

Massey University
response to
Productivity Commission's Draft Report
New Models of Tertiary Education

Summary

Massey University welcomes this opportunity to comment on the Draft Report and appreciates the engagement that the Commissioners and the team have had with the tertiary sector in their investigations.

While we support some of the recommendations in the Draft Report, we do not support the underlying premise that the best model for tertiary education in New Zealand is unregulated and market driven. It is our strong contention that New Zealand should retain its focus on ensuring access to quality public education for all New Zealanders and confirming that universities continue in their role as 'critic and conscience of society,' the creators and repositories of new knowledge and expertise, and the providers of opportunity for students to develop and emerge as our country's future research and thought leaders.

Before we can move or consider a move to new models, it is important to agree on the criteria against which the tertiary education system is being measured and the overall goals for the system. The Draft Report is not clear on these measures. While it is true that the Draft Report identifies the private and public good to be gained from tertiary education, we would suggest that the "good" being espoused in the document is mainly framed in economic terms (despite the broader contextualisation offered in the overview), and note that this is only one component of the larger benefit that education confers and the longer term goals that it should be designed to achieve. In summary, if we are to make considered and future-focused changes to the system itself, agreed measures will allow us to ensure that any innovation will support, rather than conflict with, the overall goals.

The overview asks "why does tertiary education matter?" and gives a series of answers to this central question. These answers outline the overarching objectives of the New Zealand tertiary education system in broad terms, and we endorse the Draft Report's articulation of these. Massey University agrees that the importance of tertiary education extends beyond financial gain and employment (for individuals) or developing skills for the labour market (for society), and supports the Commission's assertion that "a stronger civic society, the advancement of knowledge, the preservation of cultural heritage, and the development of a skilled workforce ... can contribute to

productivity and wellbeing”(p. 1); indeed, we would go further and suggest that these attributes *do* contribute rather than *can* contribute.

Although the overview provides an introductory context for the Draft Report, including the large public good function of tertiary education, the recommendations focus almost exclusively on employability issues and skills development in the service of industry needs and neglect the larger aims of the system. For example, employer needs are not provided as a reason tertiary education matters in the overview, yet much of the body of the Draft Report focuses on employability of graduates.

We would suggest that questions that attend more clearly to the goals stated and clearer relationships between the overarching objectives and the findings would assist the tertiary education sector in understanding of how the broader issues of system productivity could be improved and enhanced and how any changes to the system will affect New Zealand in the future.

Massey University agrees with and supports a number of findings and recommendations contained within the Draft Report; however, we would also query, challenge, or contest some findings and recommendations. Expanded commentary on our response to a selection of the findings and recommendations can be found in Appendix 1:

Table 1. Massey University Response to Findings and Recommendations

Finding or Recommendation		Response
F3.1	Students choose tertiary study for a wide range of reasons. Improving career prospects and pursuing personal interests are key reasons. Students are acutely concerned with whether their investment in tertiary education will lead to well-remunerated employment.	Challenge
F5.1	The Tertiary Education Strategy contains some worthy priorities but indicators are frequently vague and monitoring against the strategy is sporadic. It is not clear that the Strategy is an effective tool for driving outcome.	Agree
F5.10	NZQA processes are time-consuming, costly and a barrier to innovation in the development and delivery of programmes. Tertiary providers have no choice in what quality assurances NZQA undertakes and charges them for.	Query
F5.11	There is scope for NZQA to adopt a more risk-based approach to external evaluation and review, and for reviews to concentrate more on providers’ value-add and student outcomes.	Query
F5.12	The New Zealand Vice-Chancellors Committee’s CUAP process is not conducive to innovation in the university subsector.	Challenge
F5.13	Audits conducted by AQA focus on process rather than the quality of delivery or outcomes achieved. This is a missed opportunity to identify improvements that matter most for students.	Challenge
F5.15	Government has a multitude of initiatives to provide information about careers and tertiary education to students and businesses. Responsibility for these initiatives are spread across four government agencies.	Agree
F6.1	Universities have significant incentives to invest in research to maximise their PBRF revenue, and they are responding to these. Universities have no similarly strong external incentives to invest in teaching	Strongly agree
F6.2	Tertiary education sector staff hold a widespread, though not universal, view that “red tape” and excessive management increase costs and reduce their ability to do good and enjoyable work, without any compensating gains in the quality of that work	Strongly agree
F9.1	Course and qualification completion rates as currently published by	Agree

	government are not a reliably good indicator of a provider's performance in educating students, because they do not measure value-add.	
F11.1	The internal culture and management capability of a tertiary education provider is a major influence on its ability and wish to innovate.	Agree
F11.2	Providers in New Zealand tend to adopt sustaining innovations that improve the value of their existing way of delivering education. Often, this means technology is grafted on to old ways of doing things.	Challenge
F11.3	Regulatory settings do not allow innovative new models of tertiary education to emerge from existing government-funded providers. New models either arise outside of the government-funded system, or are enabled by legislative change on a case-by-case basis.	Agree
F12.1	The tertiary education system allocates more resources to those who spend more time in education, especially at higher levels. These people also gain the largest private rewards from their education. The system therefore extends and exacerbates the inequality that emerges in the schooling system, rather than ameliorating it.	Challenge
F12.2	Regulation should recognise that different people can reasonably hold different views about what constitutes "good quality" tertiary education. Regulation should focus on enforcing minimum standards.	Challenge
F12.7	Some land and buildings used by TEIs are in Crown title, which lessens their ability to repurpose such assets to support new models. The process to transfer the assets into TEO title is slow and creates incentives for TEIS to retain assets they may no longer need.	Challenge
F12.13	The tertiary education system is increasingly oriented towards full-time study, towards younger students (under 25 years) and away from extra-mural study.	Challenge
F12.14	Decisions about entering tertiary education and the influences on prospective students are complex. The arrangement and delivery of careers services including in schools, and government provision of information to prospective tertiary students, is fragmented and operating poorly.	Agree
R12.2	NZQA and providers should use ex post tools that assess the actual quality of the tertiary education experience. Such tools can ensure compliance with minimum standards and verify promises made by providers.	Support
R12.3	The Ministry of Education should design a new quality control regime for tertiary education that encourages innovation, takes a risk-based approach, and enforces minimum standards of quality.	Query
R12.5	The Tertiary Education Commission should change the way it measures completions so that provider performance is not penalised if a student transfers to continue learning at a different provider or moves into work.	Support
R12.8	NZQA should be responsible for defining minimum performance thresholds and monitoring provider performance against those standards. Providers that fail to meet minimum performance thresholds should lose their licence to operate. The thresholds should be clear and any changes publicised well in advance.	Query/ Contest
R12.9	The Ministry of Education should reform its approach to school-based career education so that school students, from an early age, develop the skills and knowledge to make effective decisions about their study options and career pathways.	Support
R12.10	Government should consolidate and improve the array of official information sources about study and career options aimed at prospective (and current) tertiary students.	Support with caution
R12.11	All providers should be able to apply to NZQA for self-accrediting status. Self-accreditation would cover processes such as programme approval and accreditation, qualification monitoring, and evaluation and review.	Contest

R12.12	Government should repeal the statutory provisions relating to the Vice-Chancellors Committee in the Education Act 1989. Cross-institution collaboration on course development and quality control for self-accrediting providers should be voluntary and subject to the normal provisions of the Commerce Act 1986.	Contest
R12.16	Providers should develop or adopt frameworks of standards for tertiary teaching, suitable for New Zealand's tertiary system, for assessing and rewarding the capability and performance of tertiary teachers.	Support
R12.17	Government should relax its statutory requirements for research-led teaching of degrees	Support with caution
R12.19	The Ministry of Education and the Treasury should review the current regulatory arrangements, with a view to separating government's fiscal exposure to tertiary education institutions from its responsibility to protect the interest of students.	Query
R12.20	To improve their ability to innovate, tertiary education institutions (TEIs) should own and control their assets, and be fully responsible for their own debts. Government should seek to amend the Education Act 1989 to allow it to identify financially competent TEIs and treat them accordingly.	Support
R12.21	Tertiary education institutions (TEIs) should contribute directly to their local communities by paying rates. This would remove a distortion that leads to inefficient asset use by the TEIs and inefficient land use.	Contest
R12.26	Any provider should be able to apply to NZQA to use the terms "university", "polytechnic", "institute of technology", and "college of education". NZQA should grant or reject such applications based on the provider's characteristic and on whether students or the public are likely to be misled about the provider's nature or quality.	Strongly Contest
R12.27	Any tertiary education institutions should be able to apply to NZQA to change subsector (e.g., from ITP to university or university to ITP).	Strongly Contest

Massey University agrees with and supports a number of findings and recommendations contained within the Draft Report, particularly in the areas of student readiness and preparation and research informed teaching.

Massey University endorses the Productivity Commission's acknowledgement that current EPIs are not a reliable indicator of a provider's performance in education, as these do not measure value-add. There is a definite need to develop other indicators of quality and other ways of articulating value, or there will be a continuation of one perspective on the world and measures of success, which will not work for all tertiary education institutions.

Completion of a course or qualification is not the only measure of education. A student's improved potential, skill-base, disciplinary knowledge, opportunity, inspiration, confidence, reflection, contribution to society, problem solving, and self-awareness are all beneficial for success in a career and life. These are all conceivably added through tertiary study, but not necessarily only achievable through completion. Moreover, a number of factors outside of a university's control can influence completion rates (such as family, health, or employment circumstances).

The demographics of the Massey University student cohort (a large proportion of mature, part-time, distance students), therefore, can result in poor completion EPIs, as students tend to be in employment while studying. Study from employment is an attribute that becomes only more

important in a strong economy, with positive trends in employment and a rapidly evolving business sector. Although this may result in lower EPIs, in reality this can reflect a win-win, as students contribute to the economy while studying and are well placed to respond to changes in technology and the economy.

Massey University supports the notion of improved and consolidated information on study and career options, including providing prospective students with access to a wider range of comprehensive information (both tertiary and non-tertiary options). However, we would highlight that while many students might seek to attend tertiary education systems with an aim to obtain employment, universities are not simply 'factories' to produce work-ready graduates. Combining the efforts of the departments involved in providing career information about tertiary education choices (and ensuring close collaboration with tertiary education institutions) so that it is cohesive and relevant, will benefit everyone.

Massey University welcomes the recommendation that "providers should develop or adopt frameworks of standards for tertiary teaching, suitable for the New Zealand's tertiary system, for assessing and rewarding the capability and performance of tertiary teachers." Massey University emphasises high quality teaching and awards academic staff who display teaching excellence. The University supports the development of frameworks and policies to ensure that good quality teaching is an integral part of providing a quality education to all students.

We agree with the finding that "Regulatory settings do not allow innovative new models of tertiary education to emerge from existing government-funded providers;" however, it is not only new delivery models that need to arise, but a change in pedagogy as well. This may require significant investment in technology, but also requires the need to ensure faculty are skilled appropriately to engage with new technologies and deliver the content with a rapid pace of changing technology and associated pedagogies. Universities (and the higher education sector in general) cannot simply identify new or changed pedagogies and models without supporting faculty to change as well (including the provision of time and resources to support the changes). The emphasis on upskilling teaching skills rather than significant focus on research skills (and rewards for PBRF-aligned activities) would need to be supported to enable such innovation to succeed. Investment in such change needs to recognise the time to outcome for the change of this nature.

Massey University strongly agrees with two of findings relating to research-informed teaching (F6.1 and F6.2), which also highlights the conflicts that Universities are currently dealing with. Not only do PBRF incentives tend to favour research skills in academic staff (as opposed to teaching skills), the "red tape" that tends to be imposed on academic staff stems from the disparity of this emphasis.

With an historical focus on research outputs for academic staff, particularly related to promotion, universities face challenges of increasing teaching excellence. This focus on research, at the expense of teaching, has the potential for undermining the learning experience for students. There is a need for a culture that values teaching and the enquiry around it, as much as research is currently valued, including supporting time for 'teaching' development vis-à-vis time for focusing on research. This would include ensuring and monitoring the effectiveness of pedagogies employed based on current and emerging practices and relevance and benefit to student cohorts and ensuring appropriate support, training, and resources for teaching staff across universities.

Such a cultural change would need to be approached with caution and be more thoroughly considered if the statutory requirements for research-led teaching are relaxed. The teaching-research nexus is a defining feature of university level education in New Zealand, where an aligned and supportive teaching-research nexus within universities as well as with external stakeholders' agendas (industry, community, government, etc.) is fundamental.

Massey University challenges and contests a number of findings and recommendations made in the Draft Report, particularly regarding innovation and quality assurance processes for tertiary education institutions.

In recent years, government policy enacted through the TEC has refocused tertiary education on school-leaving cohorts. This change in policy has required that Massey University, along with all New Zealand universities, change its recruitment focus to target school-leavers, or risk rating poorly on TEC issued EPIs. As this policy does not account for the needs of the wider population, the contributions to the economy that can be made by mature-aged students through the further and on-going development of their skills, knowledge, and professional expertise is lost. Government policy settings must enable public institutions to meet their full potential and allowing each institution to deliver to their unique character, rather than competing for a preferred group of students to solve a short-term problem.

Massey University would not support the proposition that the statutory provisions relating to the Vice-Chancellors Committee in the Education Act 1989 should be repealed. There is no conclusive evidence that Universities New Zealand and the CUAP process are failing in what is required of them and no reason to place universities under the same umbrella as other tertiary institutions, given the unique position of universities in our society.

Regarding the Draft Report findings that suggest quality assurance processes are time consuming and a barrier to innovation, Massey University would suggest that institutions welcome the role and purpose of a quality assurance agency. The nationwide agreement and adherence to standards that can be benchmarked internationally works to protect the reputation of the New Zealand education system and its institutions. The benchmarking of the NZQF to other international frameworks also supports the mobility of students, between institutions and between countries, protecting students should providers fail, and allowing New Zealand to attract international full fee paying students.

Massey University perceives CUAP processes, which are largely based around academic peer review, as being far more efficient than they are often credited with. These processes provide, in total, minimal intrusion while maintaining a core ethos of academic collaboration and peer review as the means by which rigor is maintained. CUAP allows for creativity and growth while maintaining academic standards and quality that are nationally and internationally benchmarked and defensible.

The suggestion that CUAP is non-conducive to innovation is followed by a recommendation that universities become self-accrediting, including programme approval, accreditation, monitoring, evaluation, and review. Massey University would not support this recommendation, as it considers the quality assurance model operated by Universities New Zealand as credible, robust, and appropriate to underpin the autonomy of universities.

Massey University challenges the finding that regulation should focus on enforcing minimum standards for tertiary education, as minimum standards could result in minima that are too light. In a

highly competitive international context, New Zealand cannot afford to focus solely on maintaining a minimum performance, but must be constantly striving for the best performance from the limited investment we have available. Tertiary education qualifications require rigorous quality assurance processes to ensure their content and delivery is pedagogically sound, meets international standards, and is generally fit-for-purpose. New Zealand's reputation as a provider of quality higher education could be put at risk if there is a focus on minimum standards alongside the Productivity Commission's recommendations of self-accreditation and voluntary cross-institution collaboration.

While self-accreditation might seem attractive to some institutions, without a full appreciation of the value of a high-trust yet rigorous quality process, it could run the risk of undermining the capacity of universities to ensure that quality standards across the sector are maintained. The current university quality assurance process is a high-trust regime under which each university is free to approve programme changes, monitor, evaluate, and review its qualifications with a high degree of freedom and could be considered to be more effective than it is being credited for.

It seems unfounded to assume that the elimination of this well-tested step should be replaced by an alternative process. If universities were to become self-accrediting, individual organisations might introduce unviable qualifications. Moreover, each institution might simply embed, and thus replicate, the processes of quality assurance currently occurring via CUAP. This would be inefficient and costly not just to each university, but to the entire sector, running the risk of introducing less not more efficiency, and arguably could make the entire system less responsive to market trends and innovation. CUAP's key purpose is to ensure that all new university qualifications in New Zealand meet high standards, thus preserving New Zealand's status as a viable destination for international students as well as ensuring high quality for domestic students.

The current differentiation between quality assurance processes for universities and the NZQA quality assurance processes for non-university providers might itself be seen as a 'risk-based approach.' Disestablishing the existing well-tested quality assurance processes for the university sector that have been developed and enhanced over time by sector experts and replacing them with a new 'quality control regime' for the entire tertiary education sector could pose significant risks.

Recommending that NZQA should be responsible for defining minimum performance thresholds and monitor provider performance against these standards (with providers that fail to meet these standards losing their licence to operate) runs counter to the claim that CUAP (and current NZQA) processes are unnecessarily intrusive and stifling innovation. It appears that the intent would be to impose a new (perhaps additional) regime of surveillance and reporting requirements across the entire tertiary sector, rather than an appropriately differentiated approach. Universities should continue to maintain the appropriate level of independence that is fundamental to a well-functioning democracy. The notion that NZQA would issue (and could therefore withdraw) a 'licence to operate' appears to undermine the crucial self-governing nature of the sector and its contributing institutions. A shared understanding of desirability of protecting the reputation for quality in relation to New Zealand institutions and qualifications is a far more important driver towards quality standards than any licencing regime could impose.

Massey University contests the finding that "Providers in New Zealand tend to adopt sustaining innovations that improve the value of their existing way of delivering education. Often, this means technology is grafted on to old ways of doing things." Massey University, along with other universities in New Zealand, is challenging existing models and methods of teaching. Academic staff

are engaged in testing a variety of pedagogical approaches, such as flipped classrooms and blended learning. However, these new approaches must be tested to ensure they are beneficial prior to fully adopting and implementing them. It should be acknowledged that such changes (including the time to trial, review, evaluate, and modify) to delivery do take time. It is not that the universities are not seeking out new ways to deliver education; rather, they are ensuring the best possible outcome for students.

Only by being open to a range of ideas from a variety of sources, is new and innovative thinking provoked. Massey University's staff and students are part of a contemporary and future-focused university at the forefront of online, blended, and distance education. Massey University's leadership in digitally-mediated teaching and learning provides a basis for innovation in curriculum design, extends our reach far beyond physical and geographical boundaries, and equips graduates with experience in media-rich environments.

Finally, Massey University considers the recommendations R12.26 and R12.27 potentially damaging to New Zealand's global reputation and confusing for students and employers. Allowing providers the ability to apply to use terms 'University,' 'polytechnic,' etc., is counterintuitive to the Government's intention to make the tertiary system simpler for learners to understand. By doing so, the sector runs the risk of making the decision-making processes more confusing for students and prospective students regarding study intentions, and risks damaging the sector's international reputation by removing the ability for students, their families, and employers to benchmark against norms.

If NZQA base their decisions on 'provider characteristics,' this implies that there is an existing and needed point of difference between different providers, which adopting this suggestion would undermine. Adopting these recommendations creates another layer of central agency control, in that the agency making the decision would have to establish clear, robust, and enduring criteria against which to test the application. This would introduce additional rules with no identified benefit for students, the sector, or the Government.

1. QUALITY ASSURANCE FINDINGS AND RECOMMENDATIONS

Findings:

F5.10 NZQA processes are time-consuming, costly and a barrier to innovation in the development and delivery of programmes. Tertiary providers have no choice in what quality assurances NZQA undertakes and charges them for.

NZQA are the agency responsible for quality assurance in the non-university tertiary sector and we would anticipate that the non-university sector will provide some feedback on this assertion.

However, from the Massey University perspective some key observations would include the following:

Institutions should welcome the role and purpose of a quality assurance agency. The nationwide agreement and adherence to standards that can be benchmarked internationally works to protect the reputation of the New Zealand education system and its institutions. This is no easy feat and the quality agencies in New Zealand are to be congratulated for the work they have done to secure, monitor, and enforce compliance with agreed standards. The benchmarking of the NZQF to other international frameworks also supports the mobility of students, between institutions and between countries, protecting students should providers fail (an important underpinning of innovation), and allowing New Zealand to attract international full fee paying students – reducing the reliance on government funding.

We question what the NZQA processes are being compared with in terms of being time-consuming, costly, and barriers to innovation. From a university sector perspective, NZQA processes are largely limited to consultation on rules that may have applicability across the tertiary sector; these do not appear to be time-consuming nor is there evidence that they are barriers to innovation.

Universities and their qualifications are subject to the same kind of overview, compliance and monitoring through the NZVCC and its committees (notably CUAP), along with the AQA. This allows for a very useful sectoral separation, which is attuned to the specific nature and issues facing universities and their qualifications – all of which are subject to significant international benchmarking. This tempers what might otherwise require university programmes to be subjected to potentially burdensome or an unhelpful application of highly specified, granular, and behaviourally-oriented standards, more appropriately applied to tertiary training rather than higher education contexts.

Universities New Zealand reflects and enhances the collaboration within the university sector, assuring that quality and consistency are maintained, with minimal intrusion on the freedom of universities to determine (within the limitations that have progressively extended via TEC processes) what they teach and the manner in which they teach it.

F5.12 The New Zealand Vice-Chancellors Committee's CUAP process is not conducive to innovation in the university subsector.

Massey University contests this finding. There does not appear to be any substantive evidence to support the statement, and the University perceives CUAP processes, which is largely based around academic peer review, as being far more efficient than they are often credited with.

The Draft Report presents two arguments to support its proposition that CUAP inhibits innovation: first, the idea that CUAP creates a self-perpetuating culture in which quality is defined in terms of existing practice, and second, that the timeframes and processes (both internal to universities and to CUAP itself) make innovation and being 'fleet footed' virtually impossible.

The report submits that because member institutions can exercise the power of veto, they would do this if they stand to lose from the introduction of a programme. The Draft Report suggests that the timeframe for the approval of a new programme (and the requirement for other universities to review and approve the proposal) results in a loss of advantage for the original submitting institution, as other member institutions may develop their own version of the programme (pp 279-280).

Massey University questions the extent to which this notion has been tested, as there does not appear to be well-grounded evidence that the CUAP processes cause undue delays or that they pose unreasonable constraints on innovation. The idea appears to be based on an assumption that universities operate solely on the basis of competition, and that they are therefore constantly looking to subsume other institutions' ideas. In practice (and until very recently), there has been a high degree of collegiality involved in providing well considered academic feedback from disciplinary experts to improve the proposed programmes of study. It is worth noting here for the sake of the record that CUAP considers academic matters very closely and carefully; as per its standing orders. Matters of economic rationale or crude competition are not considered through CUAP's peer review process.

There is a great deal more that universities take into account when considering whether to offer a new programme, including the impact on the resources available at a national level, such as the number of placements available in programmes with a practical element. At the same time, there are checks and balances within CUAP's own constitution that ensure self-interested behaviour does not occur. The process is simply the application of appropriate, agreed standards that protect the reputation of New Zealand qualifications and universities, along with the appropriate application of judgement by academic disciplinary experts as to the quality of each proposed programme of study.

Put simply, the strength of the CUAP process – which is rather unique internationally - lies in its simplicity. These processes provide, in total, minimal intrusion while maintaining a core ethos of academic collaboration and peer review as the means by which rigor is maintained. Appropriately (and not burdensomely) detailed academic proposals are peer-reviewed by a range of disciplinary experts from across the New Zealand university sector. The process of academic peer review is a well-tested and efficient means by which the transparent, robust standards agreed by experts are applied. Proposed 'products' are holistically assessed, having been described in sufficient detail to ensure that core quality standards are met. Proposals are critiqued, then defended or amended in response to feedback received. Such feedback often enables the proposed educational 'products' to be strengthened and improved before they go to 'market.' In this way, CUAP can be seen as adding

value to the holistic endeavour of New Zealand tertiary education; rather than detracting from innovation, CUAP allows for creativity and growth while maintaining academic standards and quality that are nationally and internationally benchmarked and defensible.

The second argument the Draft Report provides to critique the current CUAP process is that the timeframes and processes within universities and CUAP make innovation virtually impossible, referencing submissions that argued that the timeframes dampen enthusiasm. One submission argued that the process does not suit the needs of employers (who may want a programme now), while another stated that innovation is associated with opportunities to react and provide programmes rapidly. However, a quality product takes time to bring to a state ready for market, and there are many examples of programmes which have been approved for delivery based on the quality of their design, for which delivery is subsequently deferred due to other factors, such as availability of staff, negotiation of placements, preparation of materials, and development of material to ensure students are suitably informed when making their selections. In some instances programmes have been designed in tandem with specific organisations or sectors and even when these programmes are developed in a relatively succinct timeframe, we later find the organisation(s) and their promised students are not ready to avail themselves of these programmes.

Participation from across each institution within the University sector means that new developments and innovations are disseminated and evaluated in the most efficient manner, while enhancing transparency, collaboration, and reducing potentially destructive secrecy and competition. Collaboration and relative transparency has enabled New Zealand universities to perform in a way that belies their size and location on the international stage; secrecy and competition within the sector might threaten this outstanding international reputation for quality products and services.

This final point is problematic. There are huge risks to students who enrol in a programme that has not been 'fully tested,' especially as they will be paying high tuition fees. At the same time, this could open the institution in question to legal risk if things go wrong and the programme does not deliver in a way considered desirable.

The suggestion that CUAP is non-conducive to innovation is followed by a recommendation that universities become self-accrediting, including programme approval, accreditation, monitoring, evaluation, and review. The quality assurance model operated by Universities New Zealand is credible, robust, and appropriately underpins the autonomy of universities. The model is underpinned by collaboration across the university sector, with all universities contributing time and expertise to quality assure qualifications, progress internationalisation, benchmark and improve services, and engage with the secondary school sector and other tertiary providers to set and evaluate admission requirements.

Peer review is the primary quality assurance mechanism adopted within and between universities, whereby CUAP set criteria against which research active specialists are called upon to evaluate the merits of proposed and offered qualifications for academic credibility, appropriate resourcing, and fitness for purpose. The processes are efficient, robust, and responsive.

It seems unfounded to assume that the elimination of this well-tested step prior to product release should be replaced by an alternative process. If universities were to become self-accrediting, individual organisations might introduce unviable qualifications. Moreover, each institution would simply embed and thus replicate the processes of quality assurance currently played out at CUAP.

This would be hugely inefficient and costly not just to each university, but to the entire sector and arguably would make the entire system less responsive to market trends and innovation. This could in turn be detrimental to New Zealand's reputation as a whole. CUAP's key purpose is to ensure that all new university qualifications in New Zealand meet high standards, thus preserving New Zealand's status as a viable destination for international students as well as ensuring high quality for domestic students.

A number of submitters mentioned that other markets (such as the US and the UK) do not have an equivalent body to CUAP. These markets serve much larger populations, 300 million and 60 million respectively, than New Zealand. Even Australia has a population four times that of New Zealand. In each of these countries the universities are larger in size and proportionally better funded than New Zealand institutions and can rely on a larger pool of staff to input into quality assurance activities. In New Zealand we are able to draw on the expertise across the university sector to deliver the same standards of quality assurance. In a small market such as New Zealand, with only eight universities, it is a key concern, nationally, to preserve high quality higher education.

It should be noted that the above does not preclude amending or streamlining some aspects of the process in a way that encourages more innovation. Nor does Massey University seek to suggest that the processes remain exactly as they are. However, it is likely that the costs of disestablishing CUAP could be greater than the benefits, and a considered approach to enhancing the current processes might be of greatest benefit to all stakeholders. Massey University would, therefore, suggest a considered review with the objective of improving the current processes to enhancing, encouraging, and supporting innovation across the New Zealand higher education sector.

F5.13 Audits conducted by AQA focus on process rather than the quality of delivery or outcomes achieved. This is a missed opportunity to identify improvements that matter most for students.

Massey University contests this finding and suggests that quality is considered, and that a supportive and constructive approach is taken.

Academic Audits conducted by AQA do not focus on the process alone, but investigate the quality, effective delivery, and outcomes achieved through the processes. Universities, through the self-review report, present information and data on the specific processes being looked at within the themes of the Audit and provide evidence of the effectiveness of these processes. AQA then tests this evidence through the audit process.

The identification of improvements and follow up on action to achieve improvements are vital and integral parts of the Audit process. As part of the self-review report, universities are expected to self-identify any areas where improvements could be made (or are in the process of being made) within the Audit themes. AQA, through the Academic Audit, then identifies areas where further improvements should and could be made. These are then put to universities through the recommendations and commentary in the Audit report. AQA does not state how these improvements are to be made; however, universities must, through their response to the Audit Report, state what action is going to be undertaken to make improvements.

Areas of good practice are also identified through both the self-review and Audit processes and these are shared with other universities, offering them the opportunity to improve their systems in line with the good practice. All improvements undertaken ultimately benefit all students' experiences, learning, and education.

Recommendations

R12.2 NZQA and providers should use ex post tools that assess the actual quality of the tertiary education experience. Such tools can ensure compliance with minimum standards and verify promises made by providers.

Massey University supports the use of ex post tools; however, it would caution the assumption of being able to measure the 'experiences' of students. Measures of quality extend beyond what students report as their experiences; such measures of quality pertain to opportunities and provision, not experience.

Universities cannot ensure all students' experiences are the same, but rather they can ensure the same opportunities for teaching and learning, assessment, etc. Therefore, to imply that ex post tools could or should measure experiences would be attempting to measure the engagement of students.

The background regarding the University's ability (or lack thereof) to benchmark various surveys extends to a time when all universities in New Zealand used to participate in both the Australasian Survey of Student Engagement (AUSSE) and a standard national Graduate Destination Survey (GDS).

Using the AUSSE, universities used to externally benchmark against various groups selected by us including all New Zealand, Australasian, and distance providers. This was the case from 2007 until 2012, when the AUSSE survey was closed down.

A concern has been raised about the use of student experience surveys as a source of quality indicators for teaching and learning, as measures of the quality of teaching and learning should include much more than students' reported experience. As mentioned, universities cannot ensure that all students have the same experience, as that is dependent on the level of engagement of each student. However, there is a need to ensure that the instruments used are appropriate for what is being measured and be considered within the broader context of the measures of teaching quality that are being used internationally.

Currently universities in New Zealand individually create and administer their surveys or other ex post tools, and do not have the ability to benchmark against other New Zealand or Australasian universities, as the tools are not standardised. The University would suggest a considered approach to re-engaging with national or Australasian benchmarking through the use of ex post tools.

A concern about the use of ex post tools includes a suggested fundamental problem of students being asked to assess their experience before it has completed, that is, before they know their results. There is a risk that if students do not do as well as they expected to, that can contaminate their feedback. Additionally, achieving acceptable response rates is a challenge. There is no simple intervention reported that resolves the issue in a sustained way. Bennett and Nair (2010) described a comprehensive approach merely using enhanced communications that did show improvements. Such an approach requires commitment and engagement by the staff and students in order to be successful, along with a commitment from universities to make use of the data by using the evaluations in a more meaningful way.

R12.3 The Ministry of Education should design a new quality control regime for tertiary education that encourages innovation, takes a risk-based approach, and enforces minimum standards of quality.

The language of this recommendation could be construed as undermining the stated intent of encouraging innovation and quality. Specifically, the use of ‘control regime’ and ‘enforces’ seem more attuned to low-trust, intrusive surveillance processes than the collaborative, quality enhancement approaches currently supported via NZVCC and CUAP.

Risk and innovation must always be balanced against due diligence and care. The current quality assurance processes do not so much inhibit innovation; rather, they ensure, as far as possible, that innovative new qualifications are fit-for-purpose. Minimum standards of quality are already enforced in that the current processes (at least as far as universities are concerned) ensure that qualifications go beyond minimum requirements. As a result, New Zealand universities are very regularly (and favourably) benchmarked internationally.

The current differentiation between quality assurance processes for universities and the NZQA quality assurance processes for non-university providers might itself be seen as a ‘risk-based approach.’ Disestablishing the existing well-tested quality assurance processes that have been developed and enhanced over time by university sector experts and replacing them with a new ‘quality control regime’ for the entire tertiary education sector could pose significant risks.

The academic pedagogy of new and revised qualifications is peer reviewed within the university community by experts in the subjects being proposed. Additionally, the small market for university level qualifications in New Zealand itself creates innovation, in that universities are striving to stand out from the crowd and deliver something innovative and different.

R12.5 The Tertiary Education Commission should change the way it measures completions so that provider performance is not penalised if a student transfers to continue learning at a different provider or moves into work.

Massey University supports this recommendation. Students’ circumstances and interests can and do change during the course of their study. Penalising a provider for students adjusting their study to suit their evolving needs encourages competition and discourages innovation in the way students make up their final course of study.

R12.8 NZQA should be responsible for defining minimum performance thresholds and monitoring provider performance against those standards. Providers that fail to meet minimum performance thresholds should lose their licence to operate. The thresholds should be clear and any changes publicised well in advance.

This recommendation appears to run counter to the claim that CUAP (and current NZQA) processes are unnecessarily intrusive and stifling innovation. It appears that the intent would be to impose a new (perhaps additional) regime of surveillance and reporting requirements across the entire tertiary sector, rather than an appropriately differentiated approach.

The report in fact acknowledges that “the system already appropriately seeks to ensure minimum standards are met but overall the system lacks a mechanism for rewarding quality or responsiveness to students” (page 4).

Universities should continue to maintain the appropriate level of independence that is fundamental to a well-functioning democracy. The notion that NZQA would issue (and could therefore withdraw) a 'licence to operate' appears to undermine the crucial self-governing nature of the sector and its contributing institutions. It is unclear how 'minimum performance thresholds' of the type described in the report (i.e., accepting bribes to award qualifications) would in any way enhance performance within the university sector. A shared understanding of desirability of protecting the reputation for quality in relation to New Zealand institutions and qualifications is a far more important driver towards quality standards than any licencing regime could impose.

R12.9 The Ministry of Education should reform its approach to school-based career education so that school students, from an early age, develop the skills and knowledge to make effective decisions about their study options and career pathways.

Massey University supports any changes which ensure that young people are better informed as to the opportunities that are available to them; however meeting this objective will require more than a school careers service. Young people need to be encouraged to foster their unique strengths and interests and to develop as individuals to meet their full potential and to maintain their flexibility in changing circumstances. This requires taking a holistic child-centred approach – well beyond the current resources of the school system.

The government would be well placed to invest in policies which support children, including a healthy economy, families in employment, the living wage, food in schools, smaller class sizes, and more individual attention. From these policy investments young people will be better able to recognise and meet their potential.

All too often careers services focus on well-known jobs where there are high levels of employment, but these ignore niche areas which might be better suited to individual students, and which may be growth areas in the future. The average career is now a series of careers, rather than rising through the ranks of a job for life. Young people would be better off playing to their strengths and recognising the strengths in others, as these are skills which will enable them to be the best at whatever they do apply themselves to whilst remaining flexible enough to adapt and respond to others needs.

R12.10 Government should consolidate and improve the array of official information sources about study and career options aimed at prospective (and current) tertiary students.

While many students might seek to attend tertiary education systems with an aim to obtain employment upon graduation, it should be noted that universities are not simply 'factories' to produce work-ready employees. Under the Education Act, universities should aim to develop intellectual independence, act as a repository of knowledge and expertise, and accept a role of critic and conscience for society. It is reasonable to assume that students will use this enhanced knowledge and expertise to gain employment upon completion; however, there needs to be balance between personal development and career pathways.

Combining the efforts of the government departments involved in providing career information about tertiary education choices so that it is cohesive and relevant will benefit everyone. Closer, more effective collaboration with universities could also help. It could be suggested that an improved approach would be for universities to provide information to the relevant agencies, rather than having the agencies need to recreate it and risk it becoming outdated or forgotten.

This applies to not only prospective tertiary students but all school students. Not every student wants to, or is suited to further study, and therefore, a full range of options should be presented to school students at the beginning of their secondary education to allow them to make informed choices as to what subjects to take through their secondary education. Additionally, as students can and do change their minds about their possible career and study options during their secondary schooling so the information should be updated as appropriate.

R12.11 All providers should be able to apply to NZQA for self-accrediting status. Self-accreditation would cover processes such as programme approval and accreditation, qualification monitoring, and evaluation and review.

Massey University does not support this recommendation. Innovation should not be confused with responsiveness to industry and the job market. Responding to student demand by increasing places in specific areas (as is happening in Australia) is very different to removing a successful process and placing universities under another version of the same that has its own problems (F5.10 and F5.11).

While self-accreditation might seem attractive to some, without a full appreciation of the value of a high trust yet rigorous quality process, it could run the risk of undermining the capacity of universities to ensure that quality standards across the sector are maintained. As noted above, such a move could be hugely costly to the New Zealand university sector – the example of Australia may well suffice here.

The current university quality assurance process is a high-trust regime under which each university is free to approve programme changes, monitor evaluate and review its qualifications with a high degree of freedom and could be considered to be more effective than it is being credited for. CUAP approval processes provide a robust initial review and approval process; universities then have significant flexibility to make iterative enhancements in accordance with internally established quality assurance processes, as long as these have no potential to impact on the compliance of the qualification with the agreed NZQF/CUAP qualification definitions (e.g., entry requirements, size, or balance of levels of papers). In recognition of the need to collectively protect the reputation of New Zealand qualifications, such programme changes are appropriately subject to further review and approval.

Massey University also questions whether NZQA would necessarily be the suitable overarching body to assess the ability of institutions to deliver a quality, value-added service. Included in this query are questions such as: what evidence is there that self-accreditation will lead to an improvement in the delivery of services and to what end is self-accreditation being promoted?

Without the current university system of collegial, internationally accepted peer review processes of approvals and quality monitoring, universities could move to become more competitive, aggressive, and self-aggrandising to the detriment of its students. The external monitoring of approval and quality by CUAP and AQA provides assurances to students that other institutions agree with the standards the university is stating it meets. This is supplemented and supported where universities seek external accreditation by domestic and international accrediting agencies.

R12.12 Government should repeal the statutory provisions relating to the Vice-Chancellors Committee in the Education Act 1989. Cross-institution collaboration on course development and quality control for self-accrediting providers should be voluntary and subject to the normal provisions of the Commerce Act 1986.

This recommendation assumes that self-accreditation will be approved, so the concerns raised regarding R12.11 apply here as well.

The Commerce Act 1986 is focussed on the concept of a market and the provision of goods and services within that market, with a purpose to “promote competition in markets.” Removing the NZVCC (and therefore CUAP) would do just that, it would promote direct competition within the sector.

The proposition that the statutory provisions relating to the Vice-Chancellors Committee in the Education Act 1989 should be repealed reveals a potential ignorance or wilful negation of the vital place that an independent university sector plays within democratic societies. Reducing tertiary education to a competitive, commercially-oriented set of activities driven and oriented entirely towards meeting the needs of the market would not necessarily provide better quality education or outcomes. This could result in a lack of (or no) required cross-institution collaboration on course development, as all universities could become so concerned with their own survival against other providers. The current collegial environment could be destroyed. This applies not just at the university level but could affect collaboration of research which would be detrimental to New Zealand society.

There is no conclusive evidence that Universities New Zealand and the CUAP process are failing in what is required of them and no reason to place universities under the same umbrella as other tertiary institutions, given the unique position of universities in our society. The existing systems are always able to be amended to improve processes without adding another layer of oversight onto the existing that might simply increase compliance for little or no gain.

Universities (and other tertiary providers) are in the market of providing education services, they are not degree mills nor do they provide a direct match between qualification and a job. The commercialisation of education does not guarantee a better outcome for students. Reducing learning to a simple transaction is not possible.

R12.16 Providers should develop or adopt frameworks of standards for tertiary teaching, suitable for New Zealand’s tertiary system, for assessing and rewarding the capability and performance of tertiary teachers.

Massey University welcomes this recommendation. Massey University emphasises high quality teaching and awards academic staff who display teaching excellence. The University supports the development of frameworks and policies to ensure that good quality teaching is an integral part of providing a quality education to all students. Investing in the development and capability building of the University’s academic staff is an essential component in providing high quality educational experiences to students.

Transparent quality assurance and enhancement procedures serve an important purpose in assuring ourselves, our students, and our external stakeholders (e.g., funders, professional bodies,

employers) that our curriculum is thoughtfully designed, effectively delivered, rigorously reviewed, and continuously improved.

R12.26 Any provider should be able to apply to NZQA to use the terms “university”, “polytechnic”, “institute of technology” and “college of education”. NZQA should grant or reject such applications based on the providers characteristics and on whether students or the public are likely to be misled about the provider’s nature or quality.

Providing providers with the ability to apply to use terms University, polytechnic etc. is counter intuitive. The Government’s intention is to make the tertiary system simpler for learners to understand/make evidence-based decisions regarding study intentions. This recommendation risks damaging the sector’s international reputation by removing the ability for students, their families, employers and business to benchmark against industry norms. If NZQA are making the decision based on ‘provider characteristics’ this statement implies that there is an existing and needed point of difference between different providers which adopting this suggestion would undermine.

R12.27 Any tertiary education institution should be able to apply to NZQA to change subsector (e.g. from ITP to university or university to ITP).

Both R12.26 and R12.27 create another layer of central agency control in that the agency making the decision would have to establish clear, robust and enduring criteria against which to test the application. This introduces rules with no identified benefit for students, the sector or Government.

2. STUDENT READINESS/ PREPARATION

F3.1 Students choose tertiary study for a wide range of reason. Improving career prospects and pursuing personal interests are key reasons. Students are acutely concerned with whether their investment in tertiary education will lead to well-remunerated employment.

The reason students are so concerned with whether their investment in tertiary education will lead to well-remunerated employment is that this is the value proposition for tertiary education that has been marketed to them and instilled in them since the reforms of the late twentieth century. Education has been inextricably linked to salary, jobs, status and individual benefit in all the messages they have been receiving (and the measures that are used to quantify value). Changing the message would change students’ beliefs over time too.

There are clearly other benefits to students other than purely economic ones. What about happiness? What about contribution to society? What about ability to have agency in a democracy? What about understanding of world issues? What about empathy? What about criticality and ability to dig beneath the surface? What about contribution to solving societal/ national/ global problems? Our experience is that those are all important things for students too, and that they are actually far more interested in the contribution they can make than they are given credit for.

We must develop other indicators of quality and other ways of articulating value, or we will continue to privilege one perspective on the world and measures of success that disenfranchise whole swathes of the population.

Currently, the measures of what is a 'good' university are stacked in favour of a particular type of institution. So, in order to compete in the ranks of 'goodness', universities conform to certain behaviour. Until there is a range of ways of understanding and articulating quality, using different variables and different lenses, we will be stuck with the status quo and the homogeneity we currently have. We need to challenge ranking systems and change the story.

F5.15 Government has a multitude of initiatives to provide information about careers and tertiary education to students and businesses. Responsibility for these initiatives are spread across four government agencies.

Massey University agrees with this finding; it appears as though the TEC are adding more initiatives to these areas. A question arises regarding the source of information for an increased number of initiatives: will the Key Information Set be used to populate the other information sources or will an additional information source be introduced?

F9.1 Course and qualification completion rates as currently published by government are not a reliably good indicator of a provider's performance in educating students, because they do not measure value-add.

Massey University agrees with this finding, noting that EPIs are a crude metric of measurement. Providers offer different levels of support to students and the value added by these support services cannot be assessed based on completions alone. Completion of a course or qualification is not the only measure of education.

Completions alone cannot measure a student's improved potential, skill-base, disciplinary knowledge, opportunity, inspiration, confidence, reflection and self-awareness - all things which are beneficial for success in a career and life and all conceivably added through tertiary study, but not necessarily only achievable through completion. Different factors affect a student's ability, opportunity, and aspiration for learning. Some of these, such as family, health, and employment circumstances are beyond a university's control, but can still impact upon completion rates. Additionally, circumstances arise wherein a student transfers between programmes or to another provider. Such actions do not result solely from a poor provision of education; rather, the fine-tuning of a student's strengths, awareness, and interests may underpin such a transition.

A student exiting tertiary study without a qualification may still have developed the necessary skills, knowledge and ambition required to improve their opportunity for success in their future. The fact that the performance of the student's provider (in its ability to educate students) is reduced because of this non-completion does not necessarily reflect on the student or the provider as being a failure.

Massey University has traditionally had a larger proportion of mature part-time, distance students compared to other universities. Our students are more likely to be actively contributing to the New Zealand economy whilst they are studying and therefore take longer to complete their qualifications. This can have the impact of poor completion EPIs given the short timeframe they are measured over, but in reality can reflect a win-win for the productive economy as students contribute while studying and are well placed to respond to changes in technology and the economy.

F12.2 Regulation should recognise that different people can reasonably hold different views about what constitutes "good quality" tertiary education. Regulation should focus on enforcing minimum standards.

Massey University challenges this finding, as regulations focusing on enforcing minimum standards could result in minima that are too light. Using the Commission's own analogy, a restaurant is required to be hygienic and not poison its patrons. Beyond that, the type of food it serves is its choice. However, hygiene and food safety regulations are more than a minima standard, have higher requirements for large producers, and are backed by further regulations and the Food Act 2014. In a highly competitive international context, New Zealand cannot afford to focus solely on maintaining a minimum performance, but must be constantly striving for the best performance from the limited investment we have available.

One cannot reasonably compare a restaurant with a university, and the restaurant analogy to illustrate basic standards does not do justice to the tertiary sector. Tertiary education qualifications require rigorous quality assurance processes to ensure their content and delivery are pedagogically sound, meet international standards, and are generally fit-for-purpose. High quality will look different in various parts of the tertiary sector; what is pedagogically sound for a polytechnic institution will be different for a university. It is for this reason that Massey University would suggest there cannot be a 'one size fits all' approach, and why university quality control should be delegated to Universities New Zealand via CUAP.

The assumptions that "good quality" is a largely relative concept existing in the eye of the beholder discounts the significant quality assurance and enhancement work undertaken by entities such as AQA, NZVCC, and CUAP as well as the very significant body of related scholarly and application work. The proposed focus on minimum standards threatens to undermine the hard-won reputation of the New Zealand university sector and its long-standing commitment providing quality tertiary education that meets the highest possible standards. Minimum standards, particularly alongside recommendations of self-accreditation and voluntary cross-institution collaboration (R12.12), risk the minima being too light and, as a result, New Zealand's reputation as a provider of quality higher education being put at risk.

F12.13 The tertiary education system is increasingly oriented towards full-time study, towards younger students (under 25 years) and away from extra-mural study.

In recent years it has been government policy enacted through the TEC to refocus tertiary education on school-leaving cohorts in an effort to curb youth unemployment and to ensure young people are better prepared for the changing employment context characterised by increasing technology and a loss of low skilled jobs. This change in policy has required that Massey University along with all other NZ university change its recruitment focus to target school-leavers, or risk rating poorly on TEC issued EPIs.

This did represent a core shift for the University and to some extent undermined our pedigree in extramural/distance delivery. As a policy, it is extremely short-sighted as it did not take into account the needs of the wider population to improve their employment outcomes and contribution to the economy through the development of skills, knowledge, and professional expertise. In fact, the contribution made by mature students is likely to be of greater immediate benefit to the economy due to their maturity, combined experience and knowledge, and their commitment to their communities. The policy also meant that the University had to shift some of our focus on providing part-time and distance study opportunities for an 'in-work' student body toward fulltime study for school leavers, which reduces the ability to provide for an agile, re-skilling, and responsive workforce to maximise New Zealand economic success.

In recognising the short-term nature of this policy focus, Massey University has elected to maintain a focus on a broader student cohort whilst endeavouring to make progress against TEC EPIs. In 2016 our demographics, as percentages of total student headcount, are:

	19 & Under	20 – 24 Years	25 and Over	Totals
Full-time	10.39 %	17.88%	11.85%	40.12%
FT Distance/Extramural	0.27%	2.38%	3.58%	6.23
FT Internal/Block-mode	10.12%	15.50%	8.27%	33.89
Part-time	3.77%	14.88%	41.23%	59.88%
PT Distance/Extramural	0.88%	6.62%	30.67%	38.17
PT Internal/Block-mode	2.89%	8.26%	10.56%	21.71

Notably:

- 60% of Massey University students study part-time; 40% study full-time
- 53% of Massey University students are 25 or over; 33% are between 20 – 24; 14% are 19 and under
- 44% of Massey University students study via distance; 56% study internally or via block-mode
- Only 25% of Massey University students contribute to the under 25 years, internal, full-time cohort

Government policy settings must enable public institutions to meet their full potential by ensuring that the investment that the public makes in these institutions is maximised across both public and private domains in a sustainable manner. This means each institution delivering to their unique character, rather than competing for a preferenced group of students to solve a short-term policy problem.

F12.14 Decisions about entering tertiary education and the influences on prospective students are complex. The arrangement and delivery of careers services including in schools, and government provision of information to prospective tertiary students, is fragmented and operating poorly.

Massey University agrees with this finding, supporting the need for better advice for students. Simply adding more places or availability for students to locate information does not necessarily mean the information will improve. Students need to be provided with a wider range of comprehensive information that includes options (including options outside of tertiary study) to enable them to make an informed choice of whether or not tertiary study is for them.

Although institutions already provide high quality information for students regarding their offerings within the existing framework, confusion arises because students do not sufficiently understand the difference between academic and vocational streams in education. This may lead students to enrol in a University course in a discipline where they may be better suited to a vocational course in the same discipline or vice versa.

Simply adding more information on course outcomes will not adequately address the lack of clear differentiation between academic and vocational programmes, as current TEC proposals only addresses narrow easily-measured dimensions such as pass rates and pay rates, without focusing on the value of research-led academic pathways for education and the long term individual and societal

prospects emanating from such. Likewise the individual and societal prospects from vocational pathways are also not adequately articulated.

Ensuring students can have confidence in the quality of the institutions and their adherence to a benchmarked framework will ensure that whatever choice they make, they will have surety that the skills and knowledge they are developing will be portable and recognised internationally, allowing them to transfer between qualifications, providers, and employers, without unnecessary backtracking.

Relevant information needs to be delivered in a way that is understandable and applicable to each student. Finding 5.15 highlighted that four government agencies are involved in a number of initiatives and the University notes that the TEC appears to be adding to these initiative. However, Massey University would suggest that an improved mechanism to deliver the information could involve combining the efforts and ensuring the quality of the advice in schools would provide prospective students with a consistent range of information to enable them to make appropriate comparisons.

3. RESEARCH-INFORMED TEACHING

The following two findings highlight the conflicts that Universities are currently dealing with:

F6.1 Universities have significant incentives to invest in research to maximise their PBRF revenue, and they are responding to these. Universities have no similarly strong external incentives to invest in teaching

and

F6.2 Tertiary education sector staff hold a widespread, though not universal, view that “red tape” and excessive management increase costs and reduce their ability to do good and enjoyable work, without any compensating gains in the quality of that work

Massey University strongly agrees with both of the above findings. Not only do PBRF incentives tend to favour research skills in academic staff (as opposed to teaching skills), the “red tape” that tends to be imposed on academic staff stems from the disparity of this emphasis.

With an historical focus on research outputs for academic staff, particularly related to promotion, universities face challenges of increasing teaching excellence. Academic staff have tended to focus more on research than teaching, as external funding and promotions have been heavily weighted toward research performance. This focus on research at the expense of teaching has the potential for undermining the learning experience for students.

Ensuring academic staff involved in teaching activities are staying abreast of current teaching practices requires time, effort, and resources, which may otherwise be allocated to research activities linked to outputs used for promotion and funding for the university. This could include supporting time for ‘teaching’ development vis-a-vis time for focusing on research, ensuring and monitoring the effectiveness of pedagogies employed based on current and emerging practices and relevance and benefit to student cohorts, and ensuring appropriate support, training, and resources for teaching staff across universities.

Applied or industry-based research should also be considered, as such initiatives are directly beneficial to the surrounding communities and education students on 'real-world' problems; however, they are not captured in PRBF.

R12.17 Government should relax its statutory requirements for research-led teaching of degrees

While Massey University agrees with the findings discussed above (that the research-focused nature of the PBRF scheme leads to a divergence of effort, resources, and research put into tertiary teaching pedagogies), in practice, relaxing the statutory requirements for research-led teaching of degrees in Universities should be approached with significant caution and be more thoroughly considered.

The teaching-research nexus is a defining feature of university level education in New Zealand, where an aligned and supportive teaching-research nexus within universities as well as with external stakeholders' agendas (industry, community, government, etc.) is fundamental. Where students are taught by staff who are research active, they are exposed to staff who are not only passionate about their subject area but who are also pushing at the boundaries of current knowledge (not merely teaching within current knowledge).

The difference between universities and vocational providers is that universities are not training for best practice in jobs which already exist, but are instead instilling the basic foundations of knowledge creation to enable students to make a worthwhile contribution in highly changeable contexts, led by staff for whom a contribution to society is a fundamental requirement.

For universities to act in accordance with the Education Act 1989 (New Zealand Legislation, 2016, Section 162), "their research and teaching [must be] closely interdependent and most of their teaching [must be] done by people who are active in advancing knowledge." When considering the teaching-research nexus within universities, this close interdependence does not necessarily require research-led teaching from highly PBRF-ranked academic staff. Rather, research-informed teaching should be further explored.

Research-informed teaching can manifest itself in a variety of forms. The dominant perception regarding the teaching-research nexus in universities has been that a strong correlation between teaching and research is a positive outcome. In other words, when across an institution, measures of teaching excellence are placed alongside research excellence (e.g., student evaluations of teaching and areas of greatest student demand alongside publication rates and citation indices, respectively), and there is a strong positive association, this could be perceived as an indicator of a research-aligned portfolio. This orthodox assumption has long informed the perception that active researchers were the most effective teachers; however, it has also underscored the traditional ideal that all university teaching staff were also high-quality and productive researchers.

Research-led teaching (where research at the forefront of the discipline informs the content of the curriculum), research-oriented teaching (where instructors engender a research ethos through teaching and learning activities, and curriculum is focused on research problems and processes), research-based teaching (where students engage in analysis and discussion of research through curriculum that is structured around problem-based or inquiry-based teaching and learning

activities), and research-tutored teaching (where students learn as researchers and the curriculum is designed for students to actively engage in discovery research with academic staff) are various ways in which a student may experience the teaching-research nexus. The teaching-research nexus could also be conceptualized as academic staff engaging in pedagogical research, as the scholarship of teaching and learning.

While previous studies have focused on establishing whether there is a relationship between the activities of teaching and research and the staff relationships associated with the nexus, more recently researchers have focused on the students experiences, awareness, and perceptions of the teaching-research nexus (Healey, Jordan, Pell, & Short, 2010; Visser-Wijnveen, van de Rijst, & van Driel, 2016). An appreciation of how research is integrated into the learning experience and the way students perceive the integration of research into their learning experiences could help universities identify whether its teaching-research nexus (or research-informed teaching) objectives and intentions are articulated through student experiences.

4. INNOVATION

F11.2 Providers in New Zealand tend to adopt sustaining innovations that improve the value of their existing way of delivering education. Often, this means technology is grafted on to old ways of doing things.

Massey University contests this finding that technology is often simply grafted onto 'old ways of doing things.' Massey University, along with other universities in New Zealand, is challenging the existing models and methods of teaching. Academic staff are engaged in testing a variety of pedagogical approaches, such as flipped classrooms and blended learning. However, these new approaches must be tested to ensure they are beneficial prior to fully adopting and implementing them. It should be acknowledged that such changes (including the time to trial, review, evaluate, and modify) to delivery do take time. It is not that the universities are not seeking out new ways to deliver education; rather, they are ensuring the best possible outcome for students.

Only by being open to a range of ideas from a variety of sources, is new and innovative thinking provoked. Massey University's staff and students are part of a contemporary and future-focused university at the forefront of online, blended, and distance education. Massey University's leadership in digitally-mediated teaching and learning provides a basis for innovation in curriculum design, extends our reach far beyond physical and geographical boundaries, and equips graduates with experience in media-rich environments. The University is committed to advancing its Teaching and Learning strategies, extending its varied learning approaches, enriching the digital learning experiences, and enhancing learning interactions with the use of video-linked teaching, web-conferencing, and presentation tools.

The Massey University Teaching and Learning model identifies the University's key points of difference in both orientation and operation. Central to this model is the goal of engendering a strong culture of creativity, innovation, and connectedness of our students, our staff, and our curriculum. Defining elements of Massey University's model include applied, digital, distance and lifelong learning, which the University is committed to strengthening via the development and implementation of appropriate strategies underpinned by relevant quality assurance and enhancement processes.

To further enhance the focus on innovative delivery models and lifelong learning, the University has established the Distance Education and Learning Futures Alliance (DELFA), which aims to build capacity and a network of leaders at the forefront of new innovations in teaching and learning in tertiary education. DELFA supports new models and emerging approaches to tertiary education for today's digitally wired, globally connected, and rapidly changing higher education landscape.

The finding seems to imply that even more could be done to improve the value of the delivery of education. If this is in fact the suggestion, consideration could be taken with regard to initiatives to further support research into innovative delivery in higher education in the New Zealand context.

F11.3 Regulatory settings do not allow innovative new models of tertiary education to emerge from existing government-funded providers. New models either arise outside of the government-funded system, or are enabled by legislative change on a case-by-case basis.

Massey University agrees with this finding; however, it is not only new delivery models that need to arise, but a change in pedagogy as well. This may require significant investment in technology, but also requires the need to ensure faculty are skilled appropriately to engage with new technologies and deliver the content with a rapid pace of changing technology and associated pedagogies. Universities (and the higher education sector in general) cannot simply identify new or changed pedagogies and models without supporting faculty to change as well (including the provision of time and resources to support the changes). As mentioned previously, the emphasis on upskilling teaching skills rather than significant focus on research skills (and rewards for PBRF-aligned activities) would need to be supported to enable such innovation to succeed.

A possible concerted effort into researching and identifying innovative new models (and how the current regulatory setting might be amended to support and encourage new models) might facilitate a broader network of innovation across the New Zealand tertiary sector. For example, the Australian Centre for Teaching and Learning funded a project on new technologies and new pedagogies (<http://www.altc.edu.au/>). Such a project to work toward understanding and keeping abreast of new models of teaching and learning for higher education would help identify potential new models of delivery. However, this would need to be supported by a system that encourages and enables moves toward more innovative models and supports academic staff to focus time, effort, and resources in that area.

5. GOVERNMENT REGULATORY AND FISCAL SETTINGS

R12.19 The Ministry of Education and the Treasury should review the current regulatory arrangements, with a view to separating government's fiscal exposure to tertiary education institutions from its responsibility to protect the interest of students.

The Minister under the Education Act S192(4)(d) and S192(5)(c) has the power to restrict and set the level of exposure to major creditors through controlling "... borrowing, issuing debentures, or otherwise raising money..." In Massey University's case, the Government's fiscal exposure is controlled through a Consent to Borrow and the terms and conditions of the consent empowered by Education Act 1989 S192(7). This mitigates the government's financial risk by in-affect 'novation' of the risk, stating "...the Crown does not guarantee any proposed arrangements Massey may make...;" they place the risk back on the lender.

The principle of fiscal separation to reduce the government fiscal exposure is a double edged sword. Fiscal separation could lead to greater financial autonomy for TEIs but significantly reduces the Governments obligation, and potentially commitment. This change would drive the organisation further toward a more commercial business model that may not provide the best outcomes for New Zealand. A pure commercial model is likely to dis-incentivise investment in courses requiring capital intensive assets (Science, Technology, Engineering & Health) where the financial margins are slim, or non-existent, under the current funding model. Furthermore a more commercial model would require an increase in fees and in price as risk is transferred.

R12.20 To improve their ability to innovate, tertiary education institutions (TEIs) should own and control their assets, and be fully responsible for their own debts. Government should seek to amend the Education Act 1989 to allow it to identify financially competent TEIs and treat them accordingly. This includes:

- *removing the requirement for such TEIs to seek approval to acquire or dispose of assets, or to borrow money; and*
- *removing government's guarantee of the creditors of such TEIs*

Further to our response to R12.19. The Minister, through the Secretary for Education, under the Education Act 1989 S192(4), (5), and (7) has the power to restrict, set thresholds and impose conditions with regard to asset disposals, mortgages, leases, borrowing and other asset related matters. The delegations and thresholds assigned by the Minister to the TEC and TEI's are either not applied, or highly restrictive and bureaucratic. The Minister, through the Education Act 1989 could release appropriate managerial control to each TEI without a requirement for significant changes to the legislation.

An alternative approach would be to use the risk rating in the financial monitoring framework, and allow those with lower risk rating to take advantage of greater control.

R12.21 Tertiary education institutions (TEIs) should contribute directly to their local communities by paying rates. This would remove a distortion that leads to inefficient asset use by the TEIs and inefficient land use.

Massey University rejects the proposition that we do not contribute directly to our local community. We pay targeted rates for the services we use and pay development contributions and other charges to support council infrastructure development and regulatory compliance. The University directly pays other services such as waste management, street lighting, roading and utilities on its campuses.

The Productivity Commission fails to recognise that Massey University campuses, like many TEI's, are well connected with communities who share the use of the grounds, sports fields, library and other facilities

Massey University disputes the claims that universities are hiding large surpluses in the purchase of assets and land. The current funding model, fee restrictions and increasing costs, limit the underlying profitability of the University. The margins in business and real-dollar terms are insignificant when considering the capital intensive nature of the programmes we deliver. Massey, like many Universities, has significant assets, many established by the Ministry of Works in the 1960s

and 1970s. These assets require midlife refit or replacement, hence the significant focus on reinvestment at this time. Furthermore, Massey has a history of divesting surplus assets in-order to drive cost efficiency; however, does not divest at the expense of research and teaching or our students, staff and communities

Massey research and teaching programmes in agriculture, horticulture, veterinary sciences, natural sciences, sport science, food technology, and engineering are asset-intensive. Large land holdings and facilities are required to undertake these activities, for the benefit of New Zealand. The Report's generalisations regarding asset ownership do not consider research or teaching requirements for each TEI. The recommendations discourage investment in these areas which are vital to the New Zealand economy.

Auckland and Wellington have high property and land values in comparison to other cities. Capital based rating in these cities will discourage investment in capital intensive programmes due to the limited profitability of these programmes.

Manawatu with significantly lower land values, and Council land based rating, would incur significant costs resulting from the large land holding required for agriculture, horticulture, veterinary and sport science research and teaching. The significant property investment would incur regional council rates which are capital based

F12.7 Some land and buildings used by TEIs are in Crown title, which lessens their ability to repurpose such assets to support new models. The process to transfer the assets into TEO title is slow and creates incentives for TEIs to retain assets they may no longer need.

Q12.3 What measures could lead to a faster transfer of (nominally) Crown assets into TEI title, without incentivising TEIs to retain assets they do not need.

Massey University would agree that the process of transfer is slow, but contends that the assertion it "creates incentives" to retain assets is unfounded.

In Massey University's experience, resourcing is limited within the various Government departments to progress the asset validation and processes to gain ministerial approval (the first 3 stages). The statutory clearance processes are lengthy due to the number departments requiring consultation. These include the TEC, MOE, Office of Treaty Settlements, Housing New Zealand, Heritage New Zealand and Department of Conservation. For these groups, the transfer process is virtually their only opportunity to invoke the provisions of the specific legislation relating to their stewardship of education, Maori, residential housing, NZ heritage and the environment. Massey respects these requirements and the beneficial outcomes for New Zealanders. These departments also have resourcing issues for timely completion of processing.

A significant disincentive is the Crown requirement for 20% of the transferred property sale proceeds, if sold within 5 years. For the Universities claw back this 20% requires a comprehensive business case which is time consuming and expensive to prepare.