



13 May 2016

Judy Kavanagh
New Models of Tertiary Education Inquiry
New Zealand Productivity Commission
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Dear Judy,

Otago Polytechnic is pleased to provide a response to the Issues Paper on New Models of Tertiary Education. We have been party to the submission from the ITP sector which we wish to complement by highlighting practices and developments here at Otago Polytechnic, which we believe are innovative and which are worthy of closer attention as models which could be more widely adopted in the future.

This submission includes a summary only of the initiatives in which we are involved, and highlights the issues which ideally would be resolved if we were to see more widespread uptake. We would very much like to engage in a fuller discussion with the Productivity Commission, and to that end cordially invite you to visit Otago Polytechnic as part of your deliberations.

Yours sincerely

Phil Ker
Chief Executive

SUBMISSION TO THE NEW ZEALAND PRODUCTIVITY COMMISSION INQUIRY INTO NEW MODELS OF TERTIARY EDUCATION

This submission is based on the experiences of Otago Polytechnic which we are drawing on to highlight areas in which the tertiary education sector in general and the ITP sector in particular could be made more productive.

Otago Polytechnic is currently engaged in a range of initiatives which we believe make for more efficient and effective tertiary provision:

- Work based learning (WBL) for degree level and post graduate learning
- Open Educational Resources (OER)
- Micro credentials
- Collaborative programme development and delivery

Otago Polytechnic has also experienced limitations with the current TEC Investment Plan model, and also the ways in which performance in the sector is measured.

Work Based Learning (WBL)

This refers to education at, through and for work. Whilst work based learning is common place for trades level education there is a relatively low uptake of this approach for degree level and post graduate learning. Otago Polytechnic offers WBL options for several bachelor degrees, as well as professional practice qualifications at degree level (Graduate Diploma in Professional Practice) and post graduate (Masters of Professional Practice) level. The essence of these programmes is that they are tailored to the individual learners and typically involve a three way learning partnership involving the learner, the Polytechnic and the employer, or a sponsoring organisation if the learner is not employed.

These programmes have been designed to address the needs of experienced but unqualified adult learners in work and are proving to be both popular and effective in developing knowledge and skills which meet the graduate outcomes of the qualifications to which they relate. We believe these are important learning options for experienced adults in work who are becoming increasingly important with the ageing of the New Zealand workforce. In our view insufficient policy attention has been given to the adult learner in work in favour of the school leavers. Policy settings are not supportive of this individualised approach to learning, failing to recognise that the traditional notion of learning hours as an input is of lesser relevance when the learning is inextricably intertwined with work. Yet the costs of supporting such learners is high because learning does not occur in cohorts. This is not an issue of needing more funding, but of applying funding rules differently.

Open Educational Resources (OER)

Otago Polytechnic hosts the OER Foundation, a charitable organisation dedicated to the uptake of free and open access learning opportunities. The Foundation's major initiative is the OERu (OER universitas) which is an international collaboration of over 30 major and credible tertiary institutions which is developing and now offering free learning which is assessed and credentialed by the partners. Otago Polytechnic itself will be offering through the OERu free courses online and which lead to approved qualifications. These are "teach yourself" courses for which learners can seek assessment when ready.

OER learning was popularised by the so-called MOOCs, most of which did not lead to a recognised credential. This is not the case with the OERu offerings.

There is significant potential for OER based learning to be an effective element of tertiary provision in NZ, recognising it is not an approach which is suitable for all. However, uptake is seriously constrained by the current funding model which in effect insists that learners “purchase” a full service package from their chosen tertiary provider i.e. tuition, learning support, assessment. A more effective tertiary funding model would allow for the disaggregation of the service delivery chain, and allow for learners to purchase with government funding any combination of the three services which they needed for success. For example some OER learners may only need to purchase assessment services, whilst others might need at different stages learning support and assessment services.

Micro credentials

This refers to smaller packages of learning which are designed to meet particular learner needs as and when required for career development, particularly for upskilling as industry needs change, often in response to new technologies. Otago Polytechnic has developed and is currently piloting a micro credential model for more general launch in 2017. There is significant potential for micro credentials to help improve the productivity of NZ industry, but current policy settings not only do not support this approach but directly oppose it. Providers may not enrol learners who do not intend to complete a full qualification as currently defined, except through certificates of proficiency which themselves cannot be made available to cohorts of learners. Nor can learners draw down loans or providers receive SAC funding for micro credentials.

All three of the aforementioned innovations can contribute to a more efficient and productive system, but are constrained by either funding or policy settings. In addition, recognition of prior learning (RPL) is an acknowledged sound approach to improving educational efficiency but is not currently funded, with the consequence that uptake is well below what it might otherwise be.

Collaborative programme development and delivery

The ITP sector in New Zealand is in the midst of a major rationalisation of qualifications – the so-called Mandatory Review of Qualifications (MRoQ) being overseen by NZQA. This process has resulted in a significant reduction in the number of qualifications on the qualifications framework, and has also resulted in the need for new programmes to be developed by ITPs for all new qualifications.

In parallel with new qualifications and the programmes required to support these has been the steady expansion of on-line learning, particularly within a blended delivery model.

These two factors have created a context in which collaborative programme development should be widespread, but ironically is not.

Otago Polytechnic is a very active collaborator, with three collaborations currently in play:

- TANZ – Tertiary Accord of New Zealand
This collaboration has resulted in a joint venture TANZ eCampus in which the parties share the costs of both programme development for and delivery of wholly on-line learning. It has also resulted in a collaborative programme development initiative to cope with the need for new programmes post MRoQ.

- Auckland International Campus – a joint venture with a PTE, Future Skills Academy, to deliver programmes to international learners.
- Centre of Excellence for Building Surveying – a collaboration of Otago Polytechnic, Future Skills Academy, SkillsOrg and BOINZ (Building Officers Institute of NZ) to develop and deliver new qualifications for building surveyors.

Whilst Otago Polytechnic is an active collaborator, these ventures are very costly to establish and operate both in terms of time and money. This is the likely reason for such few effective collaborations in our sector, and we believe that this can be significantly explained in terms of adverse policy settings and lack of financial support.

In terms of policy settings it is not possible for a joint venture to be funded nor to deliver as a joint venture. When it comes to implementation all parties must revert to their individual systems for enrolment and funding.

Investment planning

The current investment planning system does not support collaboration, being focussed only on the purchase of educational outputs (EFTS). We believe there is a strong case to incentivise collaborative arrangements in the interests of overall system efficiency.

Similarly, the current investment planning system does not support innovation nor development, whether that be of human capital or uptake of new technology.

As an example, consider programme development for which there is a serious shortage of capacity and capability in learning design and learning technology. Individual institutions are competing with each other, and in an international market to try and secure expertise which is scarce worldwide. This is a constraint which could be addressed through a more flexible investment planning process that allowed for investment in capability for enhanced productivity.

Performance measurement

The educational performance of the tertiary sector is currently measured through four educational performance indicators, although with some methodological weaknesses that are now being addressed. However, the indicators are narrow and fail to account for learners who go to employment before completing qualifications and often before completing courses. Employment in these circumstances is a positive outcome for the learner but has negative consequences for the institution. We believe a broader set of “success” indicators could encourage a wider range of outcomes which are in the interests of New Zealand.