

About this document

The Government has asked the Productivity Commission to carry out an inquiry into “new models of tertiary education”

The Commission has published an **issues paper** on its website to assist individuals and organisations to participate in the inquiry. The issues paper outlines the background to the inquiry, the Commission’s intended approach, and the matters about which the Commission is seeking comment and information. It also contains 78 specific questions to which responses are invited.

This document sets out **just the 78 questions from the issues paper**. Submitters are welcome to use this document as the basis of their submissions. Submissions are also welcome in many other forms, as outlined in the issues paper.

Making a submission via this document

All submissions should include the submitter’s name and contact details, and the details of any organisation represented. This information can be entered below.

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Submissions may be lodged at www.productivity.govt.nz or emailed to info@productivity.govt.nz. Word or searchable PDF format is preferred. Submissions may also be posted. Please email an electronic copy as well, if possible.

The Commission will not accept submissions that, in its opinion, contain inappropriate or defamatory content.

What the Commission will do with submissions

The Commission seeks to have as much information as possible on the public record. Submissions will become publicly available documents on the Commission's website shortly after receipt unless accompanied by a request to delay release for a short period.

The Commission is subject to the Official Information Act 1982, and can accept material in confidence only under special circumstances. Please contact the Commission before submitting such material.

Key inquiry dates

Receipt of terms of reference:	3 November 2015
Due date for initial submissions:	4 May 2016
Release of draft report:	September 2016
Draft report submissions due:	November 2016
Final report to Government:	28 February 2017

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Response by College of Health, Massey University

On behalf of the College of Health Board we would like to add the following statements to preface our response to the relevant questions below.

1. New Zealand is unique in its geographical location and has a relatively small population; it is likely that both these factors along with limited migration are likely to have far greater and significant impact on productivity than new models of tertiary education.
2. Research-led tertiary institutions that prepare graduates who are flexible and responsive to an ever-changing environment are crucial to a society that is rapidly changing in terms of social, technological, economic and demographic trends.
3. 'Good tertiary education' is a complex multifaceted term and as such not easy to measure but it should include robust quality assurance, research led/based education, student satisfaction, broader benefit to the community/country as a result of individual intellectual growth.
4. Tertiary education strategy here appears to be focused on economic growth; arguably half of the current strategy should be addressed by social policy changes and improvements in primary and secondary education

Question number	Question text	Where the question appears
Q1	What are the advantages and disadvantages of administering multiple types of post-compulsory education as a single system?	Page 3

Adv: decreased administrative bureaucracy

Disadv: addressing different needs/requirements; different measures of success and quality/fit for purpose, different drivers at different providers.

Q2	Do prospective students have good enough information to enable them to make informed choices about providers and courses? What additional information should be provided? Who should	Page 8
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provide it?

A clear frank and honest comparison that reflects costs (financial and time), employment opportunities, international and national reputation, learning and work experiences offered etc. provided by an independent entity.

Q3

Is the business model of universities published by Universities New Zealand a good characterisation? Are there aspects of the business model of universities that it does not explain?

Page 11

Not sure how much student satisfaction is captured in current business models. Also unsure of how the uniqueness of NZ/Maori are embedded in the model.

Q4

What is the business model of ITPs? Do the business models of ITPs vary significantly? In what ways?

Page 12

Q5

What are the business models of the three wānanga?

Page 12

Q6

Do the business models of PTEs have common characteristics?

Page 12

Q7

What are the implications of economies of scale in teaching (and the government funding of student numbers) for the delivery of tertiary education in different types of providers and for different types of courses and subjects?

Page 12

Q8

How does competition for student enrolments influence provider behaviour? Over what attributes do providers compete? Do New Zealand providers compete with one another more or less than in other countries? **Page 12**

Decreased collaboration, decreased competitiveness at international level?

Q9

What are the implications of fixed capital costs for the business of tertiary education? Do differences in the capital structure of different tertiary institutions have important implications for the delivery of tertiary education? **Page 13**

Yes with respect to emphasis put on teaching versus research?

Q10

What are the implications of the multiple activities of tertiary education for its delivery? What outputs are best produced together? What outputs are best produced separately? **Page 13**

Q11

What are the benefits and disadvantages, in terms of students' learning outcomes, of bundling together research and teaching at universities in New Zealand? **Page 14**

Both should be built equally, unbundling may be a healthier approach; having both research and teaching vital within an academic institute but requires careful management to ensure excellence in both teaching and research is achieved without detriment to either.

Q12

What value is attached to excellence in teaching compared to excellence in research when universities recruit or promote staff? **Page 14**

Some progress but still lesser value associated with teaching excellence in terms of career advancement

Q13

Do New Zealand TEIs cross-subsidise research with teaching income? **Page 14**

Yes

Q14

What other evidence is there about what makes for effective teaching in a tertiary environment? Is it different for different types of learning or student? How can teaching effectiveness be best measured and improved?

Page 17

Lot of emphasis on student, their motivation and prior learning experiences
Greater transparency, more institutional and programme level direction/standards

Q15

How do tertiary providers assess, recognise and reward teaching quality in recruitment and career progression? To what extent do tertiary providers support the professional learning of teachers?

Page 19

Some; i.e. annual teaching excellence awards, expectation for promotion is that deliver across all aspects of academia, still very much undervalued/regarded in terms of career progression.

Q16

How do New Zealand tertiary providers use student evaluations? How does this influence provider behaviour?

Page 19

Informs course development and changes, important to have relatively quick action and communication with students to emphasise the importance and purpose of student evaluations and so they are not just seen as box ticking exercises

Q17

In what ways and to what extent do employers interact with tertiary providers in New Zealand? Are there practical ways to encourage employers to have greater or more productive involvement in the tertiary education system?

Page 21

Stakeholder feedback for graduate attributes, employability skills, good working relationships with employers and placement providers. In addition, many programmes have Advisory Boards which include industry representatives.

Q18

What are the similarities and differences among ITOs, or between ITOs and other tertiary subsectors, in how they operate?

Page 21

Q19**What makes for a successful ITO in terms of meeting the needs of firms for skilled staff? Page 21****Q20****How effective is the ITO model in meeting the needs of learners and firms? Page 21****Q21****What arrangements for arranging workplace training and apprenticeships in other countries could New Zealand usefully learn from? Page 21****Q22****Is the current architecture a good fit for a tertiary education system? What are its advantages and disadvantages? Are there good alternatives? Page 24**

Tertiary education here appears to be focused on economic growth; arguably half of the architecture should be addressed by social policy changes and improvements in primary and secondary education?

Q23**How effective is the TES instrument at giving government education agencies direction about prioritising resources and making trade-offs in carrying out their roles? What are the benefits and risks, in terms of fostering an innovative system, of a more or less directive TES? Page 24**

Q24

How do other instruments (eg, funding mechanisms, letters of expectation, budget initiatives) influence government agencies' behaviour? How do these align with the TES instrument?

Page 24

Q25

When do the TEC's independent funding role and its Crown monitoring role align, and when are they in tension?

Page 25

Q26

What are the pros and cons of different quality assurance arrangements for universities to those for ITPs, wānanga, and PTEs?

Page 26

Q27

How do New Zealand's government institutional arrangements for tertiary education compare to those in other jurisdictions?

Page 27

Q28

In what ways does a focus on educating international students complement or undermine the other goals of tertiary education providers?

Page 31

Q29

What factors best explain the discrepancy between growing levels of tertiary education attainment without a significant productivity dividend?

Page 34

Unique geographical location, small population

Q30

What are the best measures to determine whether the tertiary education system is working well?

Page 36

Student satisfaction, completion, international recognition, employability, social progression/enhancement and innovation

Q31

What other evidence is there about the influence of tertiary education system performance on graduate income premia in New Zealand?

Page 38**Q32**

To what extent are graduates meeting employers' expectations with respect to hard or technical skills? What about soft skills and capabilities?

Page 47**Q33**

What are the significant trends in employer demand for tertiary-educated employees, and in student demand for tertiary education? How is the system responding?

Page 50

Q34

What is being done to develop, assess and certify non-cognitive skills in tertiary education in New Zealand? Do approaches vary across provider types, or between higher, vocational, and foundation education?

Page 51

Massey University has developed an Employability initiative.

Q35

What are the implications of new technologies that are predicted to make many currently valuable skills obsolete? Will this change the role of the tertiary education system?

Page 53

Flexibility and preparedness is key, ensuring alignment with primary and secondary education also important

Q36

What challenges and opportunities do demographic changes present for the tertiary education system?

Page 55

The opportunities are providing appropriate tertiary education programmes for the aging population in NZ. The challenges are related to the delivery and maintenance of those programmes.

Q37

What evidence is there on the effect of tuition fees on student access to, or the demand for, tertiary education in New Zealand?

Page 60

Q38

What are the likely impacts of domestic student fees increasing faster than inflation?

Page 60

Q39**What impact has the pattern of government spending on tertiary education had on the tertiary education provided? Page 61****Q40****How have providers' input costs and revenue changed over time? What are the implications of these changes? Page 62****Q41****How might Baumol's cost disease or Bowen's law (discussion of which tends to focus on providers like universities) apply in other parts of the tertiary education system? Page 64****Q42****What specific technologies should the inquiry investigate? Why? Page 67**

Ensure there is alignment across primary, secondary and tertiary education

Q43**What parts of the tertiary education system are challenged by ongoing technological change? What parts can exploit the opportunities created? Page 67**

Q44

How has internationalisation affected New Zealand's tertiary education system? What are the ongoing challenges and opportunities from internationalisation of the tertiary education system?

Page 71

From the College of Health's perspective internationalisation of key programmes is a key initiative in the strategic plan for the College. The challenges relate to competition in the international tertiary education market place, and how the College of Health programmes can best compete by providing evidence of excellence in teaching and research.

Q45

Is the "New Zealand" brand an important part of international competition for students, staff, and education products and services? What should providers and government do to manage or enhance this brand?

Page 71

Collectively promote unique NZ academia globally; showcase internationally what we have to offer the world- promotion/PR should be done at government level if desire is to increase national productivity.

Q46

What other trends provide challenges and opportunities for the tertiary education system?

Page 71

Technology and the delivery of tertiary education programmes; integrated workplace/experiential learning;

Q47

What trends are likely to be most influential for the tertiary education system over the next 20 years?

Page 71

Similar to Qu.46.

Q48

Are there other important types of new model that should be included within the scope of this inquiry?

Page 74

Q49

What new models of tertiary education are being implemented in universities, ITPs, PTEs and wānanga? How successful have they been?

Page 74**Q50**

Are current quality assurance and accountability arrangements robust enough to support a wide range of new models?

Page 75**Q51**

How might new models of tertiary education affect the New Zealand brand in the international market for tertiary educations, students, education products and services?

Q52

What can be learnt from the tertiary education systems of other countries? Are there models that could be usefully applied here?

Page 77**Q53**

What measures have been successful in improving access, participation, achievement and outcomes for Māori? What measures have been less successful? Why?

Page 78

Q54

What measures have been successful in improving access, participation, achievement and outcomes for Pasifika? What measures have been less successful? Why?

Page 79

Q55

What measures have been successful in improving access, participation, achievement and outcomes for at-risk youth? What measures have been less successful? Why?

Page 79

Q56

What measures have been successful in improving access, participation, achievement and outcomes for those with limited access to traditional campus-based provision? What measures have been less successful? Why?

Page 79

Q57

What measures have been successful in improving access, participation, achievement and outcomes for people with disabilities? What measures have been less successful? Why?

Page 79

Q58

What measures have been successful in improving access, participation, achievement and outcomes for adults with low levels of literacy or numeracy? What measures have been less successful? Why?

Page 79

Q59

How innovative do you consider the New Zealand tertiary education system is? Do you agree that there is “considerable inertia” in the system compared to other countries? If so, in what way and why?

Page 81**Q60**

What are the factors associated with successful innovation in the tertiary education system?

Page 81**Q61**

What are the benefits to innovators in the tertiary education system? What challenges do they face in capturing these benefits?

Page 81**Q62**

What are the barriers to innovation in the tertiary education system? What might happen if those barriers are lowered?

Page 81**Q63**

How well do innovations spread in the tertiary education system? What helps or hinders their diffusion?

Page 81**Q64**

How successful was the Encouraging and Supporting Innovation fund in promoting innovation in the tertiary sector? What

Page 83

evidence supports your view?

Q65

Are there examples where the New Zealand Government has directly purchased innovation or innovative capacity in tertiary education? If so, was it successful?

Page 83

Q66

How easy or hard is it for a new provider or ITO to access TEC funding?

Page 84

Q67

Does the programme or qualification approval process via NZQA or CUAP enable or hinder innovation? Why?

Page 85

From the College of Health's perspective, the CUAP process may in some circumstances hinder innovation due to the lengthy and protracted review processes. Innovation is usually associated with opportunities to react and provide services and programmes rapidly. The CUAP process does not facilitate this timely response.

Q68

What impact has Performance-Linked Funding had on providers' incentives to innovate?

Page 86

Q69

How much does funding shift between PTEs based on assessments of performance? Whose assessments are they, and what are they based on?

Page 88**Q70**

How much does funding shift inside a TEI (eg, between courses, academics, or faculties) based on assessments of performance? Whose assessments are they, and what are they based on?

Page 89**Q71**

What influences tertiary providers towards offering a broad or narrow range of course offerings? What are the advantages and disadvantages (for providers, students, and the sector as a whole) of a relatively homogenous system?

Page 89**Q72**

Do New Zealand's tertiary policy and regulatory frameworks enable or hinder innovation? What might happen if existing constraints are loosened?

Page 90**Q73**

How do intellectual property protections in tertiary education foster or hinder innovation? Are the effects different in different parts of the system or for different kinds of provider?

Page 91

Q74

How does the Crown’s approach to its ownership role affect TEI behaviour? Is it conducive to innovation?

Page 92

Q75

Do regulatory or funding settings encourage or discourage providers from engaging in joint ventures? If so, how?

Page 93

Q76

How do regulatory or funding settings encourage or discourage providers from seeking external investment?

Page 93

Q77

How do tertiary providers create incentives for internal participants to innovate? What kinds of choices by providers have the biggest “downstream effects” on their level of innovation?

Page 93

Q78

What incentives do government education agencies have to innovate in the way they carry out their functions, both within and across agencies? What constraints do they face?

Page 94