

## **The Academic Quality Agency for New Zealand Universities**

### **Submission and Response to Questions raised by the Productivity Commission's Draft Report on New Models of Tertiary Education**

#### **Introduction**

This submission provides the Academic Quality Agency for New Zealand Universities (AQA) response to the Productivity Commission's (PC) draft report on New models of tertiary education. The role and international standing of AQA were set out in our initial submission on the Productivity Commission's Issues paper and are not repeated here.

This submission first addresses comments the PC has made with respect to AQA or its processes, in particular those comments where AQA considers another interpretation or conclusion is warranted. It then responds to other points raised by the PC, focussing on those that concern quality assurance. Finally, the submission provides comment on some other issues and matters in the PC's draft report.

#### **Response to comments on AQA**

The PC makes a number of critical comments with respect to AQA, culminating in a conclusion that AQA's enhancement-led approach to quality assurance should be replaced with a minimum standards regulatory framework (R12.3) and that NZQA should be responsible for monitoring minimum standards (12.8). NZQA would become the regulator for universities in New Zealand.

AQA has re-considered how it gives effect to its role, drawing on both its external review which the PC has referenced in a number of places and in developing future directions for a sixth cycle of academic audit. With respect to the latter consideration, AQA has sought comment on the value it delivers and needs to deliver for universities and assessed opportunities that could arise from examination of arrangements in other jurisdictions. AQA rejects the draft recommendations that a minimum standards model would promote more innovation. To suggest that such an approach is working well in Australia (p328) ignores that there are currently significant issues in the vocational education and training sector in Australia, which regulators are struggling to address. These are set out in a Committee for Economic Development Australia (CEDA) report on vocational education and training<sup>1</sup>.

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<sup>1</sup> CEDA (2016), VET: Securing skills for growth, ISBN: 0 85801 306 1. Accessed from: <http://www.ceda.com.au/research-and-policy/research/2016/08/vet-skills-for-growth>

AQA also notes that the provisions referred to as “operat(ing) well” in Australia are operating in the higher education sector. Such a comparison reflects a misunderstanding evident in the Issues paper and repeated in the draft report that New Zealand’s tertiary education sector is not a higher education sector. New Zealand’s tertiary education sector includes higher education, but is not limited to higher education. In apparently suggesting the maintenance of a broad tertiary sector, the PC needs to be much more thoughtful in making comparisons with other jurisdictions which have higher education sectors.

The PC report draws on the external review of AQA to comments that “AQA works to enhance the process of student support but does not evaluate the outcome of this support” (Crawford et al., 2015 and PC p133). AQA response is that good processes are required to achieve consistent outcomes and there is an important relationship between process and outcomes that should not be devalued. This relationship is stressed in the AQA Constitution. Other internationally recognised models of quality assurance, for example ISO, also consider processes to be an important aspect of quality. As set out in our initial submission, AQA has been assessed as adhering to the INQAAHE<sup>2</sup> Guidelines of Good Practice in Quality Assurance.

The Cycle 5 Academic Audit framework includes both process and outcome-oriented guideline statements. Nonetheless, AQA considers that there is scope in the future development of its framework to make outcomes and impact more visible.

### **Response to other matters regarding quality assurance**

External quality assurance arrangements both reflect and need to support particular contexts. As noted above, there are challenges in making comparisons between New Zealand’s tertiary education sector and higher education sectors in other jurisdictions.

An examination of external quality assurance arrangements internationally suggests there are differences between small sectors and larger sectors. New Zealand’s university system is a small system and shares many characteristics with other smaller university education systems, such as being enhancement-led and valuing peer-review (e.g. Scotland, Finland, Ontario). These smaller systems are also able to be more enhancement oriented, or led. Larger systems, such as Australia and the UK tend to take more of a risk-proportionate view and have therefore adopted the use of minimum or threshold standards. However, New Zealand, by maintaining a tertiary education system that includes over 600 private providers also expresses characteristics of a large system. By way of contrast, there are around 170 higher education providers in Australia, including 40 public universities.

There are no guarantees, or even indications from looking at other jurisdictions, that a risk-proportionate, minimum standards framework would result in a less constrained or more innovative quality assurance environment in New Zealand. In the current Cycle 5 academic audit, New Zealand universities are assessed against 40 guideline statements covering seven domains. In the new Australian Higher Education Standards Framework, which comes into effect from 1 January, 2017, 18 core standards, some of which are multifaceted leading to around 40 statements, are likely to be required for re-registration of existing providers<sup>3</sup>. This does not include the Student participation and attainment, Teaching and Research and research training domains, which do not have core standards, and will be

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<sup>2</sup> International Network of Quality Assurance Agencies in Higher Education

<sup>3</sup> See [http://www.teqsa.gov.au/sites/default/files/ApplicationGuide\\_ReReg2.3.pdf](http://www.teqsa.gov.au/sites/default/files/ApplicationGuide_ReReg2.3.pdf)

assessed through “relevant reports considered within [its] governance, accountability and internal quality assurance processes” (p13).

While the development of the new higher education standards has involved a lot of sector consultation and input, preliminary indications from universities preparing for re-registration are that preparation is demanding. Of course, these universities recognise that much of the institutional value of quality assurance lies in the self-review, as is the case for New Zealand universities.

The PC also makes a number of comments about the Committee on University Academic Programmes (CUAP). It has reflected the views of some submitters regarding slowness of the process, but has not sought evidence in forming its conclusion that processes are slow. Development of qualifications and programmes that meet high quality standards does require steps that involve evaluation and review. This is important, as higher education is probably one of the largest investments that most individuals will make in their lifetimes. These individuals – students - need to have assurance that their qualifications are well-designed, are acceptable to other universities and professions and will help prepare them for a future that will be characterised by change and adaptation. Through developing graduates as independent learners, universities are preparing graduates to have the sorts of agility and resilience that the PC suggests the tertiary sector itself requires.

In suggesting that universities, and others, should become individually (rather than collectively as presently) self-accrediting, the PC appears not to acknowledge that universities would still need to undertake peer-review processes; and that the efficiencies (as well as other benefits) of the CUAP process would be lost<sup>4</sup>.

The PC considers that the current quality control settings discourage innovation. These settings did permit the introduction of a new model of Master’s degree in the form of the 180-credit Master’s degree. Arguably this could have happened earlier, but it was not prevented by the quality control settings in the form of CUAP. The PC does not appear to have assessed the extent to which the current settings were responsible for, or would have further potential to promote, innovation.

In response to Q12.1, while not supporting the recommendation that New Zealand universities (and others) become individually self-accrediting, AQA observes that an important design feature of a self-accrediting system is that it conforms to international expectations, such as the INQAAHE Guidelines of Good Practice, for quality assurance systems. Retaining peer review and public reporting are also important features.

AQA suggests that, with respect to universities, F8.9 is not correct. The Cycle 5 framework reflects a university’s obligations under Te Tiriti o Waitangi.

### **Other comments**

Tertiary and higher education will continue to play an important role in the economic, social and cultural well-being of New Zealand. There are risks associated with a rapidly changing external environment, although, as set out in AQA’s initial submission, New Zealand universities show many examples of innovation and universities as long-standing institutions have repeatedly demonstrated that they do adapt to changing environments and technologies. However, there are also risks in changing the quality

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<sup>4</sup> See <http://www.aqa.ac.nz/sites/all/files/CUAP%20Audit%20Report%20Nov2011.pdf> for the most recent Audit Report of CUAP and note that the next external review is scheduled for 2016/17.

settings that have served NZ universities well and supported their international reputation and their students, both individually and collectively. The balance of these risks deserves further consideration.

AQA considers that risks associated with "fail fast" mechanisms (p200) are underdeveloped in the PC report. Such failures will inevitably impact on students and one of the fundamental purposes of regulation and quality assurance is to protect the interests of 'users'.

AQA would be happy to discuss this submission with the Productivity Commission and to contribute to any further consideration of the appropriate quality assurance framework for New Zealand universities and the wider tertiary sector.

Emeritus Professor Sheelagh Matear  
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