

## **Submission to the Productivity Commission's inquiry entitled 'New models of tertiary education'.**

**Personal submission by Alan Cocker.**

### **General Statement.**

Even though there are 78 questions contained in the Commission's 'issues papers' this inquiry's focus is still highly selective. This must be described as a focused 'economic analysis' but even within this context central aspects of the economic structuring of the tertiary educational sector are not included in these questions.

For example, in recent years the sector has been established on a competitive model replacing an approach which looked to tertiary institutions to co-operate in providing courses and facilities in different regions and for the nation as a whole. The competitive model has seen the growth of considerable infrastructure the value of which has not been examined or tested. Tertiary institutions have established corporate and marketing departments and spend considerable sums each year in branding, advertising and other marketing expenses. Unless this investment can be justified in terms of substantial improvements in the productivity of the sector this expenditure, a significant amount of which is public money, must be viewed as wasteful.

At present limited research would indicate that in the period from the year 2000 until the Government imposed a cap on enrolments both the University of Auckland and the Auckland University of Technology grew at precisely the same rates. Two possible scenarios are that the marketing of both institutions was so effective that they cancelled each other out or that competitive marketing and advertising had no effect at all on student choice and that enrolment growth was instead related to Auckland's growing market and the two institutions benefitted from this equally. In any event until detailed and extensive research is carried out no claims can be made about the efficacy of the competitive model with regard to student choices.

This issue raises another fundamental problem with this inquiry. To properly examine, research and test the issue as to whether the competitive model has increased the productivity of tertiary education in New Zealand would logically take a year of the Commission's examination alone. To expect that the whole complex sector of tertiary education can be examined in the four months before the first draft report is released or ten months when the final report is presented to Government, leads to the conclusion that this is not going to be the thoroughgoing examination of this sector that is required if sector reform is contemplated.

The Commission would be mindful that its deliberations are seen as an independent examination of tertiary education. The time frame for this exercise would indicate that it will be very difficult to meet this test given that the issues paper contains so many questions. Among these questions there are unsubstantiated assertions. For example, Question 29 states: "What factors best explain the discrepancy between growing levels of tertiary education attainment without a significant productivity dividend?" If this is an independent process why is the question 'framed' in this form with the assumption there has been no significant productivity gains. Particularly as the notes which accompany this question admit: "There is little agreement on how performance should be measured."

Chapter 1 (page 1) of the Commission's *New Models of Education – Issues Paper, February 2016* states: "The terms of reference for the inquiry suggest that there is currently 'considerable inertia' in the New Zealand system, and an unwillingness to try new things." What evidence is provided for this assertion or is the Commission merely re-stating a political or ministerial opinion. A process which is carried out by government appointees within a restricted time frame with a 'guided' framework will raise serious concerns within and without the sector of a process where selective input will be used to support preconceived positions.

As an individual who has been involved in tertiary education for twenty-five years I believe it is imperative that public policy towards this sector exhibits the best practice that universities require of investigation and research. That proposals for change are thoroughly researched, piloted and subject to examination from multiple perspectives before implementation. Over the past fifteen years tertiary staff have conformed to a new public policy approach to funding research, the Performance-based Research Fund (PBRF). Although the PBRF has been through three cycles of audit there are still considerable concerns over its function, costs and outcomes.

First and foremost has this attempt to raise research levels and outcomes, particularly in terms of contributing to national economic and social wealth, been an improvement on previous mechanisms. Within the tertiary sector there are many who believe that 'research by quota', that is measuring research on the basis of yearly and five yearly outputs, is not a successful way to ensure quality research outcomes. Furthermore, from a productivity point of view there are considerable issues with the cost of administering the PBRF, time spent by staff meeting the administrative demands of the PBRF and on-going issues with institutions and staff 'gaming the system' and severely undermining its integrity.

Criticised by its architects, its positive contribution unproven and its assumption that all university staff can combine the attributes of excellence in both teaching and research questioned; it is doubtful that the PBRF will continue without further substantive modification or replacement. It stands as a lesson to the Productivity Commission for the exercise of the greatest of care and deliberation when advising reform in tertiary education.