

# Submission on the inquiry into New Models of Tertiary Education

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## Submission

Please note this submission is made on a personal basis and as President of ACODE and in no way represents the views of Victoria University of Wellington.

The draft report is commended for its identification of key problems facing the tertiary education system in New Zealand, most notably the Government's regulatory and funding systems imposing inertia upon the system and encouraging a conservative model of education.

Throughout the report the need for a better sense of student outcomes is noted but there are no recommendations as to what would constitute better measures. This is particularly worrying given the recommendations to relax controls on providers as there would then be relatively few protections for students. The outcomes discussed in chapter 9: qualifications, employment and student satisfaction are essentially meaningless as guides for improvement in educational quality and their use contributes to the inertia identified in the report. The focus on qualifications as a driver is responsible for the significant challenges being seen in the US and in Korea with qualification saturation of the young adult population driving a never-ending spiral of debt and qualification inflation as students attempt to distinguish themselves in an over-supplied market.

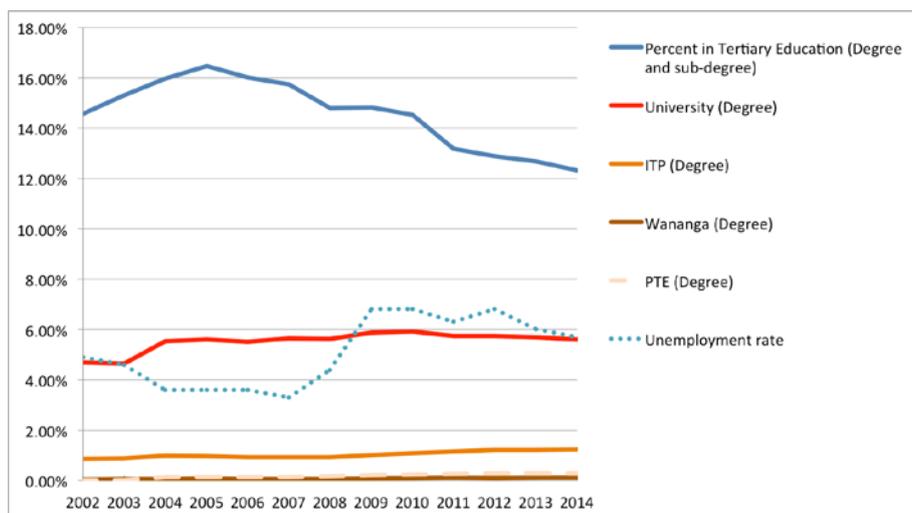
Many of the points made by the report arise from an untested assumption that tertiary education is inevitably driven by formal qualifications and their impact on employment. This is apparent in the narrative around skills and matching made in pages 79-82.

Implicit throughout the report is a presumption that the tenets of human capital theory provide an effective model for tertiary education, despite reviews of systems such as that of California (Marginson, 2016) which show little evidence in support of its assumptions. Recommendations such as self-accrediting institutions, breaking open the EFTS funding model, introducing

‘voucher’ funding of students directly and removing performance linkages are highly risky in the absence of outcomes measures that go beyond efficient (over)production of qualifications. Without robust oversight experience in the US for-profit sector strongly suggests that students will be exposed to increasing levels of fraud, educational malpractice and a declining value of their qualifications. Students are perhaps the ultimate naïve consumer and cannot be expected to be able to choose wisely from a complex array of providers that will appear if the report’s recommendations are implemented.

Statements such as that made on page 10 “The regulatory and funding arrangements for tertiary education are focused on protecting the interests of providers, rather than delivering effective outcomes for students or people outside the system who would benefit from a tertiary education” fail to recognise that the system is currently driven by economic needs primarily defined by employers. Employment outcomes are not controlled directly by TEOs, they are controlled directly by employers who continue to push responsibility for workforce development onto the public purse and individuals rather than actively and substantially funding in-work development programmes for under-or un-qualified employees.

The statement on page 5 “participation rates in tertiary education have been steadily falling over the last decade, with more than 20% fewer domestic enrolments in provider-based tertiary education in 2015 than in 2005” is somewhat misleading. There is a clear relationship between participation rates in tertiary education and the state of the wider economy as reflected by unemployment rates:



Notably over the same period there has been very little change in the proportion of students obtaining degrees despite the clear impact these have on student success noted by the report. This appears to reflect the Government’s active management of student numbers in order to minimise student loan exposure (see below).

There is no evidence of an active investment in continuous upskilling of the New Zealand population to address the clear need for a highly skilled workforce in the future (UNCTAD, 2016). Failing to do so leads to the real risk that New Zealand will fall in the gap between the developed and developing countries that are proactively investing in their populations.

The recommendation in page 8 to promote student access and mobility is strongly supported. For this to happen, students need to be able to generate evidence of capability in ways that are

challenging under the current highly structured qualifications model. Some form of portfolio linked to a unique student identifier and provider validation mechanism (perhaps derived from the Bitcoin blockchain model) is needed to enable this mobility. This system would need to be able to respond positively to the distance travelled by a student, reflecting in meaningful terms through funding the challenges of their personal situation that bear on the cost and complexity of providing effective educational opportunities. Again, this system cannot work with simplistic models of student outcomes and the complexity of this challenge should not be underestimated. Indeed it is highly likely that the resulting, more flexible, model would be more expensive than the current system due to the need to provide robust systems and minimise opportunities for fraud and misrepresentation.

The rejection of the recommendations regarding student loans by political interests are regrettable as the current system prevents sensible policy choices aimed at improving the quality of tertiary education in New Zealand. The student loans scheme as it currently operates is driving the system towards a level of mediocrity and is doing nothing to address social inequality in New Zealand.

Some form of merit based access is needed for universities at a minimum, and this needs to include a substantive fee increase in order to invest in much-needed development of facilities and to ensure that the scarce (and expensive) resource of high quality educators is used to the greatest effect. Increasing student fees, particularly if combined with merit based scholarships for under-represented groups, would help maintain the reputations of the resulting qualifications and provide a mechanism preventing over-saturation. This should also be linked to a more substantive focus on teaching qualifications in the University sector, perhaps by requiring a minimum proportion of staff with formal qualifications obtained in the last 10 years. The report omits any mention of significant issue of university staff lacking teaching qualifications, reflecting as it does the relative priority of teaching compared to research in the university part of the sector.

The importance of technology as a catalyst and enabler of positive change is apparent in the report's analysis presented in chapter 11. New Zealand's tertiary quality systems are not systematically building institutional capabilities to use technology in ways that generate clear benefits to learners and the country as a whole. There is, as yet, no formal policy recognition of the role that technology can play in influencing expectations of quality and stimulating change in the New Zealand tertiary education system.

A vital contribution agencies can play is in the explicit articulation of a vision and goals for the role technology should be playing in the sector. This must avoid being directive as to methods but should encourage in real terms the engagement with technology as an enabler of the new qualities desired and as a mechanism to develop and strengthen the educational capability and capacity of the system as whole.

The current Tertiary Education Strategy makes no mention of the role that technology plays in a modern system. This is in stark contrast to the schooling sector where there are a number of government initiatives guiding the increasingly sophisticated use of technology, and a clearly articulated vision for future growth stated in the Ministry of Education *Future-focused learning in connected communities* report.

Tertiary education needs a similarly constructed and ambitious strategic vision and plan describing the value technology plays in raising the quality and effectiveness of the system, not merely conveying a positive attitude to modernity framed in a meaningless recitation of goals

such as transformation and innovation. This needs to be supported by performance systems that support and enable incremental and continuous change, rather than simply assuming a commercial or external operator will provide a panacea. The World Bank describes it as implausible that high quality tertiary education can be developed without substantial Government leadership and investment (Salmi, 2009). New Zealand needs an ambitious and future-focused Government prepared to respond to this responsibility with innovative policies and substantial investment in local capability.

## References

Marginson, S. (2016). *The Dream is Over: The Crisis of Clark Kerr's California Idea of Higher Education*. San Francisco, CA: University of California Press. DOI: 10.1525/luminos.17

Salmi, J. (2009). *The Challenge of Establishing World-Class Universities*. Washington, DC, USA: The International Bank for Reconstruction and Development / The World Bank. DOI: 10.1596/978-0-8213-7865-6

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