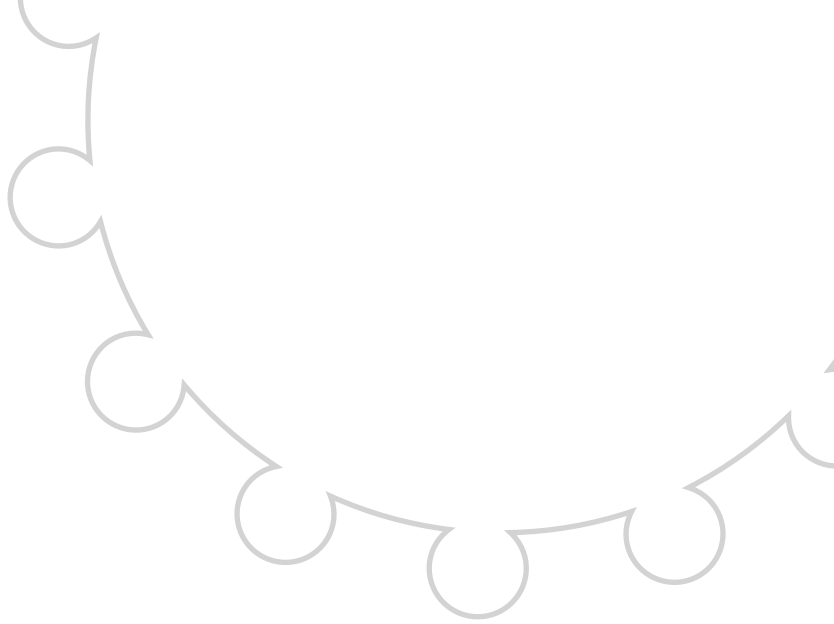


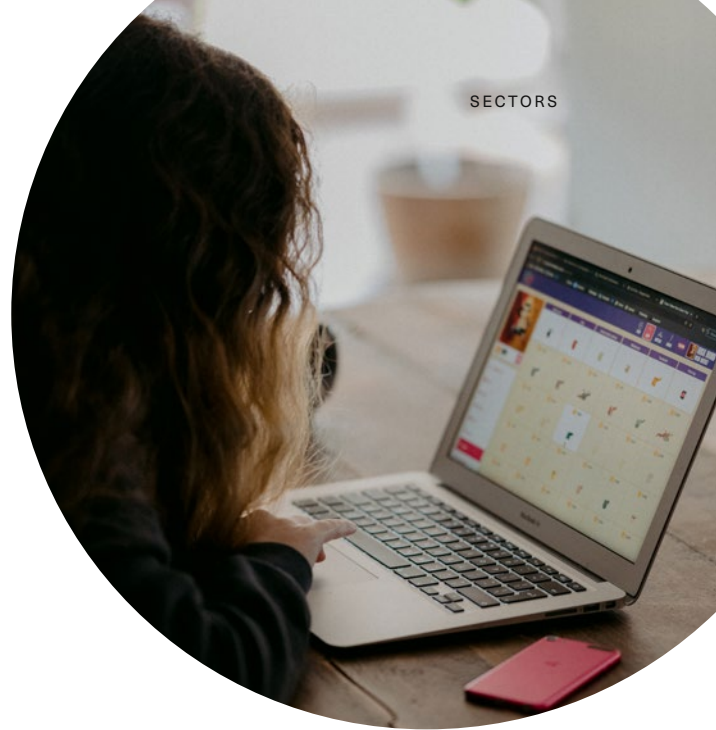
Education



International students

Current COVID-19 policy prevents the arrival of international students, representing significant loss of revenue for the universities and general flow on effects of international students to the economy. As border restrictions ease and we move out of the COVID-19 crisis, universities need to ensure they are still attractive relative to their domestic and international (Australia, Canada, USA and UK) competitors. Universities need to leverage New Zealand's sound management of COVID-19 in differentiating themselves from their competitors.





Some of the key issues are:

Delivery model: Social distancing protocols have accelerated a pivot to online learning models. It remains to be seen if this delivery mode aligns with students' expectations and meets future workforce requirements.

Funding uncertainty: Uncertain future funding due to reduced revenue from international students, shifts to servicing local student populations, the upcoming election and potential changes in fiscal policy.

Primary and Secondary schools' reform: Tomorrow's Schools' Review is the largest overhaul of the education system in a generation and aims to review the governance, administration and management to ensure it meets the needs for all learners.

Changing student needs: Education providers need to better understand the student journey and improve the experience from application through to alumni, in a rapidly changing environment. Additional support may need to be given to on-the job learners due to financial impacts of COVID-19 and adjustment of training content and delivery to reflect changing needs of industry.

Market consolidation: Consolidation of Polytechnics and Industry Training Organisations under the Reform of Vocational Education and potential for reduced number of operators in the market. Smaller, private institutions, with a high reliance on revenue from international students are at the greatest risk of insolvency despite recent positive student projections. In the case of insolvency, plans need to be in place for students to cross-credit to other institutions.

Future thinking

The opportunities, ideas and discussions we need to have about the education sector include:

Connected education: Use of an insight driven approach to a student-centric university-wide digital transformation, across front, back and middle-offices

Future role of providers: Stabilising and redefining the future role of universities in the post-COVID-19 world. Universities will need to determine their future role as education providers or business ventures, and the role of international students in their vision.

Policy refocus: The education system is on the brink of a significant overhaul, with several reform projects underway. The Tomorrow's Schools' Review, Reform of Vocational Education and the future of NCEA are a once in a generation opportunity to future proof the education system.

Retraining: An immediate and major priority for government will be the retraining of those made unemployed as a result of the COVID-19 crisis.

Asset and Portfolio Management: Optimising and repurposing the use of existing infrastructure and assessment of future need. How can universities leverage extensive property portfolios in the post-COVID-19 world?

Operating model: With rising costs, funding uncertainty and increased competition, universities need to simplify and improve the efficiency of their operating model, through staged roll out of automation and deployment of technological solutions. These can assist with consolidation of back office staff and shift to an increasingly digital operating model.

Customer: Students perceive themselves as consumers, which requires universities to adopt a more customer-centric focus. Education providers need to ensure they are delivering programmes that meet the demands of the customers and industry in the new world.

Opportunity to embrace digital: Once in a generation opportunity to transform attitudes on online learning, particularly in the university sector. The education delivery model needs to be reassessed to determine whether large lecture halls are needed in the future. If the future is online, universities need to identify the necessary IT infrastructure and security measures.



FADES analysis

Financial management:

- Reduce cost
- Maintain liquidity
- Financial stress testing
- Optimise revenue streams and cutting less profitable services
- Portfolio management and project reprioritisation.

Agile:

- Rapid assessment of productivity levers
- Review of portfolio and organisational priorities
- Education providers will need to build resilience into their domestic student base.

Digital future:

- Digital delivery of education provides an opportunity to transform institutions to make them more transparent – digital delivery would allow for increased oversight, improving measurability and accountability across the sector
- Pivot to digital delivery
- Build efficiency and resilience into operating model with technology solutions
- Embrace technology as cost out lever
- Robust cyber security and risk management.

Elastic workforce:

- Shift in workforce composition towards shorter term contracts and gig economy
- Increased emphasis on diversity, especially across academic staff as problems become more complex to solve
- More flexible contract arrangements.

Sustainability:

- Aligning with student needs
- Investing in a sustainable future
- Applying a sustainability lens to future decision making.

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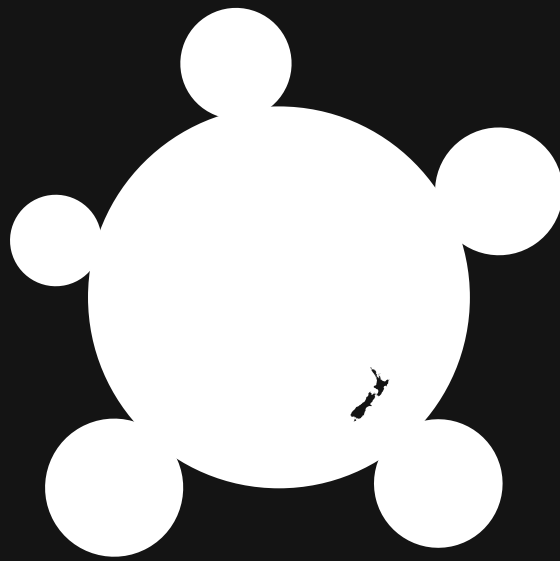
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