

**Response to Productivity Commission's
Issues Paper:**

“New models of tertiary education”

John Davies*, Vicky Mabin† and Peter Hodder‡

*Professor of Management and Associate Dean International and Executive Education

† Professor of Management; formerly Associate Dean Learning and Teaching

‡ Formerly Manager Academic Programme Accreditation

**Victoria Business School,
Victoria University of Wellington**

June 2016

Response to Productivity Commission's Issues Paper: New models of tertiary education

John Davies*, **Vicky Mabin†** and **Peter Hodder‡**

*Professor of Management and Associate Dean International and Executive Education

† Professor of Management; formerly Associate Dean Learning and Teaching

‡ Formerly Manager Academic Programme Accreditation

This document reflects the collective views of the authors, based on their experience as university teachers and researchers and on the knowledge and experience gained from projects and other activities undertaken with other tertiary education providers.

The authors have chosen to follow the format of the Productivity Commission's document, providing a response to most of the questions. Some responses supported by interpretations of data available in the public domain

The document does not purport to represent any official view of the Victoria Business School or Victoria University of Wellington.

Contents

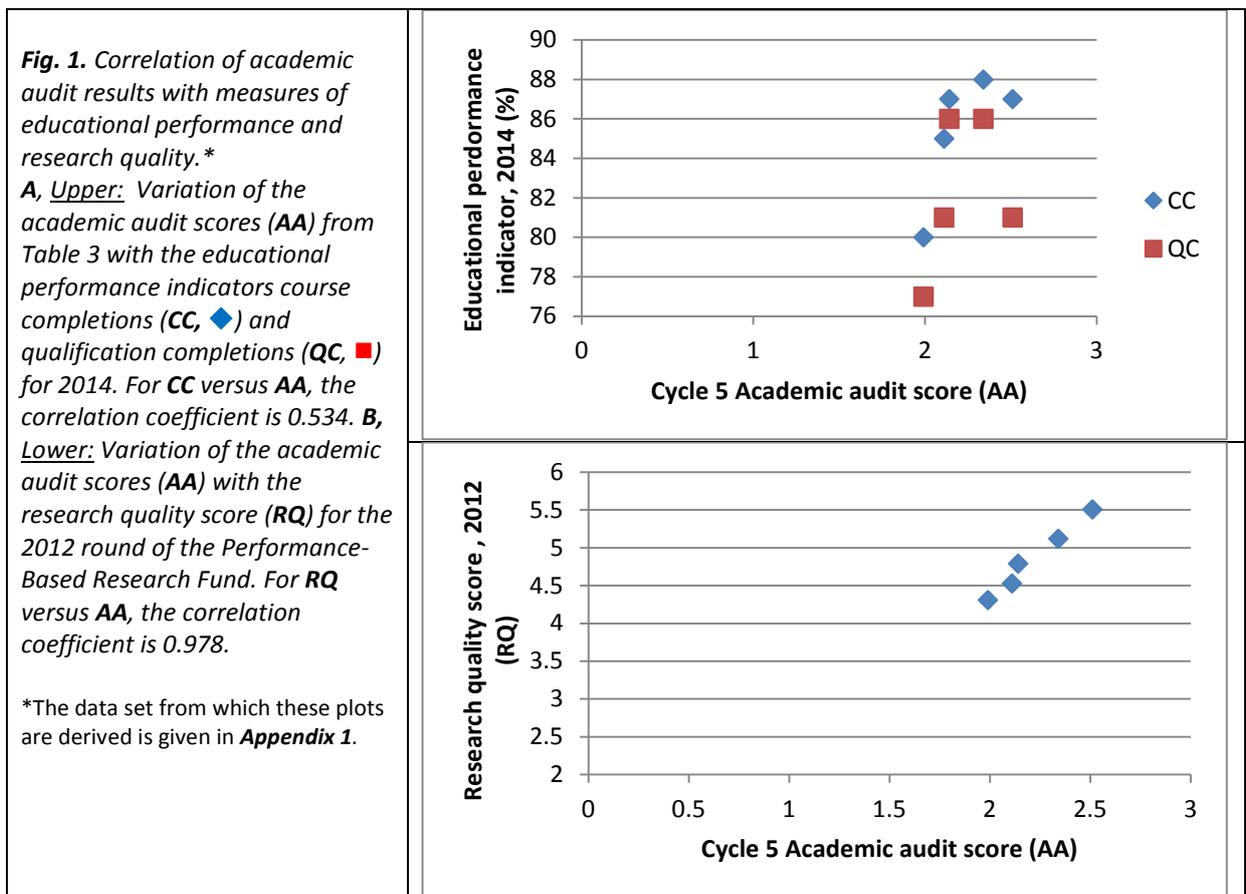
PCIP* Section		Page in this document
PCIP 2.0	The Tertiary education system	3
PCIP 3.0	Purpose, performance and outcomes of the system	8
PCIP 4.0	Trends	9
PCIP 5.0	New models	11
PCIP 6.0	Creating an innovative system	14
Appendices		Page in this document
Appendix 1	Measures of educational and research performance of New Zealand universities	19
Appendix 2	Measures of educational and research performance of ITPs participating in the 2012 PBRF	20
Appendix 3	Teaching excellence award winners by (1) type of tertiary educational institute and (2) by academic rank of awardees	21
Appendix 4	Time trends in the PBRF quality scores and the educational performance indicators for universities	22

*PCIP = Productivity Commission Issues Paper

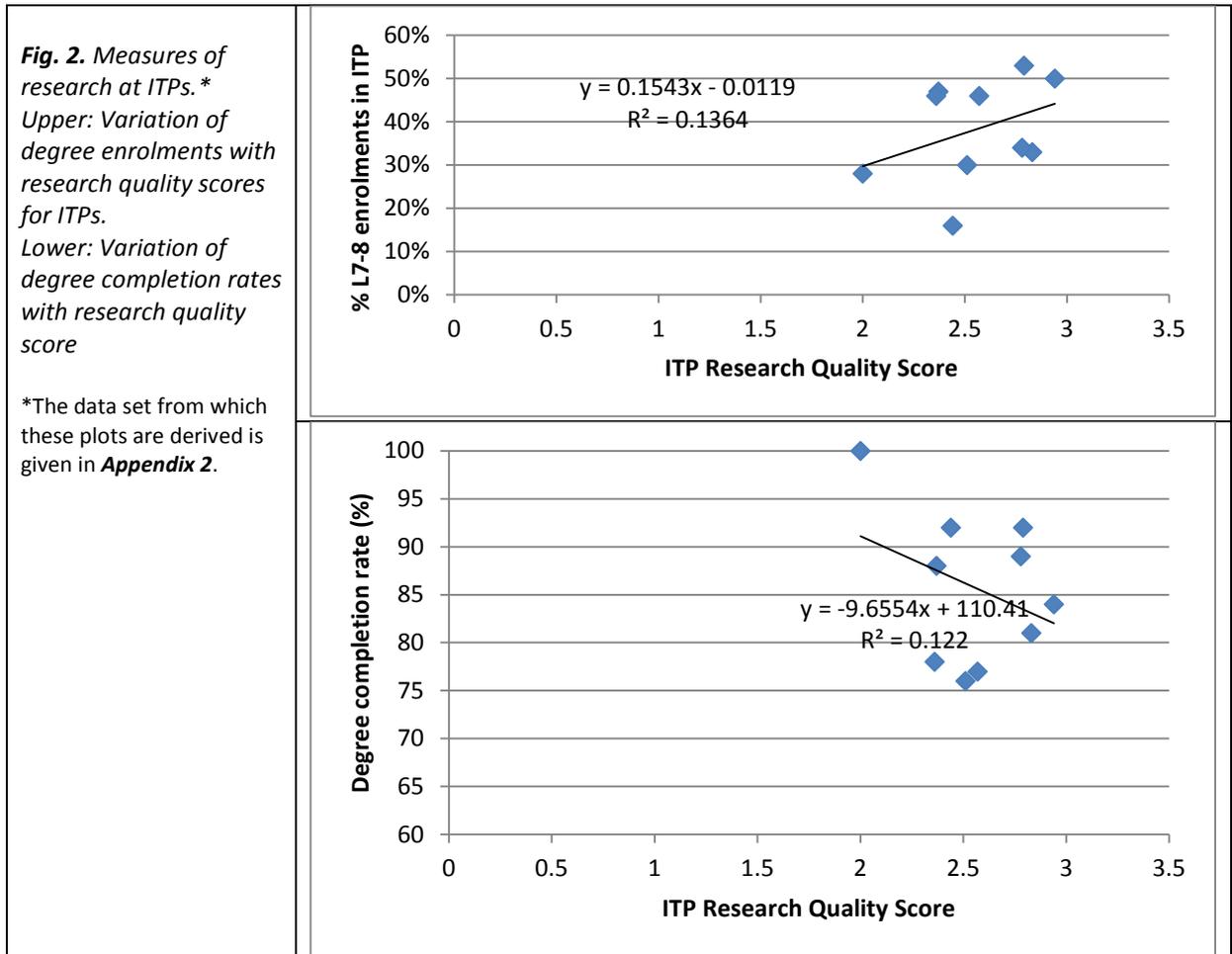
Response to Productivity Commission's Issues Paper: New models of tertiary education

page	Section	Comment
PCIP 2.0 The tertiary education system		
1, 3	Q1	The funding of tertiary education in New Zealand may seem high at 2.1% GDP, compared with the OECD average of 1.6%. However, the definition of tertiary education in New Zealand is wider than that of other jurisdictions, including, as noted on p. 3, 'foundation education and second-chance learning', 'English language learning for refugees, migrants and foreign students' and 'adult and community education'. Not all education targeted at adults is actually of 'tertiary' character; in particular the levels of education offered at foundation and second-chance learning are no higher than secondary level. By including them as tertiary study actually masks the poor performance of secondary education in achieving appropriate levels of numeracy, literacy and other basic skills and knowledge across society.
p. 4	Students	It is questionable whether "secondary schools provide much of the prior learning that students obtain before entering the tertiary education system". In science areas, for example, more students enrol in science programmes at universities with less formal knowledge than was once the case and universities have had to adapt to this by introducing catch-up courses and science bridging programmes. In part, this reflects the choices students make of school subjects, and perhaps the perception among students that NCEA science is simply unappealing, especially by comparison with the plethora of other courses on offer. Box 1 on p. 4 rightly draws attention to the role of 'cultural capital' obtained largely from the home environment in success at school. This is a pre-determining factor for success in tertiary education as well.
p. 6	Transfers	There seems an implication that "changing qualifications" and "changing providers" is undesirable. In fact, it's a demonstration of the earlier statement that "... students <i>do</i> pick up information as they study", enabling them to recognise the programmes and providers that best suit their learning needs and educational aspirations. These changes may also be precipitated by (i) changes in personal circumstances (e.g., employment locations), (ii) realization that a higher level qualification is not always available at the institution at which they were originally enrolled, (iii) recognising the benefit of exposure to different knowledge and skills of staff, particularly apposite to the undergraduate-postgraduate transition.
p. 8	Q2	Fees information should be readily available for all programmes offered by TEIs.
p. 11	Fig. 7 Q3	We wonder whether the individual universities would agree with the Universities New Zealand business model. There is nothing here about achieving the purpose of universities as described in the Education Act; rather, the emphasis is on rankings and supplementing income by 'export education', which some may consider essentially peripheral activities to core business. In essence, the diagram by Universities NZ may not be a "good characterisation".
p. 12	Q4	ITPs have a similar 'conflict' to that which universities have between research and teaching; in the ITP case, the conflict is between vocational education and industry/community engagement. In both types of institution, teaching (resulting in mostly a 'private good', reflected in the well-described increase in lifelong remuneration of graduates) subsidises other activities (which are largely 'public good') and would be expected to be reflected in the business model.
p. 12	Q5	The business model for a wananga is likely to be similar to that of universities and ITPs, given the strength of the relationship expected between each of these institutes and the associated iwi.
p. 12	Q6	Perhaps universities, ITPs, and wananga could be seen as 'business-like', in that they need to be fiscally viable, but there are other expectations from society, professional communities, iwi, etc. on them as well. By comparison, the focus for some PTEs at least is 'pure' business.
p. 12	Q7	'Unit costs' will inevitably be lower for higher student numbers, i.e., larger classes. At other levels of education there are threshold effects, and there is no clear evidence that smaller class sizes lead to enhanced learning beyond a limiting threshold. However, classes at ITPs are often smaller than those in universities, reflecting either the nature of the instruction (e.g., hands-on trades courses) or the characteristic of particular student cohorts (especially in second-chance education, trades academies, etc.). 'Engagement' is more difficult in large classes, and as the Open Polytechnic has found staff-rich interventions may be necessary to offset this. The large 'drop-out' rate in MOOCs is indicative of the same issue
p. 12	Q8	Historically there have been examples where students have received incentives for enrolment, e.g., some years ago, the University of Otago targeted out-of-town students with air-fares home in vacations). Bundled accommodation and enrolment packages may also provide a competitive edge. Recent high growth in domestic enrolments has minimized the need for such practices, but there is competition for better qualified/prepared students through guaranteed entry schemes, scholarships and similar arrangements. Such students are perceived as less likely to use learning support services, but may actually make greater uses of other welfare services, including mental health. Notwithstanding, the motive for seeking better qualified/prepared students is presumably because the educational performance indicators may be enhanced.

page	Question	Comment
p. 12	Q8 (cont.)	There is at least anecdotal evidence that some providers have manipulated entry requirements to courses and programmes, effectively denying enrolment to those deemed unlikely to succeed, in order to influence educational performance indicators, particularly course and qualification completions, which have funding implications. In some cases, the programme mix has changed to achieve a similar result. Conversely, some providers have invested more funds and resources to enable intervention strategies to be developed for at risk students.
p. 13	Q10	<p>Unbundling ‘services’ in tertiary education such as assessment and credentialing from the rest of the academic enterprise could be considered a retrograde step, undermining the ability of institutions to develop courses and programmes tailored to their perceptions of the market. For universities, it could mean a return to federalism, i.e. the pre-1960s idea of the University of New Zealand with constituent colleges. Moreover, tendering services, for example, in the provision studies, that are actually part of the overall education process may result in perverse behaviours, some of which could be damaging to institutions’ reputation.</p> <p>Unbundling can also complicate professional qualifications, and possibly extend the length of qualifications, as has been the case with Accounting at degree level because of the demands of Chartered Accountants, Australia and NZ (formerly NZICA).</p> <p>‘Unbundling’ is in the norm in the secondary school system, where schools prepare students for the external component of NCEA qualifications – “mass qualifications”. However, that does not necessarily mean it’s appropriate for the “boutique qualifications” that some tertiary educational institutes offer.</p>
p. 14	Q11	Comparison of the overall result of the Cycle 5 audits of the five universities whose reports are available as at February 2016 indicates a strong correlation between a measure derived from the number of commendations, affirmations and recommendations of the audit with research quality scores, and also a positive trend of the audit result with TEC’s learning outcomes (viz., course qualifications and qualification completions), as shown in Fig, 1 below.



page	Question	Comment
p. 14	Q11 (cont.)	<p>While the correlation may be interpreted simply as evidence that the universities' teaching and learning experience is 'research-led', this result could be used to suggest that there are benefits of research and teaching being 'bundled', at least from a quality perspective.</p> <p>As an aside, members of the academic staff teaching on degrees at any tertiary educational institute are expected to be research-active, although there appears no consistent approach to determining whether this legislative requirement is met. For those institutes of technology (ITPs) that participated in the PBRF there is a weak positive trend between the percentage of Level 7-8 students (i.e., degree students) enrolled at ITPs with research quality scores, and a weak negative trend between degree completion rates and research quality scores (Fig. 2). This could suggest that research is a distraction to teaching and learning in the vocational learning environment of ITPs.</p>



page	Question	Comment
p. 14	Q12	<p>A record of research published in international journals of repute is increasingly sought in making academic appointments at universities. The PBRF regime and the emphasis on research in the international rankings industry underpin or facilitate this tendency.</p> <p>Quality of teaching and excellence in research are both claimed to be important for promotion, and at Victoria University academic staff are required to participate in a process that provides for student feedback on both the course and the lecturer (see: http://www.victoria.ac.nz/documents/policy/academic/student-feedback-on-teaching-and-courses-policy.pdf).</p> <p>The reliability and validity of the measures obtained from surveys of students about teaching quality have been questioned elsewhere, but no other approach is used universally at Victoria. Some schools within the University encourage peer assessment of teaching and the development of teaching portfolios that record improvements and innovations made by individual staff-members. Whether these are used in promotions of staff is uncertain. [See also response to Q15]</p>

page	Question	Comment																																																																																																	
p. 14	Q12 (cont.)	<p>The development of more formal or systematic ‘assurance of learning’ processes and activities at the course level was undertaken by Victoria Business School as part of its acquisition of AACSB accreditation, and continuing activity in this area is required to maintain the accreditation.*</p> <p>It is difficult to relate the outcome of such activities and processes with student perceptions of course quality; however, collectively they may enhance course completion rates and inform student perceptions of their employment prospects (see response to Q14).</p> <p>* Mabin, V.J. & Marshall, S.J. (2012). Beyond Assessment: Assuring Student Learning in Higher Education. In M. Hodis & S. Kaiser (Editors), Proceedings of the Symposium on Assessment and Learner Outcomes, Wellington, Sept 1-3, 2011, (Wellington, Jessie Hetherington Centre for Educational Research Victoria University of Wellington, 2012), pp. 187-220.</p>																																																																																																	
p. 14	Q13	<p>For universities, the income from students far exceeds that obtained from research, so cross-subsidising is evident; indicative figures for Victoria University from the 2014 Annual Report are given in the table below:</p> <table border="1"> <thead> <tr> <th colspan="2">Teaching income</th> <th colspan="2">Research income</th> </tr> <tr> <th></th> <th>\$000</th> <th></th> <th>\$000</th> </tr> </thead> <tbody> <tr> <td>“Government grants”</td> <td>157,249</td> <td>Research</td> <td>42,547</td> </tr> <tr> <td>Less PBRF</td> <td>26,993*</td> <td>PBRF income*</td> <td>26,993</td> </tr> <tr> <td>Government grants</td> <td>130,256</td> <td></td> <td></td> </tr> <tr> <td>Domestic tuition fees</td> <td>79,833</td> <td></td> <td></td> </tr> <tr> <td>International tuition fees</td> <td>29,369</td> <td></td> <td></td> </tr> <tr> <td>Teaching-related income</td> <td>239,458</td> <td>Research-related income</td> <td>69,540</td> </tr> <tr> <td>Total income</td> <td>380,553</td> <td>Total income</td> <td>380,553</td> </tr> <tr> <td>Teaching % of income</td> <td>63%</td> <td>Research as % of income</td> <td>18%</td> </tr> </tbody> </table> <p>*p.85 of PBRF – the 2012 Assessment</p> <p>If the Victoria Business School workload model is typical for the University, academic staff are expected to spend equal proportions of their time on teaching and research; yet teaching-related income is 3.5 times that of research-related income.</p>	Teaching income		Research income			\$000		\$000	“Government grants”	157,249	Research	42,547	Less PBRF	26,993*	PBRF income*	26,993	Government grants	130,256			Domestic tuition fees	79,833			International tuition fees	29,369			Teaching-related income	239,458	Research-related income	69,540	Total income	380,553	Total income	380,553	Teaching % of income	63%	Research as % of income	18%																																																									
Teaching income		Research income																																																																																																	
	\$000		\$000																																																																																																
“Government grants”	157,249	Research	42,547																																																																																																
Less PBRF	26,993*	PBRF income*	26,993																																																																																																
Government grants	130,256																																																																																																		
Domestic tuition fees	79,833																																																																																																		
International tuition fees	29,369																																																																																																		
Teaching-related income	239,458	Research-related income	69,540																																																																																																
Total income	380,553	Total income	380,553																																																																																																
Teaching % of income	63%	Research as % of income	18%																																																																																																
p. 17	Q.14	<p>Assuming that successful completion of a course is the desired end-goal of enrolling in a course, the VBS experience with ‘assurance of learning’ provides some evidence that learning outcomes may be enhanced over arts courses, which might be considered broadly similar but for which no ‘assurance of learning’ is currently undertaken, as shown in the table below:</p> <table border="1"> <thead> <tr> <th>Faculty*</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>Change between 2009 and 2015</th> </tr> </thead> <tbody> <tr> <td colspan="8">Annual course completion rate (%)</td> </tr> <tr> <td>VBS</td> <td>81.4</td> <td>81.6</td> <td>82.1</td> <td>83.4</td> <td>85.3</td> <td>85.1</td> <td>+3.5</td> </tr> <tr> <td>FHSS</td> <td>81.2</td> <td>81.7</td> <td>81.9</td> <td>83.4</td> <td>84.6</td> <td>84.9</td> <td>+3.2</td> </tr> <tr> <td colspan="8">Difference in annual course completion rate (%)</td> </tr> <tr> <td>VBS-FHSS</td> <td>+0.2</td> <td>-0.1</td> <td>+0.2</td> <td>0</td> <td>+0.7</td> <td>+0.2</td> <td>+0.3</td> </tr> </tbody> </table> <p>*VBS = Victoria Business School; FHSS, Faculty of Humanities and Social Science</p> <p>Assurance of learning is generally targeted at demonstrating achievement of attributes other than discipline-related knowledge. Some of these attributes appear to be valued by commerce graduates in their quest for employment, as shown in the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Attribute</th> <th colspan="2">Average rating of perception of significance of the specified attribute in gaining employment</th> <th colspan="2">Average rating of perception that education at Victoria equipped graduate with the specified attribute*</th> </tr> <tr> <th>Rating*</th> <th>Rank</th> <th>Rating*</th> <th>Rank</th> </tr> </thead> <tbody> <tr> <td>Critical thinking</td> <td>1.58</td> <td>3</td> <td>1.84</td> <td>1</td> </tr> <tr> <td>Creative thinking</td> <td>2.00</td> <td>6</td> <td>2.32</td> <td>7</td> </tr> <tr> <td>Communication skills</td> <td>1.16</td> <td>1</td> <td>2.04</td> <td>3=</td> </tr> <tr> <td>Leadership skills</td> <td>1.95</td> <td>5</td> <td>2.41</td> <td>8</td> </tr> <tr> <td>Teamwork</td> <td>1.37</td> <td>2</td> <td>2.04</td> <td>3=</td> </tr> <tr> <td>Global perspectives</td> <td>2.30</td> <td>8</td> <td>2.09</td> <td>5</td> </tr> <tr> <td>Multicultural perspectives</td> <td>2.29</td> <td>7</td> <td>2.11</td> <td>6</td> </tr> <tr> <td>Discipline-related knowledge and skills</td> <td>1.85</td> <td>4</td> <td>1.95</td> <td>2</td> </tr> </tbody> </table> <p>*Ratings made on a 4-point Likert scale: 1, very significant; 2, somewhat significant; 3, slightly significant; 4, not significant</p>	Faculty*	2008	2009	2010	2011	2012	2013	Change between 2009 and 2015	Annual course completion rate (%)								VBS	81.4	81.6	82.1	83.4	85.3	85.1	+3.5	FHSS	81.2	81.7	81.9	83.4	84.6	84.9	+3.2	Difference in annual course completion rate (%)								VBS-FHSS	+0.2	-0.1	+0.2	0	+0.7	+0.2	+0.3	Attribute	Average rating of perception of significance of the specified attribute in gaining employment		Average rating of perception that education at Victoria equipped graduate with the specified attribute*		Rating*	Rank	Rating*	Rank	Critical thinking	1.58	3	1.84	1	Creative thinking	2.00	6	2.32	7	Communication skills	1.16	1	2.04	3=	Leadership skills	1.95	5	2.41	8	Teamwork	1.37	2	2.04	3=	Global perspectives	2.30	8	2.09	5	Multicultural perspectives	2.29	7	2.11	6	Discipline-related knowledge and skills	1.85	4	1.95	2
Faculty*	2008	2009	2010	2011	2012	2013	Change between 2009 and 2015																																																																																												
Annual course completion rate (%)																																																																																																			
VBS	81.4	81.6	82.1	83.4	85.3	85.1	+3.5																																																																																												
FHSS	81.2	81.7	81.9	83.4	84.6	84.9	+3.2																																																																																												
Difference in annual course completion rate (%)																																																																																																			
VBS-FHSS	+0.2	-0.1	+0.2	0	+0.7	+0.2	+0.3																																																																																												
Attribute	Average rating of perception of significance of the specified attribute in gaining employment		Average rating of perception that education at Victoria equipped graduate with the specified attribute*																																																																																																
	Rating*	Rank	Rating*	Rank																																																																																															
Critical thinking	1.58	3	1.84	1																																																																																															
Creative thinking	2.00	6	2.32	7																																																																																															
Communication skills	1.16	1	2.04	3=																																																																																															
Leadership skills	1.95	5	2.41	8																																																																																															
Teamwork	1.37	2	2.04	3=																																																																																															
Global perspectives	2.30	8	2.09	5																																																																																															
Multicultural perspectives	2.29	7	2.11	6																																																																																															
Discipline-related knowledge and skills	1.85	4	1.95	2																																																																																															

page	Question	Comment
	Q14 (cont.)	<p>Of course, education may also enhance social skills, understanding of societal norms and expectations, although gains in these areas are rather harder to quantify.</p> <p>Appendix 3 shows that about three quarters of the national awards for teaching excellence are made to staff from universities, with the remainder largely being from the ITP sector and a few from PTEs. Wananga are not represented in these awards. Awards are most frequently made to staff at the senior lecturer level or equivalent. The citations of the awardees indicate that the pathway to national awards is generally preceded by an award made by a similar process within the TEI.</p> <p>Of course, a student is likely to encounter a number of academic staff during their tertiary education, most of whom will not be award-winners. This is an argument for a greater uptake of opportunities for teacher development by university teaching staff, without necessarily requiring the completion of a professional teaching/educational qualification, which, as the Issues paper notes, is increasingly the case for academic staff in ITPs and PTEs. In these latter institutes, the programme most staff undertake is specifically tailored to tertiary or adult learning, as is the voluntary certificate and diploma offered by Victoria University through the Centre for Academic Development.‡</p> <p>*New Māori scorecard for nursing schools. <i>Nursing Review</i>, July 2012: http://www.nursingreview.co.nz/issue/july-2012/new-Māori-scorecard-for-nursing-schools/#.Vt4CK5x97IU</p> <p>†As foreshadowed in September 2015: Employment outcomes to be published: https://www.beehive.govt.nz/release/employment-outcomes-be-published</p> <p>‡The Cycle 5 academic audit report of the University of Waikato recommends that the comparable Waikato programme not be offered through a unit associated with the Faculty of Education, whose activities are largely concerned with the training of teachers for primary and secondary schools. (http://www.aga.ac.nz/sites/all/files/Waikato%20Cycle%205%20academic%20audit%20report.pdf0, p. 49-50)</p>
p. 19	Q15	<p>There is a widespread perspective among staff that teaching is not valued perhaps, as much as it should be in universities. Perhaps this is one explanation for universities appearing to rely on student feedback as the dominant measure of teaching effectiveness and quality, even though the doubts about validity rehearsed in the issues paper are well known. Other parts of the tertiary education sector appear to have been more pro-active in inspiring teachers to be better at their craft, through activities such as peer-assessment of teaching, the use of teaching portfolios, and institute-wide schemes intended to lift teaching performance.*</p> <p>*One example is: Bodkin-Allen, S., Hoffman, J., Whittle, J (2012, April). Report on the Committed Learners Project. Invercargill: Southern Institute of Technology: Available at: https://ako.aotearoa.ac.nz/mi/ako-hub/ako-aotearoa-southern-hub/resources/files/committed-learners-project-2012-report.</p>
p.19	Q16	See responses to Q12 and Q15
p.21	Q17	<p>Employers' concerns tend to be focused on current needs and those in the immediate future, whereas tertiary providers need to ensure the graduate has the skills to make the transition to other fields of employment from that in which they were originally intending to gain employment. This is sometimes captured as the distinction between 'education' (future-focused benefits) and 'training' (immediate benefits)</p> <p>Until recently ITPs depended on formally constituted advisory committees to gain employer input to the design of courses and programmes. Recent practice favours more informal interactions with employers, but it may be difficult to ensure whether the needs of employers that are being expressed are truly representative of the industry concerned.</p> <p>With the exception of professional degrees, universities have been traditionally less concerned about engagement with employers. However, increasingly, universities are making senior appointments in an endeavor to increase capability in this area.</p>
p.21	Q18-Q21	
p.24	Q22	<p>Despite its being "top-down architecture" the present system is reasonable, and does not appear to have impeded innovation within institutions on a day-to-day basis. However, it does not facilitate inter-institutional arrangements, especially between sub-sectors (e.g., between a university and ITP), unless such arrangements have a political dimension (e.g., the institutional merger between Bay of Plenty Polytechnic and Waiariki Institute of Technology, and the working arrangement between Waikato University and Bay of Plenty Polytechnic)</p>

Page	Question	Comment
p. 23	Q24	Inevitably a range of 'instruments' influence the behavior of government agencies and TEIs. Examples include: <ul style="list-style-type: none"> ● The use of EERs (undertaken for quality assurance purposes by NZQA) by government agencies responsible for approving enrolments of international students, and making funding decisions on that basis. ● The 'gaming' activities by universities in respect of the PBRF ● The changes to admissions policy and processes to TEIs, in order to enhance their relative ranking on TEC's educational performance indicators (e.g., at Open Polytechnic, as previously noted)
p. 25	Q25	
p. 26	Q26	NZQA's quality assurance takes an outcome-focused approach in its evaluations and assigns confidence ratings (Highly Confident, Confident, Not Yet Confident or Not confident) in both educational performance and capability in self-assessment, enabling ITPS as institutions, for example, to be compared with each other. By contrast AQA's approach is essentially an input-focused approach and does not readily enable comparisons between universities. Although AQA has received recent commendation for its activities,* AQA and its approach could be considered by some to be self-serving, or protectionist by the universities. <p>*External Review Report, Academic Quality Agency for New Zealand Universities (2015, September): http://www.aqa.ac.nz/sites/all/files/AQA%20External%20Review%20Report%202015.pdf</p>
p. 27	Q27	
PCIP 3.0 Purpose, performance and outcomes of the system		
p. 31	Q28	International students as recipients of export education in New Zealand may have educational backgrounds, perspectives on learning and cultural traditions that are very different from those of domestic students, with implications for their differing needs for appropriate learning support, understanding of academic integrity and adjustment to New Zealand society. The provision of these services carries a cost, which is seldom acknowledged, and reduces the financial advantage ascribed to export education. <p>'Internationalisation' is sometimes said to be "good" for New Zealand students, providing them with the opportunity to learn about other political systems, cultural practices, etc.. There appears to be little evidence for this stance; nor does it resonate with the objectives of the Education Act (p. 28 of the Issues Paper). Even if true, such an argument may only have validity if the number/proportion of recipients of export education in a class or programme was relatively small.</p>
p. 34	Q29	The current discrepancy may to some extent be a legacy of the 1990s focus on participation and access, leading to the expectation that everyone should be able to participate in tertiary education rather than it being the preserve of an 'elite'. Current restrictions on enrolments either directly through investment plans or indirectly through other levers such as educational performance indicators may reduce the number of 'at-risk' enrolments and consequent 'non-completions'. To counter the naysayers, access to health services – and becoming an 'All Black' – are restricted; perhaps tertiary education needs to be viewed similarly. <p>In vocational education, the length of training either within TEIs or apprenticeships seems either rather too long or at an unjustified level on the NQF. Perhaps the trend of 'upward credentialling' of qualifications for professions and industries needs reviewing.</p> <p>Of course low productivity cannot be blamed solely on education. The cost of goods and services in New Zealand is high relative to the income of those who purchase them. This high cost may be caused by the profit orientation or greed of 'big business', or by the inherent inefficiencies of small businesses compounded by their high compliance costs.</p>
p. 36	Q30	The perception of whether the educational system is "working well" will depend on the extent to which tertiary education is perceived as a personal benefit or as a benefit to society or the economy. Box 5 in the Issues Paper clearly shows that this has varied over the last 25 years.
p. 37	Fig. 14	It is notable that the "increase in the share of EFTS at bachelor's level (from 38.5% of EFTS in 2007 to 44% in 2014)" coincides with the development of degrees at non-university providers. Indeed, the "reduction in EFTS enrolled at lower levels" is a direct and predicted institutional response to the withdrawal of government funding for many programmes at these levels.
p. 38	Fig. 15	There is evidence that some of the annual increase in completion rates can be attributed to manipulation or 'gaming', as previously described.

Page	Question	Comment
p. 38	Q31	Because of the low income economy of New Zealand, quantification of graduate outcomes by income is likely to continue to yield unsatisfactory comparisons with other jurisdictions. However the <i>relative</i> income comparison between qualification levels and occupations could be usefully compared internationally.
p. 47	Fig. 23	The trends shown here are consistent with the survey of Victoria MBA graduates (akin to 'academic respondents') and their employers ('akin to business respondents'), undertaken for the AMBA accreditation in 2013
p. 47	Q32	<p>An employer survey conducted by Victoria in 2015* indicated that the top ten skills and attributes sought by employers were: 1, Work ethic ; 2, Verbal communication skills; 3, Energy and enthusiasm; 4, Analytical and critical thinking; 5, Problem solving; 6, Team work; 7, Interpersonal skills; 8, Written communication skills; 9, Self-management ; 10, Initiative and enterprise. Compared with an earlier survey in 2006, the 2015 survey showed a marked increase in ranking for analytical and critical thinking (up from 10th to 4th) and 'energy and enthusiasm' (up from 8th to 3rd), but a marked decrease in interpersonal skills (down from 1st to 7th) and in written communication (down from 3rd to 8th).</p> <p>The 2015 survey was the first to explore employers' satisfaction levels regarding the top ranked skills and attributes demonstrated by Victoria University students and graduates. Employers were asked to rate their satisfaction with skills and attributes as well as Victoria Graduate Profile attributes they ranked as top five. Of those respondents who indicated their level of satisfaction with the skills and attributes, 80% indicated that they are either satisfied or very satisfied with students' and graduates' <i>Verbal communication</i> skills; 76% were satisfied or very satisfied with the level of <i>Energy and enthusiasm</i> demonstrated by their student and graduate employees; 75% of the employers also rated <i>Written communication</i> skills in a similar manner. Of those respondents who indicated their level of satisfaction for the Victoria Graduate Profile, the highest satisfaction levels were indicated for Degree-related <i>Knowledge & skills</i> (83%), <i>Ability to work both independently and collaboratively</i> (64%), <i>Intellectual integrity and understanding of ethics</i> (60%), <i>Intellectual autonomy and independent thinking</i> (55%), and <i>Ability to set and achieve personal and professional goals</i> (55%).</p> <p>Overall, the survey confirms the importance of 'soft skills and capabilities', but not at the expense of 'hard or technical skills'.</p> <p>*Employability Skills Survey 2015 Executive Summary: http://www.victoria.ac.nz/vbs/about/news/2015-news/survey-reveals-employers-wish-list-of-skills/2015-employability-skills-survey-executive-summary.pdf</p>
PCIP 4.0 Trends		
p. 50	Q33	Available data suggest that most commerce graduates gain employment, but not necessarily in the area of their major or specialism. Anecdotal evidence suggests that employment prospects are greater for those graduates who already have some work experience or who have been mentored during an internship or similar work-placement arrangement.
p. 51	Q34	Within VBS, aspects of assurance of learning could be considered to measure the acquisition of non-cognitive skills in courses. It would be a logical extension of this process to cast the data in terms of a median student profile, and perhaps ultimately to provide students with a score-card of their non-cognitive skills.
p. 53	Q35	<p>The tertiary education 'system' has made these types of adaptations in the past, and introduced new courses, programmes and qualifications in response; it is likely that the system could adapt in the future. However, the 'system' does tend to focus on developing complete qualifications rather than offering courses / modules to meet the 'just-in-time' (JIT) market. However, JIT courses / modules are likely to become more necessary as employment becomes less of a career and more of a series of relatively short-term engagements or assignments, as some have suggested.</p> <p>A challenge therefore will be to ensure staff are adequately supported if they are involved in new programmes; this issue is already apparent in the use of IT in tertiary education. In light of this experience and the costs of professional development of staff, TEIs may choose to engage new staff for these new programmes, potentially putting traditional tenure arrangements at risk.</p>
p. 55	Q36	<p>Victoria's recent experience with its Māori business programme suggests that the desire for Māori-centric education does not pervade all disciplines in that Māori enrolments in business courses have increased while enrolments in <i>Māori</i> business courses have declined.</p> <p>This may mean either that the projected growth of wananga may not be as strong as has been predicted or that they may increasingly offer programmes that more closely resemble those of other providers in order to maintain their market share of enrolments. This possibility of 'product convergence', therefore, suggests there would be merit in greater collaboration between wananga and other providers.</p>

Page	Question	Comment
p. 60	Q37	For many years, prophecies that unaffordability of tertiary education and its associated services (e.g., accommodation) would lead to reduced student demand have been unfounded. However, as demonstrated in 2015, tightening of academic admission requirements to universities can have a significant influence on enrolments.
p. 60	Q38	Costs of virtually all services are increasing faster than the rate of inflation: tertiary education is no exception. The way inflation is currently calculated in New Zealand means it is no longer a relevant indicator of the movement of prices of goods and the cost of services.
p. 61	Q39	The balance between types of provider and the levels of qualification offered are largely provider responses to government priorities – and therefore funding.
p. 62	Q40	A provider's annual reports may have sufficient information to determine these trends
p. 64	Q41	<p>In terms of the application of 'Baumol's cost disease', we note</p> <ol style="list-style-type: none"> (1) the expectation of significant personalising of content seems unlikely to be realised in practice. (2) Globally, enrolment in MOOCs continues to increase, but the number of completions is highly variable: one source cites between 15% and 40%. * This is far lower than TEC's expectations for course completions in New Zealand. <p>While Bowen's law might be claimed to be generally applicable to universities globally, its applicability in New Zealand is limited by government intervention in matters of funding and EFTS. There are a few examples – most notably MBA programmes – where course fees are set at levels perceived by the university to be acceptable to the 'market'; presumably were enrolments to fall, the fees too would be reduced.</p> <p>In the ITP sector, there is a greater recognition of the barrier that high tuition fees can exert on enrolments, and so some courses, particularly those at foundation levels or those targeted at disadvantaged groups, are offered free of charge to participants, † effectively being subsidised by students in other programmes. The 'zero fees' for Southern Institute of Technology reflects the ability of that organisation to raise significant sponsorship from the communities it serves ‡, and to make use of government grants that accompany domestic enrolments.</p> <p>*MOOC completion rates: the data: http://www.katyjordan.com/MOOCproject.html † An example is 'Free courses': http://www.wintec.ac.nz/courses/Pages/free.aspx ‡ About the SIT Zero Fees scheme: https://www.sit.ac.nz/Fees-Enrolments/Zero-Fees</p>
p. 64	Fig. 32	Similar diagrams could undoubtedly be constructed for earlier technologies (e.g., broadcasts to schools, educational television) that were predicted to change the face of education: they are, indeed, correctly described as "hype cycles"
p. 67	Q42	<p>Amid all the hype, it may be appropriate to note that for many people, education is a socially mediated activity, and learning by distance or by using 'technology' is undertaken not necessarily as a preference but because there may be no other choice that fits with employment, lifestyle, etc. Interestingly,</p> <p>Open Polytechnic has found that in some types of programmes, the inclusion of a social contact dimension in its online courses increases completion rates.* There continues to be research undertaken that casts doubt on the effectiveness of 'digital learning', rehearsing the stance that technology cannot substitute for good teaching and good teachers, while other research asserts the effectiveness of digital learning. Consensus seems unlikely. Some organisations are bypassing the digital versus face-to-face debate through introducing courses that include both learning environments, sometimes referred to as 'blended learning'.</p> <p>Distance or technology-mediated teaching is not necessarily cost effective; if data were available some analysis of the costs of design and delivery of Massey University and Southern Institute of Technology online, distance and F2F programmes might be instructive.</p> <p>*Report of External Evaluation and Review – The Open Polytechnic of NZ (2015, July), pp. 15,26.</p>
p. 67	Q43	
p. 71	Q44	<p>'Internationalisation' is too often interpreted as a metaphor for increasing the number of enrolments of fee-paying students from overseas, often portrayed as a benefit to domestic students (see response to Q38). If the true costs of recruitment and support of international students while in New Zealand were included, the financial benefit to a provider's finances might not be as much as is often claimed.</p> <p>There are also potentially severe reputational risks to providers enrolling large numbers of international students whose expectations and standards of academic integrity are different from those espoused in New Zealand.</p>

Page	Question	Comment
p. 71	Q45	<p>Despite the rhetoric, international students are attracted to New Zealand</p> <ul style="list-style-type: none"> (i) at times when there is a price advantage and (ii) because in a world wracked by terrorism and inter-religious warfare, New Zealand is seen as a comparatively safe educational destination. <p>The latter reason and the inferred comparability of New Zealand universities with others overseas that hold the same international accreditations (e.g., AACSB, EQUIS, AMBA in business programmes) may assist in staff recruitment</p>
p. 71	Q46	<p>As mentioned earlier, the current emphasis on qualifications might need to be complemented by short-term modules that might or might not contribute to a qualification, but meet short-term ('just-in-time') learning or professional development needs. Qualifications might subsequently be assembled from modules in a manner akin to Otago Polytechnic's Bachelor of Applied Management degree, where assessment is through Capable New Zealand, although such provision again raises the issue of unbundling, as in Q10.</p>
p. 71	Q47	<p>Many predictions point to a loss of many jobs due to IT, a prospect already clear in business fields such as accounting, but a growth in jobs where high-level knowledge and skills cannot be matched by computers. It is, of course, hard to guess what such occupations might be.</p> <p>If current employment trends continue, there seems likely to be greater casualization or precariousness of work on the one hand and contracting to several 'employers' either consecutively or simultaneously (rather than continuous employment with one employer) on the other. This has implications for the nature of work itself, and associated matters including business ethics, employment law, taxation, etc. Many case studies currently used in business courses which are based on corporate business models that are already somewhat dated – will become irrelevant. Business degree programmes in 20 years' time are likely to be very different from current ones.</p> <p>Moreover, the casualised and contracting environment, with its greater mobility between sectors, has the potential for requiring more re-training and professional development. This requirement is likely to be best met by 'nimble' education providers, who see the opportunity for short courses in niche markets, rather than a focus on longer term study towards a qualification.</p>

PCIP 5.0 New models		
Page	Question	Comment
p. 74	Q48	
p. 74	Q49	<p>● The Georgian State University activity “improving student outcomes with data-driven advising and intervention” appears essentially similar to schemes used by several New Zealand ITPs. Rather than expecting students to be the initiators of requests for assistance, the provider monitors attendance, submission of assignments, etc., and sends reminders, suggestions, etc. as appropriate. Anecdotal evidence suggests that this approach is helpful to ‘at-risk’ students, especially those at lower NQF levels. As mentioned previously, the Open Polytechnic – principally an online provider – has found that personal follow-up with its students in the early stages of courses increases course and qualification completion rates, although there are other factors at play in the managing of enrolments at this organization that mean the number of at-risk students enrolled has probably decreased. Victoria also runs an intervention system for at-risk students – ‘Course Signals’ – for selected courses. This system provides information for all students enrolled in a course about their performance/engagement to date, using traffic light signals. The system can send tailored messages to students depending on whether they are in the ‘red’, ‘amber’ or ‘green’ category.</p> <p>It certainly appears that proactive intervention – i.e., providing a human face, even to online education – assists in student success: a human face to education, a finding some would not find surprising.* However, it might be noted that such procedures – although beneficial to students and perhaps the TEI initially – may reduce the effectiveness of strategies that encourage students to take responsibility for their own learning and become independent and motivated learners.</p> <p>● A key message that has come through from VBS’ research is that the passion of teachers is not only a strong motivator, but is in many cases a necessary condition for student learning goals to be met. Thus, the question becomes: What is needed to make teachers display passion about their subject, students, and about teaching; and what are the detractors? Passion is a common characteristic displayed by ‘top’ teachers.† Yet students at Victoria have asserted that “lecturers are only here for research”, and have cited this as a core problem acting as a barrier to their learning.‡ This suggests that passion has to be directed at helping students learn, not just about doing their own research, if it is to effectively motivate students to perform better.</p> <p>● The idea of qualifications being assembled from a combination of formal courses and work experience (the latter not part of a formal programme, unlike internships and work placements as in degrees such as the BSc(Tech) at Waikato University) is used in Otago Polytechnic’s Bachelor of Applied Management,§ with involvement of Capable New Zealand, which validates non-academic experience as equivalent to academic courses.¶ Future study options may well include modules and learning not initially taken for formal credit, but in due course students and employers may wish to see at least some of them brought together in a more structured way.</p> <p>.... The references associated with this response are on following page</p>
p. 74	Q49 (cont.)	<p>*Pinker, S. <i>The village effect: why face-to-face contact matters</i> (2014). Canada: Random House, pp. 200-211.</p> <p>†Teaching success project: http://www.victoria.ac.nz/vbs/teaching/steps-to-success</p> <p>‡ Kimani, S. (2015). <i>Exploring quality of learning and teaching experiences in higher education using the theory of constraints: Kenya and New Zealand</i>. (PhD thesis, Victoria University of Wellington, 2015). http://researcharchive.vuw.ac.nz/bitstream/handle/10063/4878/thesis.pdf?sequence=1</p> <p>§ http://www.op.ac.nz/study/business-tourism-and-it/business/bachelor-of-applied-management/</p> <p>¶ http://www.capablenz.co.nz/</p>

Page	Question	Comment																																				
p.75	Q50	<p>● New models of provision should be able to demonstrate comparable outcomes to earlier approaches to delivering similar material. This tenet is implicit in TEC's educational performance indicators which provide no concession for lower success rates of online provision, at one time considered to be both expected and satisfactory by some online and distance providers. TEC's stance might have a consequence for those TEIs considering introducing MOOCs, although a deferred enrolment counting regime could be used to 'game' the system.</p> <p>● The NZQA approach of outcome-based evaluation of providers (through a consideration of selected programme and support areas) may be better placed than the input-focused AQA academic audit process to provide quality assurance and accountability for new models of tertiary education, in that the implementation of apparently satisfactory input systems cannot necessarily ensure satisfactory educational outcomes; as shown schematically in the diagram below based on a real example, in which student satisfaction was considered a measure of student success by the TEI, but was considered by an evaluation team to be better viewed as an input to an 'outcome that matters': course completions</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td rowspan="4" style="writing-mode: vertical-rl; transform: rotate(180deg);">Student satisfaction</td> <td>High</td> <td colspan="3" rowspan="4" style="background-color: #d9ead3; text-align: center;"> </td> </tr> <tr> <td></td> </tr> <tr> <td>Low</td> </tr> <tr> <td></td> </tr> <tr> <td></td> <td></td> <td>Y1</td> <td>Y2</td> <td>Y3</td> </tr> <tr> <td colspan="2"></td> <td colspan="3">Course occurrence</td> </tr> </table> <table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td rowspan="4" style="writing-mode: vertical-rl; transform: rotate(180deg);">% Course completions</td> <td>High</td> <td colspan="3" rowspan="4" style="background-color: #d9ead3; text-align: center;"> </td> </tr> <tr> <td></td> </tr> <tr> <td>Low</td> </tr> <tr> <td></td> </tr> <tr> <td></td> <td></td> <td>Y1</td> <td>Y2</td> <td>Y3</td> </tr> <tr> <td colspan="2"></td> <td colspan="3">Course occurrence</td> </tr> </table> </div>	Student satisfaction	High					Low				Y1	Y2	Y3			Course occurrence			% Course completions	High					Low				Y1	Y2	Y3			Course occurrence		
Student satisfaction	High																																					
	Low																																					
		Y1	Y2	Y3																																		
		Course occurrence																																				
% Course completions	High																																					
	Low																																					
		Y1	Y2	Y3																																		
		Course occurrence																																				
p. 75	Q51	The risks to New Zealand's export and education, particularly in respect of online developments in education are rehearsed on pp. 69-70 of the Issues Paper. It is difficult to see how New Zealand could successfully compete in the international mass education market; its international efforts may be better directed to niche markets, perhaps concentrating at the postgraduate level.																																				
p. 77	Q52	<p>While overseas experience may be instructive, the relative physical isolation of many New Zealand communities makes commuting difficult (but see Q56), and the reluctance of New Zealanders to take up ultrafast broadband* may limit the likely engagement with digital delivery, at least in the immediate future.</p> <p>*The current politics of ultrafast broadband installation favours rural and small-town New Zealand over metropolitan areas, but as at March 2016, only 20% of households in areas where ultrafast broadband is available have taken it up.</p>																																				
p. 78	Q53	<p>Because enhancement of Māori success in education is a requirement under the Tertiary Education Strategy, most TEIs will have initiatives in this area. They include: (i) pre-enrolment visits to marae or similar involvement with iwi; (ii) providing a space where Māori are 'at home', either an on-campus marae or a space deemed equivalent; (iii) involving whanau or iwi in enrolment and support processes; (iv) targeted support services during study, including financial advice and support. Because of alleged privacy concerns it is hard to gauge the effectiveness of these interventions in terms of success: Māori students often consider they are appropriately supported in their study, but the educational performance indicators may still not be comparable to other students. This has led to some providers down-playing this result, by asserting that non-educational outcomes from study are also significant, particularly for Māori.</p> <p>A recent trend is to involve Māori entities more formally in funding scholarships and in developing other initiative. Most large TEIs have appointed senior staff to promote such relationships and build the TEI's capability in being responsive to the educational needs and aspirations of Māori, in the case of universities, appointments of Deputy Vice-Chancellor (Māori) are a typical response.</p>																																				
p. 79	Q54	<p>In general, Pasifika educational achievement exceeds that of Māori, but is still lower than others. Strategies to enhance Pasifika achievement have been later to emerge, and are often less developed than those for Māori, sometimes continuing to emphasise participation rather than achievement.</p> <p>TEIs in a catchment with low numbers of Pasifika people and thereby low numbers of potential Pasifika students may find it difficult to justify specific strategies on grounds of cost, and will tend to include the initiatives with those for Māori. However, this approach is likely to be unsuccessful because Pasifika peoples do not comprise a single community of interest, and potential Pasifika students differ from Māori in terms of their relationship to family/whanau and community/iwi.</p> <p>Perhaps reflective of the relative 'immaturity' of Pasifika tertiary educational initiatives, senior appointments that parallel the Deputy Vice-Chancellor Māori are still relatively uncommon, although Victoria has had an Assistant Vice-Chancellor Pasifika for several years.</p>																																				

Page	Question	Comment
p. 79	Q55	<p>There have been numerous schemes in this area, mostly operated by ITPs and PTEs, funded through programmes such as “Star”, “Youth Guarantee”, “trades academies”, etc. There have been successes in this area, with the benefits generally described as much in terms of improved engagement by students as any formal educational outcomes. Although considered ‘tertiary education’ in New Zealand, this type of activity is certainly not ‘higher education’ in its usually accepted sense and its inclusion in the sector is really a way of obfuscating the inability of the New Zealand secondary school system to engage with disaffected youth.</p> <p>While Waikato University has a ‘Star’ programme, universities generally do not focus on this area, and probably should not do so.</p>
p. 79	Q56	<p>Distance delivery and – more recently – online delivery have been common ways of providing access to tertiary education for remote university students in New Zealand, with Massey University being the best known provider. In vocationally oriented education, The Open Polytechnic and Southern Institute of Technology have large online and distance portfolios, but other providers now also offer online courses and modules within more conventionally delivered programmes. As noted earlier in this response, distance and online education have often resulted in poor educational performance statistics, but, both locally (effectively at the insistence of TEC) and internationally, efforts are being made to address this issue.</p> <p>For many years, Waikato University has offered selected first-year courses at some of its surrounding institutes of technology, in order to enable students to ‘taste’ university education without leaving home. The University also has a working relationship with Bay of Plenty Polytechnic to enable the presentation of lectures in Tauranga at the same time as those in Hamilton, meaning that participating students do not need to commute from Tauranga to Hamilton. From 2016, the same type of videoconferencing arrangement will enable part-time students in Auckland to participate in selected postgraduate courses offered at Victoria University.</p> <p>Waikato University has also explored the possibility of commuter buses from neighbouring towns to its campus: initially from Tokoroa and Putaruru, with later possibilities, including Te Kuiti, Te Aroha and Morrinsville* This extends the University’s reach beyond the current ‘commuter belt’ served by the city’s bus network. Massey University and University of Canterbury, hubs of regions with a number of smaller communities could explore similar options, which might increase the number of students at minor cost, and certainly at much less cost than building or acquiring further accommodation for students with an increasingly diverse range of lifestyles.</p> <p>* https://fyi.org.nz/request/2780/response/8978/attach/3/OIA%20Request%20Mr%20Farrell.pdf</p>
p. 79	Q57	<p>Public awareness and changed building requirements have meant that access by physically disabled students has improved in recent decades. Surveys of students are really the only way of establishing that their needs are being met, but the effectiveness of such strategies is difficult to assess as TEC does not publicly disclose the educational achievements of disabled students.</p> <p>There is evidence that an increasing number of students with existing or potential mental health issues are attending TEIs, and thus an array of services are being provided to meet the needs these students bring to campus or acquire while they are there.</p>
p. 79	Q58	<p>Particularly at ITPs, PTEs and ITOs (and probably wananga), there have been strong efforts to both recognise and attempt to redress low levels of literacy and numeracy of students, particularly at low levels of the NQF. Standardised tools are now available to assess students’ entering status and to monitor improvement in these areas, recognizing that these skills are necessary for all courses and programmes.</p> <p>The literacy and numeracy requirements for entry to University were tightened in 2014, leading to some reduction in the number of first-year students at the start of 2015. Even so, there are persistent concerns expressed that standards of literacy and numeracy required to gain NCEA3 are inadequate for university education.</p> <p>Although considered ‘tertiary education’ in New Zealand, improvement in functional numeracy and literacy is hardly ‘higher education’, and its inclusion in that sector is really another way of obfuscating the inability of the New Zealand school system to engage with ‘reluctant’ or ‘difficult’ learners.</p>

Page	Question	Comment
PCIP 6.0 Creating an innovative system		
p. 81	Q59	Difficult to say: There probably is “considerable inertia” in the system, but to some extent the inertia caused by the bureaucracy associated with establishment of providers, approval of programmes and courses, and quality assurance systems: (i) reduces the exposure of students to the risk of wasting their time and/or money on education, the reputation and quality of which they have neither the ability nor resources to check for themselves; but (ii) maintains the credibility of New Zealand tertiary education providers.
p. 81	Q60	<i>Factors associated with successful innovation:</i>
p. 81	Q61	Unless innovation results in commercially viable products or services via patenting or sales, Individual innovators may not receive much personal benefit from their innovation. However, TEIs may gain benefit from enrolments in ‘new’ courses and programmes, e.g., the enrolment spike in BScTech-type programmes, with their built-in workplace experience, which were believed to enhance graduate employment prospects, the revitalization of traditional programmes by the introduction of ‘new’ specialisms, e.g., ‘marine mammal biology’ in biology, ‘leisure studies’ in management or science, ‘gaming’ in information technology.
p. 81	Q62	See Q59
p. 81	Q63	<p>Even within a TEI, diffusion of innovation can be difficult, and not surprisingly, it often seems to take an external view of the organization to identify opportunities for diffusion of innovation and/or best practice within a TEI (an often unrecognized benefit of EERs, academic audits, accreditations, etc.).</p> <p>Ako Aotearoa was established to facilitate the diffusion of innovative and ‘best’ practice across the tertiary education sector. Its ‘resource centre’ “contains all the work that Ako Aotearoa has produced or funded, as well as content from Groups on the site, and many other case studies, tools and reports from New Zealand and overseas”. Of course it is not possible to know the number of innovative practices implemented at programme- or TEI-level that have not found their way to Ako Aotearoa, so its influence on diffusion is unclear.</p> <p>At a programme level, inter-TEI collaboration on new and potentially innovative programmes is becoming increasingly common. Recent examples include the revamp of sub-degree engineering developed by a consortium of ITPs, and the master’s degree in ICT involving selected universities and institutes of technology,* and the exploration of the viability of a single inter-university degree programme in Māori Business. Collaboration between institutions themselves – both general† and specific ‡– has the potential to facilitate the sharing of innovative practice.</p> <p>*The Wellington ICT Graduate School, which is a partnership between Victoria University, WelTec and Whitireia is an example (http://www.victoria.ac.nz/about/explore-victoria/faculties-schools/wellington-ict-graduate-school)</p> <p>†An example is TANZ, an accord between seven institutes of technology (http://www.tanz.ac.nz/about_us/about_us.php)</p> <p>‡An example is CONZUL, an inter-university committee of Universities New Zealand which as its purpose is “to act collectively to improve access for students and staff of New Zealand universities to the information resources required to advance teaching, learning and research (http://www.universitiesnz.ac.nz/aboutus/sc/conzul)</p>
p. 82	Fig. 35	There is merit in rewarding effort, not just performance. For the universities, with possibilities including, for example: redistributing resources away from research; making teaching awards more inclusive, less competitive, and less demanding in terms of the portfolio submitted as an application for an award.
p. 83	Q64	<ul style="list-style-type: none"> ● Success of ‘Encouraging and Supporting Innovation Fund’ ● Awareness of this particular fund seemed low at Victoria, where VBS staff were well aware of the work done through the Australian Learning and Teaching Council (ALTC), which provided large grants over a three-year period to fund cross-university collaborations to research and enhance teaching and learning. The breadth of the Australian sector which covers research-intensive institutions through to teaching-focused institutions was an enabling factor, but, even so, the large research-intensive universities (including those in Sydney and Melbourne) were part of some very influential programmes. ‘Finding Common Ground’ is one example;* others looked at assessment and assurance of learning.† <p>* http://melbourne-cshe.unimelb.edu.au/research/experience/finding-common-ground</p> <p>†Hancock, P, Freeman M, Abraham A, De Lange P, Howieson B, O’Connell B, Watty K, ‘Achievement matters: External peer review of accounting learning standards’, 2015. Office for Teaching and Learning;</p>

Page	Question	Comment
p. 83	Q64 (cont.)	Booth S, Freeman M, Alexander H, Oliver R, Thompson M, Fernandez J, Valore R, 'Peer review of assessment networks: Sector-wide options for calibrating and assuring achievement standards within and across disciplines and other networks', 2015. Office for Learning and Teaching; Watty K, Freeman M, Howieson R, Hancock P, de Lange P, Abraham A, 'Social moderation, assessment and assuring standards for accounting graduates', 2014. <i>Assessment and Evaluation in Higher Education</i> , 39 (4): 461-478. Freeman M, 'An international perspective. Not just a top cited article', 2014. <i>Brookes e-Journal of Learning and Teaching</i> , 6 (1). Tant K, Freeman M and Associates, 'Academic learning standards for Finance in the Australian Higher Education context', 2014. Australian Business Deans Council. Freeman M, Ewan C, 'Good practice report: Assuring learning outcome and standards', 2014. Australian Government Office for Learning and Teaching.
p. 83	Q65	Government purchasing of innovation? Numerous educational research projects have been funded through Ako Aotearoa, a government funded entity.* The impact of these projects across the sector is not known, but is anticipated by VBS as less than that of the ALTC projects referred to above. *These are detailed in Ako Aotearoa Resource Centre under TOPICS and DISCIPLINES: https://akoaooteaoroa.ac.nz/resource-centre
p. 84	Q66	The evidence provided in the Commissions paper suggests that it will be difficult for a new provider or ITO to access TEC funding. As noted in Q67, for universities at least the process is long, arduous, and riven with conflicts of interest in the current competitive environment.
p. 85	Q67	<ul style="list-style-type: none"> ● For non-university TEOs, NZQA has adopted a rubrics-based approach to new programme approval, which enables the providers themselves to consider the likelihood of gaining approval. That said, whether there is any association of decision-makers with providers, and thereby potential conflicts of interest, is not clear from the information publicly available.* ● For universities: Because the members of CUAP are representatives of universities,† a potential conflict of interest in the approval of any new programme suggested by a university is inevitable, and this is likely to suppress innovation. There are further barriers to innovation in the universities that may not be present elsewhere. <p>Once a programme is approved, many elements are 'locked in' and would require renegotiation before they could be changed. However, it is very difficult for the first design of a programme to be approved, given so many unknowns and uncertainties. In other contexts most innovations go through many phases of redesign and adaptation while in development or after their launch, but this approach is hindered by, or would not find favour with the current CUAP approval process.</p> <p>*http://www.nzqa.govt.nz/assets/Providers-and-partners/Registration-and-accreditation/guidelines-approval-programme-accred.pdf † CUAP: http://www.universitiesnz.ac.nz/aboutus/sc/cuap</p>
p. 86	Q68	As mentioned earlier, the introduction of educational performance indicators and its implication for funding, has resulted in TEIs' showing annual increases in the quantitative measures, perhaps because of authentic improvements in course and programme delivery, but also because of a change in the mix of programmes (itself a response to other levers, particularly related to funding of low-level NQF provision) and programme admissions criteria. Such 'gains' may not be sustained in the longer term (see Fig. 3). While performance-linked funding could, in principle, lead to innovation, evidence suggests that 'gaming' the system' is the more likely institutional response, as has been alleged to have occurred during the later rounds of the PBRF.
p. 87	Table 7	The selective nature of this table means that the significant growth of degree programmes at ITPs and the loss of programmes at low NQF levels are downplayed
p. 88	Q69	Although this question is relevant only to PTEs, it is noted that most PTEs offer only a limited range of programmes that are envisaged as making a modest return on a generally minimalist investment in facilities. Educational performance of some PTEs is perhaps unexpectedly high, but many have weak quality assurance systems which render them vulnerable in the current operating environment, and many are critically dependent for their survival on the business and academic knowledge of a single owner or manager.

Page	Question	Comment
p. 89	Q70	Most courses, if not programmes, in TEIs are expected to be at least fiscally neutral, and the imposition of minimum class sizes is often used as a way of ensuring this. This crude lever may be mitigated if a particular course has a prerequisite or capstone role in a programme. Some TEIs, especially ITPs, have complex data-driven systems whereby the financial viability of courses and programmes is monitored; this serves to make any decision on closure an administrative or managerial one rather than one made by members of the academic staff who may be affected. Courses with consistently poor student feedback or low completion rates may be similarly considered for closure. Again, data-driven systems that monitor input and outcome performance can facilitate decision-making which might otherwise be problematic. Exceptions to such criteria are made where a TEI considers it has a social responsibility to offer a particular course/programme which is performing poorly academically or financially. Proposals potentially leading to such decisions about programme closure or retention are invariably brought before a TEI's Academic Board or its equivalent before being implemented.

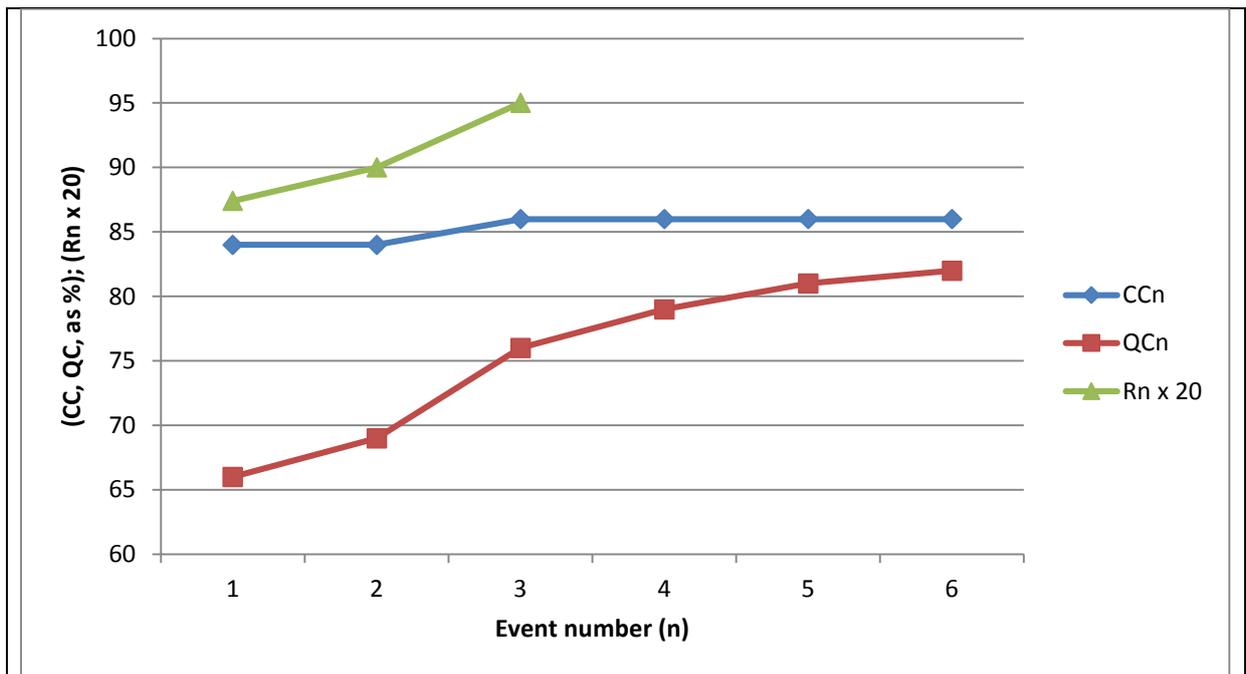


Fig. 3. Variation of course completions (CC) and qualification completions (QC) for universities with 'event number', being the number of years after the educational performance indicators were first publicly available in 2009 (i.e., first event in 2009; sixth event in 2014). The early part of the trend for QC is mirrored by the trends in the average research quality score for the three PBRF events (in 2003, 2006 and 2012). Comparison suggests the rate of increase is likely to decrease with time. The data from which this plot is compiled are given in **Appendix 4**.

Page	Question	Comment
p. 89	Q71	<p>● Despite initial impressions in their prospectuses, non-university providers tend to offer a fairly narrow range of programmes, although there is commonly a stair-casing from introductory/foundation courses to certificates, diplomas, and –increasingly – degrees.</p> <p>Overall, the tertiary education market in New Zealand is small. This, coupled with the need for financial viability, ensures that any ‘concentrating resources to develop specialisations’ is likely to be restricted to the largest TEIs, where such concentrations can be effectively subsidised by more popular and/or less resource-hungry programmes. Smaller TEIs, especially those in areas of low or modest populations would need to act collaboratively either with each other or with an urban TEI to be able to have the necessary resources to develop and offer ‘specialisations’ and the number of potential students to sustain them. Some examples of this have already been given in Q63. Alternatively, institutional mergers or a wider federalism, in which the promise of economies of scale was actually realised, might be a mechanism by which the resources necessary for concentrations might be achieved. However, this could result in reduced availability of programmes in remote areas unless delivery methods other than face-to-face were used.*</p> <p>● Particularly at the undergraduate level, the universities’ offering is broad ostensibly to provide for student choice. Universities, however, can be caught in a bind – wanting to provide flexibility which can impact negatively on the efficiency of provision. For some programmes, including in commerce, student choice of courses may be constrained because programmes have to meet perceived or real professional accreditation requirements.</p> <p>*A comparison of pre-merger and post-merger programme options available in Gisborne (where Tairāwhiti Polytechnic was merged into EIT) and in Rotorua and Tauranga (following the forthcoming merger of Waikato Institute of Technology and Bay of Plenty Polytechnic) might be instructive</p>
p. 90	Q72	Existing constraints do provide a measure of protection for students from the excesses of a free market, but overall the current tertiary policy and regulatory frameworks have a hindering effect on innovation, as implied in previous responses.
p. 91	Q73	<p>Intellectual property developed by staff and students appears to be better protected by universities than by other TEIs, where intellectual property, particularly that which is related to teaching, and which is developed during the course of employment, is vested in the TEI rather than to the individual or shared. Whether this inhibits innovation is unclear.</p> <p>In the universities, lecturers own the intellectual property and resources they have developed for teaching their own course(s), unless it has commercial potential.* However, this ownership ceases if the material is published by the University, which probably includes its dissemination on commonly used online portals such as Blackboard. From 2016 all courses at Victoria are required to have a presence on Blackboard, although the extent of this is highly variable.</p> <p>New methods of delivery, e.g., flipped classrooms, increase the need for both staff and students to dig more deeply into the material, and increase the intellectual property generated, and may make it more difficult to ensure coverage of the material in situations where staff are or become absent because of sickness, research and study leave, or retirement.</p> <p>*For an example, see Victoria’s Intellectual Property Policy: http://www.victoria.ac.nz/documents/policy/research-policy/intellectual-property-policy.pdf</p>
p. 92	Q74	The Commission’s perspective appears to represent the situation
p. 93	Q75	<p>The barriers to joint ventures inhibit the development of pathways that could benefit students. This is apparent at the potential interface between ITPs and universities, both at the ‘lower’ end, at the transition from bridging/foundation courses to degree programmes, and at the ‘upper end’ at the transition between undergraduate and post graduate study (most notable in nursing education).</p> <p>The barriers to joint ventures at a governance level also encourage a ‘silo’ culture within TEOS as well as between them. Such culture inhibits joint ownership of programmes and courses, and may restrict the interdisciplinary teaching and scholarship that TEIs publicly claim to encourage and foster.</p>
p. 93	Q76	The regulatory regime may make it difficult for some forms of capital raising, but appears not to inhibit the consideration of other models by which capital can be raised, including canvassing directly for philanthropic grants and setting up at-arm’s-length entities.

Page	Question	Comment
p. 93	Q77	<p>Innovation requires time and resources at the individual level. Degree level teachers in ITPs, PTEs and academic staff have entitlements to some time to conduct research (e.g., in laboratories) and engage in creative activities (e.g., films, art and sculpture) which can lead to innovation. This may benefit the TEI directly (e.g., contribute to PBRF funding), and /or provide personal benefits to academic staff (e.g., from patents or sales). Internal research groups are used by universities, in particular, to focus such efforts.</p> <p>Innovation in teaching is actively encouraged in some TEIs, and some have established formal in-house entities to foster this development. Innovations in teaching may provide a direct benefit to the TEI, because of enrolment growth, or improved educational performance.</p> <p>Innovation – whether in research, teaching, or administration – may be recognised by in-house awards and rewarded by promotion or financially. Whether the prospect of such rewards and recognition motivates a quest for innovation is unclear.</p>
p. 94	Q78	

Appendix 1. Measures of educational and research performance of New Zealand universities

Table A1-1. Academic audit scores, educational performance indicators, and research quality scores

University	Academic audit score*	Educational performance 2014†		Research quality score 2012‡
		Course completions (%)	Qualification completions (%)	
Massey University	1.99	80	77	4.31
University of Auckland	2.34	88	86	5.12
Victoria University	2.51	87	81	5.51
University of Canterbury	2.14	87	86	4.79
University of Waikato	2.11	85	81	4.53
	No. of data points	5	5	5
	Slope of regression line	+11.39	+6.664	+2.284
	Intercept	60.15	67.42	-0.2141
	Regression coefficient (r²)	0.534	0.128	0.978

*From *Comparative analysis of Cycle 5 audits of New Zealand universities* (2016, February). Unpublished report prepared by HodderBalog Social and Scientific Research
† From: <http://www.tec.govt.nz/Learners-Organisations/Learners/performance-in-tertiary-education/Educational-performance-at-individual-tertiary-providers/>
‡ From *Performance-Based Research Fund – Evaluating research excellence – the 2012 assessment* (2013). Wellington: Tertiary Education Commission, pp. 91-2.

Appendix 2. Measures of educational and research performance of ITPs participating in the 2012 PBRF

Table A2-1. External Evaluation and Review (EER) statements of confidence, degree enrolments, educational performance indicators for degree-level programmes and research quality scores for ITPs participating in the 2012 PBRF

ITP	Statements of confidence*		Research quality score 2012†	Enrolments in Level 7- Level 8 (L7-8) in 2014‡	Educational performance 2014‡
	EP	SA			L7-8 Qualification completions (%)
Unitec	HC	C	2.94	50	84
Eastern Inst. of Technology	HC	C	2.83	33	81
Otago Polytechnic	HC	HC	2.79	53	92
Manukau Inst of Technology	HC	HC	2.76	34	89
CPIT	HC	C	2.57	46	77
WelTec	HC	C	2.51	30	76
Northland Polytechnic	C	C	2.44	16	92
Whitireia Polytechnic	HC	C	2.37	47	88
Waikato Inst. of Technology	HC	C	2.36	46	75
Open Polytechnic	C	C	2.00	28	100
No. of data points				10	10
Slope of regression line				+0.154	-9.66
Intercept				-0.012	+110.4
Regression coefficient (r²)				0.136	0.122
<p>*Statements of confidence in educational performance (EP) and capability in self-assessment (SA) are: “Highly confident” (HC), “Confident”(C), “Not yet confident” (NYC), or “Not confident” (NC). The statements are derived from the first round of external evaluation and reviews conducted initially by ITP Quality and continued by NZQA over the period 2010-2012. The results are available on the NZQA website and were compared in <i>Some perspectives and trends of educational performance and capability in self-assessment of programmes offered by New Zealand institutes of technology and evaluated in 2010-2012</i> (2013 December). Report prepared for NZ Qualifications Authority by HodderBalog Social and Scientific Research</p> <p>†From <i>Performance-Based Research Fund – Evaluating research excellence – the 2012 assessment</i> (2013). Wellington: Tertiary Education Commission, pp. 91-2.</p> <p>‡From: http://www.tec.govt.nz/Learners-Organisations/Learners/performance-in-tertiary-education/Educational-performance-at-individual-tertiary-providers/</p>					

Appendix 3. Teaching excellence award winners by (1) type of tertiary educational institute and (2) by academic rank of awardees

Table A3-1. Teaching excellence award winners 2007-2015, by type tertiary educational institute

Year	TEI type for Supreme Award winners*				TEI type for Sustained Excellence Award winners*			
	University	Whare wananga	Institute of Technology	Private Training Establishment	University	Whare wananga	Institute of Technology	Private Training Establishment
2007			1		8		1	
2008	1				7		1	1
2009	1				6		2	1
2010			1		7†		3	
2011	1†				8†		3	
2012	1				7		2†	2‡
2013	1				5		3	
2014	1				6†		5	
2015	1†				8		3	
2007-2015								
No.	7		2		62		23	4
%	78%		22%		70%		26%	4%

*Compiled from <https://akoaooteaoroa.ac.nz/ako-aoteaoroa/resources/pages/ttea-recipients>
† Includes an award for sustained excellence in teaching in a Māori context
‡ Includes two awards for sustained excellence in teaching in a Māori context

Table A3-2. Teaching excellence award winners 2007-2015, by academic rank of awardees

Year	Academic rank of Supreme Award winners*						Academic rank of Sustained Excellence Award winners*					
	P†	AP	SL	L	ST	T	P	AP	SL	L	ST	T
2007		1						3	5	1		
2008			1				1		5	1		1
2009			1				1	1	3	2	1	1
2010			1					2	6		2	
2011	1						2	1	5		2	
2012			1					1	3	2	2	1
2013		1					1	2	4	2		
2014				1			1	2	4	2		
2015		1					3	1	5	1	1	
2007-2015												
No.	1	2	4	1			9	13	40	11	8	3
%‡	13%	25%	50%	13%			11%	15%	48%	13%	10%	4%

* Compiled from <https://akoaooteaoroa.ac.nz/ako-aoteaoroa/resources/pages/ttea-recipients>; academic standing is not given in all cases, so there will be discrepancies between this and the previous table
† Designations: P, Professor; AP, Associate Professor / Principal Academic Staff Member ("PASM"); SL, Senior Lecturer / Pūkenga matua /Senior Academic Staff member ("SASM"); L, Lecturer / Pūkenga / Academic Staff member ("ASM"); ST, Senior Tutor / Senior Teaching Fellow; T, Tutor, Teaching Fellow
‡ '% ' is of awardees

Appendix 4. Time trends in the PBRF quality scores and the educational performance indicators for universities

Table A4-1. Variation in average PBRF scores by institutional size

Size of TEO	Year of 1st PBRF round: 2003	Inter-round change	Year of 2nd PBRF round: 2006	Inter-round change	Year of 3rd PBRF round: 2012
	<i>Event no. (as used on Fig. 3)</i>				
	1		2		3
	Average of FTE-weighted Research Quality scores (R1)	$\Delta 1 = (R2-R1)$ $\Delta 1 / R1$	Average of FTE-weighted Research Quality scores (RQ2)	$\Delta 2 = (R3-R2)$ $\Delta 2 / R2$	Average of FTE-weighted Research Quality scores (R3)
Large*	4.37	+0.13 +3%	4.50	+0.25 +5.6%	4.75
Medium	2.72	-0.28 -10.3%	2.44	+0.16 +6.6%	2.60
Small	2.78	-0.54 -19%	2.24	+0.22 +9.8%	2.46
All participating TEOs	4.30	+0.10 +2.3%	4.40	+0.26 +5.9%	4.66

*Large TEOS include all the universities and UNITEC

Table A4-2. Annual variation of average course and qualification completions for universities

	Year					
	2009	2010	2011	2012	2013	2014
	<i>Event no. (as used on Fig. 3)</i>					
	1	2	3	4	5	6
Median educational performance indicators - universities						
Course completions (%)	84%	84%	86%	86%	86%	86%
Year-on-year change	No change	+2%	No change	No change	No change	
Qualification completions (%)	66%	69%	76%	79%	81%	82%
Year-on-year change	+3%	+7%	+3%	+2%	No change	