

Submission to Productivity Commission

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This is an independent submission, most relevant to the themes of **increasing costs** and **new technology**. I am a previous employee of Open Polytechnic at executive level (Executive Director Faculty 2010-2014; Executive Director Education Design Services 2014-end 2015) however this submission is not made on behalf of Open Polytechnic in any way. The submission is solely based on my own impressions, informed by my previous research and experience. My current (permanent) role is that of Director, Technology Enhanced Learning with The Open University, UK, which I reluctantly left a very innovative and interesting role at Open Polytechnic for. My interest in the Commission's activities comes from my involvement with the Innovations in Tertiary Education Summit in 2014, my presidency of DEANZ (FLANZ) up to my acceptance of the Open University position, and my background in online and distance education spanning the New Zealand ITP, PTE and University sectors. As is clear by my selection for my current role from an international pool of applicants, my commitment is to quality online and distance education for higher education from an informed, authoritative and strategic perspective. That said, I claim no omniscience or infallibility behind the perspectives shared in this submission!

The purpose of the Commission's inquiry seems to "provide insightful, well-informed and accessible advice that leads to the best possible improvement in the wellbeing of New Zealanders" (p.vii). The objective is to check the tertiary education system is appropriately responding to new opportunities – technological and pedagogical – that might change its operational model.

A most important foundation to my submission is a further proposed framework for comparing the educational models that characterise higher education. Educational models are more than just pedagogical descriptions, in that models determine all aspects of a TEIs operating and budgeting systems and ultimately provide the dynamics behind its scalability and reach. In Seelig & Nichols (in press) a distinction is made between lecture-based and resource-based tertiary provision. More categories my well be possible however these two serve to illustrate some of the difficulties with meaningful technological and pedagogical innovation across the current system.

Lecture-based	Resource-based
<ul style="list-style-type: none">• Centres on formal lecture sessions; assumes face-to-face tuition• Decentralised pedagogical decision-making• Low up-front costs, higher variable costs of delivery• Infrastructure sensitive to student volume• Scalability involves investment in bricks & mortar, and tutorial staff• Requires cohort-based and scheduled approach• High variability of delivery and quality	<ul style="list-style-type: none">• Centres on self-paced resource base; distance education• Centralised pedagogical decision-making• High up-front costs, lower variable costs of delivery• Infrastructure not very sensitive to scalability• Scalability involves investment in tutorial staff• Independent study is assumed• More consistency in quality and delivery

So-called blended learning fits along a continuum across the two, in that blended learning is either driven by a single lecturer and accompanied with real-time lecture-style activities or is resource-

based and accompanied with real-time tutorial support. Neither the lecture-based or resource-based system has an inherent advantage in terms of student performance; Open Polytechnic has course completions comparable with lecture-based providers. If distance education has a poor reputation it is the result of its typically poor implementation (see also Nichols, 2010).

It is useful to extrapolate the opportunities provided by technology across these two systems. A lengthy extract from Seelig & Nichols (in press) describes one impression:

The two models of resource-based and lecture-based provision typically seek to use technology in very different ways. Resource-based institutions are more likely to harness technology to improve communications and services to students and replace the traditional postal services. Discussion forums, online assignment submission, additional media (particularly video), self-marking tests and formative exercises are also used to extend the teaching and learning opportunities. Asynchronous or synchronous discussion forums can also be used, depending on the desired independence of the students. Lecture-based institutions, by contrast, are more likely to invest in solutions designed to make the lecturers' presentations more accessible to students. This is essentially the model used by the producers of MOOCs, which typically consist of lecturers' presentations supplemented with additional learning activities — which is why they have come in for so much criticism from experienced ODL practitioners who see this as turning the clock back pedagogically (it is also perhaps worth adding that the first US providers of MOOCs were essentially lecture-based institutions).

While both resource-based and lecture-based institutions typically use Learning Management System (LMS) platforms such as Blackboard, Canvas and Moodle, the actual use of such systems will differ. Resource-based institutions will use the LMS for providing course materials and structured forums for engagement with students. They will tend to insist on a degree of centralised standardisation of course presentation and are likely to prevent staff from making unilateral changes to course materials. Lecture-based institutions, by contrast, will typically permit, and indeed encourage, lecturers to prepare and maintain their own online presence in whatever way they see fit. As a result, each course will vary in appearance and function in accordance with the preferences, expertise and applied effort of each lecturer. In simple terms, a resource-based institution will tend to adapt online learning to empower student engagement with learning resources; a lecture-based institution will tend to adapt online learning to empower engagement with the lecturer.

Introducing the resource-based and lecture-based models demonstrates how very different transformations are required in the current education context, depending on the nature of the institution. Khan writes that in the e-learning paradigm, students:

require rich learning environments supported by well-designed resources. . . . They expect on-demand, anytime/anywhere high-quality learning environments with good support services . . . they want to have more say in what they learn, when they learn, and where and how they learn . . . there is a tremendous demand for *affordable, efficient, easily accessible, open, flexible, well-designed, learner-centred, distributed and facilitated* learning environments. (Khan, 2015, sec. 1, paras. 2–3)

Clearly the resource-based institutions have the advantage in orientating themselves towards what Khan terms the e-learning paradigm. Resource-based providers have long invested significant intellectual capital and funds in the development of learner-centred learning resources; their faculty have a great deal of experience in supporting the distance learners and are already attuned to the challenges faced by a distributed student body within which there are diverse needs and abilities. The level of transformation a lecture-based institution requires is significantly greater, because the learning environments and well-designed resources Khan

mentions are not natural extensions of the lecture-based model. The empowerment of the lecturer in a lecture-based institution relies on a unanimous commitment by faculty and all departments to provide students with an effective and well-supported online experience. This constitutes a major paradigm shift.

The lecture-based, resource-based distinction also provides a useful means of considering the phenomenon of MOOCs. As outlined in the quotation above, MOOCs are the result of lecture-based providers seeking to move education online. As MOOC providers are discovering, an effective online experience requires an educational approach very similar to that of resource-based education: high development costs, tutorial support for an online (distance) student, and more centralised coordination of activity. Anecdotally from discussion with New Zealand MOOC developers, it costs as much to create a single (say) 5 credit MOOC than it does to create one and a half 20 credit degree courses at Open Polytechnic. Further the MOOC will likely have a 10% completion rate based on a discrete set of learning objectives, whereas the Open Polytechnic course will have over 80% of students formally succeed with learning objectives contributing toward a cohesive qualification.

The conversation here brings me to the examples proposed on p.74, Figure 33. [REDACTED] Open Polytechnic [**'s example stands out as an**] [REDACTED] example with a proven track-record, and my impression is that this is for three main reasons. Firstly, distance education has always been scalable by nature. Second, Open Polytechnic has spent the last few years improving its distance education model. Third, Open Polytechnic has been innovative in its adoption of online learning as a natural *extension* of its resource-based approach.

The resource-based approach has additional potential for facilitating cohort-independent demand, in other words, access to fully supported and quality programmes of study *at any time*. Funding for such an approach could be based on evidence of student engagement and successful completion.

It is worth considering whether additional investment in a strategic pathway for extending Open Polytechnic's funding would provide the quality, scalable and technology-enriched educational model the Productivity Commission is seeking. One suggestion is to explore the merits of Open Polytechnic becoming the Open University of New Zealand, and providing it with a mandate for educational pathways across the NQF and programmes not regionally viable. Distance and online education has the capability to cater for both vocational and academic studies, provided the model is customised to meet student needs and learning outcomes. An Open University of New Zealand, built upon Open Polytechnic, would broaden the availability of education across the country and ensure an accessibly and viable educational progression spanning the NQF for those seeking to enter the tertiary system.

The current inertia in the tertiary system is at least partly explained by there being insufficient incentive for lecture-based institutions to change their delivery model. [REDACTED]. The exception here is Open Polytechnic, which is already based on the sort of resource-based educational model required for effective and scalable online education. Effective online education requires an up-front investment in course development coupled with lower variable costs per student. At present TEIs other than Open Polytechnic are internally structured with operational models counter to this requirement.

Funding to a resource-based Open University of New Zealand might be based on a scalability threshold, whereby students beyond a certain number are SAC funded on a reduced basis. The TEI is incentivised anyway, as a natural outcome of scalability; the system saves in that more students can be catered for at the same overall level of funding.

Q1.

Advantages:

- Ability to incentivise access to tertiary education at key points.
- Common standards ensure consistent quality across funds.

Disadvantages:

- Various funds add to the complexity of the system.
- Differences across types are not always apparent.

Q2.

NZQA accreditation ensures a level of quality for prospective students, and that a course is SAC funded provides assurance that the qualification is valued by the TEC. More could be done in terms of informing students about employment and salary outcomes. Such data could be provided by the TEC itself using the same data used by Universities New Zealand. The TEC would be an effective gathering point for the data as gathering it might further inform funding decisions. The NPV of qualifications, reported with a clear interpretation guide, will help students to see at least the likely financial benefit of their educational investment.

Q3.

The model emphasises the importance of international reputation for attracting international students. The international student market is influenced by multiple factors, particularly economic conditions. What the model leaves out is the potential benefit of rationalisation of providers and a less diffuse national investment. The model also assumes full-time students. An online, distance approach encourages part-time options which are less likely to require loans and further burden the funding system. The answer to limited and dispersed national funds need not rely solely on the risky attraction of international students.

The model is also very clearly University-centric, and not representative of the entire tertiary system. As such, it assumes large providers with a strong starting point. Given the similar quality and compliance formats shared across all providers (noting the CUAP and NZQA distinction), it might be best to distinguish the sector for decision-making purposes based not on University/ ITP/ Wānanga/ PTE but as large/ medium/ small TEC-funded providers. The former are very active at post-graduate level, with a large student base; those in the middle tend to have degree programmes, with additional vocational qualifications at lower levels; the latter may have one degree, otherwise are concerned with smaller numbers of students in a few specialist areas. All face very different opportunities and challenges in the sector and all operate in different ways outside of their own size-based category.

The distinction between lecture-based and resource-based models suggested above is a further, and important, distinguishing aspect of current models.

Q4.

ITPs are squeezed between agile PTEs able to focus on single subject or NQF level areas (at considerable risk to themselves), and Universities who compete at the levels of qualification that provide ITPs with their most important means of regional service. The ITP sector is incredibly

diverse, with most lacking the scale to properly serve their regions and others that are effectively universities in all but name. As such it's probably no longer accurate to refer to an ITP sector out of anything other than the requirements of legislation. It may be more prudent to assume the models as being either those of the universities, or of PTEs.

Q5.

I cannot comment as I have no experience with the providers. I understand that students are not all Māori, and that at least one Wānanga is active at the doctoral level of provision.

Q6.

PTEs are arguably as diverse as ITPs. What they have in common is a relatively smaller scale of activity, though there are some exceptions following recent mergers.

Q7.

Economies of scale are very important, however in practical terms scalability is difficult to achieve for regionally-based providers across the various programmes that might be in local demand. Distance and online education is an important investment, as no single provider outside of a large population base can hope to cater for the diverse expectations of local students and most regional providers lack the capacity for the additional levels of infrastructure and support necessary to adequately serve distance students. An Open University of New Zealand would lead to an impressive return based on economies of scale, as suggested above, while also increasing choice and accessibility to quality education.

Q8.

Competition is certainly characteristic of the sector. Student experience and reputation seem to be the main factors, though fee discounts are also used.

Q9.

Capital costs are an essential aspect of the system. Returning to the earlier distinction of lecture-based versus resource-based provision, the former can only increase student numbers with more bricks and mortar. Such investment usually needs to take place in built-up areas with easy access for large numbers of students. By contrast, a resource-based provider can function from almost anywhere and expand operation with minimal infrastructural investment. Further, models of distance and online provision can allow for a casual (flexible) and distributed workforce.

It is interesting to note that the question assumes capital costs in terms of premises and not courseware; Open Polytechnic capitalises its courseware, which is a logical step for a resource-based provider. In other words, Open Polytechnic's main capital costs are directly associated with its core business of education.

The distinction between Universities and PTEs reinforces institutional size as the main determinant of the model followed.

Q10.

The bundling is important for the system to maintain its integrity. If unbundling were to be pursued, it is important that each 'bundle' be experienced by students as part of a coherent, holistic system. Resource-based education, for example, might involve casual tutorial staff supporting course materials generated by another provider (and underpinned by that provider's research base), assessed through the accreditation and library services of the provider offering the tutorial services.

Q11.

Bundling research and teaching makes perfect sense at post-graduate level, as students tend to expect (and are ready for) less didactic teaching and more independent learning. Further, post-graduate learning outcomes assume a more in-depth treatment of subject matter and so need to be facilitated by academics who are themselves research-active.

I don't think there is anything to be gained by adopting a distinction between teaching- and research-based institutions. Inevitably the former are perceived as providing education of a lesser quality. It would be preferable to tie research requirements to qualification level, as is currently the case, so as to ensure a parity at the same NQF level. One change to the system might be the requirement for all teaching *at the undergraduate level* to have a teaching qualification of some sort as a condition of accreditation. This would link the quality of teaching to the actual didactic needs of students. In other words, it is suggested that the system differentiate based on NQF level rather than institution type.

In a resource-based model, it is important for NQF L7+ qualifications to have courseware generated by subject specialists active in research. The actual tutorial support could be performed by non-research active staff, provided course maintenance was assisted by those research active.

Q12.

As suggested above, the distinction between teaching and research might be reframed based on the NQF level the teaching takes place at. As a post-graduate student the research active status becomes much more important and appropriate. As an under-graduate, the ability to teach is more acute.

Q13.

I have no experience in this area.

Q14.

It is difficult to challenge the citations offered (particularly that of Faraday et al, 2011). The context around Q14 would benefit from considering the characteristics of the workforce based on a lecture-based, resource-based distinction. Using Open Polytechnic as a case study, more students are effectively served with less academic staff (the ratio would be similar to that provided for the Wānanga across Figure 9).

The NQF is arguably an effective means of determining effective learning across students of varying ability. Across a formal programme of study, applying the theory of transformative learning (Mezirow, 1990, 2000) would further encourage effective outcomes for students.

It is further suggested that the model of a systems approach for distance and online education will inform effective teaching and improved student engagement (see, for example, Moore and Kearsley, 1996). Teaching for distance and online models should also be informed by the literature of educational (instructional, learning) design.

Q15.

My impression is that tertiary institutions do not do enough in the area of improving teaching quality. As outlined above, one solution might involve a more deliberate requirement based on NQF level.

Q16.

Evaluations are unnecessarily controversial. In my experience courses tend to benchmark highly in terms of student evaluations; it is exceptions to this that require investigative action. At Open Polytechnic I instigated a twofold approach to evaluations whereby students were first invited to rate their overall course experience from 1 (extremely poor) to 5 (excellent), and to add any comments they wished; once they had done this they were given the option to provide more detail across a small set of additional criteria. This meant more feedback (the mechanism for giving feedback was simple, and similar to that for online services), and the ability to drill in for more detail if the overall rating of a particular course indicated a problem. It is now very easy to see any courses that may require additional support, and investigate the reason why students evaluated them as they did.

Q17.

A question here: do employers expect absolutely work-ready graduates, or graduates able to quickly learn work skills? A case could be made that flexibility capability is as important as is work readiness for a specific context. The requirement for qualification developers to demonstrate effective and representative employer consultation should be sufficient. Further, given the likelihood that graduates are likely to have ongoing lifelong learning demands placed upon them as they transition across various careers, embedded learning to learn skills are arguably more important than aspects of specific knowledge immediately required for work (Alheit, 2009). Learning to learn skills do not necessarily make a graduate immediately ready for a specific role however they ensure a more flexible workforce and empower the individual.

Qs18-21.

I do not have immediate experience in working with ITOs however my impression is that they are increasingly seeking to become providers rather than sector representatives and brokers of training. Because of their role in standards-setting and moderation, the practice of ITO as provider is very concerning as their quality can become self-referencing.

Q22.

The system appears well coordinated. Given the complexity of the sector it is unlikely that a different arrangement would add significant value. The only apparent weakness is the reliance on the TES; care must be taken to ensure the TES provides clear, evidence-based and constructive direction.

Q23.

The current TES is general, and somewhat limited in scope. There is nothing in it that promotes innovation, transformation or efficiency across the sector. Instead, priority groups are identified. What of the rest of the sector and its development?

Q24.

Outside of my experience.

Q25.

Outside of my experience.

Q26.

The NQF is a particularly powerful part of the New Zealand tertiary system. It ensures a quality, aligned system of education and emphasises student development. It is difficult to see how alternates could be justified, though AQA is likely a valid equivalent based on its peer-review function.

Q27.

Outside of my experience.

Q28.

As suggested later in the issues paper, it is a very high-risk strategy to make the sector dependent on international student numbers. Additionally, attracting international students is likely to have the effect of improving marketing and promotion rather than innovation in teaching and learning.

Q29.

I suspect that the latter reason – poor match to employer demand – is to blame. How many literary critics, social scientists and psychologists does New Zealand need? Returning to the points on pp.29-30, though, economic productivity is not the sole attribute a higher education system should be measured against. Further incentives might be offered to students studying toward postgraduate qualifications, which is where most economic gain seems to result. Interest-free loans, incentives for part-time post-graduate study and government scholarships for post-graduate fees in priority areas would likely improve performance. See also later comments related to part-time study.

Q30.

The best measures are those that reflect the concerns of funders at any time. Shifting priorities are the hallmark of a responsive system. As one aspect of the system gets out of balance, measures should shift until a desirable balance is restored. At present the matters of productivity and systematic innovation seem timely as important measures. It is important that the measures selected reflect the actual behaviour desired for the sector.

Q31.

It is worth noting that New Zealand has a far smaller population than the OECD countries it trails. In terms of scale, both of its education sector and job market, it is likely that New Zealand is actually performing very well. I understand the Universities New Zealand Graduate Outcomes project has added further detail to the picture.

Q32.

Key issues are determining what it actually means to be 'work ready', and being realistic about the limits of what higher education providers can formally attest to in their graduates. Graduates have a learning trajectory that enables them to begin in a rapidly-moving workforce; focussing on additional soft skills and capabilities may detract from the pursuit of the actual educational outcomes of a qualification. Providers should seek those employability skills that are universally desirable and build those into graduate outcomes, with the expectation that those graduate outcomes will inform the

study curriculum at all levels however the purposeful development of soft skills seems more of a role for a finishing school rather than a formal education institution. There is much implicit in tertiary study that shapes the soft skills of graduates.

Q33.

It is clear that increased numbers of tertiary graduates reflect the demand of students for better employment prospects and employer demand for better qualified staff. The trend is likely to continue, with yet more demands being placed on the tertiary sector. The sector is responding by tinkering around the edges of its core lecture-based model, perhaps for two main reasons: first a status quo-oriented funding system, and second the change complexities of adopting the resource-based approach that provides the proven, quality, flexible and scalable means of matching demands.

Q34.

There is much that can be done to infuse non-cognitive skills into formal assessment tasks (e.g. video-based evidence of practical skills via smartphone; viva voce assessment of conversational and interpersonal skills; mentor-assisted programmes; practicums). These types of assessment could – should perhaps – be extended across all providers. Key is the approved graduate profile that sets the basis for how each course is taught and assessed.

The question here considers only the activities providers might encourage under the current system. The system itself might be shifted to encourage the development of non-cognitive skills in parallel to formal tertiary learning.

Perhaps controversially, it may be worthwhile *purposefully incentivising part-time study* for 18 to 24 year olds (and even beyond). There is no substitute for real-world experience, as opposed to the rarefied on-campus setting. Perhaps the rite-of-passage idol is part of the problem. Incentivising part-time study would likely result in less loans, improved soft skills, and a net economic contribution across the period of study. It would take but a small tweak to the funding and tertiary system to enable this. The Open University, for example, offers modules in 30 and 60 credit sizes; a part-time student first enrolling at 18 could realistically graduate with a bachelor's degree, work experience, well-rounded CV, small student loan (if any) and a house deposit by the time they were 24 or even sooner.

Q35.

The clear implication is a likely increase in demand for adult, part-time learners requiring flexible options. Adult learners are less likely to be able to enter the education system on a full-time basis. Online and distance provision will be in high demand by such learners. From Figure 26 it looks likely that the outcomes of higher education – particularly at Levels 7+ of the NQF – will continue to be relevant. The role of the system will likely be the same; its effectiveness in providing access to the system will need to change. In resource-based, online distance education there are few things standing in the way of anytime enrolment, flexible assessment opportunities, and anytime completion of courses; a scalable, quality education experience; and a transparent, evidence-based approach to ongoing improvement.

Q36.

The sector is not designed to respond well to increases and decreases in demand. As above in Q34, part-time study is not encouraged and providers remain in a semesterised paradigm of supply. These are fundamental flaws that need to be challenged and changed. More investment in land and

buildings are an inefficient and otherwise insufficient response to the need for an improved tertiary system, and investment in these should be disincentivised as a use of TEI reserves. Investment in online distance education – specifically in its resource-based form – should be incentivised. It is also questionable as to whether the current number of TEIs should remain, outside of regional politics; more rationalisation should follow a decline in forecasted sector EFTS.

See also response above regarding incentivising part-time education.

Q37.

As the cited data makes clear, demand is (at current levels) inelastic. This is not to suggest that subsidies and fees should be set in accordance of what the market will bear, nor that exploring how to decrease fees and subsidies should be pursued. A scalable, resource-based approach has the potential to provide quality, scalable education at a reduced marginal cost per student (noting that Open Polytechnic did not increase its fees for 2016).

Q38.

Education will increasingly become elitist, with those more likely to rely on loans seeing less of a return on their tertiary investment. Increasing fees faster than inflation will necessitate a structural correction to the sector at some stage in the future.

Qs39 & 40.

As mentioned above, the pattern of spending seems largely to have reinforced a business as usual education model. The shift in international education presents an increased risk to the sector, as any reduction in demand resulting from the international dynamics of demand and competition will have an immediate and devastating effect on the viability of many providers.

Q41.

Bowen's law immediately resonates, and it underscores the importance of an accountable system with transparent metrics and reporting. Baumol's model also resonates however it is simplistic to suggest education is a simple service. Education requires work from its customers in ways very unique to the services sector; students, in effect, pay to work toward an accredited outcome and on the way have preconceptions challenged. It can be a tremendously intimate process, and so there are serious limits to how technologically mediated a successful model might be.

It is genuinely disturbing to see MOOCs cited as a potential contributor in Box 9. MOOCs are neither a successful educational intervention nor a proven means of improving access the educational system, and they incur the costs of a resource-based approach without any revenue (as mentioned in the introduction to this submission). The more MOOCs learn about what it takes to support students toward success and become financially viable, the more they will resemble current (yes, current) resource-based approaches to online and distance education.

I'm in full agreement with Tony Bates: "I can't express adequately just how pissed off I am about MOOCs – not the concept, but all the hubris and nonsense that's been talked and written about them." It is absolutely fantastic how MOOCs have captured the imagination, while all the while resource-based institutions have been carefully building quality courses from evidence-based practice with no fanfare. How it is that MOOCs, with fatally poor completion rates, attracting already qualified people to their services, with no revenue model or coherent contribution to any form of graduate profile, are still being talked about as potential contributors to a renewed education system? MOOCs are a distraction – a *really annoying* distraction – from the true opportunities online

education provides. MOOCs are a lecture-based response to a resource-based opportunity. That resource-based online distance education doesn't appear on Gartner's hype cycle curve or the headlines of lecture-based providers is neither surprising nor important.

That off my chest, it was somewhat comforting to read Box 10.

Q42.

In my view MOOCs are entirely the wrong starting point for the question. So is the starting point of "specific technologies". A better frame for the question is the online-only approach currently being used successfully by Open Polytechnic, and seeing how the implication factors on p.66 are already being realised. Flipped classrooms, beginning with resource-based online courses and facilitated by tutorial staff, will greatly assist targeted learner groups with the social and tutorial support likely to be useful for their success. The *model*, not the technology, should be of primary interest to an inquiry. A remodelled Moodle or Open Polytechnic's own iQualify system with further development would be a suitable technology. **[Other approaches building on solutions such as Office 365 also need further exploration].**

Q43.

The lecture-based part is challenged by ongoing technological change, because the lecture-based approach lacks the ability to incrementally adopt a scalable and consistent approach to online education. The resource-based part can easily exploit the opportunities created, because effective online education is a natural extension of effective distance education. Recall that distance education's poor reputation comes from poorly implemented distance education. Distance education, done well, is the perfect foundation for scalable and flexible online education.

Q44.

Outside of my experience. At Open Polytechnic we were aware that various qualifications were very New Zealand-centric, others more generic; we took steps toward tagging internationalisation points in courseware so that they could be identified and changed if a course would be of interest to overseas providers. This system would escalate from an example, to an activity, right through to an entire course that might need to be replaced for an international audience.

Q45.

It's likely more the New Zealand destination that would be of primary importance to overseas students. The Education New Zealand agency seems to be an appropriate response.

Q46 & 47.

I proposed this response to Q47 to the FLANZ delegation, with reference to the next 20 years:

More institutions making the leap across to a resource-based model for effective online education; more fragmented qualifications and micro-credentialing (and debates over whether this is desirable); fewer, larger providers alongside smaller niche ones; clearer distinction across academic and casual tutorial support roles; international competition from scalable providers operating at low variable cost (not necessarily lower quality); universal acceptance of the on screen experience; anytime, anywhere enrolment, assessment, and course completion (technically already possible, but difficult in the incumbent funding system); a price-sensitive student body; more part-time education; **[REDACTED]**.

Q48:

I wonder if Operational System might be considered a model? By this, I mean the way in which a provider of education aligns its various functions toward serving its customers (students). As outlined above, lecture-based and resource-based are two contrasting models in the sense that both assume very different things about teaching and learning. The operational systems of a lecture-based and resource-based institution are fundamentally different in ways not neatly captured in Table 5.

Q49.

Nothing to add here; see comments already made p.3 of this submission related to the examples cited in Figure 33.

Q50.

I don't think so. Most QA and accountability arrangements assume the provider is a lecture-based one. This leaves the operational functions and outcomes of resource-based providers such as Open Polytechnic at odds. Examples include EER methodology and EPI scales.

Q51.

Outside of my experience. If the Productivity Commission comes up with some innovative ideas for improving the New Zealand tertiary sector they would certainly be of interest internationally.

Q52.

None that I am intimately aware of.

Q53 to 58.

I proposed this to the FLANZ delegation:

From my Open Polytechnic experience, a multi-pronged approach assisted priority learner outcomes including:

- A systematic approach to the distance experience, with an aligned institutional infrastructure of support.
- Flexible qualification entry points appropriate to the NQF readiness of each student.
- Prioritised support based on learner characteristics.
- Culturally-appropriate support (for example Māori supporters contacting Māori students, applying a tuakana-teina methodology; e-whanau concept).

These are simple yet effective. Part of the problem around performance for these priority groups is, as suggested earlier, that distance education is easily done *badly*. Open Polytechnic has examples of good practice across these priority groups, though in my time there I did not research these (though I did plan to).

With regards Q57 specifically, the online design being used by Open Polytechnic in its iQualify system lends itself to the multitude of accessibility services available to computer users.

Q59.

I consider the New Zealand system is innovative in parts; the difficulty here seems to be encouraging systematic innovation rather than in pockets of practice. In education innovations are typically

limited to keen individuals, or a VC or CEO with limited tenure often facing an institution change-weary from having its inertia constantly tinkered with. Funding systems are also such that planning must take place with relatively short horizons. I'm not certain that this issue is limited to New Zealand. Inertia is driven in part by the lecture-based and resource-based distinction and limited by the cap-based approach toward business as usual-oriented funding. Open Polytechnic, the only truly resource-based institution in New Zealand, is rapidly moving (within its capped places, drawing on reserves) toward an online-only approach to tertiary education that is effective, scalable and flexible. Much innovation taking place across the tertiary sector does so without a thoughtful, critical or informed analysis of international practice.

Q60.

In the context of improving student access and success to education, I would evaluate innovation based on three S's: Stretch, Scalability and Systematisation. Stretch: the innovation is genuinely different from what might just be incrementally expected. Scalability: the innovation can apply beyond a single instance, in that its success relies on variables that are transferable and don't break under high demand. Systematisation: the innovation is effectively harnessed, in ways that it is not easy to reverse.

Q61.

The three S's are clues to the main barriers. Stretch: the innovation is not really that innovative, or its benefits do not justify its continuation. Scalability: it relies on a key individual, specialised skillset, or applies only to a particular subject area. Systematisation: it is too complex, expensive or risky to change the way things are done for the innovation to be more widely adopted. Contributing to the overall barriers is the business as usual funding system in place. There is no imperative to change systematically; instead, it seems that institutions are merely competing with one another in a search for ongoing viability.

Q62.

The current system is inherently competitive, and based on the lecture-based mode of provision across its metrics. I doubt improving innovation is as much a matter of lowering barriers as it is to raising incentives. Providers need to be encouraged to adopt a resource-based mind set for online and flipped classroom provision. This takes a very courageous leadership and significant institutional change.

Q63.

At the micro-level it is not uncommon for innovations to be shared and discussed. At the higher levels of management there are concerns about competitiveness and loss of autonomy.

Q64.

Outside of my experience.

Q65.

The eCDF (e-Learning Collaborative Development Fund) led to a series of innovative projects, some of which influenced my career. The various projects led to cross-institutional relationships and work toward shared infrastructure. The fund enabled experts to identify and propose projects that would benefit the sector. While not all were successful, some became internationally significant and filled genuine cross-sector needs.

Q66.

There is an assumption in this section that PTEs' lack of a previous reputation might give them an innovative advantage. The lack of reputation is actually a barrier, unless the PTE specialises in a niche qualification area. Generic programmes work to the advantage of ITPs and Universities. From my experience in the PTE sector funding is relatively easy to access however PTEs become extremely reliant on a continued level of funding for their viability, particularly in a capped environment and given the small scale of most PTEs. From my experience and speaking utterly metaphorically universities run from barrels of oil; ITPs have dispenser cans of oil to run from; PTEs run from the distant scent of oil on their rags.

Q67.

The CUAP and NZQA processes are a very important part of innovation's context, as they ensure a consistent and defensible level of quality across the system. CUAP is outside of my experience however I imagine that any programme that is refused approval must surely be provided with actionable corrections and have a resubmission option. Without a transparent approval process against robust criteria, 'innovation' can be a term used to disguise expediency. Removing quality safeguards can also encourage innovations built more on enthusiasm than good judgement and evidence.

Q68.

I suggest that performance-based funding has led to intra-innovation (that is, fixing internal problems associated with poor performance), rather than extra-innovation (developing brand new ways of activity). Both have their place, but I sense Performance-Linked Funding led to things being cleaned, rather than created. Re-distributing resources usually benefits those with scale, and may have little to do with true innovative behaviour.

Q69.

Outside of my experience.

Q70.

Performance is a definite factor in programme decisions. Open Polytechnic closed multiple courses that were not performing up to EPI standards, and re-allocated EFTS based on TEC priorities and growth opportunities.

Q71.

This is a key question. The sector is very homogenous, with the exception of the sorts of specialisations cited on p.89 of the report. The differences between universities and polytechnics is more one of scale; many polytechnics are offering post-graduate programmes, many universities are offering vocational programmes. The distinction between university and polytechnic is outdated and limits the growth opportunities of the latter. Removing the distinction across university and polytechnic might also encourage mergers across institutions where co-existence is increasingly questionable. [REDACTED]. With the right incentives universities could extend their qualification offerings more into entry Diplomas and lower NQF areas, and build them into entry programmes for higher qualifications.

The question seems to assume full-time study. For school-leavers seeking a full-time experience, location is likely to be less relevant. For adults, perhaps likely to prefer part-time options, online and

distance study is clearly a viable option. However online and distance education needs to be well implemented. This returns me to the concept of an Open University of New Zealand, based on Open Polytechnic.

Q72.

In my view the lack of innovation across the sector is a symptom of status quo leadership, encouraged across a sector where growth is not rewarded. Blame often goes to inadequate funding or incentive however many institutions sit on impressive levels of reserve, which are typically invested in bricks and mortar rather than exploring true resource-based education. Smaller institutions have a survival focus. In my experience the quality regimes provide a very useful framework for sound education. Removing or reducing these would be a major mistake. Likewise, the mechanism of the TEC ensures a sector that must represent the priorities of the government. This is appropriate where the majority of TEI income is sourced from the taxpayer.

Q73.

It would be interesting to know where this concern comes from. Current copyright and IP practices are sufficient for effective online and distance education, and compliance is straightforward enough with the right systems. At Open Polytechnic staff preparing learning resources are required to waive their moral rights before they begin work on course resources, and copyright and IP are the property of the Polytechnic. The CLL (Copyright Licencing Limited) provisions are more than adequate for ensuring effective sharing of copyrighted information.

With regards to innovative technologies developed for teaching and learning, it is unlikely that changes to IP would make a significant difference.

Q74.

The section here draws the right conclusions from my perspective, though I must say here that the Open Polytechnic Council are extremely supportive of innovation.

Related to elements of pp.91 to 92 is an idea that, as the primary investor or buyer of tertiary education, the Crown should consider joint ventures with providers toward true innovation. For example, the development of the iQualify system at Open Polytechnic would benefit from additional capital and joint ownership by the Crown might see its use established further across the sector. Joint investment in online and distance courseware might also see a rapid and sharable development of materials suitable for online distance delivery and flipped classroom access across regional providers.

Q75.

Collaboration across providers is explicitly and constantly encouraged, yet implicitly and commercially discouraged. Ultimately the sector has all TEIs in competition. Changing the provisions around collaboration would not address the core issue of competitiveness.

Q76.

Outside of my experience, though the large reserves held by many providers would imply that funding for innovation is not always a problem.

Q77.

Internal funds are often provided on successful application for innovative purposes. The difficulty with internal innovation is that it is typically small-scale and non-systematic. Innovations that work frequently challenge internal systems, and without the requisite systematic shift to accommodate innovations, good ideas typically fade away even following proof of concept. This is particularly true with approaches toward online teaching, which in lecture-based institutions tend to be extremely ad-hoc and limited to those enthusiastic enough to work outside of normal institutional processes. Providers' general lack of appetite for large-scale internal change limit their ability to truly innovate in the online space.

Q78.

Government education agencies have considerable scope for innovating however care must be taken to ensure transparent and accountable decision-making. Referring back again to the eCDF, a significant central fund opened to collaborative applicants for systematic innovation would be an interesting mechanism for spurring innovation across the sector. Setting very ambitious objectives in the Tertiary Education Strategy and providing significant incentives to their achievement through collaborative activity is also a lever available to government.

In my view, the following five actions would contribute significantly to the further development of the tertiary education sector and its ability to exploit the technological and pedagogical opportunities it currently faces.

1. Remove the Polytechnic and University distinction. This would lead to fewer, larger providers and remove a distinction that no longer reflects the behaviour of TEIs.
2. Invest in an Open University of New Zealand. This would create a scalable, quality provider of online distance education to help meet significant demand for lower variable cost per student. An OUNZ could also be incentivised to provide a portfolio of qualifications providing genuine choice to potential students right across Aotearoa.
3. Encourage and incentivise part-time demand. This would reduce the financial pressure on the system and lead to both improved graduate capability and a more flexible workforce.
4. Adapt regulatory requirements to allow for anytime, anywhere provision of SAC funded education. At present funding mechanisms assume a semesterised, cohort-based form of teaching and learning. For practice to change, the assumptions around practice must change.
5. Establish a significant yet limited and contestable fund for significant, collaborative and sector-wide innovation. This would encourage providers to consider shared challenges and opportunities, and enrich relationships across organisations that currently view one another as pragmatic competitors. Being a grass-roots fund it will also assist in identifying and prioritising shared needs across the sector.

Citations

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