



MINISTRY OF EDUCATION

*Te Tāhuhu o te Mātauranga*

# Getting Started

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Report on Stage 1 of the Evaluation of the  
Tertiary Education Strategy 2002/07



## **Report**

Getting Started: Report on Stage 1 of the Evaluation of the Tertiary Education Strategy 2002/07

## **Acknowledgements**

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## Acronyms

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ITO	Industry training organisation
ITP	Institute of technology and polytechnic
PBRF	Performance-Based Research Fund
STEP	Statement of Tertiary Education Priorities
TEC	Tertiary Education Commission
TEI	Tertiary education institute (public providers)
TEO	Tertiary education organisation
TES	Tertiary Education Strategy

## 1. Executive summary

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This is the first stage of the evaluation of the Tertiary Education Strategy 2002/07 (TES). The evaluation focuses on how effective the TES has been in creating change in the tertiary education system. In doing so, the evaluation is not concerned just with the TES document itself, but also with its success as a means of encapsulating and promoting the overall package of tertiary education reforms.

This report provides a mid-term review of progress, covering the first three years of the TES. At this stage we would expect the tertiary education system to be responding to the TES in the way it behaves and operates, but not necessarily to be making significant changes in research and educational outcomes.

Overall, the TES has provided a basis for engagement between the government and the tertiary education sector. There is broad acceptance of the value of having a Tertiary Education Strategy. The Strategy has provided a sense of there being a tertiary education system that encompasses and connects all post-school learning. The TES has informed a greater focus on quality of education and research. However, the broad nature of the TES has allowed tertiary education organisations to focus on the aspects that best fit their strategies.

Where the TES has been explicitly linked to funding, shifts towards improved outcomes are already apparent. This is exemplified by the growth in research production, supported by improvements to quality and reputation, in response to the shift to performance-based research funding. However, in areas where there is no strong link between funding and strategy, shifts towards improved outcomes are not apparent. For example, within the context of a demand-driven student funding system, there has been a continued focus on increasing certificate-level provision, with few apparent improvements in participation and outcomes at degree level and above.

### **A good start but needs development**

The evidence shows that the current TES is a good start at developing a strategy for tertiary education. There is general acceptance of the value of having an overall strategy for tertiary education. It has provided a basis for engagement between government and the tertiary education sector on matters of funding and direction. Stakeholders can see their aspirations expressed within the Strategy. It has provided a greater focus on some areas of importance.

However, more can be done to ensure that the next TES is a more effective strategy. Areas for development include:

- a clearer focus on priorities and a clearer sense of what matters most
- increased engagement between government and the sector to work together to develop actions that will achieve the goals of the Strategy
- improved strategic leadership from government agencies to communicate and give effect to priorities
- increased confidence of stakeholders that real progress is being made to address their aspirations

- better communication of the Strategy throughout the sector and to stakeholder groups.

### **Improvement within the system — more to be done on external linkages and contributions**

The evidence shows continued improvement within the tertiary education system, facilitated and reinforced by the TES. Tertiary education organisations have a greater focus on access and achievement. Collaboration within the system is starting to increase. There is a greater emphasis on the quality of teaching and research.

However, the evidence suggests that there is more to be done to improve the linkages of the tertiary education system with key stakeholder groups, such as business, industry, Māori, iwi, and Pasifika communities. A more deliberate approach to global linkages may also be required.

There is a tendency for the tertiary education sector, including government agencies, to be inwardly focused. There is little evidence of explicit connections being made to national goals. The extent to which a greater future focus is being achieved is uncertain. The overall culture of the sector is seen by some to be defensive and resistant to change.

### **Increased participation at certificate level and little change in outcomes**

Participation has continued to grow at certificate level, while participation rates are fairly steady at higher qualification levels. Retention, completion, and progression have been somewhat declining overall, as employment opportunities improve.

### **Increased external research indicates quality and relevance**

The amount of external research undertaken by universities has increased. Increases have been supported by increased funding from both government research funding bodies and other sources. This indicates the confidence of funders in the quality and relevance of university-based research, as well as an overall growth in volume.

### **Second TES to have greater focus on priorities**

The discussion paper for developing the second TES signals a greater focus on a few critical areas of change, supported by key priorities to be articulated in the Statement of Tertiary Education Priorities. At the same time the government will be introducing changes to planning, funding, and quality assurance and monitoring to support a more strategic approach to tertiary education investment.

## **2. The Tertiary Education Strategy 2002/07**

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### **A distributed and decentralised sector**

A recent review of the education sector noted that:

the education sector is both distributed and decentralised. There is no one centre of power, no agency has overall accountability for the achievement of educational outcomes for students and learner. ... Those directly involved in the learning and development of students include the students themselves, parents and guardians, teachers, other professional and support staff ... leaders of educational institutions and governing bodies.<sup>1</sup>

While tertiary education institutions are recognised as crown entities, they are provided, under statute, with the “independence and freedom to make academic, operational and management decisions ... consistent with the nature of the services they provide, the efficient use of national resources, the national interest and the demands of accountability”.<sup>2</sup>

There is also a strong interest in education and outcomes for students from the public, employers, and other groups because of the critical role education plays in the social and economic well-being of the country.<sup>3</sup>

### **A five-year blueprint for a more connected tertiary system**

In April 2002, Hon Steve Maharey, the Associate Minister of Education (Tertiary Education), launched New Zealand’s first tertiary education strategy. In launching it, he said:

Feedback from business, the community and tertiary education providers indicated that our current system lacks important connections and strategic direction. Policies over the last decade have centred on competition rather than capacity-building.

In the interests of learners and the country as a whole, we must move towards a much more collaborative, outward-looking model of tertiary learning.

New Zealand needs a system with much stronger partnerships among providers and effective links between tertiary institutions, business and the community. To achieve this all players need a shared vision of the future of tertiary learning and a common understanding of key national goals.

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<sup>1</sup> State Services Commission, p 14.

<sup>2</sup> Education Act 1989, s 160.

<sup>3</sup> State Services Commission, p 15.

It is essential that we find ways to ensure that businesses and communities as well as providers and Government agencies are part of the partnership that underpins this Strategy.

This document looks to a five-year horizon, but it is not intended as a static plan. It is the beginning of ongoing strategic dialogue with all those who have a stake in making New Zealand a Knowledge Society.<sup>4</sup>

The Tertiary Education Strategy 2002/07 (TES) is the centrepiece of a series of reforms of the tertiary education system. The role of the Strategy is to present a vision of the development of New Zealand's tertiary education system and to show how this development is consistent with, and linked to, the government's broader vision for economic and social development.

The TES is not a top down, prescriptive document, with detailed plans and targets. Rather it was intended as a framework for thinking about improved tertiary education outcomes; it was expected that it would be responded to in different ways in different parts of the system. However, it was intended that publicly funded tertiary education would be consistent with the overall Strategy and its goals and outcomes.

### **Legislative mandate**

The TES is mandated by statute. The Minister responsible for tertiary education is required "from time to time [to] approve a tertiary education strategy that sets out the Government's medium- to long-term strategy for tertiary education". The Education Act 1989 states that the TES "must address ... the economic context, the social context, the environmental context [and] the development aspirations of Māori and other population groups." The Minister is required to consult with stakeholders in the tertiary education sector before approving the Strategy.<sup>5</sup> The Tertiary Education Commission (TEC), the New Zealand Qualifications Authority, and Career Services are required to have regard for the TES in exercising their functions.<sup>6</sup>

The TES is supported by a Statement of Tertiary Education Priorities (STEP), issued at least once every three years, that is based on the TES and "sets out the Government's current priorities for tertiary education".<sup>7</sup> The TEC is required to give effect to the STEP through:

- negotiating charters with tertiary education organisations (TEOs)
- negotiating profiles of TEOs for the purpose of funding
- allocating funds to TEOs
- building the capability of TEOs.<sup>8</sup>

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<sup>4</sup> Hon Steve Maharey, "Strategy heralds new era for tertiary education sector", media release, 14 May 2002.

<sup>5</sup> Education Act 1989, s 159AA.

<sup>6</sup> Education Act 1989, s 159AB.

<sup>7</sup> Education Act 1989, s 159AC.

<sup>8</sup> Education Act 1989, s 159F.

## **Seven goals, six strategies, 35 objectives, and nine key changes**

The 2002/07 TES is a broad document with a complex architecture. It starts by set out the national goals that tertiary education should be contributing to. These are:

- New Zealand in the world
- Economic transformation
- Social development
- Māori development and advancement
- Environmental sustainability
- Infrastructural development
- Innovation

The significant developments for tertiary education are set out in six interrelated strategies.

- Strengthen system capability and quality.
- Te rautaki mātauranga Māori — contribute to the achievement of Māori development aspirations.
- Raise foundation skills so that all people can participate in our knowledge society.
- Develop the skills New Zealanders need for our knowledge society.
- Educate for Pacific peoples' development and success.
- Strengthen research, knowledge creation, and uptake for our knowledge society.

Across these strategies there are 35 objectives. While each objective is presented as relating to one of the six strategies, many of them are interconnected and overlap with key concepts in other strategies.

In addition to the strategies and objectives, there are nine key changes. These are threaded through the TES and provide a focus on the overall changes sought throughout the system. The change messages are:

- Greater alignment with national goals
- Stronger linkages with business and other external stakeholders
- Effective partnership arrangements with Māori communities
- Increased responsiveness to the needs of, and wider access for, learners
- More future-focused strategies

- Improved global linkages
- Greater collaboration and rationalisation within the system
- Increased quality, performance, effectiveness, efficiency, and transparency
- A culture of optimism and creativity.

### **Three STEPs**

An interim STEP, issued in 2002, provided a breakdown of areas of responsibility for achieving the Strategy between government agencies and tertiary education organisations. The first STEP was issued under the new legislation in 2003 and mostly repeated the content of the interim STEP. The second STEP, issued in 2005, had a much stronger emphasis on specific priority areas.

### **Establishment of the Tertiary Education Commission**

There were significant changes in government agencies and funding arrangements in parallel to the implementation of the TES. The TEC was established in 2002, bringing together Skill New Zealand (which had had responsibility for targeted training funds and industry training) and the tertiary funding section of the Ministry of Education.

The TEC has been responsible for implementing charters and profiles across tertiary education organisations. A major focus during the first two to three years of the TES has been on establishing these new systems, at the same time as establishing a new organisation and developing relationships with the other education agencies.

### 3. Evaluating the TES

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This report covers stage one of the evaluation of the TES. It provides a synthesis of information from various sources to provide a formative view to feed into the development of the next strategy.

This is a mid-term review of progress, covering the first three years of the Strategy. It is not expected that all aspects of the Strategy will be achieved at this time, or that there will be even progress across different aspects of the Strategy.

The emphasis during these first three years has been on developing the infrastructure and implementing new policies associated with the reforms. This has been a significant task, involving the establishment of a new agency, the Tertiary Education Commission, and new processes for negotiation and funding with all tertiary education organisations through profiles and charters. By the end of 2005, most of the policies associated with the 2002 reforms have been implemented.

A major source of information for this report is interviews with a range of people from tertiary education organisations and stakeholder groups on the usefulness and usability of the TES. A separate report on these interviews has been produced.<sup>9</sup>

Other information drawn on for this report includes:

- annual TES monitoring reports<sup>10</sup>
- research on stakeholder engagement with tertiary education providers<sup>11</sup>
- analysis of tertiary education organisation profiles<sup>12</sup>
- the State Services Commission-led review of the education sector agencies<sup>13</sup>
- published research and critique relating to the TES.<sup>14</sup>

A full list of the source information is set out in the references section at the end of the report.

#### Monitoring the progress

The Ministry of Education is charged with responsibility for monitoring the progress of the tertiary education system towards the goals of the TES. The purpose of monitoring is to “provide ongoing timely information on progress ... and help make sense of the extent to which the intended changes are happening, in which areas and to what degree”.<sup>15</sup>

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<sup>9</sup> Shepherd.

<sup>10</sup> Baseline Monitoring Report, Monitoring Report 2004, and Monitoring Report 2005.

<sup>11</sup> Paterson et al.

<sup>12</sup> Earle.

<sup>13</sup> State Services Commission.

<sup>14</sup> Adin, Duncan, McInnis et al, and MoRST.

<sup>15</sup> Monitoring Report 2004, p 9.

The Ministry of Education has produced three monitoring reports to date:

- Baseline Monitoring Report —released April 2004
- Monitoring Report 2004 — released April 2005
- Monitoring Report 2005 — released August 2006.

These reports have looked at progress against each of the six strategies in the TES, as well as the overall “state of play” of the tertiary education system with regard to the broad themes of excellence, relevance, access, and capability.

## **Evaluating the success of the TES**

The evaluation of the TES focuses on its success in encouraging the desired change in the tertiary education sector. In doing so, the evaluation is not concerned just with the TES document itself, but also with its success as a means of encapsulating and promoting the overall package of tertiary education reforms.

There are three broad purposes for evaluating the current TES:

- assessing its overall effectiveness in promoting and achieving change in the tertiary education sector
- informing the development of the next TES, in terms of approach, structure, and overall scope
- informing the implementation of the next TES, in terms of managing the change process and communicating clear priorities to the sector and stakeholder groups.

The evaluation has a summative purpose in terms of determining the overall effectiveness of the current TES. However, it also has a very strong formative focus in terms of identifying lessons learnt that can shape and inform the development and implementation of the next strategy. Common to these purposes is improving our understanding of how a tertiary education strategy can act effectively as a change management document and process to influence a set of desired outcomes.

It is recognised that the evaluation will not be able to establish specific, causal links in most cases. The evaluation will be looking for associative links and evidence from people involved in the sector of how the TES influenced their thinking and actions.

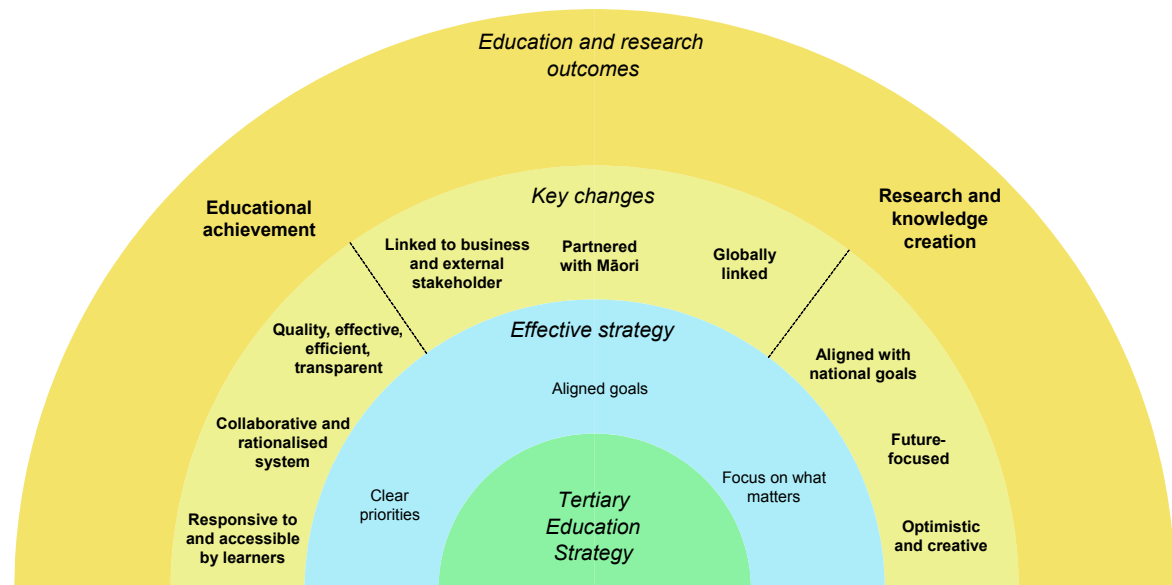
## **A staged approach**

The evaluation is being carried out as a staged project, providing timely information to regularly feed into the development of the next strategy. The order and timing of the stages takes account of the time it will take for the effects of the TES to be evident. The first stages consider what we can learn from the implementation of the current TES. It is only once the TES has run its course that we will be able to fully assess its overall effect.

## 4. How does strategy influence change?

This evaluation looks at the TES in terms of the way it effects change in the tertiary education system through layers of influence. This evaluation starts with looking at the influence of the TES as an effective strategy, goes on to look at the shifts in relation to the key changes set out in the document, and then looks at changes in outcomes over the period of the TES.

**Figure 4.1: Influence of the TES on the tertiary education system**



At each additional layer of influence, the effect of the TES is less direct and more subject to other influences, such as social and economic trends and global changes. It also takes longer for the TES to have an influence on each layer. At first, the TES can be expected to have an influence on TEO priorities and plans. It will take a longer period of time for these plans to result in sustained actions, which, in turn, will take further time to effect changes in outcomes. However, in some areas, outcomes can be achieved more quickly than in others.

This first stage of the evaluation focuses mostly on the first two layers, with some commentary on outcomes. It is not expected that there would be a marked effect on outcomes at this stage. The final stage of the evaluation will have a stronger focus on outcomes and on the connection of tertiary education to the national goals set out in the TES.

### Effective strategy

The first layer considers the TES as effective strategy, that is, to what extent did it create a shared sense of purpose and direction across the tertiary education system? This includes looking at whether it:

- provided a clear sense of priorities
- was well communicated to the sector and stakeholders

- enabled alignment of government and sector goals
- enabled stakeholders to see their goals and aspirations being achieved
- focused the tertiary education sector on what matters.

These aspects are considered in section 6 of this report.

### **Achieving key changes**

The next layer examines how well the TES has influenced its immediate outcomes. These are encapsulated in the nine key changes set out in the TES. For the purposes of the evaluation, these key changes have been grouped together into three sets:

- improvement within the tertiary education system
- improving connections with stakeholders, nationally and internationally
- contributing to wider goals.

These aspects are considered in section 7 of this report.

### **Improving outcomes**

The third layer considers what effect changes related to the TES had on improving education and research outcomes. Section 8 of this report provides a summary of trends in outcomes over the period of the current TES.

The next section of this report (section 5) examines the ways in which the TES has influenced change in the tertiary education sector.

## 5. How has the TES influenced change?

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The TES document sets out the way in which the TES was intended to influence change in the tertiary education sector. However, the way it has actually influenced change has been quite different. This section discusses the intended and actual ways in which the TES has influenced change. It presents these as “theory of change” models, which track the steps by which change is achieved. While these models are presented as direct and linear, in reality change is more complex. For example, in the process of using the TES to justify an existing strategy, an organisation may well end up reviewing some aspects of that strategy in light of the TES.

### A framework for thinking

The government’s view of the TES’s purpose was that it would:

- set out how tertiary education would contribute to the government’s broader goals
- identify key areas of change
- support ongoing strategic dialogue, underpinned by a partnership between government, the sector, and stakeholders.

It was intended to provide a framework for thinking about improved tertiary education outcomes and a set of signals to be interpreted in different ways in different parts of the system.<sup>16</sup>

The overall approach was to provide a vision for the contribution of tertiary education to the nation that would inspire the sector to work with government and stakeholders to achieve change.

The TES was intended to drive change in two ways: first by highlighting the need for change in specific areas; second by encouraging the tertiary education sector to respond to the need. This is captured in the following section from the Minister’s foreword:

The intention here is to identify the key aspects of our tertiary education system that must change in order to make a real and substantial difference to New Zealand’s future development, and to outline strategies in six key areas which we will need to lift our performance over the next five years.

This *Strategy* is **not about prescribing** a ‘top down’ approach in a detailed manner, **nor is it about a rigid plan** which will describe everything the system does in the next five years. Instead, the *Strategy* is intended as **a framework for thinking** about improved tertiary education outcomes and a set of signals **that will need to be interpreted** in different ways in different parts of the system.<sup>17</sup>

The theory of change underpinning the Strategy can be described as in Figure 5.1:

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<sup>16</sup> TES, Ministerial Foreword, pp 4–7.

<sup>17</sup> TES, p 5 (emphasis added).

**Figure 5.1: Theory of change: A framework for thinking**



However, there have been three areas where this approach has been less than effective.

- The broad nature of the TES and its lack of clear priorities have limited its use as a decision-making tool
- The TES has been seen by the tertiary education sector as a “document [that] expresses the Government’s purpose or vision, rather than expressing a call to action for institutions themselves”.<sup>18</sup>
- The TEC and TEOs have not necessarily engaged in the level of “strategic dialogue” envisaged when the TES was designed, with emphasis being more on the implementation of processes than strategic oversight and direction.<sup>19</sup>

In the interviews on use of the TES, this approach was summed up by one respondent as follows:

The TES has nothing to do with community views, having been developed by the Ministry and officials, who imagined that writing a tertiary education strategy would make it happen.<sup>20</sup>

TEOs have seen the implementation of the TES as largely mechanistic, through profiles and charters, rather than influencing thinking about change. This has led to two predominant responses as outlined below.

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<sup>18</sup> Shephard, p 9.

<sup>19</sup> State Services Commission, p 19.

<sup>20</sup> Shephard, p 37.

## **A framework for advocacy**

A general pattern of response to the TES from TEOs has been to use it as a framework for justifying and advocating their own strategy and direction. The interviews on use of the TES found that:

Established organisations tend to use the TES to check that their existing policies comply, and that current requirements for funding can be justified under the TES. They look to their own strategic and other plans for the rationale for decisions.

A number of organisations which were undergoing changes found the TES particularly useful in plotting new directions, in redirecting activities and in speeding up processes of change which had been initiated under other circumstances.

Some organisations which have previously felt that their efforts were marginalised now feel that their work is recognised. Chief amongst these are the organisations offering foundation skills.

Māori and Pasifika interviewees had distinctive views. They tended to agree with other organisations about the influence of the TES via profiles and funding. However, they strongly support the TES because they see it as greatly assisting Māori and Pasifika capacity and capability building and they believe that the TES shows the direction for New Zealand's future.<sup>21</sup>

The education sector review also noted the lack of opportunity for strategic dialogue within the charters and profiles process:

The view of many stakeholders was that charters and profiles have not been effective instruments for engaging with institutions or ensuring their activities were aligned with the TES and STEP. While a few TEIs [tertiary education institutions] commented that the process of developing charters and profiles had been useful for their own internal planning purposes, a frequent (and sometime quite cynical) view was that they were a costly compliance exercise. A number of stakeholders said they had expected more "push-back" from the TEC.<sup>22</sup>

The review noted a number of reasons for this situation. The broad nature of the TES and STEP made it difficult for the TEC to assess strategic relevance of provision. Also the short timeframes for the first round of charters and profiles limited opportunities for discussion and coincided with the development of the TEC itself as a new organisation.<sup>23</sup>

The approach to the Strategy as a way of advocating existing directions is set out in Figure 5.2.

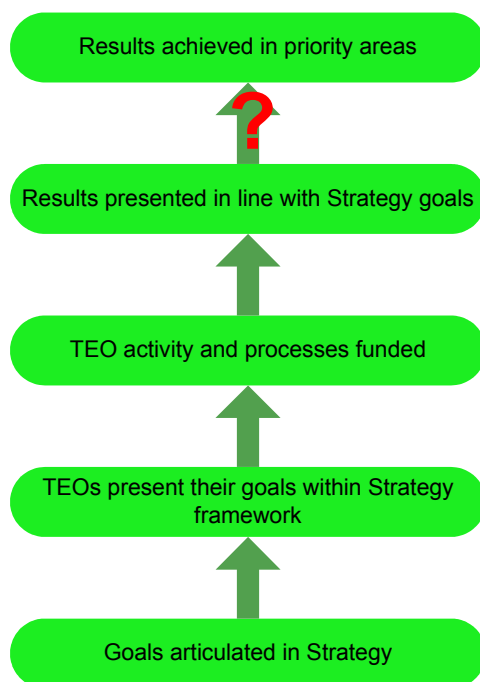
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<sup>21</sup> Shephard, pp 9-10.

<sup>22</sup> State Services Commission, p 36.

<sup>23</sup> Ibid.

**Figure 5.2: Theory of change: A framework for advocacy**



This response provides the appearance of the TES driving decisions. However, in many cases decisions about priorities are made by TEOs independent of the TES and are then fitted to the framework. This raises a question about whether it is the TES priorities or the TEO priorities that are being achieved.

### **A framework through funding**

However, the main way in which TEOs view government-driven change to come about is through the funding mechanisms. The report on the interviews on use noted that “the underlying change logic was recognised by most interviewees as using funding to influence decision making”.<sup>24</sup> The interviewees saw funding as a strong driver of their behaviour:

Interviewees overwhelmingly stated that the primary driver of change was through the funding mechanism — that their organisations were instrumentally driven and would react to whatever signals increases and decreases in the funding sent.<sup>25</sup>

The analysis of profiles found that the areas with greater increase in change-focus from the 2005/07 to the 2006/08 profiles were all related to actual or proposed changes in funding. For example, the area of greatest shift was in developing quality research programmes, which coincided with preparation for the second round of the Performance-Based Research Fund (PBRF).<sup>26</sup>

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<sup>24</sup> Shepherd, p 10.

<sup>25</sup> Shepherd, p 10.

<sup>26</sup> Earle, p 19.

The research on stakeholder engagement also found a link between adequate funding and successful engagement. Comments were also made that perverse incentives in the funding system could present a barrier to successful and relevant engagement.

Companies that supplied students and funding were clearly sought after by institutions and here channels of communication were regular and successful.<sup>27</sup>

Some [organisations] thought that the barriers are something to do with funding. As one participant said, “when you go to TEPs for something, they also speak of which pool of funding will this be funded from?”<sup>28</sup>

Another issue that was raised a number of times was education funding. The feeling was that while the ITO brokered or provided a large number of useful and relevant courses, it was funded poorly, while the tertiary sector, which was seen as unresponsive to the needs of the industry, had its courses funded at double the rate through the Student Component Fund.<sup>29</sup>

The funding-based approach to the Strategy is set out in Figure 5.3.

**Figure 5.3: Theory of change: A framework through funding**



The issue with this approach is that there was no clear and consistent link between the TES and the funding system. In some cases, for example, the PBRF, funding changes did reinforce the TES. On other cases, funding opportunities ran contrary to the intent of the TES. For example, some institutes of technology and polytechnics (ITPs) and wānanga

<sup>27</sup> Paterson et al, p 82.

<sup>28</sup> Paterson et al, p 119.

<sup>29</sup> Paterson et al, p 79.

took advantage of open-ended student funding to expand provision in areas the government considers to be of low relevance. In some cases this was done to subsidise financial short falls in areas of core provision.

## 6. An effective strategy

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### A clear sense of priorities

A broad statement of direction — limited guidance on priorities — too many objectives

The interviews on the use of the TES found that people across the sector saw the TES as a broad positioning document, but lacking a sense of priorities.

There is general agreement that the initial document is high level, unobjectionable, and hard to argue with. In this regard the TES is generally reckoned to be useful as a statement of positioning, inclusive of most points of view. This is both its strength and its weakness, since it does not give grounds for choosing one priority over another. It is “a good foundation that lacks the details that will give it real impact”. On this view it reflects the general aspirations of most people, but does not sufficiently encapsulate people’s aspirations that it acts as a stimulator of action.<sup>30</sup>

This view was consistently expressed across sub-sectors and stakeholder groups. The TES was seen as a guiding document with limited use for detailed planning and prioritisation. A particular criticism was that 35 objectives were too many and there was no sense of priority between the objectives.

A similar view was picked up in other research on the TES:

One respondent ... believed that whilst the Strategy had a lot of “very laudable goals”, there was a difference between laudable goals and actual implementation and the Strategy is not specific about how these goals are to be met.<sup>31</sup>

The recent review of the education sector also noted that stakeholders perceived the TES and STEP to be

pitched at too high a level to lead to effective strategies, in the sense that they did not of themselves meet stakeholders’ need for guidance about the government’s tertiary education priorities. Nor did the agencies convert them effectively into new policies that moved firmly towards achieving the goals of greater value and relevance.

The review team considered that the “agencies need to work together to translate [the TES and STEP] into effective strategies and policies”.<sup>32</sup>

In the absence of the TES setting explicit priorities, the tertiary education sector has developed its own consensus about priority areas. The analysis of profiles found that there

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<sup>30</sup> Shepherd, p 10.

<sup>31</sup> Adin, p 108.

<sup>32</sup> State Services Commission, p 20.

was a consistency of priorities expressed through profiles across TEOs. These represent the priorities as identified by the sector.

In both 2005/07 and 2006/08 profiles, around 64 percent of TEO responses<sup>33</sup> were in 10 out of the 27 areas used for analysis. While there is variation in response across sub-sectors, the majority of responses within each sub-sector were within the top 10 areas of overall response. ... The top 10 areas of response can then be considered as being the overall messages of the TES that were responded to across the tertiary education sector.<sup>34</sup>

These 'top ten' areas include quality of teaching and learning, focus on access, improving capability, meeting skill needs of industry, Māori participation and achievement at higher levels, and contributing to Māori development.

### Well communicated to the sector and stakeholders

Well communicated to TEO managers — variable communication to staff, stakeholders and communities — style of writing may have got in the way of the message

There was considerable communication of the TES to chief executives, vice-chancellors, and TEO planning staff. In particular, the requirements for charters and profiles to reflect the TES ensured that senior managers and planning staff in TEOs became very aware of and familiar with the TES. In research on the use of the TES, it was commented that communication to tertiary organisations "was as a result of the major exercise in producing our Charter and Profile, as this required a process of disentangling the objectives and relating them to the institution's practice".<sup>35</sup>

However, broader dissemination of the TES appears to have been more variable. The interviews on use of the TES raised questions as to the extent to which staff in TEOs were aware of the Strategy.<sup>36</sup>

There were also comments made about the Strategy not being well communicated to stakeholder groups, such as Pasifika and industry. It was noted that "Pasifika people need time to digest the TES in a way that is Pasifika" and that "documents that suit an educational institution do not necessarily suit industry".<sup>37</sup> Research on the school-to-tertiary education transition aspects of the Strategy found that schools had a general knowledge of the TES, but not of the detail.<sup>38</sup> Variable understanding of the Strategy across government departments was also raised in the interviews on use.<sup>39</sup>

It would appear that communication has worked best where it is part of an ongoing dialogue and relationships. In the interviews on use of the TES, comments were made

<sup>33</sup> This is counting each time a TEO had one or more objectives in an area as '1'.

<sup>34</sup> Earle, p 18.

<sup>35</sup> Adin, p 69.

<sup>36</sup> Shephard, pp 18 and 28.

<sup>37</sup> Shephard, pp 23 and 32.

<sup>38</sup> Adin, p 57.

<sup>39</sup> Shephard, p 32.

about successful discussions that led to greater understanding of the Strategy and its intentions. Examples included the TEC's process to develop the profile guidelines with universities and useful dialogue on the meaning of foundation skills.<sup>40</sup> However, comments were also made about missed opportunities to enter into such discussion and dialogue.<sup>41</sup>

The style of writing in the TES document also had an impact on communication. While many readers found it successful in conveying the overall messages,<sup>42</sup> some have commented on the way in which the message is conveyed.

One critique of the TES has drawn attention to what can be seen as the overly grand vision and high-handed language of the document. The critique points out that the TES "frequently makes bold and significant assertions about our future" and questions the underlying meaning of the frequently used word "will":

It is perhaps ominous for some to read a document that is signed by a Cabinet Minister telling us what their university 'will' be like and how its decision making 'will' behave. Does this somehow compromise the supposed autonomy of the University, one of its defining values?<sup>43</sup>

There was also concern expressed that the Strategy did not sufficiently demonstrate a knowledge of what is already happening in the sector and community.<sup>44</sup>

### **Enabling alignment of government and sector goals**

Varied response from sector: guide for planning; framework for articulating TEO goals; basis for advocating provision
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The information from monitoring and evaluation provides a mixed answer to this question. As discussed in section 5, the Strategy has mostly been used by TEOs to consider how they fit into the bigger picture.

The Monitoring Report 2004 noted that

some TEOs are developing new approaches in line with the TES and in many areas, the TES is supporting and encouraging the existing work of TEOs. The profiles process has required TEOs to consider their strategic priorities within the framework of the TES. The extent to which the TES is driving strategic priorities in general remains to be seen.<sup>45</sup>

The recent review of the education sector pointed to the need for greater strategic leadership from government agencies to push the development of strategies and effect

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<sup>40</sup> Shepherd, p 17 and 39.

<sup>41</sup> Shepherd, p 20.

<sup>42</sup> Shepherd, p 10.

<sup>43</sup> Duncan, p 3.

<sup>44</sup> Adin, p 27; Shepherd, p 37.

<sup>45</sup> Monitoring Report 2004., p 12.

change. It also noted that agencies needed to build their capability to take a strategic approach to policy implementation.<sup>46</sup>

The analysis of 2005/07 and 2006/08 profiles found several that were universally addressed by TEIs in their profiles, irrespective of their characteristics, such as a focus on improved equality of access and quality of teaching and learning. Other areas of the TES were addressed according to the characteristics of the TEI, such as foundation education and Pasifika development.<sup>47</sup> The analysis also found that TEO responses to the TES in profile objectives were concentrated in a few areas.<sup>48</sup>

The extent to which and the way TEOs have aligned their goals with the TES vary across sub-sectors. In general, universities have continued strategies established before the publication of the TES, and where necessary, presented these in terms of the TES. This reflects a concern of universities to retain their institutional autonomy and academic freedom.<sup>49</sup> There is also a view from some academics that the focus of the TES on knowledge “production” risks eroding what they see as “the primacy of the ‘profession of truth’ as the underlying purpose of the University”.<sup>50</sup>

ITPs have been much more engaged with the TES as a guiding document. In many cases it has been used as part of the planning process. However, some ITPs found it does not go much beyond a “framework for dialogue”. Some ITPs have engaged with the TES as a useful tool for guiding their planning and self-examination, while others have viewed it as a compliance framework.<sup>51</sup>

Private training establishments have used it more as a basis for advocating for their areas of provision. This has been more successful in some areas than others.<sup>52</sup> Industry training organisations (ITOs) have generally not seen it as a useful document and are more likely to be driven by their business plan than the TES. Some were not well disposed to what they saw as the “social engineering aspects”. However, at least one ITO found it “liberating and providing a framework across their business”.<sup>53</sup> Wānanga saw it as “a vital social and economic mechanism, rather than as simply a guide to the delivery of educational programmes”. However, they are frustrated with what they see as poor implementation.<sup>54</sup>

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<sup>46</sup> State Services Commission, pp 22 and 26.

<sup>47</sup> Earle, p 20.

<sup>48</sup> Earle, p 18.

<sup>49</sup> Shepherd, pp 15–18.

<sup>50</sup> Duncan, p 1.

<sup>51</sup> Shepherd, pp 19–22.

<sup>52</sup> Shepherd, pp 25–26.

<sup>53</sup> Shepherd, p 23.

<sup>54</sup> Shepherd, pp 27–29.

## Enabling stakeholders to see their goals and aspirations being achieved

Vital to achievement of Māori and Pasifika development; supportive of business and industry; little relevance for schools — concern that implementation has been lacking

Both Māori and Pasifika stakeholders see the TES as being vital to the achievement of their social and economic goals. It provides a foundation for thinking about Māori and Pasifika within the wider context of tertiary provision and the nation. It has therefore influenced thinking across the sector. However, Māori and Pasifika stakeholders have been disappointed by the lack of consistent implementation.<sup>55</sup>

Business and economic development stakeholders generally see the TES as an expression of government directions for the sector and useful in this regard. They acknowledge that it does provide a clear message about building stronger linkages with business, but the message is diluted by the breadth of the document. In their view, the document fails to give a sense of what will be done and by when.<sup>56</sup>

It would appear that there has been limited engagement with the TES from the school sector. Where this has occurred, it is seen as a document that is generally not relevant and outlines things they are doing already.<sup>57</sup>

The recent education review noted that:

stakeholders commented on the lack of progress towards the goals ... for tertiary education. Of particular note was the need to develop funding arrangements to give greater attention to value and relevance in tertiary education, and align these arrangements with the needs of learners, and to support national development.<sup>58</sup>

## Focusing the tertiary education sector on what matters

Document not clear about what matters most

In practice — has provided renewed focus on foundation education; reinforced focus on quality of teaching and research and Māori and Pasifika participation

The answer to this question echoes the answer to the first question on priorities above. Most people see the TES as providing a broad framework, but lacking focus on a few significant areas for change. Therefore, it is hard to tell from the document what matters most.

The area on which the TES has achieved a notably greater focus has been foundation education. This was commented on in the key informant interviews across sub-sectors

<sup>55</sup> Shepherd, pp 27–34.

<sup>56</sup> Shepherd, pp 37–39.

<sup>57</sup> Adin, pp 68 and 100.

<sup>58</sup> State Services Commission, p 19.

and groups.<sup>59</sup> Māori and Pasifika stakeholders saw the TES as important to providing a greater focus on their development aspirations.<sup>60</sup>

The analysis of profiles found that there was an increased focus on several areas from the 2005/07 to the 2006/08 profiles. Top of this list were quality of research and of teaching and learning, followed by Māori and Pasifika participation and achievement at higher levels.<sup>61</sup> However, the analysis also notes that these are the areas where there have been significant proposed or actual changes to funding, implying that TES themes have had greater uptake when they are linked with changes in funding policy.

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<sup>59</sup> Shepherd, pp 20, 25, and 29.

<sup>60</sup> Shepherd, pp 27 and 31.

<sup>61</sup> Earle, p 19.

## 7. Achieving key changes

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This section examines how well the TES has achieved its immediate outcomes as encapsulated in the nine key changes. The key changes have been grouped under three headings. These groups move from internally focused change to externally evident change. Within the time frame of this report, it would be expected that more of the change would be internal and it would take time for the external change to become evident.

### Improvement within the tertiary education system

#### *Increased responsiveness to the needs of, and wider access for, learners*

Greater TEO focus on monitoring student achievement and support for under-represented groups – some improvements evident.
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The analysis of 2005/07 and 2006/08 profiles showed increased focus between these two years on areas related to “enabling students and learners to access excellent and relevant tertiary education, and progress to higher levels of study and achievement”. In particular, a greater focus on Māori, Pasifika, and youth was evident.

A “focus on access” and “Māori participation and achievement at higher levels” were among the top ten areas of response in TEO profiles in both years, and “Pasifika participation and achievement at higher levels” was in the top ten areas in 2006/08.

However, much of the TEO activity in these areas focused on monitoring and support systems, with less focus on changing the teaching and learning environment to actively support the achievement of these students. In terms of moving students from school to tertiary, the focus tended to be on those who will make a successful transition, with less explicit attention to students who have left school early without qualifications. The analysis also found that a “focus on career and study advice” was one of the areas with very low response in profiles across both years.<sup>62</sup>

In terms of outcomes, the picture is somewhat mixed, but shows improvements for under-represented groups in several areas.

The proportion of school-leavers going directly to study at tertiary providers in the following year is declining, as job opportunities increase, and because of the increased availability of alternative education pathways through modern apprenticeships.

In 2002 and 2003, enrolments in Student Component-funded foundation education courses increased dramatically, and have since declined.<sup>63</sup> Most of this provision was in two large programmes: MahiOra, run by Te Wānanga o Aotearoa and LifeWorks, run by The Open Polytechnic of New Zealand. Related to this was a large increase in Māori and Pasifika participation at certificate level.

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<sup>62</sup> Earle, pp 16–19.

<sup>63</sup> Monitoring Report 2005, p 30.

By 2005, Māori numbers at bachelors level started to decline at a faster rate than for non-Māori. However, retention rates at diploma and degree level are improving and progression from masters to doctorate has increased significantly. Pasifika student numbers at bachelors level are growing and their retention rates are now similar to those of all students. Pasifika students continue to have lower participation and retention at postgraduate level, but have also had a significant increase in progression from masters to doctorates.

The number of students with disabilities grew from 2002 to 2004 and levelled off in 2005. The number of first-time students aged 25 and over continued to increase from 2002 to 2005.<sup>64</sup>

### *Greater collaboration and rationalisation within the system*

More attention being given to collaboration within the system — more work to be done

The analysis of profiles found a general increase from the 2005/07 to the 2006/08 profiles in the number of TEOs with change-focused objectives relating to collaboration with other TEOs. This increase was particularly marked for ITOs and universities. There was also increased focus on differentiation of role. However, this was often expressed in terms of improving the reputation of the institution rather than rationalisation of provision.<sup>65</sup>

The Baseline Monitoring Report noted that in 2001, research collaboration was much less likely to occur between New Zealand institutions than between New Zealand and overseas institutions.<sup>66</sup> While later comparative data is not available, the mid-term review of the Centres of Research Excellence noted that the centres have increased collaboration within and across institutions.<sup>67</sup>

The research on stakeholder engagement with tertiary education providers showed that rivalry between institutions was seen as a significant barrier to successful stakeholder engagement. This was seen as particularly frustrating where it resulted in duplication of courses, lack of attention to priority areas of need, and lack of sharing of skills. Fragmentation within institutions was also commented on. However, comments were made that rivalry has lessened recently.<sup>68</sup> The TEC review of overlapping provision has also addressed some of the issues raised about duplication between ITOs and ITPs.<sup>69</sup>

The recent review of the education sector commented on the need for improved relationships and communication between government education agencies and the need for the agencies to work better together to develop and implement strategies.<sup>70</sup>

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<sup>64</sup> Monitoring Report 2005, pp 12–15.

<sup>65</sup> Earle, pp 60–61

<sup>66</sup> Baseline Monitoring Report, p 53.

<sup>67</sup> Monitoring Report 2005, p 48.

<sup>68</sup> Paterson et al, pp 79, 81, 98–99, 105, 109, and 116.

<sup>69</sup> Monitoring Report 2005, pp 66–67.

<sup>70</sup> State Services Commission, pp 19–21.

*Increased quality, performance, effectiveness, efficiency, and transparency*

TEOs and government focusing on raising quality of teaching and research

Employers concerned about quality of graduates

The analysis of profiles showed that most TEOs had change-focused objectives relating to capability and quality in both 2005/07 and 2006/08 profiles. Between the two years, there was an increased focus on areas relating to effective teaching and high-quality research, with both being in the top 10 areas of response in 2006/08. However, it was noted that “in the area of teaching and learning there has been more focus on monitoring success and providing flexible learning options and less on development of teaching practice. There is some indication in the 2006/08 profiles of a shift towards the latter”.<sup>71</sup>

The monitoring of the TES has also noted other evidence for an increased focus on quality of teaching and research. There has been investment in improving the quality of foundation education provision and in the establishment of Ako Aotearoa: Tertiary Teaching for Learning Centre. The PBRF is encouraging TEOs to provide greater support for their research programmes.<sup>72</sup> At the same time, there has been increased sub-degree provision in areas the government considers to be of low relevance. Questions have been raised about the need for greater coordination of quality assurance arrangements across government agencies. These areas have been addressed through a quality reinvestment fund, and will be further addressed in the new funding and quality assurance reforms.<sup>73</sup>

In the stakeholder research, issues were raised about variability of skills of graduates and their suitability in the work place. A consistent theme was the lack of practical and workplace skills in graduates, with a shift towards more theoretical knowledge in qualifications. However, a couple of cases were noted where ITPs had been willing to address this issue positively. It was also commented that the nature of qualifications was not always well understood by employers. Increased volume of provision was seen to hide the level of non-performance, as well as increase the number of unsuitable people being accepted into professional qualifications.<sup>74</sup>

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<sup>71</sup> Earle, pp 15–18.

<sup>72</sup> Monitoring Report 2005, pp 64–65.

<sup>73</sup> Monitoring Report 2005, p 10.

<sup>74</sup> Paterson et al, pp 91–92, 94, 96–98, 100, 107, and 109.

## Improving linkages with stakeholders?

### *Stronger linkages with business and other external stakeholders*

TEO push on connecting with industry now being consolidated — mixed satisfaction from employers

Some development of TEO relationships with Pasifika communities — mostly focused on supporting students

Need for government agencies to improve relationships with stakeholders

#### Business and industry

The Monitoring Report 2004 reported that most TEIs were further developing their existing connections with business and industry. It was noted that they were largely building on existing relationships and strengths, and expanding the scope and range of activities. There was concern raised that some areas of industry may not be so well connected, particularly those dominated by small businesses.<sup>75</sup>

The analysis of profiles found that working with business and industry to address skill needs was a strong area of change-focus for ITOs and ITPs. However, the number of TEOs with a change-focus in this area declined from 2005/07 to 2006/08. In many cases, this represented TEOs moving new initiatives into business as usual and focusing on operationalising and consolidating these initiatives.<sup>76</sup>

The research on stakeholder engagement found that tertiary education providers surveyed were satisfied with their level of engagement with industry and believed they contributed substantially to the economic and social goals of business and industry.<sup>77</sup>

On the other hand, the same research found that people within industry reported wide-ranging levels of engagement with tertiary education providers. They were generally critical of the quality of engagement, often seeing it as narrowly based and lacking mutual respect. Where successful engagement did occur, it was dependent on the people and providers involved and a willingness from both sides to identify and work on areas of mutual interest.<sup>78</sup>

#### Pasifika communities

The Monitoring Report 2004 reported that there was generally a low level of engagement with Pasifika communities across the tertiary education system. In general, TEIs were still in the early stages of relationship development, with the emphasis on existing linkages. The main focus was on improving support for Pasifika students and trainees. There was less attention to meeting the wider aspirations of Pasifika communities.<sup>79</sup>

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<sup>75</sup> Monitoring Report 2004, p 13.

<sup>76</sup> Earle, pp 16 and 32–33.

<sup>77</sup> Paterson et al, pp 39–40.

<sup>78</sup> Paterson et al, pp 42–44.

<sup>79</sup> Monitoring Report 2004, p13.

The analysis of profiles found that in the 2005/07 profiles 30 percent of TEOs had change-focused objectives relating to linking with Pasifika communities to contribute to Pasifika development, falling to 25 percent in the 2006/08 profiles. The analysis found that TEOs with a larger number of Pasifika students were more likely to have objectives relating to Pasifika communities and students in the 2006/08 profiles.

Most of the objectives were focused on developing relationships and understanding and meeting the needs of Pasifika students. Only one TEI framed its objectives in terms of Pasifika aspirations and development, and only one example of an international perspective on Pasifika development was found.<sup>80</sup>

The research on stakeholder engagement found that the providers surveyed were generally satisfied with their level of engagement with Pasifika groups. About half thought they were making minimal to no contribution to Pasifika economic development and the rest thought they were making a moderate contribution. Most thought they were making a moderate contribution to Pasifika social goals.<sup>81</sup>

The Pasifika community organisations interviewed in the stakeholder research thought that, while they had lots of engagement with providers, these engagement varied in kind and intensity. They tended to be narrow in focus, with an emphasis on recruiting Pasifika students and providing information (from and to the community). There were varied levels of satisfaction with engagement. All those interviewed stated that their engagements with providers did not contribute to their achieving their social goals. Some thought it did help achieve their economic goals through student success and contracts to Pasifika organisations.<sup>82</sup>

#### Government agency connections with stakeholders

The review of the education sector noted the need for government agencies to improve their relationships with stakeholders. “The relative autonomy of the sector means that effective change can only occur smoothly if the stakeholders have been properly involved in and understand the change.” The review noted the need for agencies to be more outwardly focused, with a deeper understanding of and better communication with the tertiary education sector. This is likely to require improved capability within the agencies.<sup>83</sup>

#### *Effective partnership arrangements with Māori communities*

##### TEOs moving forward in developing partnerships with Māori and iwi

The Monitoring Report 2004 reported that most TEIs were moving forward in their relationships with Māori and iwi and exploring opportunities for greater partnership. Engaging with Māori and iwi was a relatively new area of activity for most ITOs.<sup>84</sup>

<sup>80</sup> Earle, pp 20 and 52–53.

<sup>81</sup> Paterson et al, pp 39–40.

<sup>82</sup> Paterson et al, pp 117–120.

<sup>83</sup> State Services Commission pp 27–28.

<sup>84</sup> Monitoring Report 2004, p 13.

The analysis of profiles found that most TEIs and ITOs had change-focused objectives relating to engaging with Māori and iwi in their 2005/07 and 2006/08 profiles. ITOs tended to focus on engagement to better meet the needs of Māori trainees. TEIs had broadly specified objectives about relationships and partnerships, with ITPs focusing more on teaching and learning and universities more on research.<sup>85</sup>

Providers surveyed in the research on stakeholder engagement were generally satisfied with their levels of engagement with Māori organisations and most thought they were making moderate contributions to Māori social and economic goals.<sup>86</sup>

The same research found that Māori stakeholders reported considerable engagement with providers. The quality of engagement was mixed. Some reported difficulties in successfully articulating their views and aspirations through engagement at governance level. There seemed to be somewhat better engagement at programme level. Māori stakeholders saw tertiary education as making a strong and vital contribution to their social and economic goals. However, their engagement with TEOs is driven by their own aspirations, rather than the drive coming from TEOs themselves.<sup>87</sup>

### *Improved global linkages*

Global linkages continuing to develop within a more competitive international environment

The analysis of profiles found a decrease in change-focused objectives relating to export education and internationalisation in ITPs and universities from 2005/07 to 2006/08, even though there was greater uncertainty about international student numbers over this period.<sup>88</sup>

The period from 2002 to 2005 was marked by the peaking of international student numbers in 2004 and a decrease in 2005. This pattern was mirrored in English language school enrolments. The decline was mostly a result of international circumstances, such as competition from other countries, economic conditions, including a strong New Zealand dollar, and international security threats. A few high-profile cases involving problems in New Zealand English language schools have also had an impact.<sup>89</sup> The impact for TEOs is that they need to invest greater effort in more countries to maintain international student numbers.

The stakeholder research project found the level of engagement of New Zealand providers internationally, as expressed within profiles, to be modest. Universities had a strong focus around research linkages. Most providers surveyed in the research said they had moderate engagement with international stakeholders and were fairly satisfied with the level of engagement.<sup>90</sup>

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<sup>85</sup> Earle, pp 49–51.

<sup>86</sup> Paterson et al, pp 39–40.

<sup>87</sup> Paterson et al, pp 112–116.

<sup>88</sup> Earle, pp 62–63.

<sup>89</sup> Monitoring Report 2005, pp 68–69.

<sup>90</sup> Paterson et al, pp 30 and 34.

Recent research on internationalisation<sup>91</sup> found that:

- there is increasing commitment from TEIs to internationalisation, with 80 percent of institutions believing internationalisation to be very important
- half of the academic and business units surveyed have strategic plans that include internationalisation objectives
- most institutions have involvement in an international or regional network of some kind
- most provide a specialist centre specifically for the support of international students and almost all provide orientation programmes
- there has been a significant increase in international collaborative research activities since 1998, although the bulk comes from a small number of institutions
- there has been an increase in the number of courses offered offshore, and an increase in offshore activity, especially in the development of strategic alliances with overseas institutions.

From 1994 to 2004, university research income from overseas funding sources increased from \$7.7 million to \$9.7 million. However, as a proportion of external research funding, overseas funding fell from 10 percent in 1994, to 4.4 percent in 2004.<sup>92</sup>

The number of international students studying at doctorate level nearly doubled from 360 in 2002 to 690 in 2005. This increase reflects the effectiveness of international networks in attracting doctoral students to New Zealand, as well as the potential for ongoing linkages through these students in the future. The increase has also been supported by the introduction of domestic fee rates for international doctoral students.

## **Contributing to wider outcomes**

### *Greater alignment with national goals*

Tertiary education contributes to national goals — but alignment is not being made explicit

There is mixed evidence on the extent to which the tertiary education system is contributing to national goals.

There does not appear to be an increase in the explicit connection of TEO goals to broader national goals as a result of the TES. The analysis of profiles found that there were very few references to linking research programmes to national goals in profile objectives.<sup>93</sup> However, other data on university research suggests that there is an implicit contribution of research to national goals. Around two-thirds of university research

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<sup>91</sup> McInnis et al.

<sup>92</sup> MoRST, p 56.

<sup>93</sup> Earle, p 41.

expenditure in 2004 was categorised as basic research, contributing to the longer-term knowledge base of the country.<sup>94</sup> A breakdown by research purpose shows that three-quarters of university research links to a broader area of socio-economic objectives, the largest areas being:

- health (21 percent)
- social development and services (12 percent)
- development of infrastructure (12 percent)
- industrial development (10 percent).<sup>95</sup>

Universities have also been successful in attaining a large share of government research funding, which is generally connected to national goals. The university share of Vote: Research, Science, and Technology funding increased from 22 percent in 2001/02 to 26 percent in 2004/05. Over this time, the total funding pool also increased by 23 percent.<sup>96</sup>

The stakeholder research found industry acknowledged that tertiary education was an important contributor to both social and economic goals through the development of skilled, able and well-rounded graduates. However, several industries did not see tertiary education as directly contributing to their economic goals and thought that there was more that could be done in this area.<sup>97</sup> In both the stakeholder research and the key informant interviews, there were comments made by industry about the perceived lack of focus on active knowledge transfer and commercialisation.<sup>98</sup>

Both Māori and Pasifika stakeholders see tertiary education as a vital contributor to their social and economic goals.<sup>99</sup>

For Māori, their engagement with tertiary education providers is not out of choice, but out of necessity to achieve their social, economic, and cultural aspirations.<sup>100</sup> In spite of the difficulties of engagement and concern about the variable implementation of the Māori aspects of the TES, Māori stakeholders see the tertiary education system making vital contributions to their goals.<sup>101</sup>

Pasifika stakeholders were less certain about the contribution of the tertiary education sector to their development goals. They saw it as only contributing in the economic area through increasing the number of Pasifika people with tertiary qualifications.<sup>102</sup> They are concerned about the lack of commitment to the implementation of Pasifika aspects of the TES and failure to translate intent into action.<sup>103</sup>

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<sup>94</sup> Monitoring Report 2005, p 46.

<sup>95</sup> MoRST, p 59.

<sup>96</sup> Ministry of Research, Science and Technology statistics.

<sup>97</sup> Paterson et al, pp 51–52, 79, 84, 88–89, 94, 97, 101, and 105.

<sup>98</sup> Paterson et al, p 105; Shephard, p 38.

<sup>99</sup> Shephard, pp 27 and 31.

<sup>100</sup> Paterson et al, p 113.

<sup>101</sup> Paterson et al, p 116; Shephard, p 30.

<sup>102</sup> Paterson et al, p 120.

<sup>103</sup> Shephard, pp 32–33.

### *More future-focused strategies*

Uncertain as to whether there is a greater future focus in the sector

This is an area that has not been specifically focused on in analysis to date. Further analysis of profiles could provide information on the extent to which TEOs are more future-focused.

Several of the monitoring indicators raise questions about whether the tertiary education sector has achieved a greater future focus. These include:

- no clear shift to a greater focus on specialist skills through either postgraduate study or technical qualifications<sup>104</sup>
- limited discussion within profile objectives of delivering key competencies (generic skills) to equip graduates for a changing world.<sup>105</sup>

One area where a stronger future focus is evident is in the support of new and emerging researchers. This is an area of increasing emphasis within university profiles.<sup>106</sup> It is also demonstrated by increased progression to, and enrolments and retention in, doctoral degrees.<sup>107</sup>

### *A culture of optimism and creativity*

Tertiary education sector still seen as defensive and resistant to change

This change message reinforces the messages in the TES about the desire for a shift in the culture of the tertiary education sector to one of “action, creativity, innovation and optimism”.<sup>108</sup>

Comments made in the stakeholder research indicate that stakeholders still often see the culture of tertiary education providers as bureaucratic, inflexible, defensive, resistant to new ideas, and focused more on their own business than on delivering service to students and stakeholders. Comments were made on the need for a “culture shift” to support more open engagement. Exceptions to these comments were generally where individual managers and staff within the provider were willing to make a difference.<sup>109</sup>

Research on school and tertiary linkages noted that one of the barriers to change is the defensive nature of the education sector:

Ironically, one of the significant impediments identified during this research was the defensive nature of education sector personnel, each blaming the other, so that when “someone suggests that something

<sup>104</sup> Monitoring Report 2005, p 11.

<sup>105</sup> Earle, p 34.

<sup>106</sup> Earle, p 43.

<sup>107</sup> Monitoring Report 2005, p 48.

<sup>108</sup> TES, p 19.

<sup>109</sup> Paterson et al, pp 79, 83, 93–95, 97, and 104.

might be changed, it is immediately assumed that what is being done at the moment is not up to standard”.<sup>110</sup>

The inward focus of the government education agencies was also noted by stakeholders in the review of the education sector. It was commented that agencies “got somewhat trapped in concentrating on the design and management of processes to implement policies ... There were concerns that the agencies did not listen effectively and that consultation processes were not as open and effective as they should be”.<sup>111</sup>

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<sup>110</sup> Adin, p 128.

<sup>111</sup> State Services Commission, p 24.

## 8. Improving outcomes

This section looks at some key trends in outcomes. While it is not possible to establish a causal link with the TES, these indicators show the extent to which outcomes have changed. As stated throughout the report, it will take time for changes arising from the TES to be fully evident in outcome indicators.

### Access

#### Increased participation at certificate level — differences by ethnic group persist

Participation rates continued to increase from 2002 to 2005, although the rate of increase slowed compared with the previous three years.

Most of the increase has been below degree level, particularly at level 1 to 3 certificates. Participation rates at bachelors and postgraduate levels have been fairly stable.

Māori and Pasifika have had high rates of participation at certificate level. At degree level, Māori participation peaked in 2003 and has since declined. Pasifika participation rates levelled off in 2005. European participation rates have also dropped, while Asian participation rates are rising.

Figure 8.1: Participation rates by qualification level

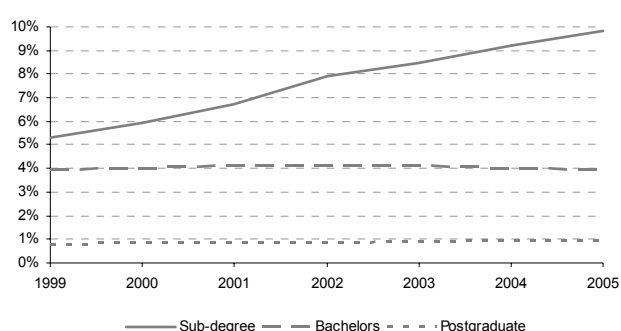
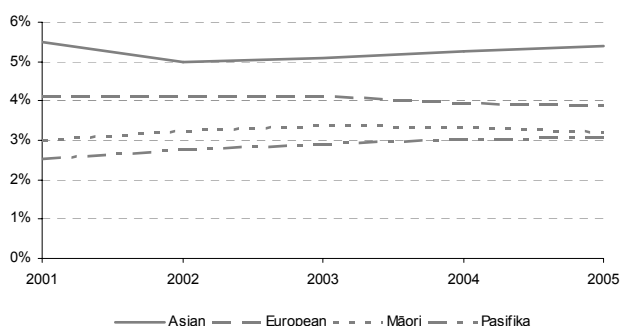


Figure 8.2: Participation rates at bachelors level by ethnic group



### Retention

#### Little change in first-year attrition rates

Over the period of the Strategy, first-year attrition rates have been steadily increasing at all levels.

Figure 8.3: First-year attrition rates by qualification level



See note 4 below.

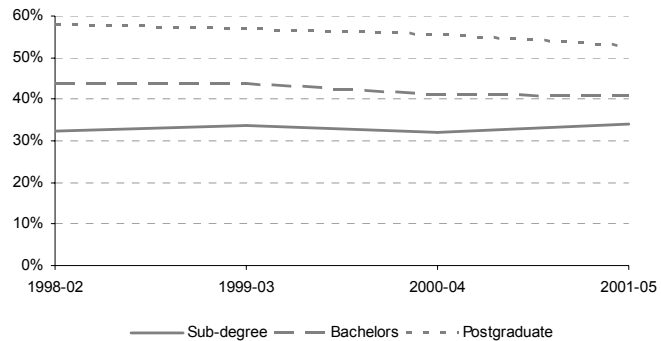
## Completion

Stable for diplomas and certificates — declining for masters

Five-year completion rates have remained fairly steady below degree level.

However, there has been a small decline at bachelors levels and a marked decline at postgraduate level.

**Figure 8.4: Five-year completion rates by qualification level**

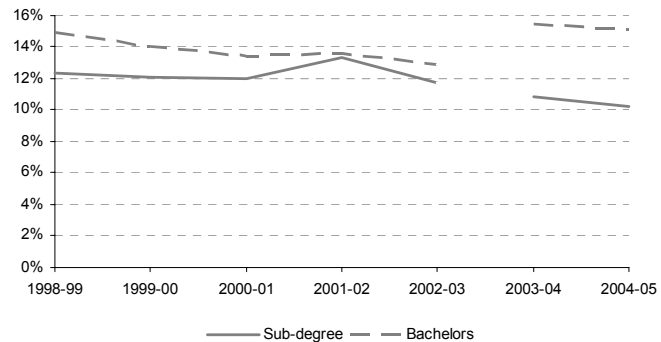


## Progression

Progression to higher-level study has remained steady overall

Progression rates directly to higher levels of study show overall decline at both sub-degree and bachelors level. This may reflect improvements in the job market.

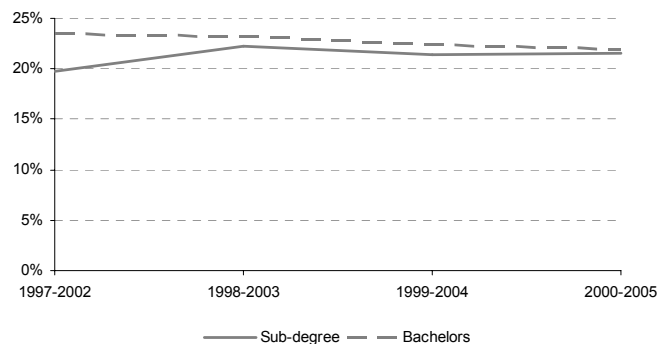
**Figure 8.5: Direct higher-level progression rates by qualification level**



See note 4 below.

**Figure 8.6: Five-year higher-level progression rates by qualification level**

Looking at progression over a five-year period following completion of a qualification, progression rates are higher, but still show a small overall decline.

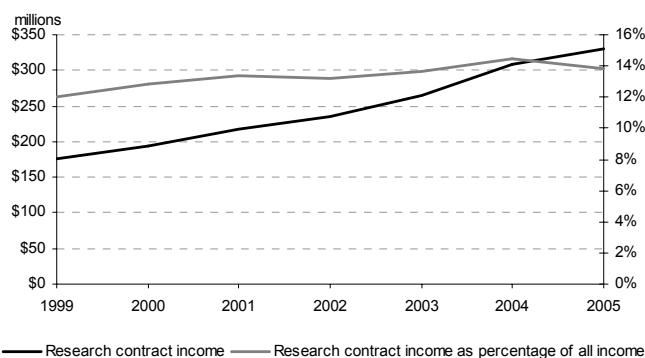


## Research

Contract research continues to expand, with demand increasing from a variety of sources

External research earnings provide a measure of the perceived quality and confidence in university-based research, as well as a measure of volume. University contract income has continued to grow over the period from 2002 to 2005.

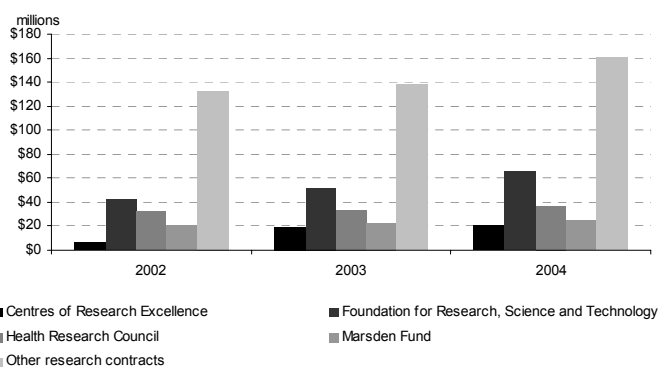
**Figure 8.7: University research contract income**



Source: University annual reports

**Figure 8.8: University research contract income by source**

Just under half of this income came from contracts funded by government research funding bodies. Nearly 40 percent of the growth from 2002 to 2004 was in contracts other than those funded by government research funding bodies.



Sources: Tertiary Education Commission, university annual reports, Royal Society of NZ, Foundation for Research, Science and Technology, and Health Research Council

Notes:

1. Source of data is the Ministry of Education, unless otherwise stated.
2. Participation rates are age-standardised to the 2005 population.
3. Attrition, completion, and progression rates shown here are for tertiary education institutions only.
4. The introduction of the national student number in 2003 has affected the calculation of first-year attrition rates and direct progression rates. Therefore, there is a break in the data series from 2002/03 to 2003/04.



## Postscript: Changes being addressed in the second TES

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Many of the issues raised in this evaluation are being addressed in the development of the next TES, and also through changes to funding and quality assurance arrangements.

### Stronger focus on priorities

The discussion document on developing the second Tertiary Education Strategy states that the new TES will be structured around the broad contribution that the tertiary education system makes to the country and “will give priority to improving a limited number of outcomes of strategic and long-term importance to New Zealand as a nation”. The STEPs will “set out the few critical system shifts that are necessary in the short term to achieve the longer-term direction”. Monitoring of the next TES will also focus on “the key shifts in the tertiary education system’s performance ... [and] involve a small number of key quantitative and qualitative indicators”.

The focus on a few critical priorities is not meant to limit the focus of the tertiary education. Rather, it is responding to feedback on the first TES for “a more limited and focused set of priorities [that] will make the strategy more meaningful and help to clarify priorities and direct effort”.<sup>112</sup>

### Linking strategy, funding, and quality assurance

From 2008, the government will progressively introduce a new approach to planning, funding, and quality assurance and monitoring in the tertiary education system. These changes include:

- building a **network of provision** in which providers collaborate, rather than compete, and focus on making their distinctive contribution to regional and national skills advancement
- **strengthening quality assurance**, so it is more focused on assessing the outcomes for students, for employers, and for the community at large
- shifting from funding places in tertiary education to **investing in plans developed by tertiary providers**.<sup>113</sup>

The TES and STEP will set the direction for the tertiary education sector, with the funding, monitoring, and quality assurance systems aligned to achieve that direction. The TEC will adopt a more investment-based approach by making more active and considered funding decisions, having more diversified and sophisticated approaches to funding a differentiated network of provision, and taking a longer-term view.<sup>114</sup>

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<sup>112</sup> TES discussion, pp 10, 24, and 28.

<sup>113</sup> Hon Dr Michael Cullen, “Speech notes for address to the annual conference of the Industry Training Federation: Tertiary Reform Next Steps”, Intercontinental Hotel, Wellington, 27 July 2006.

<sup>114</sup> TES discussion, pp 18–19.

### **Improved agency coordination**

In response to the Education Sector Review, the Ministry of Education, the TEC and the New Zealand Qualifications Authority have been working more closely together. Within the development of the new funding and quality assurance arrangements, attention is being given to aligning the activities of each agency to provide more effective services to the tertiary education sector. The TEC has strengthened its external stakeholder advisory processes.

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