

Submitter information

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Q1

What are the advantages and disadvantages of administering multiple types of post-compulsory education as a single system?

The advantage is simplicity and lower cost for an all-in-one tertiary system. The disadvantage is that the vocational, higher education, English, foundation, secondary-tertiary pathways, and adult education sectors are all very different in terms of student needs, other stakeholder needs, inputs, and desired outcomes. Even within these focus areas, there are significant differences between providers, student demographic, and comparable measures of success. As the effectiveness of a single fund can therefore not be meaningfully measured as a single fund, it will ultimately be managed and divided into subsectors or funding pools anyway. In short, savings in administrative costs is perhaps the best outcome.

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 provide it?

A significant amount of information is available for students to make an informed decision, but information is not currently accessible easily or in a single location. Some work has been undertaken to rectify this, but it still requires a prospective student to go to a providers website and understand the information presented, along with its context and comparability with other providers. "Additional" information is not necessary, but some information should be required to be given to students upon application in addition to being advertised on websites e.g. employment outcomes/prospects/opportunities, academic success rates, progression statistics, and EER status. Each school should be *required* to provide this information with the ability to contextualise the information, so it

can be compared with like-type organisations and student demographic. Any information provided in this regard should be auditable.

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?

No comment

Q4

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

No comment

Q5

What are the business models of the three wānanga?

No comment

Q6

Do the business models of PTEs have common characteristics?

Yes, many PTE's do have similar characteristics, however, as noted, they are also highly variable depending on what they deliver, to whom they deliver, and their focus on quality and relevancy. There is no doubt they are more commercially focused, but this is driven by a necessity to ensure sustainability and the ability to reinvest. Where this is done well, it results in stronger ties to industry stakeholders, better resources for staff and students, and more efficient resource utilisation. Where it is not done well, the PTE's are likely to close. With no option of a Government bailout, unlike the public sector, PTE's must operate with significantly more flexibility, speed, and efficiency to ensure financial sustainability and ongoing relevancy.

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?

The implications of economies of scale in teaching are extremely important, but its use and value is subject to many factors including student demographic, delivery models, and subject area. Where it is used and the quality of student 'outcomes' is not compromised, it allows for cross-subsidisation of other subject areas where economies of scale are more difficult to achieve. It also improves resource utilisation and the return on the Governments investment in tertiary education and the provider itself. The reality is however that with funding and enrolment caps, it relies heavily on international

enrolments for most providers. The underlying issue here is interest free student loans, which is unaffordable and negatively impacting the investment in tertiary education.

Universities and some ITP's gain significant economies of scale in areas like business where large lecture theatres can be used with a single lecturer. Within the PTE sector, many providers promote small class sizes as a point of difference, so the focus tends to be on overall resource utilisation.

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?

The level of competition and how providers compete comes down to the number of providers in a given region, and the regional mix of provision. There is not enough sector collaboration to reduce unnecessary competition.

Competition on price, rather than quality of provision and outcomes, leads to misinformed decisions by students, and changes to competitive strategies and marketing by providers. This includes an increase in 'scholarships', inducements, and fees free programmes. This is essentially a decision to compete on price rather than quality which has had a negative impact on the sector.

In our experience the competition between New Zealand private providers is similar to the level of competition typical amongst Australian private providers, although a less regulated environment in Australia has led to more significant issues.

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?

Scale/size dictates the level of investment in property and equipment. Larger private institutions therefore have the ability to invest more fixed capital costs than smaller institutions and/or can consider the acquisition of land and buildings. In this context, it is a business decision based on ROI and, if done well, and provide more financial stability in the long term.

In many cases, this has significant implications for the quality of environment and the resources available to students. While this does not have a direct correlation to the quality of teaching or training necessarily, it can lead to variations in student experience and consistency of quality outcomes.

There are implications of different capital structures, but they are difficult to compare as many PTE's are small and have far less security around funding and long term Government support than public institutions. The issue here is that capital investment

requires profitability within the private sector, which is concept viewed negatively by some.

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?

A lecturer/teacher/tutor who is responsible for student success is an essential component to ensure accountability of student outcomes. In our own environment, bundled components are teaching and student support. In our experience as soon as you remove this bundling and accountability, then the overall focus on student success (including attendance, soft skills, academic achievement, LLN, preparedness for sustainable employment etc) can be compromised.

Other bundling is required due to size and resource availability, which does not necessarily lead to poor outcomes, subject to the focus remaining on quality and student outcomes. This is a decision that is best determined based on the needs of students, and individual institutions.

What outputs are best produced separately is limited to those that may result in a conflict of interest.

Q11

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

The importance of research is clear and the benefits of bundling is obvious in terms of cost, credibility, and future relevance. However, good researchers do not equal good teachers or vice versa. Pedagogy, and the retention and application of new learning, must drive decisions that influence student learning outcomes. A research culture is extremely important however, and increased self-directed and research led learning at higher levels of study is essential. Again, this is a business decision based on individual and institutional needs. For example, many PTEs now receive PBRF funding, but the amount of funding is very small and so they are required to cross-subsidise and incentivise research activity. Due to size and resources, they are also far more likely to bundle research and teaching.

Q12

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

The perception is that in the University sector excellence in teaching means little compared to excellence in research. Research is the driver behind international rankings, credibility, PBRF funding, and external research grants, so this is understandable, but the focus appears to have been skewed too far.

However, research is not limited to Universities and the fact this appears to be the perception in the issues paper is of some concern. Lots of excellent research is conducted in the ITP and PTE space, both funded and unfunded.

Q13

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

No comment

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?

Effective teaching in the tertiary environment is very different based on student demographic, subject, and level. For example, a student that has not been successful in the compulsory sector and has poor literacy and numeracy, and has had social issues to deal with, has very different needs to the more traditional University student.

The easiest way to assess the effectiveness of different teaching requirements is student progression outcomes i.e. progression to higher levels of study or employment. However, this must be considered in context with where they have come from and what success should look like. Success will therefore need to be considered and measured in different ways.

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?

At ACG Tertiary and Careers, teaching quality is a significant factor in career progression, but this is not necessarily the main driver for recruitment. We need industry-experienced staff to train and educate our students in the 'vocational' space. Recruitment does not always identify well qualified and experienced teachers, so there is significant investment in professional development and training, including the initial induction period, ongoing professional development, observations and continued teacher training, resources for continued education and qualification, and management and leadership training. We require all teaching staff to gain a minimum set of teaching related units and qualifications within the first two years of employment, which is rewarded with pay scale adjustments.

Q16

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

At ACG Tertiary and Careers, quarterly surveys are used focused on teaching, resources, and programme content. While carefully reviewed and addressed where appropriate, the actual feedback related to teaching must not be wholly relied upon due to a range of factors that influence student perception. Student advocacy and referral, student attendance, and the quality of outcomes (progression to higher levels of study and employment) provide a stronger measurement of teaching quality and success.

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?

Employer interaction is Provider driven and varies in scale and relevance significantly. Leading questions and personal relationships over time inevitably result in ITP's, Universities, ITO's and PTE's all getting different information from the same or similar employers. This is confusing to employers and with so many SME's in NZ, the cost of engagement across the sector is a major barrier for both providers and employers. Quality information is also very difficult to differentiate, so triangulation of consultation information, research, trends, and forecasts need to be considered.

Types of interaction with employers includes industry advisory boards, one-on-one consultation, industry functions, representative sector body meetings, survey's and research, mentoring and internship programmes, guest speaking and lecturing opportunities, work experience, and student and graduate recruitment.

Stronger collaboration, with incentive and protection of intellectual property, will go a long way to improving how and what information is shared and how the overall tertiary sector works to address employer needs and expectations.

Q18

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

ITO's have tended to feel undervalued and engagement is difficult as they have often seen vocational training as competition. As a result, many have attempted to 'protect' the workplace training component of tertiary education, which at times has impacted student opportunities, pathways and the quality of training and/or outcomes. There has also been a very grey area between what their role is in workplace training and what they actually provide.

The consolidation of ITO's has had a positive impact on the sector and they can provide an invaluable role in communicating employer needs and helping to moderate consistency across the sector where relevant.

Q19

What makes for a successful ITO in terms of meeting the needs of firms for skilled staff?

A successful ITO in our view is one that can provide information to TEO's on employer needs, lead moderation and consistency requirements, and promote pre-employment training pathways where required.

Q20

How effective is the ITO model in meeting the needs of learners and firms?

The ITO model is very effective in meeting the needs of learners and employers in the right circumstances. However, the current model creates unnecessary competition. If all provision was left to TEO's and the ITO's focused on moderation, and alignment of industry needs with tertiary provision in the vocational space, the model would be more effective. This would also improve sector collaboration.

In the Industry training model, the training and development of staff is generally carried out by the employer. This means industry training is variable. If employers engaged directly with providers on the development needs of their employees, the training and development would be more effective than the current model. TEC has been running a pilot with direct funding for employers.

Q21

What arrangements for arranging workplace training and apprenticeships in other countries could New Zealand usefully learn from?

No comment

Q22

Is the current architecture a good fit for a tertiary education system? What are its advantages and disadvantages? Are there good alternatives?

One agency responsible for funding and quality will improve consistency and the overall performance of the sector. The current model lacks cohesion, efficiency, communication, and shared objectives. It also stifles innovation with a focus on punishing providers for not consuming all their funding or getting bad academic outcomes. This has resulted in a sector that is focused on achieving these outcomes at the expense of any risk associated with innovation.

If the NCEA focus was transferred to the MoE, and all tertiary focus to the TEC, decision making would be more informed and performance-linked funding decisions potentially far more meaningful.

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?

The TES is effective, but agency contribution lacks cohesiveness, so it is not leading to the advancement of priorities as it could. A less directive TES may drive innovation, but it will also increase the variance of interpretation and focus, which will lead to an overall ineffective use of funding. A directive TES that is regularly reviewed is important, and should drive decision making, consultation and collaboration throughout the tertiary sector.

Our understanding is that the TES is developed by MoE with very limited input allowed from other agencies.

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?

The influence of other instruments such as budget initiatives have a significant impact on the TES. Alignment of objectives often seems contradictory e.g. a change in focus within MSD based on instructions to focus on only fees free programmes, despite the success of a comparable fee paying programme that focus on key priority groups. Another example is that the desire to increase export education revenue is regularly impacted by Immigration wide reaching policy changes designed to address quality issues with a small number of Providers, which in turn have a negative impact on the entire sector.

Q25

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

No comment

Q26

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

There should be different quality assurance arrangements for different providers. Each have unique idiosyncrasies, along with different stakeholder needs and expectations. The current system structure is suitable – subject to consistent, relevant, and contextualised measures of success being utilised and reported. It is also important that all subsectors are held equally accountable for poor performance.

Q27

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

Notwithstanding other comments around consistency, context, and collaboration, the NZ Governments institutional arrangements for tertiary education are progressive when compared to other jurisdictions, particularly Australia.

Q28

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

Overprovision means that export education is the only opportunity available for growth in the sector. As a result, the focus on growing international enrolments has, in some cases, had a negative impact on domestic provision.

Focusing on international students has led to high levels of competition in export education, variance in the quality of provision, low prices, and high commissions. In many cases, it has also led to growth in revenue and profitability, and consequently, more investment in resources, both physical and human.

International students are essential to the success of our tertiary sector, but the activities of providers in this space needs to be more heavily regulated and/or monitored. Growth will be far more significant in the future, if the overall quality of provision for international students is improved, along with the financial margins per student. This does not require policy changes to limit access, it requires enforcement of quality standards with individual providers.

Q29

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

The discrepancy between growing educational achievement and productivity is due to the somewhat simplistic measurement of course and qualification completion as an indicator of success. This focus has in some cases, reduced the quality of training, assessment and relevancy, to focus more on funding utilisation and EPI data reported. As funding is tied to this, and not the actual quality of training or progression outcomes, this behaviour has unfortunately been encouraged to some extent. Providers that have had a focus on quality outcomes have continued to invest in resources to improve their social and economic contribution; improving the productivity of graduates in employment being a key driver and focus to maintain relevancy.

Q30

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

Increases in productivity, sustainability of employment, social and economic contribution (in context with educational achievement and other relevant factors), increases or improves: investment in staffing and technology by employers, progression to higher education, student demand, stakeholder collaboration, quality of teaching, and relevance.

Q31

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

We have significant amounts of evidence highlighting the economic benefit of a student transitioning from being a beneficiary to becoming employed, even at the minimum wage – subject to this employment being sustainable. We also have evidence that students who study for longer periods of time and at a higher level within in the vocational training space, are more likely to gain employment, maintain their employment in the long term, earn more money, and are more likely to progress in their career while simultaneously improving their level of social mobility.

The significance of this information is that graduate income is not the only significant contributor to the Governments ROI. Creativity, improved economic contribution, improved productivity, improved social well-being, the impact of tertiary education on future generations, contribution to community well-being, and the impact education and employment has on health and crime, are all significant factors that need to be considered and researched further.

Q32

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

There are many TEO's that are teaching the skills for graduates to meet the needs of future employers. However, again the focus on qualification and course completion rates has had an impact on overall quality outcomes.

There still remains a gap in the development of soft skills and capabilities. This is consistent feedback from employers and a major focus in our own post-TRoQ programme development activities. There is a perception in the sector that the government agencies responsible for tertiary education policy frequently undervalue the importance of soft skills, conflicting what is being requested by employers.

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?

Employer expectations around tertiary qualifications for prospective employees is increasing, but the expectations and demand for both employers and students varies significantly based on industry, role, and career pathways. As a result, specialisation and customisation for employers, and different student demographic, is an important consideration in programme development and the regional mix of provision.

The TRoQ, while providing consistency in overall qualification objectives, has resulted in very broad learning outcomes and flexibility to help providers meet the needs of their particular stakeholders, which will ultimately lead to a plethora of programmes of study (if Providers are encouraged to meet a wide variety of employer needs). Employers consistently express the importance of the development of soft skills.

Perceptions in the sector are that the TRoQ has limited the ability to be innovative.

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?

There is no doubt that while specialist skills are in demand, broadening the range of non-cognitive skills delivered and qualifications across multiple disciplines is seen to improve the likelihood of a positive employment outcome.

In our experience, the soft skills developed around confidence, time management, communication, self-esteem, and general work ethic, for example, are key drivers for graduate success. With a higher number of tertiary qualified graduates in the marketplace, these skills and attributes provide graduates and providers with a key point of differentiation.

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?

Technology will undoubtedly impact the tertiary sector and various other industries and occupations over time, however, the ability of staff to use and maintain this technology, is a major barrier for investment by employers. With such a large number of SME's in NZ, this is of real concern and technology or IT literacy needs to be a focus area of education and training within the tertiary sector.

Within the tertiary sector itself, it is extremely important that while we drive innovation and encourage the use of technology, there are many opposing thoughts and research

around new pedagogical models and approaches in terms of whether they are adding or removing value.

Q36

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

Demographic changes will continue to impact tertiary education over time, but the impact can be mitigated through forecasting and information sharing. With growing Maori and Pasifika populations, these groups need to be a priority focus. However, the success and accessibility of tertiary education with Maori and Pasifika students will be driven by initiatives within these communities to encourage stronger participation and success in the compulsory sectors. Continued collaboration to provide stronger pathways to higher education at all levels is also essential.

Q37

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

Like most industries, price can often have a direct correlation to size, economies of scale, and/or the investment in quality. In theory, students have equal opportunity in NZ to choose their provider based on levels of support, success, and alignment to their individual ambitions and needs.

The major issue with tuition fees in terms of access is related to the funding and overprovision caps, which result in high quality providers having to limit access and/or become more selective in their enrolment process. There is evidence that this limits accessibility or choice in spite of demand.

Q38

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

The impact of increasing fees will see students becoming more aware of the cost of tertiary education with different providers, and does have the potential for students to consider the price and the qualification over the actual quality of the education and training. It also provides the ability for low quality providers to market themselves on price.

Market forces, consolidation of the PTE sector, employment statistics, and success rates (along with how these are publicised) will all have an impact on the how this trend transpires.

The fact that student fees may increase faster than inflation is a product of growing costs around compliance and expectations around quality, employment, LLN support, monitoring, self-assessment activity, innovation, and student support structures.

As mentioned above, the funding and overprovision caps are also a major contributor to pricing decisions and accessibility. The underlying issue however, is the interest free student loan debt, which is not sustainable if there is to be increased investment and engagement by providers in the tertiary sector – especially if there are expectations of student accessibility through price control.

Q39

What impact has the pattern of government spending on tertiary education had on the tertiary education provided?

The interest free student loan debt has levelled off due to overprovision limits being enforced. However, this has limited access, which has resulted in entry criteria being increased by many providers to manage their enrolment cap. This has impacted accessibility to high quality and high demand providers and is impacting the overall quality of tertiary outcomes as some students are forced to choose providers that may have lower levels of quality and/or performance.

Q40

How have providers' input costs and revenue changed over time? What are the implications of these changes?

Within the PTE sector, costs have increased at a faster rate than funding and domestic revenue, with a few exceptions. Economies of scale, export education, and consolidation have all become key ingredients for success. Those institutions that have been able to access additional funding and grow their international enrolments, have been able to improve their financial performance. Others have found it increasingly difficult to maintain required levels of investment and performance.

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?

Baumol's cost disease is still relevant to the PTE sector to some degree. It is acknowledged that technological advances are impacting tertiary provision, but at some levels and for certain student demographic, technology cannot replace face-to-face engagement, or the level of pastoral care and personal support or instruction that is required to motivate and engage certain students.

It is also true that ever-increasing expenditure is a huge risk as highlighted by Bowen. The difference in the PTE sector is that profitability is essential for reinvestment into technology, staffing, growth, and to provide some future financial stability. The impact on quality of this approach varies within the sector and between providers based on their priorities in teaching, physical resources, and/or research.

Q42**What specific technologies should the inquiry investigate? Why?**

Technologies used in online delivery and blended learning (including MOOC's) all need to be considered by the inquiry. The lack of understanding and contradictory research on the success and long term impact of these approaches to education and training need to be considered and discussed in a wider educational context i.e. at all levels, so some guidance and a clear strategy for the entire education system, and subsector groups, can be developed and communicated. Far more collaboration in this area is required.

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

All parts of the tertiary education system are challenged and can exploit ongoing technological changes. In fact, a failure to recognise this *may* lead to a lack of relevancy of providers in the future. As a result, all providers need to engage and/or understand new technology and its implications, keep pace with changing pedagogy, and consult with relevant stakeholders to ensure they meet changing needs and expectations. Stronger sector collaboration and information sharing would reduce risks, increase engagement, and improve outcomes in this space.

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?**

Overall, the internationalisation of NZ's tertiary education system has been very positive. As a significant export earner both onshore and offshore, this gives providers opportunity for expansion and investment, and it also has a multiplier effect on employment within NZ. However, the lack of regulation and enforcement of quality and engagement has led to well publicised issues within the PTE sector specifically. This is an ongoing challenge that needs to be addressed without broad policy changes that impact high quality providers unnecessarily. The opportunities for partnership, shared resources, increased export education revenue, and growth in offshore delivery are significant.

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?**

The NZ brand is important. We are perceived to be safe, friendly, clean, and uncorrupted. As a result, we are seen as a very desirable destination. While the quality of our education is also valued, at undergraduate level, international competition is high,

and a very high percentage of students are attracted by the potential of gaining permanent residency. While only a portion will actually pursue or achieve this, it is a key driver in the decision making process in our experience. A move to focus on student study conditions or pathways to permanent residency needs to be identified and developed into a competitive strategy. Without this, the “NZ” brand alone is meaningless in the long term.

Q46

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

More employers are looking for soft skills and employability as a key for graduate employment. This includes drivers licensing. Additional focus and investment in accessibility and affordability of drivers licensing will increase employment outcomes and employment sustainability, particularly with students and graduates from lower socio-economic communities and NEET students.

Q47

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

Technology will be the key trend to observe and anticipate change. This will have implications on pedagogy and stakeholder expectations around accessibility of education, blended delivery, and flexible delivery options.

Within NZ, the increasing cost of delivery, overprovision, and limited access to additional funding will require continued investment in export education to help maintain quality, develop capability, and for investment in new technologies. This is will have social and political implications and needs to be supported.

Employment trends and the measurable employment outcomes of programmes will continue to demand change as to the mix of provision offered by providers.

Q48

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

No comment

Q49

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

Changes in blended learning, delivery models, pedagogy, and flexibility are being considered and developed with various providers in the PTE sector. There is an element of investigation and reflection required before success can be measured, but some alternative delivery models have been very successful and have involved: flexible timetabling, increasing contact hours per week, and various forms of blended learning for example.

Wholesale adoption of online learning as predicted by some experts over the last decade has more recently been discredited in favour of carefully designed blended learning models. For some curriculum areas face-to-face learning models have proven most effective and most favoured by students.

Q50

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

No. The quality assurance arrangements are inconsistent and rely heavily on providers ensuring that expectations are met or exceeded. There is accountability, but inconsistencies mean this is not always enforced.

In practice, much quality assurance activities are undertaken based on perception of the provider involved, not evidence, and therefore inconsistencies occur.

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?

Providing leadership and innovation in new models of tertiary education will definitely help grow our international profile and partnerships. This level of engagement and recognition will lead to greater advocacy and, as a result, more international investment into NZ, and greater global mobility for students and graduates.

Q52

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

NZ's education system is relatively progressive and well positioned, it is just not performing to its potential. As a country, we can set new benchmarks for others to aspire to with greater collaboration and a focus on stakeholder needs.

Models employed need to meet the needs of particular target markets. For example, some students from offshore markets are focused on employment and/or permanent residency, while others are focused on qualification recognition and University ranking. The drivers for these different markets require specific policy and focus to maximise our impact and improve short term gains.

Q53

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

Accessibility of Maori is not driven by a single approach, nor should we generalise their participation, or the accessibility of tertiary education for individuals who identify themselves as Maori. The issues of participation stem from social and socio-economic issues. At this interface, success is driven by support structures, pastoral care, and cultural awareness where appropriate.

If we wish to improve educational success of Maori, then it starts with families and the compulsory schooling sector. However, in saying this, the PTE sector have numerous examples of high levels of engagement and success with Maori students and can provide tried and tested models for other providers to utilise – “if” there is incentive to share their intellectual property and not risk increasing competition and the risk of losing enrolments and funding.

Q54

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

See above.

Q55

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

At risk youth require small tutor to student ratios, along with appropriate support structures and pastoral care initiatives. Engagement with family where appropriate can also have a positive impact.

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?

No comment

Q57

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

While all of our campuses provide wheelchair access and provide opportunities to all students that we believe we can support to be successful, the type of disability and support required has a major impact on what is and can be provided. Funding limitations, enrolment caps, and performance-linked funding also impact accessibility and provision.

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?

Embedded literacy and numeracy to improve pathways are key success factors with this demographic. However, access to student loans and allowances and funding to provide these programmes is limited or lacks the financial incentive to participate.

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?

The NZ tertiary education system has a mixture of innovation and risk aversion. More significantly, it lacks cohesion and collaboration resulting in significant duplication and inefficiency. In our experience, for example, NZ institutions are generally less flexible than those in many comparable countries in terms of granting of cross-credit and recognition of prior learning. The funding environment also discourages innovation due to the risk of providers losing funding.

Q60

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

Innovation requires flexibility and investment. Those Providers that receive larger levels of funding or are able to generate sufficient economies of scale, have a greater ability to invest in innovation.

Private providers tend to be more innovative than public providers because the business model of private providers because they are forced to do so to remain competitive and relevant. The ability to PTE's to be flexibility in decision making and react quickly to changing stakeholder needs are also key drivers of this.

Q61

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

Innovation often requires an element of risk. With the current measurement of success (EPI's) however, there are increased risks associated with trying new things that may impact EPI's or EFTS consumption. Again, size and diversification mitigates this risk.

Q62

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

Flexibility is key from regulatory bodies. We need an environment where innovation is encouraged and the possibility of not meeting performance expectations in the first instance is not going to result in a loss of funding or other sanctions.

Q63

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

Due to the lack of collaboration and an environment that encourages competition, innovation is not openly spread/shared across the sector. Most providers tend to operate in isolation and focus on protecting innovation and intellectual property.

Q64

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

No comment

Q65

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

No comment

Q66

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

New funding is not easily accessible.

Q67

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

It hinders innovation. The system lacks flexibility and is bureaucratic. Perception within the sector is that becoming a qualification developer is too hard, so a proliferation of programmes of study is likely to try and achieve the innovation required – if this is allowed?

Staff within agencies have the freedom to make decisions within the regulatory framework - regulation is set at a level that should allow flexibility. However, more often than not, decision-making is 'rule-bound' and inflexible.

Q68

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

Performance-linked funding has definitely hindered innovation in the domestic space. A lot of innovation however can be seen in products for international students, which provides good evidence that perceptions of risk and sanctions are the major drivers for the lack of innovation where funding is potentially at risk.

It is important to note that we have long been supporters of performance-based funding and welcome further revision and development of performance measures to ensure the Government is receiving the best possible return on their investment.

Q69

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

There is some movement, but there should be more. EPI's do not measure quality or relevance. As such, meeting sector median outcomes restricts movement to areas of growing demand. Providers are focused on retention of their current funding at all costs.

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?

No comment

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?

Size and economies of scale is a huge driver in considering the range of course offerings. Larger providers have more scope for diversification. However, many providers also want to focus in specialist areas to remain competitive and delivery high quality outcomes.

Student choice is key in ensuring ongoing innovation and relevance i.e. market forces, provider performance, innovation, and relevancy will eradicate poor performers and drive the movement of students and employers to quality providers – if, and only if, quality is enforced consistently and accessibility is less constrained.

Q72

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

Hinder in most cases. Performance-linked funding is a driver of this, along with a desire from providers to protect existing funding. The removal of interest free student loans to allow for growth in investment/funding, and encouragement to move funding and take

some calculated and researched risks, is important to stimulate real innovation within the sector.

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?

Intellectual property is considered extremely valuable to all providers as we operate in a competitive environment. This is always a consideration when considering collaboration, but it is driven by a desire to maintain market share. This is much more of an issue for small providers with more to lose if their competitive advantage is relinquished. It is less of an issue for larger providers.

Q74

How does the Crown's approach to its ownership role affect TEI behaviour? Is it conducive to innovation? **Page 92**

No comment

Q75

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

A number of Government funds actively encourage or require collaboration of joint ventures e.g. MPTT.

Joint ventures are encouraged, but access to funding from within the PTE sector for this type of activity is limited. What limited funding is available, restricts joint ventures and post pilot activities. As a result, most ventures prove not to be sustainable as a result of low return on investment and an inability to generate growth.

Q76

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

No comment

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?

This varies significantly between Providers. Scale and an ability to take risk is key. Larger providers can have specific roles dedicated to business and product development. Most employers, irrespective of size, encourage and reward innovation in some manner.

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?

No comment