

A personal response to the Productivity Commission's draft report on New Models of Tertiary Education

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I am Professor of Higher Education Development at the University of Otago. This is a personal response to the draft report. It does not represent the view of my employer, nor do my comments apply particularly to the University of Otago. I do note, however, that my ability to respond to this draft report and to fulfil my obligations to New Zealand's society as determined by the 1989 Education Act, are substantially enabled by my employer's unflinching commitment to many of the educational values intrinsic to the 1989 Education Act (and that may be threatened if the Productivity Commission's draft recommendations are accepted).

I have found the process of reading and evaluating the productivity commission's draft report professionally interesting. As I read through the numerous findings I find myself nodding in agreement with many of them, but I note at the outset that the draft report is, to my mind, an exploration centred within the discipline of economics. My substantive discipline, nowadays, is education, and within that, higher education. I have struggled at times with some of the economic assumptions integral to the report, but against that I do wonder if the commissioners have struggled with some of the educational concepts essential to new models of tertiary education. My response here is primarily, therefore, to comment on the educational matters that need to be addressed as this draft report is developed into a final report. I noted my own limitations in that and other respects within my original submission to the Productivity Commission's issues paper. My submission addresses the commissioners' questions, findings and recommendations and briefly comments on the style of the draft report.

I add at this point that I also read all of the submissions to the issues paper and I was impressed by the great diversity of viewpoints within them and by the complexity of the task adopted by the commissioners to integrate this diversity of opinion with their own knowledge-base and with the terms of reference established for this enquiry. Commissioners may remember that the substantial theme within my own submission was that New Zealand's tertiary sector fails to adequately research its own practices, a task substantially, in my view, belonging to higher education. At least in part from my own commitment to this task, I conducted a research-based general-inductive-analysis of those submissions in the public domain and I reported my findings within a peer-reviewed academic article recently published by a journal that specialises in higher education policy. The article is available here;

Shephard K (2016) Discovering tertiary education through others' eyes and words: exploring submissions to New Zealand's review of its tertiary education sector *Journal of Higher Education Policy and Management* (in press, but available online via <http://www.tandfonline.com/doi/full/10.1080/1360080X.2016.1254430> For those without institutional accounts, a limited number of reprints are available via <http://www.tandfonline.com/eprint/skuPEgTYzwj92vQMNR8W/full>

On the PC's Questions

I am not well placed to respond to Q10.1, Q12.1, Q12.3 and Q12.4. I would like to think that professors of economics within New Zealand's higher education system would be.

Q9.1 on graduates', and society's, wellbeing. There is an extensive international literature on skills acquisition in higher education (key, transferable, employment-related and including personal attributes such as resilience and confidence) that collectively comprise the 'skills debate', with a primary focus on the extent to which it is the role of higher education teachers to teach such things, or not. In Australasia, the debate has evolved into endless discussions about and claims for graduate attributes (mirrored in other countries under the term 'graduateness'). Running alongside these academic debates are concerns for societal wellbeing and the extent to which higher education contributes to this (under terms such as community-engagement, service, outreach and critical citizenry). Many of the submissions to the Productivity Commission's issues paper emphasised largely trust-based expectations of personal and societal wellbeing as products of tertiary education. I provide discussion on the nature and value of trust-based higher education outcomes in the article described above (Shephard, 2016). 'Labour market outcomes' of tertiary education are of course much easier to quantify and so dominate much of our thinking and measurement. I suggest that we need to research our practices more in order to discover the sort of data that the productivity commission anticipates (F5.11, R12.2, my note A below) and in my final paragraph I urge the commissioners to reflect on this suggestion as they prepare their final report.

Q12.2 on student mobility between providers. We have much to learn from the U.K.'s CATS (credit accumulation and transfer scheme) and Europe's ERASMUS processes. I understand that some degree of regulation is required to ensure that these programmes operate to students' advantage.

Q12.5 on barriers to creating 'skunkworks' (described on page 316). I would hope that the primary safeguards would be the professionalism of the tertiary teachers and administrators involved. Professionals will ensure that those most vulnerable to institutional use of 'innovation and new models' are protected, by ensuring that the innovations and new models and their modes of adoption, have been adequately proven. Professionals will put the best interests of New Zealand's young people and others engaged in tertiary education as their highest priority. Any barriers provided by government or by outside regulation will, for professionals, operate at a subordinate level and be simply a failsafe that will only be tested if unprofessional behaviours are applied.

Q12.6-12.9 on the student education account (SEA) and alternative models 'to make the system student-centric'. I do not consider myself qualified to comment on aspects of the proposed SEA that relate to economic theory, but I do have a view on "how best to make the system genuinely student-centric, from an educational perspective". At least in part, the notion of either a provider-centric or student-centric system is a false dichotomy. As the commissioners have pointed out, tertiary education is in some respects collaboration (co-production) between educators and students. Placing either group at the centre of the system would defeat this objective. The argument is made more complex because often educators identify another dichotomy between teacher-centred- and student-centred-teaching (and indeed I use these terms myself). In higher education we generally want to put

the learner at the centre of our teaching efforts; but we do so with care. In general, we describe the learning that the student is to achieve, with our support, and the nature of the learning environment that we provide for the student's benefit. The student has some say in what is to be learned, but often the learning is predicated on disciplinary or on professional-body requirements. I don't think that the commissioners are suggesting that this 'system' is inappropriate but rather that tertiary education institutions (providers) are putting their own needs (for whatever reason) above the needs of the students, to the disadvantage of the students and of New Zealand. And they propose the SEA as one approach that may put more power in the hands of the students, with tightly regulated minimum standards applied as a safeguard (to ensure that, I understand, for example, students don't use their new-found power to enable competition between providers to lessen the learning needed to realise particular and defined levels of achievement; or grade inflation) and with good data provided to students, and to their advisors, so that students can make the best possible decisions. This broad suggestion addresses some educationally-important and inter-related concepts: that of the nature of educational processes and outcomes (that I address in Note A below); the appropriateness of defining minimum regulated standards (see Note B); and researching change processes rather than hoping for the best (see Note C).

Note A, on educational processes and outcomes

There is a pronounced emphasis within this draft report on measuring educational experiences and outcomes rather than processes [R12.2 on ex-post tools for the quality of tertiary experience; R12.3 on quality assurance that also encourages innovation; R12.4 on value-added educational outcomes; R12.16 on teaching quality]. It is clearly intended that measurements should contribute to the array of official information available to prospective students and to those who advise them at school. Indeed it seems reasonable for readers to understand that these measurements are a vital contribution to the overall ethos of the changes that are suggested within this plan. Tertiary education providers are to compete with one another to attract empowered students, to whom information is provided about their likely experiences and prospects as they choose one provider over another. The draft report also makes it clear who will develop these ex-post tools (essentially NZQA, institutions, TEC and the Ministry of Education).

But readers are likely to be confused by the draft report as it is at present. The draft report does not specify which tools will be produced and used (other than the spies posing as students described on page 301) nor does the draft report detail the extensive research that has been undertaken over many years to only partly-achieve these reasonable objectives. The draft report is like the recipe book that promises an amazing meal but fails to identify in sufficient detail the nature of a missing ingredient. Readers will delight in the objectives (as indeed, in principle, I do, particularly encouraging innovation and maintaining high standards) but will want to see more evidence that the objectives are achievable and how they are to be achieved. At present, for example, the UK's TEF (Teaching Excellence Framework) appears to be dominated by students' process-oriented feedback, already described by the commissioners as inadequate for New Zealand's purposes. We may not be able to look to the UK for a suitable model of what is recommended here. Similarly, for example, the prospect of a regulated 'minimum quality of tertiary education experience' is enticing, but inadequately explained. What might our strong regulator (page 318) be anticipating? (See Note B, below)

The same 'missing ingredient' metaphor serves to emphasise what appears, to me, to be missing in chapter 11. This chapter describes a great deal of interesting innovation, some of it new; but in general fails to identify the vital ingredient. Does it work and if so for whom and under what circumstances? It may be new, or newly applied with new technology, but does it actually result in better learning, or learning in new situations, or learning for new groups of students? Commissioners may choose to summarise the evidence for value-added in their revision of Chapter 11.

Without this detail, readers are likely to conclude that the commissioners have not managed to achieve what was asked of them.

Note B, on tightly regulated minimum standards

I admit to being somewhat ill at ease in responding to the suggestion that any new model of tertiary education might depend on tightly regulated minimum standards of delivery of higher education. Given my minimal levels of understanding of the disciplinary area of economics, I might misunderstand the logic behind this suggestion; but from an educational perspective, the notion is likely flawed (at least for higher education). The commissioners provide only one example of the notion of the standard that they have in mind (on page 300, where they describe delivering content consistent with the qualifications level on the NZQF), but much of tertiary education and the New Zealand Qualifications Framework is not about delivering content. In higher education, in particular, our principle aim is to develop intellectual independence (in accordance with the Education Act 1989). Readers might one wonder if the commissioners have in mind prescribing minimum teaching-hours, or minimum lengths of essays, or minimum staff-student ratios, or minimum staff-qualifications, or minimum class sizes, or minimum responses on student-feedback surveys. As with most other suggestions within this draft report, international pedagogical literature (in the context of higher education) is awash with reasons why such minima are problematic within higher education and with evidence of their limitations.

Note C, on public submissions and evidence-based progress

It is laudable that the commissioners seek public submissions on this draft report, but many readers will anticipate that change to an entity as important as the tertiary education system for New Zealand would in addition demand an extensive underpinning of educational research to develop an evidence-base, prior to and alongside implementation.

The commissioners could, for example, consider the implementation of, for example, the SEA scheme, as an educational intervention. Interpreting it in this way provides both opportunities and obligations, both associated with the rigour of educational research. Commissioners could start by recommending the availability of contestable research funding. Successful researchers would no doubt initiate the research with an ethical application, designed to protect vulnerable citizens, rather than plunge headlong into a nationwide change. Commissioners and researchers might design the intervention to make use of phased changes, or by focusing on particular regions or particular groups of students identified in a range of possible ways. By interpreting these possibilities as research, commissioners would benefit from a valuable peer-review process, and the informed interest of at least some experienced educational researchers both here and internationally. I do hope that commissioners will consider this suggestion. In some ways it re-frames the 'inertia' described within the draft report and in the review's terms of reference, as an

evidence-based and cautious approach to change. By and large my profession, and some others, celebrate such an approach.

On the PC's Findings

The majority of the findings that I am professionally qualified to engage with do strike a strong accord with me, but:

F5.11, on student outcomes and F12.2, F12.3, F12.4, on regulatory processes to achieve them, are more like recommendations than findings. I comment on them in more detail above (in Notes A and B);

F8.7 on over-subscription of some courses, F8.9, F9.3 on disadvantaged student groups, and F12.1, on allocation of resources, are educationally speaking, troublesome and I comment on them below (in Note D);

F12.11 and F12.12, on the proposed SEA, are more like recommendations than findings. I comment on them in more detail above (in Notes A, B and C)

Note D, on where best to place tertiary education's resources

The text on page 296 leading to F12.1, suggests to me that the 'inequality of subsidy' described in this draft report has come as a surprise to commissioners. And yet, for most educators reading this draft report, these matters represent a fundamental paradigm of education at all levels. All teachers, on a daily basis, confront the dilemma of whether to devote most of their time (or perhaps in economic-speak, subsidy, or allocated resources) to the highflyers in front of them or to the historically less-successful students. Their decisions, in my experience, are generally and variously based on some combination of professional judgement, institutional requirement and personal conscience. These teachers realise that their time is a finite resource but that the need of their students is effectively infinite, or limited by matters beyond the control of the teacher. Teachers may ignore the needs of the top 25% (identified by prior achievement) knowing that these students will likely greatly exceed the minimum standards (addressed by the commissioners) and that this time devoted to the bottom 25% will enable at least some of them to achieve the minimum standards. But where to devote this expensive and limited resource and what might be the consequences if most students pass but few students do well? The same paradigm is played out in different ways in different parts of the educational continuum. Some classes become selective, by decree of departmental heads, of head-teachers, of Boards of Governors, to at least streamline the decisions made by teachers. Some schools become selective. Tertiary education itself can become selective either at the point of entry or at some point within a program. At every point the diagnosis made by the commissioners is applicable. As described on page 296, "government spends more on those students who stay longer in the system" and less on those who opt out of the system, or who are denied access to some part of the system based on lack of prior educational success. Educators around the world will rejoice if the commissioners have found a solution to this dilemma. I don't imagine that the commissioners are recommending that tertiary education institutions or their teachers totally ignore the needs of highflyers, in favour of those who enter tertiary education with a record of poor achievement in compulsory education, but readers will be forgiven for not fully understanding, in an educational sense, what is being suggested here.

On the PC's Recommendations

I have no comment on the following recommendations, in particular because I think that others will be better qualified to do so. I do urge the commissioners to seek out viewpoints from those best qualified to give them, even though many have not chosen to engage with this process. R12.1, 12.5, 12.7, 12.11-12.15, 12.18-12.33.

R12.2-R12.4 on ex-post tools, on tightly regulated minimum standards, on value added, may be simply no more than the wish-lists that plague tertiary education at present. The recommendations provide insufficient detail of what is required and how the things that are wished for will be created. I urge commissioners to either provide the details, or suggest that the details need to be provided by encouraging higher education to research the practices of tertiary education (see my final paragraph).

R12.6 on student mobility. See my response to Q12.2 above.

R12.8 on minimum standards. See Note B.

R12.9 and 12.10 on official information and advice to prospective tertiary students. See Note A.

R12.16 on standards for tertiary teaching. I remain convinced that degree level teaching should be distinct from sub-degree level teaching as a matter of fact and as a matter of principle. That degree-level teaching should be research-led (naturally variously defined) and at least in part conducted by those who are engaged in researching the same topics that they are teaching, is for me essentially a definition of higher education and an important distinguishing feature of degree-level teaching. That New Zealand institutions have been allowed to, or arguably required to, dilute these principles, is to my mind likely to be to the long-term detriment to New Zealand universities and to New Zealand society (see also my response to 12.17 below).

Concomitant to any requirement that degree-level teaching should be taught by teachers who are actively involved in research, these teachers do need to conceptualise their teaching in a different way from that adopted by teachers who don't situate their teaching within a researcher-paradigm. To my mind this requires those institutions that will remain researcher-taught to develop, or maintain, professional standards for teaching that are different from those of providers that will not necessarily be researcher-taught in the future.

If a tertiary institution either is, or intends to become, teaching-only in the future, I see no reason why it should not adopt similar standards of professionalism to those required in our schools. To my mind, teaching in the tertiary sector in a way that is not predicated on teaching by active researchers (or in some situations by professional practitioners) may be, in essence, no different from teaching in our compulsory-education schools. A key division here is not between the tertiary and secondary sector, but between parts of the tertiary sector that interpret tertiary teaching in different ways. Perhaps New Zealand should expect the same standards of teaching professionalism in all parts of our teaching-only sector?

R12.17 on relaxing the statutory requirements for research-led teaching of degrees. I suggest that the degree is so important to New Zealand, that it is essential to separate it in distinctive ways from other forms of tertiary education. Many would

agree that, traditionally (internationally and in New Zealand) degree-level teaching and learning has been distinguished by: the intended outcomes and proven abilities of the graduates (as defined in New Zealand nowadays by the NZQA level 7 bachelors degree outcomes and by the requirements of the 1989 Education Act); the characteristics of the teachers (essentially researchers, and the wide range of research-active postgraduates who assist); the presence of stimulating peers (progressively achieved by selection as students progress through their program); the nature of the curriculum (essentially research-led, variously defined); and the nature of the teaching and learning environment (traditionally well-resourced and of international standing). Perhaps it would be fair to add to this list the international reputation of the institution, attracting internationally renowned university teachers, as a distinguishing feature of degree-level teaching in the past. The 1989 Education Act appears to me to have dramatically confused the situation, allowing non-university institutions to offer very different styles of degree programmes, and to pick and choose aspects of the list above rather than all, with no requirement to say which they stand by. Some may point to the level 7 descriptors and suggest that as long as these are achieved, it doesn't much matter how they achieved. I think it does, not through any particular or nostalgic attachment to past experiences, but because, professionally, I know how difficult it is to be sure that all students to whom a degree is granted have actually achieved the level 7 descriptors. Traditionally, by combining these high expectations of achievement, with the best assessments and evaluation that we can muster, and including safeguards such as comprehensive external-oversight, along with the best experiential opportunities, teachers and resources that we can offer to support learners, on balance we can be quite confident in our students' achievements. Over the years in New Zealand and internationally, even our universities have found these things progressively more challenging to maintain.

I do understand what I believe to be the commissioners' perspective, that by removing regulations we shall encourage even more diversity in the system and even more competition that will create even better opportunities for learners, but I simply don't believe that it will have the outcomes that the commissioners hope for. I do understand the nature of, and role for, teaching-only institutions. Perhaps, if everything else was held to a high standard, we could remove this one obligation (that teachers are active in advancing knowledge); but this does not appear to be in the nature of competition and deregulation. Recent fact-finding in the UK has identified that, on average, students who go to some degree-granting institutions find themselves earning less afterwards than if, on average, they had avoided tertiary education altogether. Of course, they may benefit from attending these less prestigious institutions in a myriad of other ways, and any analysis based 'on average' does not allow for what may occur at the extremes, but I do think that this finding should alert us to think hard about what we want here in New Zealand. The degree is a particular qualification of particular importance to New Zealand. Whichever type of tertiary institution offers degree-level teaching in the future, we need to be clear about what the degree represents. I urge the commissioners to reconsider their R12.17 by specifying what should remain characteristic of degree level teaching rather than by specifying what can be taken out of an already flexible list.

On the style of the draft report

It is clear that the commissioners have taken a great deal of effort and used a variety of approaches to accumulate diverse knowledge and opinions about tertiary

education in New Zealand. But it is not so clear how they have selected from this extensive and diverse input to create their draft report and recommendations. Without an explicit statement of the methodological processes involved, readers might be concerned that the draft report may:

... be essentially **ideological in nature** in that selective use of evidence may have been used to substantiate a particular point that the commissioners want to make. The recently published history of tertiary education reforms in New Zealand (Crawford, 2016) suggests that dramatic change started in the 1980s (initiated by the fourth Labour Government) in response to their perception of a fragmented qualification system, low participation and the need for increased skills and higher employment figures. Crawford goes on to suggest that debate in the 1990s “... centred on how to make a more competitive system with autonomous providers work well” (page v). But this 'more competitive system' likely contributed to the current situation, described by the commissioners as “not-well placed to respond to uncertain future trends and the demands of diverse learners”; and of doing “a good job of supporting and protecting providers that are considered important, but it is not student centred.” (page 2). Many of the 100 or so submissions to the issues paper commented on the benefits of competition, some very positively and some very negatively, but it appears that the positive comments had far more impact on the draft report than did the negative ones. We currently have approaching 1000 tertiary institutions in a highly competitive system, that clearly is not functioning optimally, but even so the thrust of the draft report is towards even more competition.

... lack an **evidence base** on which such substantial change might be built. Throughout the document the commissioners make bold statements that appear to me to be leaps of faith rather than evidence-based projections. Here is one example, but there are many others;

“Government should allow providers to innovate and pursue different strategies, with different delivery models, serving different groups of students. This would sustain and promote excellence in tertiary education, while ensuring the system as a whole serves a wider range of learners” (page 10).

Perhaps there is a body of evidence to support this projection, but it is not clearly available to readers in this draft plan.

... **overly emphasise framed entities**. There is, to me, a surprising emphasis on what government wants, what government invests and what government is responsible for. I understand New Zealand to be a democracy and that government acts on behalf of society. And yet government is to blame on more than 200 pages in this draft plan. I understand that society cannot be blamed, and that as government has broad shoulders it can be (and indeed may wish to be), but there is a sense in which placing government in such a leading role in this draft plan is attempting to create a rationale for action every bit as potent as ‘the war on terror’. Readers of this draft report are not naive to selective framing, intentional or unintentional, and will appreciate more objective writing in the revision.

... be fundamentally **disengaged** from those who work in tertiary education. It is not clear to me why so many academics find this review process so distant from their own practices, but this ought to be at least identified as methodologically relevant within this report. Of the approximately 40,000 full-time equivalent staff in TEs there were only approximately 100 submissions to the issues paper (accepting, of course, that some submissions were on behalf of many). Perhaps the commissioners have some thoughts about why so few academics have chosen to contribute?

I end with a comment that does not address the draft report's findings, recommendations or questions, but perhaps rather addresses an omission. The commissioners identify in several places within the report (for example, on page 141) that relatively little research occurs in New Zealand on tertiary pedagogy and on the quality of tertiary teaching; emphasising that this is a missed opportunity for internally-informed improvement (and presumably therefore legitimising the need for externally-informed improvement, of which this draft report provides one element). Unless it is the intention of the Productivity Commission to retain New Zealand's tertiary education system in a state of internal helplessness, it would be useful if the recommendations included at least some that could rectify this situation. It seems perverse for the report to provide detailed advice on so much, but fail to make the key recommendation that it is tertiary education's responsibility to ensure that its practices are robust, reliable and innovative, and demonstrably so, using appropriate and internationally acceptable procedures. The analysis in this draft report does provide a strong message that the sector as a whole has been reluctant to research its own practices; whether these are of its own making, or imposed by regulation. It should be noted that at least some of the draft report's recommendations could only be achieved by funding someone to research our practices. Tertiary education in New Zealand has a long history of not researching its own practices, or indeed appreciating the need to (with some notable exceptions, one of which I personally benefit from).

I do wish the commissioners well with this worthy enterprise.