexible, modular, and cumulative study options.

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[3] https://concove.ac.nz/discovery-hub/micro-credentials-report/

Clear accountability is needed for the development and delivery of high-quality careers information on pathways and employment outcomes.

Priority 4: Integration and collaboration

Collaboration must be deliberate, structured, and outcome focussed. Measurement for collaborative activity must be in place for results to be seen. Industry provides critical demand signals but cannot solve education design issues alone.

The TES should clarify:

- Who evaluates evidence of "evidence-based approaches" and how this aligns with IQAF.
- What structural changes (funding, standards, RPL rules) will enable seamless transitions between modes of learning — an area where Te Pūkenga's experience showed system gaps.
- That industry's input must extend to qualification development, not just programmes. Industry Skills Boards (ISBs) must be funded to deliver to this.

International collaboration should not be limited to universities; polytechnics, wānanga, and PTEs also play critical roles in workforce development and global knowledge exchange.

Priority 5: International education

We support positioning international education as more than an export industry — it should be seen as a two-way contributor to domestic provision, research, and innovation.

This priority should explicitly include vocational providers, not just universities, leveraging New Zealand's expertise in applied and work-based education. This is especially important in light of the removal of funding of neutral, sector-based, research bodies.

System implementation and operationalisation

The largest risk to TES success is lack of operational clarity. We recommend:

- Implementation taskforce – a cross-agency group empowered to recommend regulatory and funding changes needed to operationalise the TES.
- Regulatory review – comprehensive review and updating of NZQA's qualification development, programme approval, and provider accreditation processes to eliminate barriers to responsiveness and innovation.
- Funding model reform – align SAC and other funding rates with strategy objectives, particularly for work-based, modular, and flexible delivery
- Capability development – address fundamental capability gaps, including mandatory teaching qualifications in the VET sector and provider capacity for industry engagement.
- Monitoring and accountability – TEC's investment approach must integrate new indicators (distance travelled, employment transitions, responsiveness to labour market needs) and apply consequences for poor performance.

Conclusion

The draft TES provides a credible framework but will fail to deliver transformation without structural reform. To succeed, the final strategy must:

- Be long-term, bipartisan, and stable.
- Explicitly embed degree apprenticeships, lifelong learning, and work-based learning at multiple levels.
- Align funding, regulatory, and quality assurance settings with TES priorities.
- Include a sixth priority on System Responsiveness and Agility.
- Establish clear accountability and monitoring mechanisms that track progress, not just participation.

With these adjustments, the TES can move beyond aspiration and drive genuine, measurable system change.

Ngā mihi nui

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