

**'Doing More With Less': A critical analysis of ideological discourse in tertiary sector
policy documents and its impact on polytechnics in New Zealand**

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Abstract

The purpose of this study was twofold. The first was to trace the history of tertiary education in New Zealand to demonstrate how its purpose and direction has changed. The First Labour Government elected in 1935 believed that the state had the responsibility for investing in an education system that would provide opportunities to all regardless of status or ability. Subsequent governments continued to develop and invest in a wide-ranging education system to cater for all New Zealanders. The arrival of neoliberalism from the mid-1980s saw the decline of Government investment in all state services, including education. With the election of the Fourth Labour Government in July 1984, a programme of neoliberal social and economic reform was implemented immediately. The education sector was also restructured, and a culture of competition and free market principles was established.

The tertiary education sector was no longer defined as 'education' or 'training', and all providers were required to compete for state funding covering all aspects of tertiary education. Community education programmes were the worst affected, with the cessation of all government funding. Teacher training colleges were merged with the universities as they were no longer considered institutions in their own right. The New Zealand Qualifications Framework, established in 1991, enabled any tertiary education provider to deliver degree-level programmes, creating increased competition between polytechnics and universities and blurring the boundaries between vocation and academic education. Performance-based funding was introduced and the gap between polytechnics and universities widened as the universities were able to pursue this funding opportunity with more vigour than the polytechnics.

The second purpose of the study was to identify and critically analyse ideologically-driven discourse in selected documents informing policy direction for tertiary education. With a particular focus on the polytechnics, the thesis highlights keywords and phrases which represent a supposedly commonsense approach to improving tertiary education provision. The selected key words are difficult to challenge or critique. On closer examination, it is suggested that these words are generally devoid of meaning and represent ideas that are under-developed. This enables the possibility for wide interpretation and runs the risk that policy direction will be captured by ideologues to drive their own political agendas. Examples of where this has occurred are presented along with cases where there has been less focus on the ideological drivers, resulting in strong-performing polytechnics that are well-supported.

Since the beginning of the neoliberal reforms of the 1980s, the polytechnics have been overlooked and misaligned within existing policy and it seemed as though this once vital piece of the tertiary education landscape might disappear altogether. The thesis concludes with reference to the current review of the New Zealand polytechnic system. It would seem that there is an opportunity for the polytechnics to regain a foothold in the landscape of tertiary education and the Minister of Education would do well to consider those polytechnics that have remained successful in spite of the ongoing reforms. Will a fully considered reflection on why this might be so be put into practice? The response to this question will decide the future of the polytechnics in New Zealand.

Table of Contents

Table of Contents	3
Attestation of Authorship	5
Acknowledgements	6
Chapter One: Reflections and Analytical Framework	7
1.1 Introduction.....	7
1.2 Ideology.....	8
1.3 Neoliberal Ideology	9
1.4 The New Zealand Context	10
1.5 Education and Neoliberalism	11
1.6 Discourse Analysis	13
1.7 Chapter Overview	14
Chapter Two: Education and Social Democracy in New Zealand: Contextualizing the polytechnic.	17
2.1 Introduction.....	17
2.2 The General Role of Education.....	18
2.3 Technical and Vocational Education.....	21
2.4 The Differing Roles of Universities and Polytechnics	23
2.5 History of Technical Institutes and Polytechnics in New Zealand.....	24
2.6 Community Education and Community Colleges.....	26
2.7 Teacher Training Colleges	27
2.8 Conclusion.....	27
Chapter Three: The Impact of Neoliberalism on the Education Sector and Polytechnics in New Zealand 1984-1999	29
3.1 Introduction.....	29
3.2 Dismantling Keynesian Social Democracy 1984-1990	29
3.3 Secondary Schools and the Picot Report	32
3.4 Tertiary Education and the Hawke Report.....	33
3.5 Universities.....	34
3.6 Learning for Life I and II	34
3.7 Education, Training and Polytechnics.....	35
3.8 Entrenching Neoliberalism: National-led Governments 1990-1999.....	37
3.9 Education, training and polytechnics	39
3.10 Conclusion.....	41
Chapter Four: From the Third Way to the Productivity Commission 1999-2008.....	43
4.1 Introduction.....	43
4.2 A Third Way? Labour-led Governments 1999-2008	43
4.3 Tertiary Education Policy	44
4.4 The Spread of Business and Managerialist Discourses in Tertiary Education	47
4.5 The Tertiary Sector and Polytechnics	48
4.6 Efficiencies and Productivity in Tertiary Education	50

4.7	Conclusion.....	52
Chapter Five: The Productivity Commission and Polytechnics under a National Government 2008-2017.....		54
5.1	Introduction.....	54
5.2	The National Government 2008-2017.....	54
5.3	Education policies	55
5.4	Tertiary education	56
5.5	The New Zealand Productivity Commission	58
5.6	Impact of the Productivity Commission Recommendations on Polytechnics	62
5.7	Conclusion.....	64
Chapter Six: Productivity Commission Discourse and the Implications for Polytechnics.....		66
6.1	Introduction.....	66
6.2	Critical Discourse Analysis.....	66
6.3	Tertiary Education Strategy (released March 2014)	67
6.4	Innovations in Tertiary Education Delivery Summit 2014: Summary of Proceedings (held 5-6 June 2014)	71
6.5	New Zealand Productivity Commission: New Models of Tertiary Education (Final Report). (Released March 2017).	75
6.6	Language and Ideology in the Productivity Commission and Related Documents	79
6.7	Expanding the Language of Productivity	80
6.8	Entrenching technological determinism	81
6.9	Obsession with Outcomes	82
6.10	Conclusion.....	83
Chapter Seven: The Predicament of Polytechnics in New Zealand		85
7.1	Introduction.....	85
7.2	Conclusion.....	90
Chapter Eight: Conclusion.....		92
References.....		99

Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Signed:

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Chapter One: Reflections and Analytical Framework

1.1 Introduction

For the last 15-20 years in New Zealand, tertiary education has seen a significant shift in the way that it is conceived, operated and delivered. Having worked in the sector for the same amount of time, I have been able to see this shift occurring, and it has not been a comfortable experience. Equally disconcerting is the way in which tertiary education is now perceived by those in government, the media and the public as a whole. It would seem that the supposed traditional purpose of tertiary education, that of providing a higher level of knowledge and understanding, is labelled 'inefficient' and "not meeting the needs of its communities'. The ways in which education ought to be delivered is also presumed to be 'flexible', or 'innovative' in a manner that has yet to be defined, in order to meet the needs of students in preparation for an 'unknown future'. It seems that these statements are either never verified by evidence, or never explained in any depth as to what they actually mean.

To illustrate, one can find quotes such as the following (*italics are mine*), in any publicly available document regarding the New Zealand tertiary education sector:

The tertiary sector plays a key role in enhancing knowledge and *skills* across the spectrum, from foundation-level learning through to the most advanced training and qualifications. The Government sets out its long-term strategic direction for tertiary education in the Tertiary Education Strategy (TES) issued by the Minister for Tertiary Education, Skills and Employment. From 2014 the tertiary sector was responding to the Tertiary Education Strategy 2014-19, which provides a shift in focus from the *outputs* of the tertiary system to *outcomes* that include economic, social and environmental aspects. In the coming years, the Government requires the tertiary education system to become more *flexible* and *strategic* by:

- ensuring that the tertiary education system performs well, not just as its own system, but also as a part of the wider New Zealand economy
- ensuring that the system can *adapt more quickly to change*, including changing *technologies* and changing patterns of demand, and
- addressing changing *skill* needs so that the *skills* gained in tertiary education *link to employment opportunities* in the labour market. (Tertiary Education Commission, 2014, p. 9).

Here I have emphasised: 'skills', 'outputs', 'flexible', 'strategic', 'adapt quickly to change' and 'link to employment opportunities'. At first glance, most people would probably not have any particular issue with any of these words or phrases. The 'ordinariness' of the keywords make them difficult to challenge because they are so entrenched in everyday discourse. In themselves the keywords and phrases appear to be innocuous. However, when used repeatedly in discussing the tertiary education sector, there is a sense that the sector is lacking in some way and that it needs to be doing 'more' in responding to change. None of the statements made in the above extract are explained in any depth. This emphasises my point that a story is being told without meaning or evidence to back up assertions and, if it is told often enough, it will become part of everyday, common sense rhetoric concerning the so-called 'problems' of tertiary education.

In my long association with tertiary education (more than 20 years), I have experienced the changes that have occurred following the introduction of marketisation and commodification. Indicators included the rise of marketing and promotions teams within institutions and the development of the 'brand' for individual institutions within an increasingly competitive environment. The idea for this thesis resulted from my experience at a polytechnic where it seemed that the ideologically-driven changes were highly prominent in the day-to-day operations. While these changes were certainly present in the universities, they seemed less noticeable there. In my experience, it seemed that the management team of the polytechnic consisted of ideologues with an evangelical style of leadership. The all-staff meetings were very much like pep rallies, a 'call to arms' to embrace the 'transformation' that would reconstruct what a vocational education would look like. Considerable money was spent on these events, with promotional material emblazoned with the slogans and 'messages of the day' given to participants to remind them of their commitment after the event. One would leave these events feeling quite mystified at the intensity of the people in the room. I began to wonder if this was an institution-specific phenomenon, or whether it was wider than that. I wanted to find out what was behind it all, and why we were being asked to take on this 'transformation', on 'blind faith' alone without consultation or discussion.

1.2 Ideology

To begin to make some sense of what leads people to say and believe certain things, the role of ideology needs to be considered. Ideology can initially be described as a set of ideas that drive, or shape behavior to meet a set of objectives that are desirable to a particular group (Freedon, 2003). The word 'ideology' was coined in the 18th Century to describe the "science of ideas" as a means of analysis and critique of ideas, which would "enable human nature to be rearranged in accordance with the needs and aspirations of human beings. Ideology would place the moral and political sciences on firm foundation and cure them of error and prejudice" (Thompson, 1990, p. 30). Thus, 'ideas' would then be aligned with the positivist approach of observing and measuring phenomena in an objective, 'scientific' manner.

Generally speaking, an ideology could be described as a set of ideas that has been shaped by a particular group, including how these ideas are interpreted by others. Ideologies are often considered in a negative light in terms of being viewed with suspicion - a set of ideas to push a particular agenda, which is not always necessarily for the good. In politics, the term ideology has come to mean more than just the "science of ideas [but] began to refer to the ideas themselves" as political devices to promote a certain set of objectives, by a powerful or dominant group. The concept of the dominant group, or 'class', features in the work of Karl Marx. Ideology from the Marxist perspective is strongly linked to the concept of domination by a powerful ruling class. Ideology legitimises this power through common sense assumptions (Freedon, 2003).

The Marxist concept of ideology is linked with power dynamics within a capitalist society, in that the dominant class acts in a particular way to increase their wealth and, therefore, to defend

their economic interests. The 'workers' do not have the power and, therefore, are exploited in order to further the interests of the dominant group. The Marxist view of ideology suggests that "ideological illusions were an instrument in the hands of the rulers, through the state and were employed to exercise control and domination; indeed to manufacture history, according to their interests" (Freeden, 2003, p 6). Marx believed that the ideology of the ruling class is maintained through a system of misrepresentation, illusion or distorted reality in order to subordinate the lower classes with "a system of representations which conceal and mislead and which, in doing so, serves to sustain relations of domination" (Thompson, 1990, p. 45).

The dominance of one group over others, in the political, social and economic realm, is achieved through ways that are not (necessarily) violent or by force, but through ideology. This entails the creation of a dominant discourse, or hegemony, which is often not immediately obvious and contained within a framework of common sense assumptions that would be difficult to challenge without seeming illogical or deluded. The notion of hegemony is attributed to Antonio Gramsci who suggested that capitalists maintain control through a 'hegemonic culture' in which their values and norms became 'common sense' values. To the extent that the working classes identified with these values the status quo in a given capitalist society would be legitimised (Freeden, 2003). Ideology contained within common sense assumptions is stealthily incorporated into the everyday language of a society; people may not realize that they are being influenced in such a way so tend to go along with it as a result. Indeed, "ideology ... is always most effective when invisible" (Eagleton, 1991, p. xvii). Ideology is very much about the "process of production of meanings, signs and values in social life" (Eagleton, 1991, p xvii) relating to a dominant power, and how this power is legitimised and maintained in a society.

1.3 Neoliberal Ideology

Since the 1980s, neoliberalism has become the dominant ideological and political driver within government and society, both in New Zealand and around the world. Tertiary education was once seen as a significant public investment from the government budget and as a contributor to an informed citizenry. But since the 1980s, such expenditure was increasingly viewed as a burden on state finances. Consequently, funding cuts to this sector have been part of the norm in the annual government budget round since the 1990s. Under neoliberalism, tertiary education is seen as benefiting the individual, and therefore they should be made to pay for the privilege.

Prior to the shift towards neoliberal politics, the financial market crash of 1929, and the two World Wars, led to impoverishment and hardship in many Western countries. Economic and financial stability became a key priority for those in power. As a result, many countries adopted a Keynesian model of macroeconomics, in which governments invested heavily in their own economies in order to achieve "full employment, economic growth and the welfare of its citizens ... and [believed] that the state can intervene freely to achieve these ends" (Harvey, 2007, p.10). This model remained in place for several decades in many countries around the world until the 1970s when increasing global oil prices and rising unemployment became the norm.

The Keynesian model did not have the mechanisms in place to counter these tendencies. A new model with its roots in neoliberal thought and the culture of the individual (Harvey, 2007) can be defined as a framework for “liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices” (Harvey, 2007, p. 2)

The birth of neoliberal thought has been attributed to Friedrich Hayek. In the 1940s, Hayek was instrumental in bringing together a group of academics, wealthy businessmen and politicians to develop and advance the concept of neoliberalism as an alternative to the prevalent and popular Keynesian model. Known as the Mont Pelerin Society, the group developed a philosophy which proposed that “individual freedoms are guaranteed by the freedom of the market [in the] liberation of corporate and business power”. By contrast, the Keynesian model meant that “...market processes and entrepreneurial and corporate activities were surrounded by a web of social and political constraints and a strict regulatory environment ... the neoliberal project is to disembed capital from these constraints” (Harvey, 2007, p.11).

Since neoliberalism gained a global foothold in the 1970s it has become commonplace in many societies. One observer noted that “so pervasive has neoliberalism become that we seldom even recognize it as an ideology. We appear to accept the proposition that this utopian, millenarian faith describes a neutral force; a kind of biological law, like Darwin’s theory of evolution. But the philosophy arose as a conscious attempt to reshape human life and shift the locus of power” (Monbiot, 2016, para. 3). An opportunity for neoliberalism to come to the forefront of politics was in the mid-1970s, with a dearth of solutions to what was becoming a very unstable financial environment, politicians and advisors with a neoliberal agenda became increasingly influential in proposing solutions to the issues. With the election of the Conservative Party’s Margaret Thatcher as Prime Minister in the United Kingdom (UK), and Ronald Reagan as the Republican President of the United States of America (USA), neoliberal policies became the means of solving the financial and social problems in their respective countries. Both leaders enjoyed a long period in office, despite what seemed to be unpopular policy decisions, which suggests that the ideology of neoliberalism has some influence. The political vehicle by which neoliberalism gained hold was an ideal, that of ‘freedom’. As David Harvey notes, “by capturing ideals of individual freedom and turning them against the interventionist and regulatory practices of the state ... [neoliberalism] emphasized the liberty of consumer choice, not only with respect to particular products but also with respect to lifestyles, modes of expression, and a wide range of cultural practices” (Harvey, 2007, p. 52). The capturing of words and concepts to further the ends of a neoliberal ideology via discourse is imperative to its success.

1.4 The New Zealand Context

In New Zealand, the rapid introduction and implementation of the neoliberal model met with very little resistance. It has been suggested that the haste with which the reforms were put in place

was a calculated move by a group of advisors and politicians who had devised a plan based on neoliberal ideology to avoid resistance and criticism (Jesson, 1987; Kelsey, 1995; Roper, 2005; Barry, 2005). Klein (2007) outlined several global examples of how policy agendas are pushed through during times of crisis in a country, when its citizens are distracted or fearful.

In the 1970s, global events that affected the New Zealand economy included Britain joining the European Economic Community (EEC) (which closed a guaranteed market for agricultural exports); the global oil crisis; a poor performance of the New Zealand dollar and increasing debt. In response to what were seen as ineffective strategies for solving these problems, several lobby groups, became publicly critical of the National Government (Jesson, 1987; Kelsey, 1995). And with the new neoliberal regimes that were being established in Great Britain and the USA, there was growing pressure on the Muldoon-led National Government to follow their lead (Kelsey, 1995; Barry, 1996).

The landslide victory of the Labour Party in 1984 was followed by the institution of a neoliberal policy agenda that saw major changes to almost all aspects of New Zealand's economy and society (Jesson, 1987; Kelsey, 1995; Roper, 2005). New Zealand's protected economy and welfare state gave way to a new model, with its roots in neoliberalism, the New Right, and the culture of the individual (Harvey, 2007). Neoliberal discourse wove its way throughout society, with an emphasis on language from the corporate and business sectors. Almost everywhere, including the education sector, we heard references to 'reform', 'quality assurance', 'efficiencies', 'competition', 'accountability', 'marketing strategy', amongst many others.

There was increasing pressure from the Business Roundtable on the new Labour Government to introduce free market concepts to stimulate the economy, encourage and facilitate competition, and to enable New Zealand to operate within the global marketplace (Kelsey, 1995). The agitators for change were primarily economists and financial leaders who potentially stood to make significant financial gains if the economy was freed up in this manner (Barry, 1996). The selling of state assets to the private sector was also advocated by many in this select group. Some of these people were put in charge of large state-owned enterprises, such as the railways and the forests. Their job was to strip down the asset to the 'bare bones' in order to be able to sell it on to the private sector, who would then go on to make further profits for themselves (Barry, 1996).

1.5 Education and Neoliberalism

Neoliberalism has impacted on almost every facet of society, and tertiary education is no exception. Once considered to be the bastion of knowledge and academic freedom, the universities find themselves subjected to marketization and corporatization. Funding is no longer guaranteed by the state, and institutions now must find other ways to generate capital, as well as face competition from the private sector, which is increasingly moving into the delivery of tertiary education:

Tertiary education must be redefined as primarily a private good, a commodity to be bought and sold in an artificially constructed education market driven by the forces of supply and demand. Greater dependence on private financing and competition are expected to stimulate efficiency, innovation, and responsiveness. Education is reduced to training and information transfer, and measured through accreditation of standardized outputs. The burden of funding tuition shifts progressively from the state to the student, and at times the employer, as beneficiary (Kelsey, 1998, p. 52).

The role of the university is to act as “critic and conscience of society” and to provide a higher level of education to encourage and develop critical thinking, and produce informed citizens (Education Act 1989, s.162). However, in New Zealand since 1989, this mandate appears to have weakened as academics find themselves increasingly marginalised in the management of the university, where once their contribution was considered essential. With an increased emphasis on the corporatisation of the university and the move towards a more business-oriented operational model, it has been suggested that “the wider social role of the University is up for grabs ... and is becoming a different kind of institution, one that is no longer linked to the destiny of the nation state by virtue of its role as a producer, protector and incubator of an idea of national culture” (Readings, 1996, p 3).

Currently, the tertiary education sector in New Zealand operates in a highly competitive market-driven environment. Free market ideals are embraced, and competition encouraged within and between institutions. The increasingly ‘hands off’ approach by the government means that this sector is no longer fully funded; tertiary education providers are expected to operate more and more under business-like conditions with performance and accountability measures that are linked to increased profitability and efficiencies in the sector (Kelsey, 1998). As a result, a significant amount of time and money is spent by tertiary education institutes in trying to attract and maintain student numbers, both from the domestic and international student markets. The competitive model has made marketing and communications, public relations and business development increasingly prevalent across this sector as institutions look to maintain funding and revenue.

The polytechnic sector has further been affected by operating in a competitive environment in that they are often competing against universities for funding. Because universities and polytechnics can offer degrees, the boundaries between vocational and academic education have become blurred. The universities are able to draw upon their research strength and international reputations to draw in more funding, which enables them to invest in infrastructure and technology to appeal to a wider range of potential students. Changes to the way that trades-related education and industry training has also impacted on the polytechnic. Through a revision of the 1992 Industry Training Act, the polytechnics lost these operations to the private sector. In addition, with full employment no longer a priority, job training and employment programmes were less likely to receive funding and support from the government. The push towards the privatisation of education provision has also been significant for the polytechnics as they are no longer necessarily the first choice for a range of provision at the lower levels of tertiary education (i.e. provision for second chance learners, employment skills courses, and programmes for English language learners).

The funding structure of tertiary education is perhaps the most significant of all the education reforms as the distinction between 'education' and 'training' was removed. Providers have been required to supplement public funding through international enrolments, participation in performance-based funding initiatives and securing international research and development contracts. As mentioned earlier, the universities are able to augment their funding through various mechanisms. However, the polytechnics have not been set up to engage in research and academic publishing. Given that polytechnics are smaller than universities, in terms of the funding they received from student numbers, it is suggested that the budget for international student recruitment and opportunities to engage in international R & D contracts were limited. The neoliberal ideology of competition has been highly detrimental to polytechnics as they continue to struggle to find their position within the domain of tertiary education provision in New Zealand.

1.6 Discourse Analysis

Critical discourse analysis (CDA) is a "type of discourse analysis that primarily studies the way social power abuse, dominance and inequality are enacted, reproduced and resisted by text and talk in the social and political context" (van Dijk, 2001, p. 352). This method of analysis helps us to uncover neoliberalism at work, in institutions and social life. I have drawn upon aspects of CDA for my methodology in this thesis. I will refer to Fairclough's (2003) framework of CDA, with a particular focus on the concept of 'common sense' words and phrases and how they promote ideology to become part of mainstream, everyday thinking. Fairclough's dimensions of analysis consider the sociocultural practices within which the discourse operates as what is happening in any given situation, politically and otherwise, will have an influence on discourse. How the text is delivered and interpreted is also a key step in CDA (i.e. who is delivering it to which audience and so on). Finally one must consider the actual text, keywords or phrases used to advance the dominant ideas in the discourse.

Fairclough (2003) also presents discourse as containing a series of assumptions which enhance the main themes of an ideology. For example, he posits that a neoliberal discourse will contain the assumption that 'efficiency' and 'adaptability' are necessary means to achieve an end. Assumptions are often taken as given and are difficult to challenge without seeming to be an outsider with ideas that do not align with the dominant discourse. It is in the interests of ideological discourse that dominance is maintained through the universalisation of meaning to make it a reality. For example, the assumption of the "global marketplace is often presented as an unavoidable reality and therefore inevitable when it is actually a construction within the neoliberal rhetoric about competition and the whims of the free market" (Fairclough, 2003 p. 53).

I will also draw upon Williams' (1983) theory of keyword analysis, particularly in the use of specific keyword families e.g. the nomenclature of 'efficiency' and how these have shaped the ways in which the Productivity Commission have presented and identified the 'current issues' that are facing tertiary education in New Zealand today. Keyword analysis is important in the

proposed study as “...important social and historical processes occur within language, in ways which indicate how integral the problems of meanings and relationships really are. New kinds of relationships, but also new ways of seeing existing relationships appear in language in different ways...” (Williams, 1983, p. 5). In the selection of keywords, Durant (2008) proposed a number of criteria that define a keyword: it is popular in its usage across a wide range of texts and multimedia; it may be a word that has a different meaning according to the context in which it is used; and it may be part of a group of related words that usually appear together in some way. Furthermore, keywords are “typically words used to designate social or cultural concepts and practices. They are especially influential because they give recognised verbal identity to, or ‘lexicalise’, social practices, beliefs, value systems, and preferences” (Durant, 2008, p. 123).

To help identify and explain how the neoliberal ideology is represented in the selected key words and phrases, I will also refer to Thompson’s proposed “modes of operation of ideology” (Thompson, 1990, p. 60). Thompson’s modes are useful for illustrating how language represents ideology through five general modes: “legitimation, dissimulation, unification, fragmentation and reification” using a range of strategies, as summarised below:

- Legitimation: legitimate representation through the use of the authoritative voice, depiction of the interests of a powerful few serving the interests of all and constructive narratives which serve a particular purpose;
- Dissimulation: how words and language are used to obscure reality through the use of metaphor and euphemisms;
- Unification: affirmation of power within a collective identity using shared language and other objects of unity;
- Fragmentation: highlighting the differences of the ‘other’ to create emphasis of the “differences which disunite”, therefore breaking up factions which might oppose the dominant group; and
- Reification: language and words of the dominant discourse are illustrated as naturally occurring and therefore inevitable so are consequently embedded in everyday life (Thompson, 1990).

My discourse analysis primarily draws upon the mode of ‘reification’. In the 2017 New Zealand Productivity Commission inquiry report and related documents, the keywords and phrases used to discuss the state of the tertiary education sector appear as common sense or normal. The ‘everyday’ non-controversial nature of the words makes them difficult to challenge or criticise.

1.7 Chapter Overview

The chapters in this thesis outline the following:

Chapter One

This chapter puts forward my experiences working within the polytechnic sector in New Zealand which led to this thesis. It discusses the meaning of ideology and neoliberalism as it applies to tertiary education. The methods of analysis are presented to explain how the discourse of neoliberalism is entrenched in tertiary education policy and related documents.

Chapter Two

Here, the origins of New Zealand's education system are explored. Special emphasis is given to policies of the 1935 Labour Government in which education would be provided for all citizens regardless of circumstances or ability. Significant resources were put into a system that supported a wide variety of educational opportunities. Education was viewed as a means to enable an educated and knowledgeable nation, and was seen as an important responsibility of government.

Chapter Three

This chapter reviews the events leading up to the snap election of 1984 and the 'beginning of the end' of the free education system. It looks at how the Labour Government advanced an ideology-driven 'rescue package' that would see neoliberal reforms applied to all areas of social and economic policy. The education system underwent significant changes as government spending began to decrease and the move to a 'user-pays' model. The competitive model led to the marketization and commodification of tertiary education and all public institutions were increasingly required to operate under business-like conditions.

Chapter Four

The 'Third Way' era of politics is discussed here. The 1999 Labour-Alliance coalition government attempted to soften the more extreme neoliberal reforms by bringing in the notion of community and social inclusion. There was increased government involvement in tertiary education policy with the establishment of the Tertiary Education Commission (TEC). They would provide advice and recommendations on the policy direction for tertiary education. The chapter reveals that little change was effected overall, as the tertiary education sector continued to operate within a highly competitive environment and relied upon performance-based measures for ongoing funding. The notion of 'productivity' is introduced as the Labour Government gave way to the first of three terms of a National Government in 2008.

Chapter Five

This chapter considers the consequences of the National Party gaining power in 2008. Under the mixed-member proportional model (MMP), they were obliged to partner with the ACT Party and the Māori Party to achieve the parliamentary majority required to govern. The agreement with the ACT Party included a promise to investigate ways for New Zealand to increase productivity to improve the economy and, to this end, in 2010 the New Zealand Productivity Commission was established. The distinction between 'skills' and 'education' began to widen with the focus on preparing for a skilled workforce as a means to lifting economic performance. The tertiary education sector was required to provide the mechanism for skill development in certain areas such as science, technology, engineering and mathematics. Providers were encouraged to adopt 'new models of delivery' involving the use of digital technologies. As I will explain, the gap between universities and polytechnics widened as the latter struggled to find their place within the competitive tertiary education environment.

Chapter Six

Three documents are here identified and the connections between them discussed. A range of keywords and phrases have been selected from each of the documents to demonstrate the extent to which a neoliberal ideology has permeated the ongoing development and changes proposed for the tertiary education sector. The chapter draws out the experiences of the polytechnics by explaining how they were undermined by uniform ideas within the pervading discourse.

Chapter Seven

This chapter discusses the current predicament of the polytechnic sector in New Zealand in light of neoliberal ideology and discourse. It reiterates the original purpose of the polytechnic in the provision of applied and vocational education and argues that this purpose has become lost. The example of Unitec Institute of Technology is offered as an illustration of how ideologues can interpret a vacuous ideology to 'transform' a once well-functioning and respected institution (to the point of near destruction). Examples are provided of polytechnics that have remained successful throughout the reforms with some insights offered as to why this has been the case. A short outline of the current review of the polytechnic sector by the current Labour Government is provided.

Chapter Eight

This concluding chapter recounts the historical journey of the polytechnic in New Zealand. It is argued that there is an opportunity for the current review process to stabilise the polytechnic sector so that it can lead the way in vocational and applied education. It would seem that many polytechnics have lost sight of their purpose and have suffered as a result. Some possible solutions and recommendations are offered based on the experiences of the polytechnics that have weathered the neoliberal reforms and have experienced success and growth. Stable leadership from a community-minded leader is proposed as being critical in the success of a polytechnic.

Chapter Two: Education and Social Democracy in New Zealand: Contextualizing the polytechnic.

2.1 Introduction

This chapter outlines how education was viewed in the Keynesian era of state economic and social policymaking. Policy was focused on building and developing the mechanisms for tertiary education, including further or adult education, which was either vocational or non-vocational in nature. Both were considered important for the purposes of encouraging and supporting lifelong learning, and it was acknowledged that learning continued beyond the formal schooling years and that this would have significant impact both socially and economically. All education was important, and barriers to learning were to be minimized at all costs.

The place of post-secondary education, which includes vocational education and training via the technical institutes and polytechnics, community education programmes and teacher training colleges is discussed here, with a historical background to explain how each of these areas have been considered in education policy decisions. Many times in the literature, and in this chapter, they are conceived in terms of 'non-university' education avenues for those who have completed their secondary school education and who are not following the university education pathway. For several decades, each of these avenues has received significant attention from the state in terms of their importance in the national building of an educated, skilled and well-rounded workforce with a range of skills and practical knowledge.

During the early 20th century, the Western world experienced impoverishment and hardship caused by World War I and the financial market crash of 1929. As a result, financial stability became a key priority for those in power. Many countries, including New Zealand, adopted the social democratic Keynesian model of macroeconomics, whereby governments invested heavily in their own national economies in order to achieve economic stability with a focus on "full employment, economic growth and the welfare of its citizens ... such that the state can intervene freely to achieve these ends" (Harvey, 2007, p. 12). Keynesians believe that when an economy is struggling, it is the government's role to intervene with sufficient funds in order to achieve stability within that economy (Gustafson, 2006).

The First Labour Government was elected in 1935, after several years of decreasing government spending and increasing unemployment resulting from the early 1930s Great Depression. The new government "rapidly implemented a comprehensive social democratic Keynesian programme of reform in the areas of economic management, social policy and economic relations" (Roper, 2005, p. 123). This included the development of a welfare system that would enable equality and security to be achieved for all its citizens 'from the cradle to the grave'. This was legislated for under the 1938 Social Security Act (Kelsey, 1995; Roper, 2005). Kelsey (1995) described the era as a time in which the Labour Government was committed to building a stable economic environment by way of significant investment in infrastructures that would support the citizenship and create a prosperous nation. The agricultural, manufacturing

and public works sectors along with the public service were central to this development, and enabled full employment for all who were able to work. This period, up until the late 1960s/early 1970s, was considered to be relatively stable in terms of economic growth and social security (Kelsey, 1995; Roper, 2005; Gustafson, 2006).

2.2 The General Role of Education

The Government's objective, broadly expressed, is that every person whatever his level of academic ability, whether he be rich or poor, whether he live in town or country, has the right, as a citizen, to a free education of the kind for which he is best fitted and to the fullest extent of his powers. So far is this from being a mere pious platitude that the full acceptance of the principle will involve the reorientation of the education system (Director of Education Clarence Beeby in 1939 as cited in Simon, 1994).

In early 20th century New Zealand, the notion of citizenship for the purposes of nation building, was deemed a worthy government objective. The early settlers of New Zealand, largely from class-based societies such as the UK and Ireland, had a desire to set up a more equal society, in which citizens had opportunities to better themselves. The Liberal Government, in power from 1891 to 1912 under Richard Seddon, was the first government to seriously invest in the economy and advance policies for the regulation of society. It set up a pension scheme and subsidized housing for workers, which became the precursor for the modern welfare state established by the First Labour Government after 1935. In addition, it was the first attempt to organize labour relations and to address employment issues at a national level. In response to increasing support by a number of politicians in New Zealand for women's suffrage and petitions to the government led by Kate Sheppard of the Women's Christian Temperance Union to grant women the vote. In 1893, the Liberal Government made a world-first decision to give women the vote. Voting was seen as a right of the citizen to contribute to an election of a government for their country (Atkinson, 2015).

The Liberal Government was committed to the development of citizenship as central to the development of community, and the nation as a whole. One of the mechanisms to achieve this was through education, and more specifically through a compulsory national programme of education. Seddon's Liberal Government advanced the work already done by the earlier governments in the 1870s when "New Zealand by 1870 was beginning to think as a nation, and there was growing support for the principle that education facilities should be available for all children in the land" (Simon, 1994). In 1877, the Education Act enabled the provision of education for all children regardless of their social or economic status (Simon, 1994). Education was free and it was compulsory to ensure that all children would attend school. A national education system was fully established under the Liberal Government. The Department of Education developed the national curriculum; standardized teacher training; and moved towards a state funding model for schools which enabled more equitable allocation of funds across the regions (Webb, 1937).

The First Labour Government was initially led by Michael Savage in 1935, and then in 1940, after Savage's death, by Peter Fraser. The First Labour Government had a social democratic conception of citizenship. This was put into practice by "creating national symbols via a cultural policy that fostered the arts and literature, by an economic policy that created public works that promoted material prosperity, and by social institutions (i.e. in education, health and social security) which were seen as contributing to the nation's social welfare" (Easton, 2001, p. 10). As such, citizenship was seen as a means for moving "towards a fuller measure of equality, and enrichment of the stuff of which status is made and [to be able to] increase the number of those on whom the status is made" (Marshall, 1950, p. 29). Education was central to the pursuit of this ideal. The First Labour Government was committed to maintaining an education system not only to provide equal opportunity to all citizens, but also to enable the development of an educated nation. This would achieve "political democracy through an educated electorate, and for scientific manufacture which required educated workers and technicians" (Marshall, 1950, p. 26).

Fraser was also actively involved in the education portfolio, alongside Director of Education, Clarence Beeby. The First Labour Government was "firmly committed to the development of the education system ... and measures were taken to expand [it] at all levels, especially at secondary level, where free education was provided to all up to the age of nineteen years" (Roper, 2005, p. 126). Fraser and Beeby believed that an increased standard of living could be facilitated through educational opportunities. Primary school education became available to all children, and secondary school education was a possibility for many (Simon, 1994).

Marshall (1950) claimed that "the education of children has a direct bearing on citizenship, and when the state guarantees that all children shall be educated, it has the requirements and the nature of citizenship definitely in mind" (p. 25). In his first major speech as Prime Minister, Fraser declared that "education has a key role in nation building in that it may, or may not, transmit to the next generation a national set of values, images, stories, and aspirations – a culture" (Easton, 2001, p. 98). Fraser and Beeby were instrumental in the development and structure of a national education system both at primary and secondary level. Subsequently Beeby was involved in the setting up of a nationalised tertiary education system including a framework for technical and trades-related education with standardised curricula and certification (Dougherty, 1999).

Clarence Beeby has been called the 'architect' of New Zealand's modernised education system (Gerlich, 2013) and was the Director of Education from 1939 until 1959. In the 1930s, Beeby and Fraser set about developing a progressive education system tailored to New Zealand that was student-centred, focused on 'understanding' as opposed to rote learning. Their philosophy incorporated the arts and physical education in order to develop the well-rounded individual as part of a balanced curriculum' (Gerlich, 2013). Equality of access to education was paramount in Beeby's and Fraser's vision and this objective at primary then secondary level was fully funded from a progressive tax system and controlled by the state. The Department of

Education mandated that “all children in the community would spend at least some time in secondary school ... [where] as far as possible they would receive a generous, well-balanced education ... to prepare [them] for an active place in New Zealand society” (Department of Education, 1943, as cited in Renwick, 1975). Commitment was made to establishing and maintaining a standardised curriculum, with systems and processes for the management and funding of the school sector receiving significant attention. At the same time, post-secondary school opportunities were also a key priority regardless of background, providing that individuals could meet the entry criteria.

During this era the 1877 Education Act provided the legislative foundation for the administration of the primary and secondary education system in New Zealand. This system more or less remained for over 100 years, until the late 1980s. The Department of Education was the central body of administration which had around 10 regional Boards of Education that linked schools with state funding, managed expenditure of the regional schools as well as being responsible for operational matters including the provision of free public education in each region (Simon, 1994). School inspectors would visit schools, on behalf of the Boards, and report to the Department to ensure that standards were being met in accordance with the national curriculum, that students were achieving and that teachers were practicing appropriate methods of teaching. The polytechnics were also managed by the Department of Education, as a holdover from their beginnings as technical high schools (Dougherty, 1999). In contrast, the universities had always operated autonomously from the Department of Education and were governed by their own elected councils who were mandated by legislation to control all aspects of the university. The councils were advised by a senate which is an academic board, as well as a range of other advisory bodies on equity issues, staffing budgets and student concerns (Butterworth & Tarling, 1994).

The opportunities to engage in post-secondary school education included teacher training, academic study via the universities, technical or vocational training. Community colleges were located throughout the country and offered wide and varied programmes of study (Dougherty, 1999). That post-secondary education was free or had low tuition fees was “...an expression of the Government’s belief that financial barriers, which might prevent people from resuming their education should, wherever possible, be removed” (Renwick, 1975, p. 37). Traditionally, the primary focus for the government was to provide an education system that was broad-based, promoting social, human, scientific and economic progress. The belief was that investment in education was important for New Zealand as a nation, to produce creative thinkers, well-rounded and literate individuals and skilled workers (Grey & Scott, 2012).

The universities in New Zealand were set up to be institutions of higher learning and were charged with offering degree level programmes in areas such as philosophy, classical studies, ancient history, languages and the sciences, including medicine. Initially, only the most able students who could pass the University Entrance examination at the conclusion of their secondary schooling were admitted to university. The university-educated citizen was credited

with the ability of higher level thinking and understanding in a wide range of contexts. This has been formalised more recently in Article 162 in the Education Act (1989) which specifies that the universities are to act as “critic and conscience” of society (Education Act, 1989). The First Labour Government formalised a policy of open entry for all citizens, “which became a feature of New Zealand universities [and] their strongest source of popular support and their strongest argument with politicians” for continued state support and funding (Butterworth & Tarling, 1994, p. 25).

Alternatives to university education were provided by technical institutes, teacher training colleges and community education programmes. The technical institutes were largely involved in delivering support to trades and apprentices, as well as providing training to groups such as laboratory technicians. The teacher training colleges were solely responsible for teacher training for the compulsory education sector. Community education programmes included a wide range of courses and sessions ranging from bookkeeping and first aid through to making preserves and craft activities. The range of activities was based around the needs and wants of the community they served. Each of these different types of post-school education received its own funding, and each had its own type of policy, governance and management model focused on the type of education provided (Dougherty, 1999).

For all post-war governments prior to 1984, “full employment became the central plank of economic and social policy” (Kelsey, 1995, p. 23). Having a job meant that people were able to participate in their communities and the wider society and was seen as a fundamental right for everyone of working age (Kelsey, in Barry, 2002). Education was seen as a primary mechanism for enabling the goal of full employment to be achieved and maintained (Codd, 2005; Gustafson, 2006). To that end, education was made freely available in order to enable and empower its citizens. The social democratic view of education is that it is essential for creating a stable and sustainable national future and is seen as an investment by the government, and a public good (Easton, 1999; Codd, 2005).

2.3 Technical and Vocational Education

Up until the 1980s, all tertiary education in New Zealand, including universities, polytechnics and community education programmes, was seen as strategically important within the government budget. Abbot (2000) pointed out that “a persistent theme of [education] policy makers [pre-1980s] has been that greater state investment in education and training creates social and economic benefits through the development of a greater bank of knowledge and skills” (Abbott, 2000, p. 92). The universities had a specific focus on academia and research; the polytechnics, or technical institutes, were providers of vocational programmes, technical training and support for apprentice training. Community colleges offered programmes that were specifically tailored to the communities that they served, providing a range of benefits to those who participated.

Traditionally, regardless of which political party was in government, policy approaches to technical or vocational education focused very much on investment and growth in this sector. In addition, technical or vocational education was considered to be an important means for developing a skilled workforce:

It was widely believed that vocational education and training is an essential requirement in the creation of a skilled and adaptable workforce deemed necessary to achieve increased levels of productivity and hence international competitiveness ... there is universal recognition of the importance of vocational education and training, not just in New Zealand, but also in countries such as the United Kingdom, the United States of America and Australia (Abbott, 2000, p. 90).

The technical institute had a key role in the economic growth and development of New Zealand. For many decades it was the government's intention to build up the technical institute sector by bringing it out of the secondary schooling sector. Increased levels of funding were provided for institutes in both urban and regional areas, which encouraged the development and delivery of a wide range of programmes and educational qualifications.

Generally, the business of the technical institutes was twofold: training for pathways to employment and supporting apprentices in the trades. With regards to the former, institutions were encouraged to develop and deliver a wide range of short courses in specific skills as warranted by local and community demand and as supported by local industry and businesses (Abbot, 2000). Many of these courses were offered part-time and in the evenings to those already in employment so that they could learn new skills. One commentator noted that the developments in technical education occurred "in response to the needs of industry [and that] some important developments were more a response to social needs, particularly in the training of the unemployed, Maori and women" (Dougherty, p. 38). The Vocational Training Council (later replaced by the New Zealand Qualifications Authority) had close links with the industry training boards, the Department of Labour and the Department of Education in the provision of training courses (as recommended by industry in the preparation of future employees). In later times, industry was joined by other employment sectors such as health, business and commerce.

Perhaps more significantly, technical institutes supported on-the-job training and delivered the off-the-job training courses that were a requirement for all apprentices in a variety of trades as mandated by the Trades Certification Board. Up until the 1940s, technical schools contributed to apprenticeship training on an ad hoc and relatively informal basis. The establishment of the Apprentices Act in 1948 (a consolidation of the Master and Apprentices Act 1908 and the Apprentices Act 1923) established a compulsory education component within the period of an apprenticeship. This meant that technical schools were mandated to provide evening and day classes for apprentices to ensure that the education component of their training was covered according to the requirements of the Trades Certification Board. After the Apprentices Act 1948, technical schools were firmly established as the key providers of education to apprentices in order for the requirements of that particular apprenticeship to be met (Dougherty, 1999).

The polytechnic, particularly those in the regional areas were also at the forefront of the design and delivery of courses and programmes specifically tailored to Māori. In 1983 Te Wānanga o Aotearoa was established to deliver tertiary education in a Māori context (Section 162, Education Act 1989). However, prior to this, in the 1950s, the Maori Trades Training Scheme was set up in Christchurch in association with the Maori Affairs Department. The scheme was rolled out across the country and included trades such as carpentry, panel beating and bricklaying (Hockley, 1990; Dougherty, 1999). The scheme addressed the fact that Māori made up a large proportion of the unskilled workforce. They could attend a range of specifically-tailored courses and programmes, offered in both the regional and main city centres, to qualify for a wide variety of trade apprenticeships (Dougherty, 1999). More recently, the delivery of this scheme has moved into the private sector under Te Wānanga o Aotearoa.

2.4 The Differing Roles of Universities and Polytechnics

Traditionally, there have been two types of tertiary education in New Zealand and they have each been treated separately by the state in terms of purpose, governance and funding. In the late 1980s this distinction would change, but for now it is important to establish a clear understanding about the roles of the two types.

As I indicated, universities remained outside of the Department of Education, as they were managed operationally by their own senate and council governance structures. In New Zealand, the purpose of the university has since been mandated by the Education Act 1989 to have a role as “critic and conscience of society by providing a higher level of education to encourage and develop critical thinking and a wider understanding of the world in contribution to growth and development of the informed citizen” (Education Act 1989, s.162). Prior to this, the idea of ‘critic and conscience of society’ was reflected in the concept of academic freedom and the theory that “universities exist as an independent check upon what government says as the ‘truth’” through the independent research and scholarship undertaken by academics (Grace, 2010; Butterworth & Tarling, 1994). To that end, the view of the universities was that they offered an academic education in which higher order skills of critical thought, research and creation of knowledge is taught. Jane Kelsey pointed out that the “traditional responsibilities of universities are largely that of the creation and expansion of knowledge, research, and publication; repositories and transmitters of historical, cultural, and social knowledge; critic and conscience of society; and advising and servicing the state, professions, and communities” (Kelsey, 1998, p. 52).

Prior to the 1960s, the institutes of technology were technical schools that were managed within the secondary schooling structure. Institutes of technology and polytechnics became individual entities in the 1970s under the Department of Education. Up until 1987, funding and governance of vocational education in New Zealand was managed by the Department of Education under Boards of Education situated throughout the country. The funding model was

based on a system based on the number of students attending courses. The more students a course could attract, the more funding could be received from the government. This was colloquially known as the 'bums on seats' model (Dougherty, 1999). The institutes of technology were largely responsible for vocational training, with programmes having a more skills- or competency-based approach. Institutes of technology, or polytechnics, have traditionally had a close relationship with industry and business, and have delivered a variety of courses and programmes to suit a range of students from a variety of backgrounds including those who left school without qualifications and those who wished to retrain in another career.

The difference, traditionally, between the type of education delivered by the university and the polytechnic can be difficult to define (Moodie, 2002; Vaughan, 2012). It has been argued that to define polytechnics as institutions that teach vocational courses and that academic courses are taught by universities is a simplistic distinction and that the "real difference lies with pedagogical traditions – the foregrounding and understanding in universities and of concepts and competency, led by industry, in [polytechnics]" (Vaughan, 2012, p. 13). Moodie (2002) explored the difference between the two types in depth, and concluded that vocational education is best described as that relating to applied knowledge, or "the development and application of knowledge and skills for middle level occupations needed by society from time to time" (Moodie, 2002, p. 260). Thus, vocational education and training is connected to work and to economic fluctuations, which means that different skills/training are warranted at some times, and not others.

2.5 History of Technical Institutes and Polytechnics in New Zealand

The history of the technical institute and polytechnic in New Zealand dates back to the late 1880s with the provision of technical instruction via community-led technical schools for those who went to work straight from primary school. These schools received little, if any, funding from the state and fees were the students' responsibility. It was not until 1895, with the establishment of the Manual and Technical Elementary Instruction Act, that the newly elected Liberal Government began increasing its involvement in the funding and oversight of the delivery of technical instruction at a nationwide level (Dougherty, 1999). The Liberal Government, under Richard Seddon, was at the forefront of many progressive social policies related to work and education. They were instrumental in setting up scholarship programmes for secondary school students to receive a technical education as part of their secondary schooling (Dougherty, 1999).

Education beyond primary school was also a priority for the Liberal Government. The Secondary Schools Act 1903 provided state funding for free secondary education. However, secondary school education was not made compulsory until the school leaving age was increased to 15 years in 1944. Attention was given to vocational training for future workers in which the Manual and Technical Instruction Act 1902 provided the framework for funded classes in manual and technical subjects through the secondary schools. This would be the birth of the technical high school, the first of which was established in Wellington in 1903. In the

early 1900s, the technical schools became more involved in the provision of trades-related education, and in the standardisation of trade certification. This started with a local body regulation that “all plumbers were required to attend plumbing classes at the technical school before they could be licensed to carry out sanitation work in the region” (Dougherty, 1999, p. 16). The technical schools began to take on more of this type of vocational training and certification as they developed closer links with local authorities and industries.

After World War II, in response to the need for more skilled workers in trades-related industries, technical institutes played a major role in the education of apprentices. With the Trades Certification Act 1948 and the establishment of the Trades Certification Board in 1949, technical schools were contracted to provide the practical/theory instruction, known as ‘off the job’ or ‘day release’ training. Apprentices would attend the institute to learn the theories and concepts related to their trade in order to meet national standardised criteria set by the Trades Certification Board (Dougherty, 1999). At the conclusion of their apprenticeship, apprentices would be registered to legally carry out their trade.

Throughout the late 1940s and 1950s, the growth of student numbers at technical schools changed the delivery of instruction from part-time, evening courses to block courses and full-time day courses. From the mid-1950s, the demand for a new area of instruction in technician training was “a substantial growth area for the technical high schools as greater recognition was given to the need for qualified technicians in fields such as engineering” (Dougherty, 1999, p. 22). Soon afterwards, the Technicians’ Certification Authority of New Zealand was established to oversee national courses and examinations for technicians in several fields such as building, draughting, quantity surveying and science. By the early 1960s, student numbers in these institutions were unprecedented, and resources across all technical high schools were becoming increasingly stretched. Beeby was instrumental in a significant change to vocational education in New Zealand by recommending that the technical schools become institutions in their own right, separate from the secondary schooling system, as they were to be governed by the tertiary education section of the Department of Education (Dougherty, 1999).

By the 1960s, the technical institutes were well-established as an important part of the tertiary education sector in New Zealand alongside the universities and the teacher training colleges. The late 1970s and beyond saw technical institutes offering business and secretarial courses and many institutes also offered nursing and health-related industry training courses. In addition to the trades/apprenticeship training, many institutions offered short courses in trades-related skills such as welding as a means to upskill those who were unemployed (Dougherty, 1999). By the 1970s, the New Zealand economy began to struggle with a combination of high inflation and economic stagnation resulting from the effects of a global recession which, in turn, resulted from a number of crises including the oil shortages of 1973, and the failure of the Bretton-Woods Agreement leading to the end of post-World War II economic expansion in many Western economies. As a result of the downturn in the New Zealand economy, unemployment began to increase rapidly. In response, the number of pre-employment

courses delivered by the polytechnics grew significantly. In 1978, a more systematic approach was adopted with the establishment of district employment advisory committees, which developed courses relating to specific employment skills in association with technical institutes. This was a precursor to the official employment training programmes that would grow prolifically in New Zealand in the 1980s (Stevens, 1993).

2.6 Community Education and Community Colleges

The community colleges and teachers' colleges would be influenced greatly by what was to come with the educational reforms of the 1980s. In the 1970s, government policy was very much focused on regional development in those types of industries and employment areas outside of the traditional farming and agricultural/pastoral industry in these areas. Traditionally, community education was offered by community organisations such as the Workers' Educational Association (WEA), established in New Zealand in 1914. The WEA was a community-focused programme of learning that allowed workers to access the type of education usually reserved for a privileged group able to attend universities as full-time students. The WEA would run events based on a variety of academic topics that would primarily be the remit of only those in the universities, but access to such learning was provided to workers, for example, through the WEA evening lecture programmes. In 1974, further opportunities to access community-focused education came via community colleges which were established to provide 'continuing education' by way of short courses and programmes in a range of areas from arts and crafts to horticulture – the offerings were to be closely based on community wants and needs (Renwick, 1975).

The 1970s saw a significant effort to develop and deliver community-based education as part of an international discourse around the concept of 'lifelong learning'. From this perspective "adult education is to be seen as a necessary component of an education system and as a permanent element in social, cultural and economic policy ... contributing to reducing inequalities in the provision and access of education" (Tobias, 2016, p. 7). The courses on offer were based on requirements of the local communities and included a wide range of vocational and non-vocational courses – from arts and crafts to basic accounting. Many courses often led into formal qualifications, through Trade Certificates and pre-university programmes (Dougherty, 1999).

Alongside the growth of the technical institute with its offerings of vocational training and education, community education also delivered vocational (and non-vocational) programmes to assist with community development within particular regions. Policies of the 1970s were very clearly in favour of community education as a means to provide adult education, or continuing education. In 1972, the Education Act was amended to allow for both vocational and non-vocational tuition fees to be fully funded, at no cost to the student. The underlying philosophy was outlined as follows: "the further education of people who have completed their formal schooling [is to be] increasingly reorganized as a matter of fundamental importance, one requiring a new way of looking at the relationship of education in the interests, needs and

circumstances of people at different stages of their life” (Renwick, 1975, p. 31). As mentioned earlier in this chapter, removal of barriers to education, such as the requirement for the individual to pay tuition fees, was a significant part of policy-making at the time.

2.7 Teacher Training Colleges

In the late 1800s, teacher training in New Zealand had been rather ad hoc with a variety of methods employed by schools to establish a trained staff. With the 1877 Education Act, formalised teacher training was established with oversight from the Department of Education. This training required a number of years as a ‘pupil-teacher’ in a school and then one to two years at a teacher training college. This general model continued until the 1950s. A series of reviews led to the Department of Education decision in 1935 to adopt a pre-service teacher education model where students would spend at least two years in college prior to spending a further apprenticeship year in a school. The three-year programme, with teaching practicum interspersed throughout the time spent at college, was introduced in 1966 and was the model for teacher training for several decades. The three-year programme allowed students to complete a Diploma in Teaching, which was the primary means of teacher qualification in New Zealand (Openshaw & Ball, 2006).

By the 1980s, there were nine teacher training colleges in New Zealand, mostly based in the main urban centres. The colleges were quite separate from the universities and technical institutes and were treated as institutions in their own right. They received funding and governance through the Department of Education and maintained a close link with the New Zealand Teachers Council, who had input into the curriculum and final teacher registration (Openshaw & Ball, 2006). However, as far back as 1959, in the Parry Report (a review of university and tertiary education in New Zealand) there was a suggestion for teachers’ colleges to be merged with the universities. The concern was that teacher training programmes only allowed for a narrow curriculum based on basic subjects; it needed to take on a broader, general education focus to deepen and strengthen the quality of the teacher training programme (Openshaw & Ball, 2006). However, the colleges (and governments of the time) did not want to lose control of teacher training education and the proposal was shelved until the 1980s, when a number of mergers and closures occurred as part of the tertiary education reforms.

2.8 Conclusion

In New Zealand, it was important for the government to have a nation of educated and well-rounded citizens who could contribute to their communities and society as a whole. To that end, government spending in this area, and in particular the vocational and training sector, was seen as essential and necessary.

Vocational education and the polytechnics had a clear purpose in the government’s vision of improved social and economic performance. The importance of vocational education (and

non-vocational education) was highlighted by the attention it was given in policy decisions and by the high level of investment by the state. The polytechnics were given status through the decision to take them out of the secondary schooling sector, and promote such institutions as a post-school opportunity for those who wanted a vocational pathway to employment. Vocational training and education constituted programmes of study involving the development of specific skills and applied knowledge and included trades-related training programmes for apprentices.

Governance structures were established and maintained to provide a wide variety of tertiary education, from adult education and community college 'hobby' type courses to vocational programmes enabling trade qualifications to academic or 'higher education' offered by the universities and degree-level programmes. The vision provided by C. E. Beeby in 1939 was realized through successive governments investing in education to provide a level of education for all regardless of ability and circumstance. Adult- and community-based education was encouraged through government funding to develop a wide-ranging curriculum to suit the needs of the local community. Equality of access and opportunity was facilitated across the country with a range and breadth of courses and programmes to cater for many interests and needs.

Teacher training colleges were also an important part of the vocational education landscape. Again the purpose was clear in that these institutions were primarily responsible for the delivery of teacher training in New Zealand, and were able to fully concentrate on this as institutions in their own right. It would seem that the pathways to tertiary education were clear: university, polytechnics, teacher training colleges or community-based adult education programmes. All had mandate from the government through funding and policy frameworks to deliver tertiary education and all had a clear position from which to deliver. The whole system remained largely unchanged, for almost a century, until the 1980s which was the beginning of an unprecedented level of change across all sectors of education in New Zealand.

Chapter Three: The Impact of Neoliberalism on the Education Sector and Polytechnics in New Zealand 1984-1999

3.1 Introduction

This chapter outlines the events leading up to the education reforms of the 1980s and their impact on tertiary education. In New Zealand in 1984, the Fourth Labour Government had just been elected after a snap election, which ousted the National Government led by Robert Muldoon. During this time there was a rapid series of events, which enabled the new government to establish a wide-ranging neoliberal agenda to be adopted across all areas of social and economic policy, including education. The key players in the changes were Finance Minister Roger Douglas, the New Zealand Treasury, Reserve Bank advisors and the lobby group known as the Business Roundtable. I focus on changes to the education sector and the move towards a market-led, competitive environment with the adoption of corporate and business models for the day-to-day management of all education at all levels. There is a particular focus on how neoliberal changes to education have impacted on the way in which vocational and trades-related education was viewed in regard to the polytechnic sector in New Zealand.

3.2 Dismantling Keynesian Social Democracy 1984-1990

In the 1970s, a number of global events occurred which had significant effects on the New Zealand economy. These included Britain joining the European Economic Community (EEC) leading to the end of the reliance on agricultural exports to the UK; the global oil crisis; the poor performance of the New Zealand dollar and increasing debt that saw debt, inflation, economic stagnation and unemployment rise. Jane Kelsey noted that in 1975 there were less than 3,000 [people] registered as unemployed ... by 1984 there were nearly 50,000" (Kelsey, 1995, p. 24). In response to what were seen as ineffective strategies for solving these issues, advisors within Treasury and the Reserve Bank along with the New Zealand Business Roundtable (a lobby group of businessmen and corporate leaders) developed a common viewpoint in line with the neoliberal regimes that were being established in the UK and the USA (Jesson, 1987; Kelsey, 1995; Barry, 1996).

While the National Government was under increasing pressure to address the economic issues that were facing New Zealand, the Labour Party politician Roger Douglas, supported by Treasury and Reserve Bank economists and other agitators for change, developed a reforms package to 'rescue' the New Zealand economy (Barry, 1996). This was essentially the blueprint for a neoliberal takeover that would dismantle the Keynesian welfare state and significantly reduce the government's financial input into public 'goods' including health, education and state services. The reforms package was informed by a neoliberal policy framework that was heavily focused on introducing free market concepts to stimulate the economy, encourage and facilitate competition, and to position New Zealand within the global marketplace (Kelsey, 1995). The

snap election of 1984 generated a fiscal crisis¹ of such magnitude, that it allowed, or enabled, the implementation of this 'rescue' package that would change the face of the New Zealand economy in ways that were unprecedented and unexpected, at a speed never seen before or since (Jesson, 1987; Kelsey, 1995; Roper, 2005).

With the Fourth Labour Government now in power, Roger Douglas became the finance minister and his brand of economic reform quickly became known as 'Rogernomics'. Changes began rapidly and, seemingly, without challenge:

One of the most important circumstances of the time, and one of the reasons for the immediate acceptance of Rogernomics, was that many of the specific measures were supported by people of a variety of specific beliefs. Muldoonism had been discredited, the economy was in deep trouble, and there was widespread agreement on a range of economic measures such as devaluation and abolition of subsidies, from people of Left, Centre, as well as Right (Jesson, 1989, p. 65).

It has been suggested that this new model of economics enabled the process of commercialisation, corporatisation and privatisation to become increasingly present in new policies designed to shift economic activity on to the private sector, and to "maximize the use of private property rights in the economy and society ... changing the balance between the state and private sectors" (Easton, 1989, p. 114). The briefing documents prepared by Treasury for the incoming Labour Government in 1984 reflected this shift towards commercialisation and privatisation, and "there was considerable private sector support for privatization, including those ex-Treasury officials now working in the private sector" (Easton, 1989, p 125). There was a lot of money to be gained if one was in the right place at the right time.

As neoliberal ideas began to take root, New Zealand's protected economy and welfare state began to crumble. The neoliberal discourse began to weave its way throughout society, with language from the corporate and business sectors heard in almost all areas of social and economic policy. Almost everywhere, including health, welfare and the education sectors, words and terms such as 'profitability', 'quality assurance', 'efficiencies', 'competition', 'accountability' and 'marketing strategy' became increasingly commonplace in the day-to-day vernacular.

From 1984, the influence of Treasury officials in policy decisions increased significantly. It was suggested that Treasury was becoming more aligned with the neoliberal economic theories from the USA, particularly the Chicago School of Economics, the home of Milton Freidman and the free market ideology (Barry, 2005). Several economists within Treasury were increasingly "advocates of the free market and determined to subject all government services to market discipline [and as such] were ready, willing and able to comment on government policy with this firmly in mind" (Butterworth & Butterworth, 1998, p. 35). As a result, it soon became clear that

¹ In 1984, a foreign exchange crisis was imminent with pressure on Robert Muldoon to halt the run on the New Zealand dollar through devaluation. Muldoon refused, and lost the snap election to Labour, who, through new Finance Minister, Roger Douglas, did exactly this.

Treasury was positioning itself to influence government policy through its advisory role, and in 1984, with their briefing document called *Economic Management*. With all incoming governments, Treasury produces a series of briefing documents with which to update the new government and prime minister. Since 1984, it is suggested that these Treasury briefing documents were essentially vehicles to push a particular ideology, that of the free market and neoliberalism (Barry, 2005).

The 1987 Treasury briefing document, entitled *Government Management: Briefing to the Incoming Government 1987*, was perhaps one of the most important signals for change in the education sector. The document was written from a “libertarian right wing perspective in which the ideological component was much stronger than the previous briefing documents” (Jesson, 1989, p. 108). The document was presented to the Labour Government, which had been elected for a second term. It was a two-volume report on the economic state of New Zealand, with recommendations for significant reforms in all areas of social and economic policy with the primary aim to reduce government spending by shifting the costs on to citizens and consumers. The second volume focused entirely on the education system and the role of the government, again with recommendations for reform involving commercialisation and privatisation at all levels of education (Jesson, 1987; Jesson, 1989; Kelsey, 1995; Barry, 1996).

Essentially, this Treasury document claimed that the education system was not meeting the needs of many New Zealanders, that it was ‘inefficient’, and consequently a significant drain on government financial resources. Treasury proposed that the New Zealand education system was long overdue for reform, by raising questions about the educational system’s adaptability to respond to a changing economic environment (Treasury, 1987). The 1987 Treasury briefing document was the beginning of what became a neoliberal-based critique of education resulting in sweeping changes that would, in a matter of a few years, completely change the landscape of this sector (Barry, 2005).

In Chapter Two it was ascertained that education was deemed worthy of significant government investment and, as such, was considered a public good which should be made freely available to all. However, the new economic policy regime meant that government spending would be heavily reduced in all areas including education and that, as far as possible, public services such as education would be transferred to the private sector which would set their own charges and costs and transfer these to the consumer. At the same time, the Labour Government and Treasury officials believed that the education system was no longer fit for purpose in meeting the needs of the economy, which was “in poor shape with high inflation, high unemployment, and [having] an inability to sustain any significant growth. Many of these problems were seen to stem from a workforce that lacked the skills required in a modern, internationally competitive economy” (Butterworth & Butterworth, 1998, p. 34).

The frameworks for how education reform would occur came in the form of two taskforces set up by the Labour Government. The taskforces were charged with making recommendations for

how both the compulsory and post-compulsory education sectors would operate in the new economic environment in the era of neoliberal policy implementation and reduced government spending. The recommendations would also lead to the development of new education policy and significant amendments to the existing Education Act in order to mandate the frameworks for change. Many of the taskforce recommendations were adopted by the Fourth Labour Government and influenced all levels of education in New Zealand (Abbot, 2006).

3.3 Secondary Schools and the Picot Report

The compulsory education sector was the first to undergo review with the Picot taskforce in 1987 led by businessman and supermarket magnate Brian Picot. The terms of reference were to review the existing educational administration structure for the schooling sector and make recommendations for changes to this structure; propose possible arrangements that might need to be in place to make the change; and to highlight any costs and benefits of the proposed recommendations (Butterworth & Butterworth, 1998). The Picot taskforce began its review in a political environment - that had been advocating for radical reform since 1984 - where Treasury, who had yet to produce their 1987 *Government Management* briefing document, "shared a popular feeling that all was not well with education and that it was a critical issue. They identified the Department of Education as being one of the large spenders, not connected with the world of work, poor management of property (i.e. government assets), and suspected of not tracking spending accurately" (Butterworth & Butterworth, 1998, p. 51). In addition, the opinion of the Labour Government, certainly by early 1987, was that it was most definitely in favour of radical reform in this sector, and thus the stage was set.

The Picot taskforce produced their report *Administering for Excellence* in April 1988 outlining significant changes to funding and accountability in schools. The overarching focus of the Picot Report was the move to decentralization and to devolve responsibility of the day-to-day business of education from the state to the community. The motive was to make significant changes to "a system which was extremely complex with many rigid bureaucratic mechanisms reinforcing the tendency to centralized control..." (Picot, 1988, p. 20). The recommendation was to disestablish the Department of Education which, prior to the 1980s, managed the compulsory schooling sector. The Department of Education had regional Boards of Education who set and managed curriculum, teacher standards and requirements as well as funding and other operational matters including management of buildings and grounds. The structure, set in place since the Education Act 1877, was criticised by Treasury officials for being bureaucratic and overly involved in the day-to-day affairs of schools. The system was described as cumbersome, and not responsive to change (Treasury, 1987).

A new structure for school management was recommended, which would be a more 'streamlined' model. It would comprise a Ministry of Education which would oversee education policy with the devolution of responsibility to individual school principals and Boards of Trustees for day-to-day management, including employment, building maintenance and other operational matters. Funding would be allocated from a 'bulk funding' model, a lump sum to be managed

accordingly by the individual schools via a Board of Trustees, membership of which would be sourced from the local community. Schools would be run along the lines of a business, with the principal acting as CEO. Charters would be drawn up as a contract between the school and the community and made publically available (Wylie, 2009). A formalised mechanism for accountability checks would be made via the Education Review Office (ERO), for the day-to-day running of the schools, and the New Zealand Qualifications Authority (NZQA), for benchmarking assessments and examinations, particularly at secondary school level.

3.4 Tertiary Education and the Hawke Report

Amid Treasury concerns that the tertiary education sector was not meeting the needs of its consumers or the economy, was wasteful in its spending and was cumbersome to manage, the Picot Report provided the blueprint for a second taskforce committee led by economist Dr Gary Hawke. They were tasked with reviewing post-compulsory education and training in New Zealand in order to increase participation in tertiary education, provide a model for ongoing accountability measures and potential mechanisms to enable the private sector to increase its involvement in the delivery of tertiary education. The results of the review were published in what is referred to as the 'Hawke Report' (Hawke, 1988).

The Hawke Report made several recommendations along similar lines to the Picot Report. They included the establishment of a separate fund for research activities and a move towards further privatisation of education delivery to encourage and increase the number of Private Training Establishments (PTEs). In regard to monitoring tertiary education programmes and courses, the New Zealand Qualifications Authority (NZQA) would measure the performance of tertiary education providers and ensure accountability for funding received by the government (Abbot, 2006). Funding of tertiary education institutions would also comprise international student fees and increased domestic student fees. To encourage more people to participate in tertiary education despite the increasing fees, a student loan system was proposed (Department of Education, 1989).

An important recommendation for the polytechnic sector was the proposition that there ought not to be a distinction between the type of education offered by universities, polytechnics and colleges of education. It was argued that these institutions shared many similar functions. The Hawke Report proposed that "there should be no attempt to preserve particular kinds of activities for one group of institution" (Hawke, 1988, p12). The report claimed that problems "are not evaded by treating universities and polytechnics separately. These [processes] used [in both] should be considered together and made as consistent as possible" (Hawke, 1988, p 37). Therefore it was proposed that the funding structure would be the same regardless of the different type of education offered by the university and the polytechnics. In addition, removing the distinction between the two would enable the development of a competitive environment for tertiary education offerings in New Zealand, as polytechnics would be able to offer degree-level programmes, and universities would be free to move into the vocational sector. The management structures, however, would be different. Polytechnics would be controlled by the

Ministry of Education, and quality-assured by the New Zealand Qualifications Authority. However, the universities would remain under the control of the New Zealand Vice Chancellors Committee and the respective councils and senates.

3.5 Universities

The traditional role of the university is to act as “critic and conscience of society and to provide a higher level of education to encourage and develop critical thinking, and a wider understanding of the world in contribution to growth and development of the informed citizen” (Education Act 1989, s.162). However, in New Zealand since 1989, this mandate appears to have been under threat as academics have found themselves increasingly marginalised in the management of the university, where once their contribution was considered essential. With an increased emphasis on the corporatisation of the university and the move towards a more business-oriented operational model, it has been suggested that “the wider social role of the University is up for grabs ... and is becoming a different kind of institution, one that is no longer linked to the destiny of the nation state by virtue of its role as a producer, protector and incubator of an idea of national culture” (Readings, 1996, p 3).

3.6 Learning for Life I and II

Learning for Life I and II were key policy documents for tertiary education in New Zealand and outlined a new way forward for the sector. Most of the operational and management functions were devolved to individual institutions. This would “enable them to respond to local conditions and the needs of their clients with a speed and sensitivity that has not been possible in the past” (Department of Education, 1989, p. 2). However, decisions around policy direction would be retained by the Ministry of Education with new models of funding established to “broaden the funding base and to increase the proportion of private funding...” (Department of Education, 1989, p.2). Two major changes occurred with the funding structure: the first was the establishment of a contestable research fund, now called the Performance Based Research Fund (PBRF), and the second was the encouragement to attract international students who would be required to pay unsubsidised tuition fees, a source of significant revenue.

Learning for Life I and II outlined the rationale for devolving funding to the individual which included increased tuition fees for domestic students. It stated that while Government spending had increased since 1984:

...financial constraints place an unavoidable limit on the level of Government spending. As well, there is an acknowledged private individual benefit from more advanced training and education [and therefore enable] the ability of institutions to generate income from saleable services, encouraging employers to make greater contribution to the education and training from which they derive benefit, and asking students to make a greater contribution towards the costs of their courses (Learning for Life II, 1989, p. 13).

In 1989, the Labour Government introduced a universal tuition fee for all tertiary education programmes shifting the cost of decisions to undertake further education to the student (the

'consumer'). Tuition fees rose from approximately \$130 per annum to \$1250 per annum in 1990, and have continued to increase since then, particularly since 1991 when the incoming National Government abolished the flat fee structure and allowed institutions to set their own fee schedules (Ministry of Education, 2011).

The Learning for Life policy documents made much of having strategies that would increase accessibility to post-school education with a "particular emphasis on removing barriers to access for those groups who have so far been under-represented" (Learning for Life II, 1989, p 88). Alongside the 1990 increase in tuition fees, a Ministry of Education established an allowance scheme for students aged between 16-19 years and means-tested on parental income. In 1992, means-testing was extended to include students aged up to 25. At this time, the student loan scheme was introduced by the newly elected National Government. The loans, with interest, were made available to students for the duration of their tertiary education programmes, and included loans for tuition fees and living costs (Ministry of Education, 2011). A consequence of the student loan scheme is that students finish their programme in significant debt, and are required to spend many years afterwards paying off the loans. Perhaps the rationale behind this was the belief that tertiary education is of benefit to the individual, and therefore they should bear most of the cost (Treasury, 1987; Department of Education, 1989).

3.7 Education, Training and Polytechnics

By 1985, Probine and Fargher (1986)² reported that the institutes of technology and polytechnic (ITP) sector were experiencing dropping student numbers leading to a lower availability of skilled employees. They also highlighted an uncoordinated approach to delivery of training with a lack of new and innovative responses to the challenges in the sector in attracting and maintaining student enrolments in that sector. There were also concerns raised (again) that the system was not up to the standards of other countries in being able to prepare young people for work (Dougherty, 1999). The subsequent Hawke Report published in 1988 (see Section 3.4) proposed that "polytechnics should have wide objectives reflecting their role as important instruments of national policy in relation to vocational education and training, labour market adjustment, social equity ... opportunities for lifelong learning ... and that this includes [being able to offer] appropriate courses at degree level" (Hawke, 1988, p. 12). Hence the development of the competitive marketplace in which students could pick and choose where to study their degree-level programmes.

From the mid to late 1980s, the technical institutes were heavily involved in the delivery of employment programmes which were set up to combat the massive increase in unemployment resulting from the Fourth Labour Government's economic restructuring (Stevens, 1993, p. 39). In an unprecedented shift away from the traditional Labour-driven policy regime in place since the 1930s, the newly elected government quickly implemented a comprehensive macro-economic structure that would provide the basis for far-reaching reform throughout the country

² The Probine-Fargher Report (1986) on the polytechnic sector in New Zealand was subsequently merged into the later Hawke Report on tertiary education as a whole.

(Roper, 2005). The goal of 'full employment' was no longer a priority, the reasons for which will be explained in more detail in the following chapter. In the meantime, unemployment continued to increase under the new regime.

In 1987, to address the unemployment issue, ACCESS training schemes were funded by the Government to, ostensibly, prepare youth for the workplace, provide new skills training for the long term unemployed, help women into the workforce and provide foundation level courses for occupations where there was a shortage of workers (Dougherty, 1999). The ACCESS training courses were "aimed at improving the job prospects of unemployed people, especially those who were disadvantaged in the labour market and for whom traditional training methods were unsuitable or unavailable [and] had a prominent place in the country's polytechnics" (Stevens, 1993, p. 168).

In 1989, the Education and Training Support Agency was set up to manage the delivery of vocational education and trades-related training within the secondary schools, wānanga, polytechnics and the private training establishments (PTEs). All of these were competing to attract students to their programmes. In addition, the Agency took over the ACCESS training schemes and related training programmes and worked with the polytechnics, which were also in competition with each other to gain funding to deliver this type of education. The government devolved responsibility for this type of education and training to a special agency in order to ensure consistency in policy development and direction across the spectrum of vocational education and training provision. The Education and Training Support Agency was to coordinate systems and processes for the purposes of quality assurance and measurement of programme performance in order to "meet the vocational education and training needs of the trainees/apprentices in response to the requirements of the labour market" (Ministry of Education, 1989, p. 6).³

Polytechnics and the provision of work-related training would have been affected by the Reserve Bank Act 1989 which prioritised the requirement for the government to set conditions for a low rate of inflation (Kelsey, 1995). The Reserve Bank was able to achieve this via a 'natural rate of unemployment', meaning that the previous focus on full employment was no longer a key priority for the government. The 'natural rate of unemployment' can be explained as follows: when unemployment is low, this leads to skills shortages and workers can demand higher wages because employers are competing with each other for skilled labour. This puts up costs, which employers seek to recover by putting up their prices. Unemployment, then, is an effective way of keeping wages low, and means that prices can be kept low and therefore inflation is decreased (Barry, 2002). Given that, historically, the polytechnics were "viewed as important instruments of national policy for vocational education and training [and] labour

³ By 1998, the Education and Training Support Agency had become Skill New Zealand, which eventually became incorporated into the Tertiary Education Commission in 2003 (Ministry of Education, n.d.).

market adjustment programmes (including training)” (Learning for Life II, 1989, p 40), with the expectation of gaining employment, it would seem that this was no longer necessarily the case, therefore decreasing the drive and motivation for workplace qualifications.

3.8 Entrenching Neoliberalism: National-led Governments 1990-1999

In 1990, a National government was elected and more or less picked up where the Labour government left off with even more of a focus on disestablishing the state with radical cuts in spending on welfare. When presenting the 1991 Budget to the nation, National’s Finance Minister, Ruth Richardson, spoke of the “crushing burden of government spending [and that] we cannot prosper as a nation if we put spending in front of earnings” (Richardson, 1991, as cited in Kelsey, 1993). Social welfare beneficiaries would see a dramatic drop in their entitlements, and subsidies. The shift in the rhetoric around welfare became about the provision of incentives in order to become self-supporting based on the claim that “real welfare is created by people and families through their own efforts” (Richardson, 1991, as cited in Kelsey, 1993).

Perhaps one of the more controversial social security events of the time was the focus on the national superannuation scheme, on which income means-testing was introduced, and the age of entitlement was to rise from age 60 years to 65 years. The National Government was in favour of encouraging individuals to subscribe to private superannuation insurance, with only minimal state provision for the very poor. This was a huge blow to many who had worked all their lives towards retirement and the assumption that they would be receiving superannuation just as their parents had, as promised by the Labour government of 1938 with the creation of a welfare state.

With the election of the National Government in 1990, the funding cuts to education continued, leading to increases in fees for tertiary education students and the introduction of the student loan scheme. This ‘user pays’ system, in which the costs of education are passed on to the consumer, was in line with Treasury’s claim back in 1987 that education benefits the individual, not society, and therefore the individual should pay for it (Treasury, 1987). The market-driven model of tertiary education continued apace as the new National Government remained “strongly committed to a philosophy of marketization [in the promotion of] student choice, competition and the culture of performativity” (Roberts & Codd, 2010, p. 101). Under the preceding Labour Government, the Education Act 1877 had been repealed and replaced with a new Education Act in 1989, thus enabling the commercialisation and market-driven model of education across all levels in New Zealand (Kelsey, 1998). Both universities and polytechnics were then able to offer degree-level programmes and, as a consequence, entered into competition with each other to attract students to these programmes.

The tertiary education sector has published extensively on the effects of the reforms on New Zealand universities. Briefly, the reforms led to a system of corporate managerialism never before seen in the university sector. In the new competitive environment, universities were forced to operate in a business-like manner, with their eyes on the ‘bottom line’ in the quest to

get a larger slice out of the funding pie. The tertiary education sector in New Zealand operates in a highly competitive market-driven environment and competition encouraged within and between institutions. The increasingly 'hands off' approach by the government means that this sector is no longer fully funded, with tertiary education providers expected to operate more and more under business-like conditions with performance and accountability measures that are linked to increased profitability and efficiencies in the sector (Kelsey, 1998). As a result, a significant amount of time and money is spent by tertiary education institutes in trying to attract and maintain student numbers, both at the domestic level and, increasingly, through the international student market. The competitive model has led to marketing and communications, public relations and business development functions becoming increasingly prevalent across this sector as institutions look to find further ways to increase and maintain funding and revenue.

Critics of the neoliberal ideals of competition and marketisation of education have argued that a focus on performance measures and accountability leads to inequalities across the sector as tertiary institutions compete with each other for funding. However, it has also been claimed that competition and a market-led system means that institutions are able to be more responsive to their consumers and the needs of the community, and that resources can then be allocated more efficiently across the sector (Abbott, 2006). This claim reflects the neoliberal rhetoric around education: that it needs to be more 'responsive' and accountable to justify the funds that it does receive. However, this rhetoric directly opposes the statement made by Beeby in 1939, advocating the creation of a society that benefits all of its citizens; he argued that doing so was an important investment for the government and therefore should be funded accordingly. In post-reform tertiary education "the defined objectives are [now] economic ones, with no notion of any higher social purpose than maximization of material output" (Easton, 1999, p. 159).

The landscape of tertiary education has changed significantly since the disestablishment of the Keynesian social democracy that was several decades in the making since the election of the First Labour Government in 1935. Within a few short years, the range of tertiary education options in New Zealand, as outlined in Chapter Two, are much reduced with some no longer in existence, and others a shadow of their former self. After 1990, under the Bolger-led National Government, the public and social sectors saw an even more brutal pruning of government-allocated funding, with an increasing push towards privatisation of such services, including tertiary and other types of post-school education.

Community education more or less received a death knell in 1990 with significant reductions in government funding to almost all of the community-based education providers. This kind of education provision was heavily reduced to only a handful of groups operating throughout the country, which were able to be funded by community-based trusts, by the consumer or through targeted local body funding aimed at specific groups. Eventually, the Workers Educational Association (WEA) could operate in only a few rural towns, having lost all of its government funding by the end of the 1990s (Benseman, 2005). The loss of such organisations was

significant as the WEA was involved in almost every aspect of adult and community education through the 1970s and provided key programmes - covering everything from adult literacy, book discussion groups, race relations, the Treaty of Waitangi to trade union education - in order to raise consciousness around key societal issues and to sustain active citizenship. Many of the WEA programmes were precursors to introductory or preparatory courses provided by the universities and were often a pathway into higher or further education for people who perhaps would not have had the opportunity to do so ordinarily (Tobias, 2016).

After 1989, teachers colleges also became autonomous and became responsible for their own finances and budgeting, staff and student recruitment, and programme and curriculum development. This responsibility, together with the competitive model of funding caused huge strain within the sector. In addition, the 1990s, under the National Government, saw government funding per student fall each year forcing diversification into other fields such as social work training and the provision of professional development to principals and teachers. By this time, some colleges were considering mergers with the universities and, in 1991, the first merger became official with the Hamilton Teachers College merger with Waikato University, followed in 1996 by the merging of Palmerston North Teachers College with Massey University (Alcorn, 2013).⁴

In addition to the changes to polytechnics, teachers colleges and the universities, the tertiary education landscape changed further with an increasing number of Private Training Establishments (PTEs) and also with the establishment of Te Wānanga O Aotearoa, which was given official status as a tertiary institution in 1993. While this could be viewed as providing relevant solutions for Māori learners with a wide range of opportunities for work or further study, it means that there are even further pressures on the funding pool as provided by the government. The impact on the polytechnic was that the Wānanga took over much of the vocational training of Māori. In addition, there was growth in the number of PTEs, encouraged by the 1990-1999 National Government, to take on the delivery of English language teaching and low-level training programmes once offered by polytechnics. This meant that the polytechnics moved towards offering higher level degree programmes which put them in direct competition with the universities (Dougherty, 1999).

3.9 Education, training and polytechnics

An important legislative change that has impacted greatly on the polytechnics was the 1992 Industry Training Act, which effectively ended government-funded apprenticeship programmes. This had a major effect on polytechnics in that they were no longer funded directly by the government to provide the 'off-the-job' training as previously required by the traditional apprentice model. The responsibility for this was transferred to industry via Industry Training Organisations (ITOs) in an attempt to create closer links with industry requirements in terms of training. This meant that polytechnics might be contracted to deliver the 'off-the-job' training,

⁴ By 2007 all the teacher training colleges or colleges of education in New Zealand had either closed or merged with the universities, and so were no longer standalone institutions in their own right.

but ITOs could also utilise other institutions outside of this sector (Ministry of Education, n.d.). The response of the polytechnic sector to these changes needs to be investigated further, however it does seem that polytechnics became increasingly focused on the degree-level market and less so on the provision of trades-related education.

The competitive model in which universities and polytechnics were expected to operate meant that the boundaries between the two became increasingly blurred with both able to offer degree level programmes up to doctoral level. In an attempt to increase access to funding, it would seem that the polytechnics neglected their *raison d'être*, that of delivering vocational education and training at the pre-degree levels, with the development of more and more degree programmes often in direct competition with the universities:

“The polytechnic system has become a growth industry without a real sense of identity or purpose ... it is trying to be all things to all people. It can be argued that this was true of the universities too ... neither set of institutions had a very clear role”. (Butterworth and Tarling, 1994, p. 18).

The largest technical institute in New Zealand, the Auckland Institute of Technology (AIT), was the first technical institution to offer a degree-level programme in 1991, with its Bachelor of Physiotherapy, and offered the first postgraduate degree, a Master of Health Sciences, in 1996. In 2000, AIT achieved university status and became Auckland University of Technology (Auckland University of Technology, n.d.).

Regarding the role of the polytechnic in the delivery of work programmes, in 1993, a reshuffle of funding and priorities in such schemes towards a more targeted approach led to the end of the ACCESS training schemes and the introduction of a new programme known as Training Opportunities Programmes (TOP). This was designed for the most underrepresented groups in employment to improve and build on their employment skills (Stolte, 2004). The polytechnics were instrumental in the delivery of these programmes with a range of courses that could be used towards a qualification as well as short courses in pre-employment preparation, basic trade skills and other skills-based courses (Dougherty, 1999).

The polytechnics in New Zealand operated under a new structure within the Ministry of Education which meant that polytechnics were completely separate from the secondary schooling system. To that end, polytechnic ‘principals’ were required to become Chief Executive Officers with new responsibilities in running the institutions in a business-like manner, perhaps even more so than other education institutions, including universities (Connell, 2013). Technological advances and a decline in the demand for New Zealand products meant that there were significant job losses in the manufacturing sector (Ministry of Education, n.d.), which led to less apprenticeships being offered. Vocational training was affected in that “it was believed that to retain a relatively high wage economy, New Zealand’s workforce would need to develop skills to use new technologies and production processes (Ministry of Education, n.d., p 7). Polytechnics were also becoming increasingly involved in the provision of degree-level

programmes and, because of this, it has been suggested that the role of the polytechnic, in light of the reforms of the 1990s, became increasingly blurred (Dougherty, 1999), particularly as ITPs were no longer key players in the provision of trades-related education (Kelsey, 1995).

The abolition of the Apprenticeship Act (1983) and the shift away from manufacturing and industry in favour of cheaper goods produced offshore (deindustrialization), and the move towards privatization of the vocational sector, meant that the polytechnic was no longer the sole provider of support for apprenticeship training, and many trades-related training and support were shifted to the private sector or to industry-based organisations. The Apprenticeship Act (1983) was replaced by the Industry Training Act (1992) and ended government-funded apprenticeships, which had a major impact on polytechnics as they no longer received direct funding from the government to provide the 'off-the-job' training required by the traditional apprentice model. The responsibility for this was transferred to industry via Industry Training Organisations (ITOs) in an attempt to create closer links with industry training requirements. Polytechnics might be contracted to deliver the 'off-the-job' training, but ITOs could also utilise other institutions outside of this sector (Ministry of Education, n.d.).

3.10 Conclusion

The tertiary education policy agenda pursued by successive neoliberal governments between 1984 and 1999 represented a radical shift in focus. Instead of an investment in an educated society, tertiary education was seen as benefiting the individual and therefore not the responsibility of the government. The market-driven environment meant that tertiary education institutions had to operate in competition with each other for students and funding. The private sector became increasingly involved in the delivery of tertiary education; privately owned institutions were able to "set fees according to their assessment of the market price, given supply, demand, and their competitive positioning" (Kelsey, 1998, p. 65). The boundaries between institutions (i.e. universities and polytechnics, and what they offered), became increasingly blurred.

Thus, the long-established identity and purpose of tertiary education was challenged and eroded by a neoliberal agenda. Increased efficiencies were sought in the sector, as the government divested itself of the costly burden of tertiary education provision. The public providers came under pressure to meet the demands of a corporate, business-like model in which efficiency, profits and accountability were all important, to the detriment of the actual 'business' of teaching and learning. There was pressure to consistently meet certain criteria, based on the claim that the traditional ways of doing things were somehow "bad", and that new ways of preparing students for the 'uncertain future' was good (without the need for change being defined or explained).

Competition between providers was encouraged and mandated by neoliberal policy, but left institutions fighting for an ever-decreasing pool of funding. The smaller, local community institutions having to pitch for funding alongside the large, urban institutions led to mergers of smaller institutions. Eventually, established universities sold off parts of their portfolios to the

private sector, which also bought up parts of vocational education that was once the domain of the polytechnic. The polytechnics were increasingly marginalized, as evidenced by the changes to the 1992 Industry Training Act, and they were sidelined in the provision of trades-related training. In addition, the increased role of the private sector in providing employment skills programmes and other entry level tertiary education provision led to a further layer of competition for polytechnics against the private training establishments for funding.

Chapter Four: From the Third Way to the Productivity Commission 1999-2008

4.1 Introduction

This chapter outlines a change in policy development for tertiary education that began with the 1999 Labour-Alliance coalition government. There was a shift away from policy development directly associated with neoliberal ideology towards what is known as the 'Third Way'. I consider how this policy approach differed from the neoliberal policy regime that had been in place in New Zealand since 1984. I focus on the education sector in relation to the creation of a so-called 'knowledge economy'. Particular attention will be given to the origins of the Tertiary Education Commission and its key policy documents in order to explain their impact upon on the polytechnic sector, and the delivery of vocational education in New Zealand.

4.2 A Third Way? Labour-led Governments 1999-2008

In 1999, the election of a centre-left Labour-Alliance coalition government signalled the beginning of an era known as the Third Way, an "alternative to both the neoliberalism of the New Right and the 'old style' social democracy of the Keynesian welfare state" (Codd, 2002, p. 32). After 15 years of a neoliberal regime which saw the dismantling of the welfare state, the introduction of free market principles and the privatization of major state assets, the new government promised a respite and a change in direction (Kelsey, 2002). Following Tony Blair's New Labour Government in the United Kingdom, and the Clinton administration in the USA, the Third Way was an attempt to soften the legacy of the neoliberal policy regime, with a new agenda which would incorporate the "value of community, commitment to equality of opportunity, an emphasis on responsibility, and a belief in accountability" (Roper, 2005).

Generally described as a form of "benevolent pragmatism" (Roper, 2005), the Third Way also retained some precepts from the neoliberal era, including the encouragement of business, entrepreneurship, and the creation of wealth in the global context of a 'knowledge economy' (Roper, 2005). The latter phrase was prevalent throughout Third Way discourse and influenced the development of tertiary education policy in New Zealand.

The Labour-Alliance coalition government "would pursue values such as equality, social solidarity, community and social justice [within] a basically capitalist economic system" (Kelsey, 2002, p. 61). Descriptions of Third Way politics appear to show a softer and more gentle policy direction in order to redress some of the social injustices created by the hands-off approach of neoliberal policy. Kelsey notes that Third Way politics is "less a political theory than a programme of political management, and that [it does] not disturb any existing interests and has no enemies" (Kelsey, 2002, p 54). Third Way politics and policy is underwhelming in terms of making any real changes, but it does acknowledge that neoliberalism might have gone too far, and that a more balanced approach is necessary in future policy development. However, such an approach was unlikely to be sustainable. As Jane Kelsey observed at the time, the Labour-Alliance coalition government was "elected to govern in an era where the ideology of

globalization is still in the ascendancy and [as such] they lack the courage or inclination to challenge that agenda” (Kelsey, 2002, p. 60).

Nonetheless, the new government set about its task to rein in some of the more hardcore neoliberal decisions made by previous governments. Amongst this government’s many commitments was an attempt to create more jobs; provide a fairer deal for tertiary students on the student loan scheme; place more focus on patient care within the health system; and start an income-related savings scheme to future-proof superannuation. This government removed the interest on student loans, enabled a significant cash injection into Arts and Culture, increased the minimum wage and introduced a model of partial elections for district health boards (Kelsey, 2002). There were plenty of policy innovations, but as Kelsey (2002) pointed out, the general programme lacked coherency, many decisions tended to be ad hoc, and were not underpinned by a strong philosophy for social democratic change.

Government spending was still restrained in many areas, with ‘fiscal austerity’ being a key aspect of Third Way politics. There would be no return to the previous levels of social spending on welfare and infrastructure. In addition, employment relations would be altered only slightly following the National Government’s introduction of the Employment Contracts Act (ECA) in 1991. The 2000 Employment Relations Act was an attempt to ‘soften’ the impact of the ECA with the restoration of collective bargaining. However, the maintenance of voluntary unionism meant that the unions would never have the influence that they once had in industrial relations and employment matters. Therefore “New Zealand’s employment related legislation remained at the neoliberal end of the spectrum” and further entrenched the neoliberal approach to employment (Kelsey, 2002, p. 76). The notion of full-employment, again, was not part of the new government’s policy. Instead the creation of flexible labour markets within a competitive business environment was encouraged and sustained (Roper, 2005).

4.3 Tertiary Education Policy

The National Government’s market-led model for tertiary education became less of a focus for the new government (Codd, 2002). Instead, the establishment of the Tertiary Education Advisory Commission (TEAC) responded to what was presented as continued critical challenges in tertiary education. The TEAC was tasked with advising the Minister of Education on policy direction for tertiary education in New Zealand (in contrast to the neoliberal ideal of a ‘hands off’ government). The new approach suggested that the government should be actively engaged with the tertiary education system. The TEAC was charged with proposing “mechanisms which [would] enable such engagement in a manner that [respected] the principle of autonomy and retains flexibility within the system” (TEAC, 2000, p. 6).

Globalisation and the creation of a knowledge economy became a significant focus in the early years of the coalition government. New technologies were enabling faster and easier communication and transactions across the globe (Olssen & Peters, 2005). It became increasingly important for New Zealand to be a part of this globalisation trend (Roberts, 2005).

Education became the vehicle which would enable New Zealand to become a 'knowledge economy' or 'knowledge society' (Olssen & Peters, 2005). The relationship between lifelong learning and a knowledge society is discussed at length in the new policy, with tertiary education seen as integral in achieving and maintaining this. The TEAC determined that it was of utmost importance to inform and educate citizens who could contribute to their community and society as a whole. The tertiary education system needed to enable and sustain this development.

The Tertiary Education Advisory Commission produced four policy documents during its tenure. The first, *Shaping a Shared Vision* (2000), was an attempt to pull together the current thinking about the definition of creating a knowledge society, and the role of tertiary education. The TEAC believed that "the tertiary education system needs to be designed to respond to the challenge of lifelong learning in a knowledge society, [which] may require new ways of organizing, delivering, and recognizing tertiary education and learning" (TEAC, 2000, p. 6). Throughout this initial policy document, reference is made to the role of tertiary education in New Zealand's success in participating in a global society, with keywords such as 'knowledge', 'innovation', 'wealth generation', 'excellence' and 'the knowledge society' scattered liberally throughout. The reader is struck by the sense of urgency in the words. If New Zealand does not address these "serious problems" within an unresponsive and inflexible tertiary education system, then the consequences would be dire. It is also noticeable that the consequences are never quite spelled out, but that we must, as a nation, act in haste to avoid them. The Third Way is prevalent in the language with references to the need to be 'fair' and 'inclusive' and the importance of education in the promotion of 'social cohesion' and the cultivation of 'personal wellbeing'.

The second policy document, *Shaping the System* (2001) was the first of three reports detailing the policies that would bring about changes to the tertiary education sector in order to enable a 'knowledge society'. The document outlined how the policies would be implemented and included recommendations, such as the establishment of a tertiary education commission that would have responsibility and oversight over tertiary education in New Zealand. The new commission would be the driver of policy direction under the watch of the Minister of Education, and would be instrumental in the development of a tertiary education strategy (TES). The key influences for the TES were the previous policy documents *Learning for Life I and II* (1989). In addition, the document included many references to 'globalisation', 'quality assurance', having a tertiary education system that is 'proactive', being 'responsive to technological changes' and, as evidenced in the following excerpt, the importance of the sector in the 'development of a knowledge society':

Knowledge and learning have always been of central importance to society; and in today's modern economy the tertiary education system plays a pivotal role in meeting the nation's knowledge needs... The shifts in production, application and dissemination of knowledge, these are the new sets of skills required in the workforce [and] tertiary education providers will have little option but to adapt, if they are to meet the challenges posed by the knowledge society" (TEAC, 2001, p.14).

The second report, *Shaping the Strategy* (July, 2001) outlined a number of key priorities for the achievement of “national goals for economic and social development ... to compete successfully in a global environment” (TEAC, 2001, p. 6). The national strategic goals are as follows:

- “innovation;
- economic development;
- social development;
- environmental sustainability; and
- fulfilling the obligations of the Treaty of Waitangi” (TEAC, 2001, p. 6).

The report stated that there is to be a ‘paradigm shift’ in tertiary education, from the direction dictated by consumer-driven demand towards a sector that is ‘collaborative’ and ‘cooperative’ and very much included in the wider economic and social policy strategies being developed within the new political environment.

The document referred to the ‘scarcity of resources’ and the decisions that would need to be made to ensure ‘quality’ throughout the system. The definition of quality is linked to ‘excellence’, ‘fitness for purpose’ and ‘value for money’. There is a perceived need to have more ‘outcome focused measures’ in order to assess quality in the system. Increasing access to tertiary education is a priority as: “the accelerating transition to knowledge-based societies has increased the need for higher levels of educational achievement and competency. Economic success is highly dependent on increasing productivity and the speed with which new information can be turned to economic advantage...” (TEAC, 2001, p 15). Methods for quality assessment and accountability in the sector, the encouragement of greater participation in tertiary education, the accomplishment of key strategic goals are discussed at length. A Tertiary Education Commission (TEC) is proposed as the agency to be responsible for oversight and ‘steering’ tertiary education in the right direction to meet these goals.

Shaping the Funding Framework (November, 2001), the third report proposed a new model for funding tertiary education linked to the goals set by the tertiary education strategy (TES). The TEAC believed that, pre-2001, tertiary education funding was fragmented, “suffered from a lack of steering” and lacked coherency. At that time, there were different funding models for tertiary education providers (including polytechnics and private training establishments) and industry training providers. Tertiary education was funded using the EFTs model (equivalent full-time students) whereas industry training was funded by a purchasing system. Criticisms of the two systems included lack of transparency and predictability, the high costs of implementation and different accountabilities leading to inequalities in the system for learners.

The new policy proposed a “single funding formula” with a separate fund for adult and community education. Students would continue to contribute to the cost of their study, and learning institutions and private providers would be free to set their own fee levels. A

Performance-Based Research Fund (PBRF) would also be established in order to “promote the pursuit of research quality and the retention of talented staff, as well as enhancing the ability of researchers to conduct world-class research” (TEAC, 2001, p xi). The PBRF would also be a means of measuring and improving the quality of tertiary education within the sector. The final report of the TEAC is the longest of the four reports, and it goes into great detail about the funding mechanisms for tertiary education. References to enhancement of ‘quality’, ‘performance’, ‘effectiveness’, ‘efficiency’, ‘accountability’ and ‘equity’ are common throughout the document.

The TEAC completed its work by the end of 2001 and subsequently evolved into the Tertiary Education Commission (TEC) in 2002. This organisation would continue to advise on and maintain policy direction for tertiary education (Roberts & Codd, 2010). The first tertiary education strategy (TES), known as the *Baseline Monitoring Report* was released in 2002, for the period 2002-2007. The strategy document outlined the future direction of tertiary education to “open up tertiary education to a closer relationship with our economy and society” (TEC, 2002, p. 1), thus continuing and strengthening the link between education and business and employers. In addition, the strategy also included a number of change messages by which tertiary education organisations would be measured in terms of progress. The change messages were:

- “Greater alignment with national goals
- Stronger linkages with business and other external stakeholders
- Effective partnership arrangements with Maori 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.” (TEC, 2002, p. 4)

The inaugural tertiary education strategy was focused on the measurement of tertiary education organisations’ performance and achievement towards the national goals. A key function of the TEC would be to monitor this and report on progress to the Minister of Education.

4.4 The Spread of Business and Managerialist Discourses in Tertiary Education

Despite the softening of the more hardcore neoliberal policy changes, with the election of a Labour-Alliance coalition government and the advent of Third Way politics, it would seem that the role of market forces, competition and the language of neoliberalism were still very much prevalent. Roberts (2004) wrote about the “illusory notion of inclusiveness” that can be found in the TEAC documents and went on as follows:

When we reflect on key changes in economic and social policy across the Western world over the

past two decades, it is clear that a new neo-liberal form of knowledge has emerged: what might be called 'market knowledge' ... which has become a dominant discourse ... those who seek to understand the world in market terms speak to others, and to themselves, in terms such as these: consumers, clients, providers, stakeholders, choice, competition, inputs, outputs ... performance indicators, rationalizing, and so on" (Robert, 2004, p 357).

Codd (2002) wrote, too, that while the TEAC proposals outlined a more cohesive and collaborative approach to tertiary education and favoured a more inclusive and socially beneficial system, there remained an underlying sub-text. It is resolutely neoliberal in ensuring that the system continues to serve the labour market, maintains economic efficiency and supports the shift towards a knowledge society and economy. In this context, globalisation is seen as inevitable, and therefore unavoidable. The TEAC proposals, Codd remarked, may result in a "highly centralised and regulated system which meets the needs of the new global economy but falls short in its contributions to democratic culture and the formation of citizens who are tolerant, critical and informed" (Codd, 2002, p. 55).

By the late 1990s, neoliberalism was influencing almost every facet of society, and tertiary education was no exception, the universities and polytechnics remained locked into a model of marketisation and corporatisation. With funding no longer guaranteed by the state, institutions had to find other ways to generate capital, while competing with each other and, increasingly, with private sector providers:

Tertiary education must be redefined as primarily a private good, a commodity to be bought and sold in an artificially constructed education market driven by the forces of supply and demand. Greater dependence on private financing and competition are expected to stimulate efficiency, innovation, and responsiveness. Education is reduced to training and information transfer, and measured through accreditation of standardized outputs (Kelsey, 1998, p. 52).

During the period under review in this chapter, tertiary education funding became linked to performance; a set of performance criteria needed to be met in order to retain funding. Institutions had to be able to show that their courses and programmes "support the achievement of the national strategic goals and tertiary education priorities" (TEAC, 2001, p. 29). Measurement of performance and educational quality in polytechnics, ITOs, private training establishments and wānanga was conducted by the New Zealand Qualifications Authority (NZQA). The quality and performance of the universities remained within the purview of the New Zealand Vice Chancellors Committee (NZVCC) with the systems and processes for assessing quality and performance provided by the Academic Quality Agency (AQA). Following the Labour-Alliance coalition government tertiary education policy changes, the NZVCC role continued but the Tertiary Education Commission (TEC) monitors performance against the goals of the Tertiary Education Strategy.

4.5 The Tertiary Sector and Polytechnics

The TEAC viewed the delivery of vocational and applied learning, including trade and industry training, as important to the economy and a part of the tertiary education landscape for New

Zealand. Although the TEAC documents themselves are light on discussing this in detail, the 2002 Labour Government policy document entitled *Growing an Innovative Framework* strongly emphasised the importance of tertiary education in the development of a highly skilled and innovative workforce. In this context, 'tertiary education' is referred to in the general sense, meaning any education after leaving school. The different types of tertiary education are not discussed in any detail (i.e. academic, vocational or training education). The polytechnics are not specifically referred to with the responsibility for vocational education and training having shifted to a number of providers including Industry Training Organisations (ITOs) and Private Training Establishments (PTEs). The role of the polytechnic is unclear other than being required to take its place within an extremely competitive market for the delivery of vocational and trades related education.

Although the Labour-Alliance government indicated that they would prefer ITOs to give preference to the polytechnics in purchasing 'off-the-job' training, the experience of some ITOs suggested that requiring them to prefer polytechnics could have "negative effects including higher costs, reduced responsiveness and reduced participation by industry as a result". (Industry Training Federation, 2002). Whilst the TEAC documents do not often refer to the role of polytechnics as the main provider of vocational education, the latter were warned of the "need to recognize certain realities" with the changing workplace. This included participating in the global market and the need for stronger links with industry and the professions, so that courses and programmes were 'fit for purpose' and graduates were, thus, 'work ready'. The TEAC stated that the polytechnic sector would find it challenging "to ensure that polytechnic delivery remains financially viable" (Tertiary Education Advisory Commission, 2002, p. 155). Consequently, their focus should be on the core business of vocational and applied learning, and "on meeting the needs of industry, professions, employers and workers" (Tertiary Education Advisory Commission, 2002, p. 157).

The TEAC vision for quality within the polytechnic sector was to reduce duplication of courses and programmes and to bring all tertiary funding under a single formula. The single funding formula was an attempt to standardise the funding of tertiary education, which was linked to consumer demand and the measurement of quality and performance in a given programme and/or institution. This meant that the polytechnics were placed in direct competition with the universities and other tertiary education organisations for the bulk of their funding. Within the TEAC documents, one can find references to the importance of recognizing the differences within the tertiary education in terms of funding approaches. Yet the proposal to shift to a single funding formula based on consumer demand appears to contradict these statements.

The TEAC did point out that the centralised funding model could impact on the smaller, regional polytechnics, and that "almost all polytechnics would lose funding from the re-allocation of research top-ups to the PBRF, and that several may lose their postgraduate degree programmes" (TEAC, 2002, p. 155). It would seem, upon observing the policy in practice over nearly two decades that the TEAC vision for quality in the polytechnics has not quite played out

in reality. In subsequent years, there were many changes to the sector, including mergers and closures, as a result of the competitive environment. In addition, under the TEAC proposals, Industry Training Organisations (ITOs) remained as the brokers for the provision of industry training and education.

The subsequent change in policy direction under the Labour-Alliance coalition did not affect the growth of Private Training Establishments (PTEs) in regards to delivery of tertiary education in New Zealand. Privatisation became one of the biggest challenges for polytechnics, as the private sector encroached on their primary business of delivering vocational and training programmes, particularly at the foundation level. The same pattern occurred in the delivery of English language programmes, and trades-related education.

Polytechnics were also challenged by the Performance-Based Research Fund (PBRF), which had been made contestable across the whole tertiary education sector. However, the traditional nature of the polytechnics in New Zealand in the delivery of vocational education often meant that teaching staff were not research-active academics, but industry professionals who had a teaching role. This is important to note as it highlights the inequalities that polytechnics have been facing in regards to funding allocation. The expectation of tertiary education provider participation in the PBRF funding rounds has resulted in polytechnics being disadvantaged against the universities. The latter, by their very nature, traditionally have held the balance of power when it comes to engagement in research (which is why they continued to invest considerable time and effort on the PBRF funding rounds).

4.6 Efficiencies and Productivity in Tertiary Education

Since 1987, tertiary education institutions in New Zealand have increasingly been held accountable for how they utilise the funding they receive in relation to the level of outputs in terms of graduates, resources and research. Since the Treasury Briefing documents of 1987, the tertiary education sector has been criticised for its lack of agility in adapting to the needs of the economy in turning out the types of skilled graduates required by those in power. The ideal graduates have been profiled as those who are global thinkers, agile, innovative and entrepreneurial. From 2002, during the second term of the Clark-led Labour Government, policy for tertiary education reflected this desire for such graduates. One can read any annual report statement for a tertiary education institution to find reference to developments made in building stronger links with industry, professions and employers, in the preparation of graduates for work, to be 'work-ready'. Tertiary education organisations had to demonstrate how they were contributing to the national goals of innovation, entrepreneurship and the construction of a globally positioned knowledge economy.

The link between education, employment and economic growth was emphasised in the TEAC policy proposals. In this context, polytechnics are seen to be responsible for "the promotion of applied, technical and vocational learning [as] an essential part of the knowledge society. In short, "polytechnics were established ... to fulfill this role" (TEAC, 2002, p. 155). The Labour-Alliance government (1999-2002) had followed the lead of the UK's New Labour government

with Tony Blair's belief that "educational policy is intrinsic to [Britain's] economic policy", and therefore a high level of regulation is justified on the basis that making improvements to the education sector is subsequently going to improve the "economic wellbeing of the country" (New Zealand Government, 2003, p. 3).

With the 2002 presentation of the Labour-Alliance Government's *Growing an Innovative Framework*, a comprehensive document prioritising the lifting of New Zealand living standards. In the past, New Zealand was amongst the highest in standards of living, but had slipped significantly to around 21st in the OECD. The reason for this, it was claimed, is that productivity had not increased quickly enough, as in other countries, so income growth had been slow. In order to "sustain and improve New Zealand's wellbeing, our incomes need to grow" (New Zealand Government, 2002, p. 2). In the development of an 'innovative' society, tertiary education is posited as the key to producing graduates with desired skills as well as enabling and encouraging a higher level of education for all New Zealand citizens.

The term 'productivity' within the education sector had been addressed in past references to effective performance of the economy, and the role of tertiary education in achieving and maintaining this:

A well-performing tertiary education sector will play a key role in securing New Zealand's future. It will improve New Zealand's competitive edge, economic growth, employment opportunities, productivity and social cohesion (Ministry of Education, 1998, p. 3).

Since the late 1990s, tertiary education was seen to be important in providing learning opportunities for the acquisition of skills and knowledge to "enable [graduates] to perform more effectively, hence more productively, within the labour market" (Codd, 2002, p. 35). The relationship between productivity and tertiary education became increasingly intertwined during the 2000s, as I shall demonstrate in later chapters.

In 2008, Treasury published a series of 'productivity performance and policy' papers which investigated the ongoing concerns that productivity measures in New Zealand continued to fall short of levels reported in other countries in the OECD. The series included an overview, *Putting Productivity First*, which highlighted the issues across what are considered to be the "key drivers of productivity: enterprise, skills, innovation, investment and natural resources" (Treasury, 2008, p. 1). Treasury had concerns that New Zealand's low productivity had resulted in a slow-growing economy, but stated that "productivity has been an issue for New Zealand since the 1970s" (Treasury, 2008, p. 1). Other Treasury papers followed, each looking at the 'five key drivers of productivity' (noted above) in turn, including *Working Smarter: Driving Productivity Growth Through Skills*, in which it is stated that the tertiary education system is critical in the provision of skills development (Treasury, 2008).

Working Smarter: Driving Productivity Growth Through Skills (Treasury, 2008) outlined Treasury's thoughts on the importance of skill development and the maintenance of a higher skilled workforce to increase the level of productivity in New Zealand. It was suggested that increasing changes in technology and the rapid pace of globalization are "driving greater mobility of skilled labour, greater returns to skills, and ongoing economic structural change" (Treasury, 2008, p. 3). The role of the education sector, at all levels, is to ensure a high level of quality teaching, increased participation in learning, improvements in secondary school achievement and more opportunities for transition to tertiary education (Treasury, 2008). Skills are defined as "a range of characteristics, knowledge and abilities that determine people's capacity to add value in economic activity" (Treasury, 2008, p. 7). Described as 'human capital', the "stock of skills the labour force possesses is regarded as a resource or asset" by the state. Increased participation in education is seen as enhancing human capital, and the productivity of individuals. Therefore, the state has an interest in ensuring that the education sector is performing sufficiently to provide a high level of return on its investment in terms of a high-performing economy resulting from increased productivity (Treasury, 2008).

The importance of increased productivity to improve the New Zealand economy continued in a Department of Labour document discussing the methods used for measuring the New Zealand knowledge economy. The document's author made a number of statements about the importance of improving productivity within the New Zealand economy, and how this is directly related to employment (Rutherford, 2008). Having higher-skilled workers "adds more on average per person to the development and performance of an economy ... most if not all OECD countries are attempting to raise the average skill levels of their workers" (Rutherford, 2008, p. 394). There appears to have been increasing concern that, despite the tertiary education reforms of the late 1990s and early 2000s, which were aimed at improving the economy, more work needed to be done to investigate ways to further increase productivity to lift the New Zealand economy. Increased productivity is believed to be important for New Zealand to not only "become more internationally competitive, but also [to ensure that] productivity improvements are at the heart of New Zealand's future economic growth" (Treasury, 2001, p. 1). The tertiary education sector was in the spotlight, once again, as the vehicle for ensuring the development of a higher-skilled workforce, and how it could be manipulated to perform accordingly.

4.7 Conclusion

Apart from a softening of the more hardcore neoliberal discourse, Third Way politics did little to halt the spread of neoliberal policy in tertiary education in New Zealand. However, the 2002 Labour Government made a move towards increasing government involvement in the policy direction for tertiary education through the establishment of the Tertiary Education Commission (TEC). From that point, the TEC provided advice on policy and managed funding decisions and allocations to the sector. The polytechnics were still in competition with the universities, the Industry Training Organisations (ITOs) and Private Training Establishments (PTEs) for funding.

Opportunities to tap into other sources of funding such as the Performance-Based Research Fund and revenue from international student enrolments were not as established for the polytechnic as was the case for universities. The polytechnic was not set up to be an academic centre of research and would always struggle against the universities who put considerable resources into developing their research capacity. International student revenue was also less available as the polytechnics are less likely to have access to the resources (money and staff) required for a high level marketing and recruitment programme as well as being unable to draw upon global ranking scales to promote their institution through reputation.

This chapter introduced the concept of 'productivity' and the relationship between skills and education. It would seem that the polytechnics were well-placed to be forerunners of skill development while the universities could remain as the producers of knowledge. But the distinction between 'education' and 'training' had been abolished in the tertiary education reforms of the 1990s, and the funding structure had been redeveloped accordingly. Therefore there was no separate funding for vocational and applied education which could facilitate the development of skills-based learning and teaching.

Between 1999 and 2014, the link between skills development and improved economic performance was identified by the government and Treasury as the driver for making improvements to the tertiary education sector. There was the suggestion that the sector needed to be guided more directly in providing the types of courses and programmes that lead to explicit skills development. The decisions made about what skills were needed came from business and industry as the government took increasing steps to establish a funding model that favoured some programmes over others based on the skills they delivered (e.g. science courses preferred over courses in the arts and humanities).

Chapter Five: The Productivity Commission and Polytechnics under a National Government 2008-2017.

5.1 Introduction

During the three terms of a National Government, from 2008 to 2017, neoliberalism returned explicitly to policy development and legislative changes for the tertiary education sector. The government was committed to the forging of links between the tertiary education sector, business and industry. This era saw a shift from a Minister for Tertiary Education to a Minister for Tertiary Education, Skills and Employment. The Ministry of Business, Innovation and Employment (MBIE) became established as a key player in the setting of the Tertiary Education Strategy (TES). The role of polytechnics remained ill-defined as they continued to be part of the generic group of providers known as 'tertiary education organisations' (TEOs). At the same time, polytechnics appeared to be increasingly marginalised in favour of private sector providers of vocational and foundation level education.

5.2 The National Government 2008-2017

The Third Way policy direction came to an abrupt end in November 2008 with the election of the fifth National Government. Under the mixed member proportional (MMP) arrangement, the majority needed to govern was formed after 'confidence and supply' agreements were signed with ACT, United Future and the Māori Party, and later with the Green Party. After three terms under a Labour Government, in its various guises, it was not a big surprise to see the National Party win the 2008 election with a fairly significant slice of the votes, after promising that they would retain some of the more popular policies brought in under the Labour Government. These included Working for Families tax benefits, interest-free student loans, the provision of free childcare and retaining the Kiwisaver retirement savings scheme (Roper, 2011). In addition, the global financial crisis had the world in its grip, and New Zealand was no better off, with the economy deep in recession (Roper, 2011). The new National Government was seen to acknowledge the severity of the recession, in that they would put in place "policies that would help ensure that the New Zealand economy emerges strongly from the recession and provides the strong growth, high incomes and quality public services this Government wants into the future" (English, 2009, p. 1). The first Budget was aimed at injecting a significant, but short term, 'fiscal stimulus' to get the New Zealand economy through the financial crisis (Roper, 2011).

The country's economic performance was the key driver for the National Government. While there was a short term injection of cash, in an attempt to kickstart the flagging economy, it was made very clear that in the medium- and long-term, austerity measures would be very much the priority. Reducing debt and maintaining low inflation rates were the primary objectives in subsequent Budgets with cuts to many of the 'popular policies' that were retained: Kiwisaver, Working for Families, student loans and the core public services. At the same time, throughout its tenure, the National Government introduced a series of tax cuts, heralded as 'for all', but which in reality benefitted the wealthy by reducing the threshold for higher income earners to

pay a lower tax rate. Six key drivers for long-term economic stability were identified: “a better regulatory environment for business; skills and education; quality infrastructure; science, innovation and trade; improved public sector performance; and tax” (Roper, 2011, p. 26).

In 2008, the confidence and supply agreement between the National Government and ACT included a recognition “that New Zealand’s productivity performance will need to increase dramatically if New Zealanders are to enjoy greater prosperity” (Levine & Roberts, 2010, p. 318). In reference to the shift towards making changes to the regulations that would stimulate and encourage business, the government said that it would examine the possibility of establishing a Productivity Commission which would be based on the Australian Productivity Commission, in operation since 1998. Amid concerns that New Zealand was lagging behind the rest of the OECD, Treasury, along with the Department of Labour, produced a number of documents and commentaries on the importance of increasing productivity so as to lift the performance of the economy. Consequently, the Key Government established the New Zealand Productivity Commission in 2010, to investigate ways to increase efficiencies and productivity in the state services, including tertiary education.

5.3 Education policies

Education was seen as one of the key drivers to lift the economic performance, and the spotlight was on the education sector to ensure that it was focused on producing people with the types of skills desired by the National Government and employers in regard to business, science and technology. Stephen Joyce, the Minister of Economic Development, stressed that “...skills training remains a work in progress if we are to maintain and enhance our strong performance in this changing world. For example we must lift further our numbers training in the STEM subjects (science, technology, engineering and mathematics) ... [and] we need to strengthen and maintain the curiosity for science and engineering in our school children to grow the numbers ready to study in STEM areas” (Joyce, 2016).

Performance measures and competition within the compulsory schooling sector was promoted with the establishment of National Standards, a scheme of assessment whereby students would be judged against national benchmarks, and schools would be ranked according to the level of performance of their students, ostensibly so that parents would know how well (or not) their child was achieving. Primary schools were required to set targets for assessment of children against the New Zealand school curriculum (mainly focused on reading, writing and mathematics). Assessment data was then collected and reported to the Ministry of Education for the purposes of measuring outcomes of the performance of primary school-aged children across the country. The establishment of National Standards was a controversial move as ‘league tables’ were made available publicly, thus perpetuating and maintaining the culture of competition between primary schools.

The push towards privatising public education continued under the new National Government with the announcement of the intention to establish charter schools in 2012. The charter

schools programme listed in the confidence and supply agreement signed with the ACT Party was an attempt to create competition within the schooling sector, under the guise of enabling choice for parents and caregivers to select alternative education opportunities for their children. Embedded in this approach was the shifting of schooling costs to the consumer under the assumption that schools could be set up as businesses with business-like practices leading to greater efficiency. In addition, the Education Act 1989 was amended in 2009 to allow private sponsorship of private schools (which were fully funded by the taxpayer but not under control of the state). The charter school programme was not well-received by the public, and the uptake was not widespread, but a small number of such schools were set up to cater for those children believed to be underserved by the public education system (Stuart, 2017).

5.4 Tertiary education

The market-driven model of tertiary education continued apace with the National Government remaining “strongly committed to a philosophy of marketization [in the promotion of] student choice, competition and the culture of performativity” (Roberts & Codd, 2010, p. 101). In 2010, the Minister for Tertiary Education, Anne Tolley, released the Tertiary Education Strategy (TES) 2010-2015, which outlined the government’s “vision for a world-leading education system that equips all New Zealanders with the knowledge, skills and values to be successful citizens in the 21st century” (Ministry of Education, 2010, p. 6). The TES highlighted the expectation that the tertiary education sector would be primarily responsible for improving the skill level of New Zealanders to improve productivity in order to lift the economy. Tertiary education providers would be expected to work closely with business and industry to provide the types of graduates with the skills that met the needs of employers.

The government would only consider funding the type of tertiary-level programme that would enable “growth in high-quality qualifications that benefit New Zealanders and contribute to economic growth” (p. 10). Therefore, funding would be reduced for programmes that did not lead graduates directly into employment or higher education. Under the guise of needing to work within a “constrained fiscal environment”, many of the Level 1-3 programmes were devolved to the private sector which would then pass more of the training costs onto the consumer as the government planned to limit public funding for training at these levels. Consequently, the government sought to give private training establishments increased rights and responsibilities, including improved access to funding equal to that of the polytechnics for delivery of such programmes. Programmes included many of the introductory and/or pathway-type programmes for ‘second chance’ learners, as well as the lower-level English language programmes; several polytechnics were not able to offer these programmes as they had lost the funding to the private providers. As a result, enrolments began to decrease in these areas as consumers sought training elsewhere in the private sector, thus impacting on public funding for polytechnics.

During the first term of the National Government, priority was given to increasing youth participation in tertiary education, particularly those who had little or no school-level

qualifications. Policy changes included the initiation of the Youth Guarantee programme in 2010 which provided free tuition to support youth into successfully completing programmes which would lead on to higher education, training or employment. Other policy changes included changes to the student loan system from 2009 which involved placing further limits on access based on academic performance, and lowering the threshold for repayment. Governance in polytechnics was streamlined by reducing the number of council members with at least half to be appointed by the Minister for Tertiary Education:

The size of polytechnic councils would be reduced from between 12 and 20 members to eight members, with four of the eight to be appointed by the Minister for Tertiary Education. The Minister would make these appointments principally on the basis of relevant governance experience ... The Minister would [also] appoint the council chairperson and deputy chairperson. (NZ Parliament, 2009).

Given that polytechnics usually serve the local communities within their regional location, one would assume that community involvement in the governance of the local polytechnic would be important. By removing the community-based appointments on council, the government effectively retains full control and can make decisions that may not necessarily be in the region's best interests, without having to face questions or objections. In addition to the reduced council memberships, polytechnics found themselves increasingly marginalized in relation to the delivery of trades education and training. After further changes to the Industry Training Act 1992, industry training organisations (ITOs) were further encouraged to compete with the polytechnics for primary provision of training in this area.

In 2011 the National Government won its second term in office. By this time, the tertiary education portfolio had been taken over by Steven Joyce. He came to the position with a ministerial background in finance, economic development, science and innovation and regulatory reform. In 2011, it appeared to be 'business as usual' with the 2010-2015 TES already in place. Some minor tweaks and additions were made to the tertiary education system including the commencement of the Youth Service programme run in conjunction with the Ministry of Social Development. The purpose was to provide teenagers (16-17 years old) with education, training and employment opportunities. In addition, some changes were made to the governance model of universities and wānanga, reducing council membership to between eight and 12 members, with at least half to a third being ministerial appointments. The changes came about because the government believed that the governance structure was too complex; having smaller councils would allow universities, polytechnics and wānanga to be more financially sustainable and ensure that the needs of the local business community were being met. Criticisms of this move were around concerns that the councils would become mouthpieces for government and be less representative, particularly with the removal of the requirements to ensure representation from Māori, staff, and students as well as local business and the community.

However during the third term of Key's National Government, the tertiary education landscape began to look a little different. A revised Tertiary Education Strategy 2014-2019 was released in

conjunction with not only the Ministry of Education but also, for the first time, the Ministry for Business Innovation and Employment (MBIE). MBIE was formed in 2012 as a conglomeration of the Department of Labour, the Department of Building and Housing, and the former Ministry for Economic Development, Science and Innovation. MBIE's role in the tertiary education sector included research into the New Zealand labour market and skill requirements. Having a Minister for Tertiary Education, Skills and Employment enabled a stronger link between the two ministries as the tertiary education sector would be increasingly responsible for producing graduates to meet skills shortages in the labour market. The tertiary education sector, therefore, appeared at this point to be even more firmly entrenched within business and industry imperatives than ever before. The tertiary education reforms of the previous two decades were largely about ensuring that the sector could respond to the needs of the labour market by producing the types of graduates who could operate within a 'global marketplace' with transferable skills. It would seem that the Education Ministry's partnership with the MBIE was an attempt to ensure that the sector 'stayed on track' with these objectives, by following the directives from MBIE that are included in the Tertiary Education Strategy policy document.

The revised Tertiary Education Strategy 2014-2019, published by the Ministry of Education and the Ministry of Business Innovation and Employment, appeared to be a 'go to' guide for improving innovation and productivity throughout tertiary education. This signaled "a [further] shift towards a more outward facing New Zealand tertiary education system, with strong links to industry, community and the global economy" (Ministry of Education, 2014, p. 2). The tertiary education sector was required to contribute to the supply of highly skilled individuals with transferable and desirable skills who would be able to "participate effectively in the labour market and in an innovative and successful New Zealand in order to lift the economic performance of the country" (Ministry of Education, 2014, p. 2). The tertiary sector was required to demonstrate improved performance and to show the value for the money it received from the Government by meeting system targets and by providing education in priority areas such as engineering. Courses and programmes in the sciences, technology, engineering and mathematics (STEM) received a greater slice of the funding pie, than other subjects (i.e. in the arts and humanities).

5.5 The New Zealand Productivity Commission

The New Zealand Productivity Commission (NZPC) was established in 2010 as an independent Crown entity under the New Zealand Productivity Act 2010. The NZPC is situated within Treasury and reports to the Finance Minister. Operating since April 2011, the NZPC has undertaken a range of inquiries to investigate particular areas of New Zealand society and economy, including urban planning, housing affordability, social services and tertiary education, among others:

'Productivity' is how well people combine resources to produce goods and services ... it is about creating more from available resources. With the right choices, higher production, higher value and higher incomes can be achieved for every hour worked (New Zealand Productivity Commission, n.d.).

The NZPC argued that lifting productivity in such areas as health care and education would improve the wellbeing of New Zealand citizens. Wellbeing is a keyword for the NZPC; it appears many times within the introductory material on the NZPC website:

To sustain and hopefully improve New Zealand's *wellbeing*, our incomes need to grow. With New Zealanders already among the hardest working people in the OECD in terms of hours worked, improving productivity is the most likely way of achieving higher incomes. Even small increases in productivity growth, if sustained, can have a big impact on income and *wellbeing*. (italics added, NZ Productivity Commission, n.d.).

The word 'wellbeing' is commonly used as a means to promote something which often has nothing specifically to do with health. In the above excerpt, the NZPC appears to be using 'wellbeing' to suggest that their research would benefit everyone in their everyday lives, but the word 'wellbeing' is undefined in this context.

Lifting the level of productivity in New Zealand was paramount in the 2010 Tertiary Education Strategy. In November 2015, Minister of Tertiary Education, Skills and Employment Steven Joyce and the Minister of Finance Bill English announced that the New Zealand Productivity Commission had been commissioned to review new models for delivering tertiary education to address technological advances, globalisation and skills demand. The main driver for the inquiry appears to have come from the Innovations in Tertiary Education Delivery Summit, which was hosted by the Minister of Tertiary Education, Skills and Employment Steven Joyce in June 2014. The Summit included a range of speakers, both local and international, all of whom had "experience in new innovations and models in tertiary education" (New Zealand Government, 2014, p. 3). The proceedings of the event indicate that the conversation was primarily situated around technology and the online delivery of education. Innovation in tertiary education was discussed at length, in spite of the lack of clarity throughout the discussion of the meaning and applicability of the word 'innovation'. It appeared that there was general agreement that "innovative, responsive and future-focused education spaces needed support to emerge and thrive" (New Zealand Government, 2014, p. 22). However, it was also made clear that the current funding structures and system issues were the main roadblocks to this type of change.

In November 2015, the Productivity Commission was charged with further investigation of the "new models and trends" within the current environment, to consider to what "extent the new models could improve the quality of tertiary education to the benefit of students, the economy and wider society, and improve access, participation and achievement" (New Zealand Productivity Commission, 2016, p. 1). The inquiry was to investigate the tertiary education sector, specifically to explore the "big trends" in tertiary education and how the system can utilise these. It was suggested that there was "considerable inertia in the New Zealand system and an unwillingness to try new things. [The inquiry] will consider how the system overall could become more innovative" (New Zealand Productivity Commission, 2016, p. 1).

Interestingly, it is never made quite clear where or how the 'inertia' presents within the system. One is struck by the sense that the government believes that the tertiary education system is somehow discouraging of innovation, and is found to be lacking in its ability to respond to new ways of teaching and learning. Yet these 'problems' are never defined in the document. Nonetheless on 3 November 2015, the NZPC released a statement which confirmed the Government announcement that an inquiry would be launched to "investigate how trends in technology, internationalization, population, tuition costs and demand for skills may drive changes in models of tertiary education." (New Zealand Productivity Commission, 2015, p. 1).

Wasting no time at all, by February 2016 a 121-page document, *New Models of Tertiary Education - Issues Paper*, was publicly released. Here the NZPC outlined the approach to the inquiry it had been charged to undertake. Submissions on issues presented in the paper were invited from all interested parties. The issues paper generally outlines the existing state of the tertiary education sector in terms of who pays for it and how it is delivered (amongst a variety of tertiary education organisations) and how performance and targets are measured. The beginning of the document opens with much being made of potential 'new models' and 'trends' that could 'transform' tertiary education into being 'innovative'. It is claimed that "[t]he adoption of successful innovations is essential to producing more and better with fewer inputs – that is, to productivity growth" (NZPC, 2016, p. 80). The terms of reference for the inquiry were also included in the issues paper. The NZPC would be a "fresh pair of eyes" using its knowledge of "innovation and productivity performance" to provide insights for recommendations for actions to be taken by education providers to "increase responsiveness to new ways of delivering tertiary education" (NZPC, 2016, p. 118). A draft report was presented for comment in September 2016 before the final report was delivered to the Government in February 2017.

A draft report was published in September 2016. At 379 pages, it is a formidable document summarising all the submissions received in response to the 2015 issues paper. The draft document also comprises a lengthy overview of the existing state of the tertiary education sector together with some draft recommendations from the NZPC. There was an invitation to the public to comment further before the presentation of the final report. The draft report appears to have claimed that the inertia against the adoption of new and innovative approaches does not actually lie with the providers. Rather that it is inherent within the funding and regulatory systems that govern the delivery of tertiary education in New Zealand:

The terms of reference for the inquiry suggest that the tertiary education system has 'considerable inertia', with tertiary providers reluctant to be first movers or early adopters in shifting away from traditional models. At the outset of the inquiry, the Commission was mindful of the importance of this alleged problem. If providers in the tertiary education system are inflexible and slow to adapt to changing circumstances, then that carries with it considerable risks for New Zealand and missed opportunities for improvement. (NZPC, 2016, p. 1).

What follows is a very detailed and long commentary on a system that is inflexible, promotes inequality and disempowers students and staff. Thus, it is the system itself that needs to change. A number of draft recommendations are provided which include making significant changes to the EFTS model of funding, the discontinuation of performance funding, “reducing the barriers to new providers entering the market” (e.g. international institutions), and the provision of more flexibility and choice for students and more attention to be spent on career choice and development at secondary school level.

In March 2017, the final report of the New Zealand Productivity Commission inquiry on new models of tertiary education was presented to the National Government. At more than 500 pages, it presents once again, as an imposing (and perhaps unedited) document that illustrates the depth and breadth of the consultation process. One wades through more than 400 pages before coming to the final recommendations based on the NZPC’s findings on the state of tertiary education. A series of recommendations include the following:

- The Ministry of Education should improve the way in which career development and advice is delivered.
- Graduate career pathways and career choices should be tracked.
- The Student Loan system should be reformed with a higher repayment threshold and a return to interest-bearing loans while in study.
- The responsibility for managing the tertiary education system on behalf of the Government should be transferred from the Tertiary Education Commission and the Ministry of Education to Treasury (NZPC, 2017).

What is interesting is that there is almost nothing within the list of 49 recommendations that outlines what the new models should or could look like and how tertiary education organisations might utilise them. It is never explained how contemporary trends (mostly relating to the use of technology) can be achieved within what had been already described as an inflexible and rigid funding and regulatory system.

The final document in the series is the response from the government to the NZPC’s final report. This report was published in July 2017 and released under a new Minister for Tertiary Education, Skills and Employment, Paul Goldsmith, after Steven Joyce stepped down from politics. An election was looming, and it appeared that this work was about to go on the back burner while the government focused efforts on its bid to retain leadership of the country. However, the government’s response appears to agree with the findings of the NZPC. It supported some, but not all, of the final recommendations. Four key areas were identified for further work:

1. The creation of a more ‘student-centred’ system.
2. Continuing to meet the needs of industry and business.
3. Measuring improvements in performance across the sector.

4. Enabling and encouraging innovative new models and providers, so that there is greater experimentation with approaches and more competition, including from new providers (Ministry of Education, 2017, p. 3).

'Starting with a bang and ending in a whimper' is what comes to mind on reading through the government response. With the election just around the corner, the government firmly rejected the suggestion that interest-bearing student loans be reintroduced. In addition, the government did not accept removing the monitoring and management of the tertiary education sector from the Tertiary Education Commission. The TEC said it would, though, over the longer term address the "overarching goal of enabling a wide range of New Zealanders to participate and succeed in tertiary education in a way that maximizes the returns, broadly conceived, to Government's expenditure on tertiary education" (NZPC, 2017, p. 455). It was proposed that a new Tertiary Education Strategy be developed, with further consultation with the sector, and published at the end of 2018. However, on 26 October 2017, with the election of the sixth Labour Government, the NZPC work and subsequent recommendations appear to have been put in cold storage, at least for the time being.

5.6 Impact of the Productivity Commission Recommendations on Polytechnics

The recommendations from the inquiry into tertiary education appear to have had little impact on the polytechnic sector. In fact, they appear to have had very little impact anywhere. However, with regards to polytechnic involvement, during the course of the inquiry, submissions were invited from all interested parties, many of whom were based in polytechnic institutions around the country. In addition, in the 'state of the nation' section, the NZPC reviewed the existing state of the polytechnic sector as part of the tertiary education landscape and made some observations about how the sector should operate alongside the universities and other tertiary education providers within the prevailing competitive climate.

It would appear that some tertiary education organisations have encroached on the 'business' of others, for example, with universities offering vocational degrees, or with polytechnics moving into the doctoral space and higher level academic-style research. Meanwhile the industry training organisations (ITOs), wānanga and the private tertiary providers are all competing against each other for students (and therefore funding from the Government). Back in 1989, the Education Act had outlined clearly the role of the polytechnic: "a polytechnic is characterised by a wide diversity of continuing education, including vocational training, that contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research, that aids development" whereas: "a university is characterised by a wide diversity of teaching and research, especially at a higher level, that maintains, advances, disseminates, and assists the application of, knowledge, develops intellectual independence, and promotes community learning" (Education Act 1989, s. 162). However, the boundary between academic and vocational education has been unclear since the Hawke Report in 1989 and the subsequent

reforms of the tertiary education sector. These reforms are far removed from the historical aspirations relating to the importance of designing and maintaining a tertiary education system to produce well-educated citizens for the purpose of nation-building.

In addition, there have been a number of media reports⁵ on specific polytechnics which have experienced serious financial difficulties, leading to general commentary concerning the status of the polytechnic in New Zealand. In the 1990s, there were 25 polytechnics based around the country and, as at the beginning of 2019, there were just 16 because of closures and mergers. Polytechnic enrolments have decreased steadily since the private sector entered the vocational education sector, and with the restructure of trades-related education by industry training organisations. In addition, the polytechnic sector has continued to struggle on an uneven playing field for government funding with the universities who have been able to claim research performance funding. Consequently, there has been a significant decline in the enrolments of full-fee paying international students in polytechnics. The polytechnic seems to have been consistently undermined in policy documents through rarely being referred to as public tertiary providers in their own right. This has led to mixed messages about the purpose and role of the polytechnic in the sector overall.

By 2018 four polytechnics had significant financial difficulties requiring government-funded rescue packages. This led to the removal of the respective councils and the subsequent appointment of a commissioner to address the future financial viability of each institution. Mergers were proposed as a means for some of these institutions to remain in operation. Because of the ongoing decline of the polytechnic sector, with increasingly poor financial outcomes and enrolments continuing to decline, the Labour Government (elected in 2017) conducted a major review of the sector with proposed recommendations for change released in February 2019.

These recommendations herald a significant shift from the existing models for the provision of vocational and trades-related education. Among the recommendations are proposals to disestablish the Industry Training Organisations and to replace individual polytechnics with a centralised body and regional satellites, which would oversee the delivery of vocational and trades-related education across New Zealand. At the time of writing, the proposed recommendations are currently in a public consultation phase in which submissions addressing the proposed changes are to be lodged with the Tertiary Education Commission (TEC) to inform the final recommendations on the new structure for vocational and applied education (Tertiary Education Commission, 2019).

⁵ Examples of media reports on specific polytechnics including Tai Poutini Polytechnic can be viewed here: https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12003678 and Whitireia Polytechnic and Unitec Institute of Technology: https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12112235

5.7 Conclusion

During the three terms of the fifth National Government, the link between education and business was strengthened, and the boundary between skills and education became increasingly blurred. The tertiary education sector was seen as a means to improve economic performance through the production of highly skilled graduates who were able to meet the requirements of employers and their businesses. This era represented a strong shift towards the involvement of business and industry in contributing to education policy. There was a fixation on digital technologies and a perceived need to ensure a workforce which could adapt and thrive in a technologically-driven environment where New Zealand needed to be globally competitive.

The relationship between the Ministry of Education and the Ministry of Business, Innovation and Employment (MBIE) was cemented with dual authorship of the Tertiary Education Strategy 2014-2019 (TES). Having direct input from MBIE was unprecedented and enabled business and industry to be central to decisions about the direction of tertiary education policy. One of the key developments was the notion of skills development and the belief that the tertiary education sector should be integral to this. The purpose of 'education', as the development of knowledge and understanding, was increasingly relegated behind the need for acquisition of skills. Funding was progressively linked with incentives to deliver science, technology, engineering and mathematics (STEM) subjects at the expense of other subjects such as those in the social sciences, arts and humanities.

Polytechnics were facing increasing competition for funding from private providers as well as the universities and wānanga. Performance-based funding had created an uneven playing field for providers as the universities had the resources and reputation to tap into these funds. In addition to funding issues, enrolments in tertiary education were decreasing in light of higher levels of employment and fewer people seeking training or retraining. Many polytechnics were beginning to feel the pinch and started to look at ways to survive in the harsh competitive environment of decreased funding, low student numbers and the consequent reduction in resources.

Alongside all of this was the creation of the New Zealand Productivity Commission (NZPC) in 2010. As part of the MMP agreement with the ACT Party after the 2008 election, the National Government agreed that it would investigate issues of low productivity in New Zealand. Productivity is linked to the economy in that when there is high productivity this leads to increased economic performance. The concern was that New Zealand had been experiencing low productivity for some years, and this was having some effect on the economy. The NZPC was tasked with reviewing several state sector agencies prior to the 2016 announcement that it would begin an inquiry into new models and trends in the delivery of tertiary education. After an 18-month consultation and a final set of recommendations delivered to the Government in 2017, the NZPC inquiry offered little to go on and suggested that the tertiary education sector was victim to systemic issues which it did not have the power to fix. After some minor media reports,

and a low-level response from the Government, the NZPC report was put into cold storage for the time being as the sixth Labour Government came to power.

Chapter Six: Productivity Commission Discourse and the Implications for Polytechnics

6.1 Introduction

The purpose of this chapter is to critically analyse a range of keywords and phrases which indicate that tertiary education and the polytechnic sector were enmeshed within a neoliberal ideology. From 2008-2017, this ideology was encapsulated in the proceedings and documents associated with the New Zealand Productivity Commission (NZPC). During this period, tertiary education continued to operate within a culture of competition among tertiary organisations, regardless of the type of tertiary education they offered (i.e. academic or vocational and/or applied). The marketisation of tertiary education resulted from the reforms of the 1990s, whereby tertiary education providers started to operate within a business-like environment. They were expected to engage in business-like activities such as marketing, promotion and the justification of inputs with measured outcomes for the government and its agencies. Earlier chapters have discussed, in detail, the marketisation of tertiary education and how this has affected both the universities and polytechnics in New Zealand. In this context, I argue that the business-like model became markedly apparent in the polytechnics with the appointment of Chief Executive Officers (CEOs) from 1990 onwards, pointing to an even more business-like management model than for the universities. In addition, it seems that there was closer scrutiny of the polytechnic sector through the tracking of quality by the New Zealand Qualifications Authority (NZQA). Polytechnics had to provide performance measurements for the Tertiary Education Commission (TEC) as a funding requirement and to ensure that the courses and programmes taught were in accordance with current policy.

6.2 Critical Discourse Analysis

Drawing on the principles of critical discourse analysis discussed in Chapter 1, three documents have been selected to demonstrate the extent to which a neoliberal ideology has permeated language and communication within the tertiary education sector:

1. *Tertiary Education Strategy 2014-2019* released by the Ministry of Business, Innovation and Employment and the Ministry of Education in March 2014;
2. *Innovations in Tertiary Education Delivery Summit: Summary of Proceedings* released by Steven Joyce, Minister for Tertiary Education, Skills and Employment in June 2014.
3. *New Models of Tertiary Education: Final Report* released by the New Zealand Productivity Commission in March 2017.

The first two documents appear to have provided the basis for the Terms of Reference for the New Zealand Productivity Commission's report into new models of tertiary education (comprising the third document). All three documents are significant as they formalise the role of the business sector in making decisions about tertiary education policy. The documents highlight the thinking around how the tertiary education sector ought to be responding to the advances in technology, in order to be competitive within the global market. They all present

the purpose of tertiary education as facilitating specific skills designed to increase the level of productivity for economic gain. New Zealand was perceived as trailing behind other OECD countries in productivity, and tertiary education was to be the vehicle for closing the gap. One does not have to dig too deeply within any of these documents to find examples of a neoliberal discourse, and for the purposes of this research, it became a case of what not to include.

6.3 Tertiary Education Strategy (released March 2014)

The Tertiary Education Strategy 2014-2019 (TES) was the third TES to be released following the inception of the Tertiary Education Commission in 2001. The TES outlines the direction of tertiary education policy which generally reflects the views of the government of the time. The National Government had won its third term in office when the TES 2014-2019 was released by Steven Joyce, Minister for Tertiary Education, Skills and Employment. He was also representing both the Ministry of Education and the Ministry of Business, Innovation and Employment (MBIE). The TES 2014-2019 was intended to assist the tertiary education sector in contributing to a “more productive and competitive New Zealand” (TES, p. 2). Here, tertiary education is seen as being instrumental in providing programmes that will enable the acquisition of skills associated with a successful economy.

The TES 2014-2019 opens with a number of statements about how well the tertiary education sector is doing both nationally and globally. While the sector is seen to have improved over recent years, the Minister believes that more work needs to be done to “deliver the results we will need in the future” (TES, p. 2). It is claimed that the sector needs to work more collaboratively and think about adopting new and emerging technologies to improve methods of delivery to ensure good value for money from tertiary education. Improvement in performance means to be more competitive, flexible and adaptable, particularly with changing skill demands in the labour market. In this context, one must take a more innovative approach with the adoption of new technologies to enable flexibility and seamlessness across the tertiary education sector. All of these initiatives will, it is assumed, lead to a higher level of productivity with a higher skilled workforce and, as a consequence, improved economic performance.

As mentioned earlier, the inclusion of the Ministry of Business, Innovation and Employment (MBIE) in the production of the TES was new, even in the context of neo-liberal education policy. This involvement exemplifies the increasing influence of the business sector in setting the direction of tertiary education. The development of work skills had become key goals of tertiary education; the preferred types of skills are those that could lead to an increase in economic performance. These are the so-called STEM subjects (science, technology, engineering and mathematics). In several cases, funding for these areas has increased to the detriment of other areas such as the arts and humanities. The latter subjects have seen a decline in enrolments with resulting losses in staff and stature within their institutions (Gerritsen, 2016).

Keywords

- **competitive; competition:** *competing, number or eagerness of those competing for something*

Synonyms <i>Ambitious, aggressive, competing, cutthroat, vying</i>	Antonyms <i>Noncompetitive, unambitious</i>
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The neoliberal ideology of so-called 'free markets' prioritises a spirit of competition to establish what is of value and what is not. It claims that the market is the net result of personal interests and choices. To facilitate this process external agencies step in to make the decisions about education. Those people and professionals who are 'on the ground' working within the sector are rarely consulted. If they are, it is only through lip service as it is taken as given that they cannot be relied upon to make impartial decisions in accordance with what the market dictates.

The neoliberal view of competition is to allow the free market to dictate the terms under which we operate both economically and socially. The extension of this concept into all areas of life, including education, under the guise of 'free choice' has created a tertiary education sector with individual organisations locked into fierce competition; the funding system and continuing policy measures both drive and support this. The fight for survival is ongoing and, in New Zealand, there are regular reports on tertiary education organisations and their struggles to remain financially and academically viable within an ever-increasing pool of new providers. Again, the new providers (always private) are supported and encouraged through legislation and policy to step into an already overcrowded tertiary education sector to join the 'race'.

The keyword appears five times in reference to competing within a global context to sell the benefits of tertiary education. The international student market generates a significant source of revenue for the New Zealand economy. It is little wonder that the TES states quite clearly its position on the provision of a competitive tertiary education system: "Competition for international students is strengthening, with more nations also pursuing the revenue and benefits ... provided by international education" (p. 4). Since the late 1980s successive New Zealand Governments have put significant resources into developing and maintaining the export education portfolio, and the organisation responsible for this lucrative market, Education New Zealand, reported that for 2017, the value of export education had risen to NZ\$5.1 billion which placed it as being New Zealand's fourth largest export industry (Education New Zealand, 2018).

The global rankings of tertiary education institutions are closely watched, particularly by the universities and the mainstream media (Jesson, 2010). It would seem that the choices made by international students to attend an overseas institution are largely based on the ranking of that institution, as well as the ease of procuring a student visa (Hazelkorn, 2007). The merits of such ranking systems is beyond the scope of this thesis, however it is noted here as being one of the tools used for attracting international students. The media appears to be very quick to point out which universities have gone up or down in the rankings, and the universities are quick to justify the reasons why that might be (particularly if they have lost position). In addition,

universities have departments with staff who are primarily responsible for recruitment of international students, with international advisors travelling the world to encourage potential students to choose to study with their institution. The polytechnics in New Zealand also have international advisors and staff who recruit and support international students, but I would suggest the resourcing for this service is set at a much lower level than the universities. Polytechnics are not included in the ranking and league tables, so are not able to rely on this as a resource for attracting potential enrolments

The Tertiary Education Strategy 2014-2019 was an attempt to guide the tertiary education sector to be more competitive in the international context. To be a key player in the global marketplace, in an attempt to increase the potential revenue, the tertiary sector needs to be able to meet “growth in competition globally for higher-skilled jobs” (p.4). Tertiary organisations “need to further lift efficiency and competitiveness to maintain and enhance their position in the race for talent” (p. 4). The sector is seen to be a player in a global competition in what has been described as a ‘race’, in which, one would assume, there can only be one winner. The TES suggests that in order to be a key competitor in this race, the tertiary education sector needs to become more competitive by being more efficient and to use their resources carefully in order to “enhance their position in the [global] race for talent” (TES, 2014, p. 4).⁶

To be able to offer a highly sought after tertiary education that will attract a high calibre of international students, the TES proposes that tertiary education organisations need to break down geographical barriers through the opportunities for alternative delivery of education through the adoption of digital technologies. The example used is that of high-speed broadband enabling access through the internet to a more flexible model of education delivery. This appears to have been the basis for the Innovations in Tertiary Education Summit and the NZPC inquiry into new models of tertiary education.

For polytechnics, the international education market is often fraught as they struggle to maintain recognition relative to the university sector. In addition, resources for promoting themselves and their reputation are limited. Polytechnics are often not able to tap into the rewards gained from research engagement, both in terms of what large research contracts can offer regarding funding and academic recognition through international publication. The lack of funding leads to less quality resources that international students would expect on arrival at the institution, such as a good standard of accommodation with access to facilities including stable internet access, and institutional resources to assist with welfare and successful study. The marketing budgets for travel and advertising again would be much less than the university budgets, meaning that an aggressive programme of recruitment is often not possible. Therefore, the polytechnics in New Zealand are often on the ‘back foot’ when it comes to competing for business on the global market, and ultimately experience the knock-on effects of this through low international enrolments, which in turn leads to lower funding and so on.

⁶ For further examples of the use of the keyword ‘competition’ in the international context, see p. 4 in the TES document.

- **skill; skills; skilled:** *practiced ability, expertness*

Synonyms <i>Accomplishment, competence, expertise, proficiency, ability</i>	Antonyms <i>Ignorance, inability, incompetence, lack</i>
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Appearing in the 26-page TES more than 60 times, and four times within the foreword, the keyword 'skill' and its derivatives 'skills' and 'skilled', are included for analysis to illustrate the focus of the TES concerning the direction of tertiary education. A skill is something that one can do, generally practical and applied to solve an issue or respond to a situation. 'Knowledge' entails development of theory through observation and study, and is generally acquired over time. 'Knowledge' also involves an appreciation of philosophical principles, ethics and values. It was following the election of the National Government that the practice of equating tertiary level qualifications with the skills acquisition level came to the fore. The equation of tertiary level qualifications to the level of the acquisition of 'skills' has occurred in the sector with the election of the National Government in 2008. The decision about which skills are relevant, and which are not, appears to have been based on labour market needs and what employers want:

...according to Tertiary Education Minister Steven Joyce, too many graduates emerge from our universities lacking vital skills and are incapable of the "innovation" needed for economic growth" (NZ Herald, 2014)

Funding criteria have been redesigned to support the science, technology, engineering and mathematics (STEM) subjects and incentives are provided to tertiary education providers who engage in research and development with industry and business (NZ Herald, 2014). The focus on employment outcomes seems to be narrow. Tertiary education is a higher level of learning that should encompass a wide range of outcomes and produce well-rounded citizens who can use their knowledge and understanding of the world to participate in the community and society as a whole.

The preference for STEM subjects, also known as 'hard' skills or knowledge, over other subjects such as those in the arts and humanities (referred to as 'soft' skills or knowledge) was made clear by the National Government. Muller (2012) suggested that the preference for one form of knowledge over another is based on whether such knowledge can be applied. Science, mathematics and other similar subjects generally lend themselves to objectivity and application across the disciplines including work/business environments. 'Soft' knowledge arising from arts-based subjects is perceived as subjective and open to different interpretations (thus making application of any new knowledge problematic).

As the language of the TEC indicates, education has become increasingly linked with employment, with the National Government's preference for the sciences, and the acquisition of skills to be applied in a variety of contexts. This government thus saw the absorption of transferable skills as being essential for the development of a highly skilled workforce. To further encourage tertiary education organisations to put their resources into the delivery of

STEM-related programmes, they introduced performance measures for funding based on teaching; these measures favoured those subjects which promoted transferability of skills, and the provision of degrees that were more directed toward higher-paid jobs. The stated rationale for this was that “by obtaining a skilled and educated workforce, the economy will maintain its competitiveness” (Yee, 2016).

In the TES document under review, the keyword often appears both as an economic and educational requirement: “... skills needed by industry” (p. 22) and “skilled people are essential to the success of businesses and other organisations” (p. 2). The TES advises tertiary education providers to “ensure that the skills people develop in tertiary education are well matched to labour market needs” (TES, 2014, p. 10). This alignment appears to be one of the most critical outcomes for tertiary education. Much is made in this document about the need for tertiary education providers to produce graduates with “relevant and transferable skills” (p. 10). This outcome is seen to ensure that New Zealand can be a competitor within the global tertiary education market, while providing a skilled workforce to sustain and grow the economy. A higher-skilled workforce leads to a higher level of productivity for economic gain.

Given that the polytechnics provide vocational and applied education, it would seem logical for these public institutions to be leaders in the proposed delivery of skills-based training and education. However, the polytechnic sector does not appear to have been consulted or included in the discussion about how it might contribute. This is another example of where the blurring of boundaries between universities and polytechnics led to the distinctiveness of polytechnics being overlooked. Universities are encouraged to offer vocational-related degrees, because they can attract and retain research and development funding, whereas the polytechnics are often not in a position to compete.

6.4 Innovations in Tertiary Education Delivery Summit 2014: Summary of Proceedings (held 5-6 June 2014)

This summit was held after the Tertiary Education Strategy (TES) 2014-2019 was released, and was hosted by Steven Joyce, the Minister for Tertiary Education, Skills and Employment. The Innovations in Tertiary Education Delivery Summit (ITES) was a gathering of over 200 attendees who came to listen to “a line-up of internationally recognized speakers with experience in new innovations in tertiary education” (ITES, 2014, p. 3). The general purpose of the summit was to discuss the supposed future trends that could affect the way in which tertiary education was delivered in New Zealand. Keynote speakers included: leaders of Massive Open Online Course (MOOC) providers; online learning designers and consultants; and an independent academic, all of whom would stand to gain from any advancements in the delivery of education. The specific focus was how technological advances could provide a more flexible model of delivery for tertiary education institutions so that they could operate competitively within a global marketplace.

The ITES summary of proceedings opens with a challenge to the traditional methods of delivering tertiary education. The slightly accusatory tone suggests that traditional methods are

somehow preventing the tertiary education sector from moving forward. However, these traditional methods are neither defined, nor explained in terms of how or why they would be the reason for holding back progress. Instead, there is a general sense that traditional methods of delivery are considered ‘old-fashioned’ and not ‘future-focused’. An inference is made as to the importance of being prepared for an unknown future. Given that it is almost impossible to know, exactly, what the future holds, uncertainty is something that we all deal with every day. We make choices based on what we know, in the hope that these decisions will stand us in good stead in the future. In this regard, it is difficult to ascertain what new insights about the future are contained in the summit proceedings.

Keywords

- **innovative; innovation; innovate:** *bring in novelties, make changes.*

<p>Synonyms: <i>modernization, modern, addition, leading edge</i></p>	<p>Antonyms: <i>stagnation, habit, custom, old, rut, tradition</i></p>
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The purpose of the summit was to “start a national conversation about innovative ways of delivering tertiary education...” (p. 3) because at that time it was claimed “innovation [was] only happening outside traditional institutions” (p. 13). It was important to direct funding in such a way so as to “encourage innovative activity” (p. 18) in order to support “innovative, responsive and future-focused education spaces” (p. 22). To be ‘innovative’ in the delivery of tertiary education, according to the ITES document, is to be willing to adopt “new technologies” in order to be more adept at providing a tertiary education for the future. It proposes that a technologically savvy tertiary education system is worthy of government investment as it will supposedly enable more people to access tertiary education at any time and from any place, rather than via the traditional, on-campus delivery models.

‘Innovation’, in this context, appears to only refer to digital technologies, and to tertiary education provision that can be delivered using these technologies. The rationale behind this is again related to the skills needed for the future workplace. Graduates who can navigate and work within technology-based environments are more likely to be able to use these skills in their future employment. As technological skills are highly thought of, the pipeline of a highly skilled workforce can be maintained, thus retaining New Zealand’s place as a competitor in the global marketplace leading to improved economic outcomes. This represents a circular form of digital determinism, as innovation means the adoption of digital technologies in order to be innovative.

The use of the word ‘innovation’ suggests that there is a belief that the tertiary education sector is old-fashioned, traditional and ‘stuck in a rut’. The document proposes that to be innovative is to be modern and ‘leading edge’. This implies that ‘traditional models’ of delivery are no longer fit for purpose, prone to stagnation and delivered purely out of habit (represented as ‘this is the way we’ve always done it’). The ITES participants considered the requirement for the tertiary education sector to “develop a nation-wide culture of innovation” (p. 8) in an environment where

“existing structures and processes [did] not allow for truly revolutionary institution-wide change” (p. 8). Even with funding incentives to move into a more technologically driven model of delivery, if the government- and agency-backed system does not enable change, then it is difficult to expect the tertiary sector to change autonomously⁷.

The word ‘innovation’ is difficult to challenge without seeming to be reactionary and old-fashioned. The use of the word can sound quite impressive. To be ‘innovative’ seems to suggest something exciting and new. However, if one was to take the actual meaning of the word itself: ‘to introduce something new’, then teachers and academics could argue that this is what they continually do to meet the needs of their learners. There are many strands of research and scholarship dedicated to introducing new ways of delivering learning and teaching to improve student learning. It is incorrect to assume that innovation does not exist in the tertiary education sector. The ITES definition of ‘innovation’ is a narrow one which does not extend beyond the introduction and application of technology.

- **responsive:** *answering by way of answer; responding readily to some influence*

<p>Synonyms <i>active, aware, reactive, receptive</i></p>	<p>Antonyms <i>ignorant, impassive, indifferent, insensitive, unaware</i></p>
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A key theme in the Innovations in Tertiary Education Delivery Summit (ITES) is that tertiary education ought to be ‘responsive’ to student needs, competition and innovation. Tertiary providers were perceived as slow in response to the needs of the labour market and the economy. Tertiary education providers were also slow to respond to the adoption of technology for the delivery of teaching. However, the adoption of the “new technologies” is proposed as a way for providers to be more responsive: “...the changes enabled by technology provide new and exciting ways to better reach new students; to deliver in ways that are more responsive, more competitive and more cost effective...” (ITES, 2014, p. 19). Responsiveness is not defined, however it is stated that tertiary education providers could be more “responsive to needs, with students leading the sector” in providing more of what students want in terms of when and how they would like to receive their tertiary education. However, examples of how technology could be used by tertiary education providers to be more responsive are not provided. ‘Technology’ or ‘technologies’ appear to be the means for being more responsive but how this could be done appropriately is not discussed.

The use of technologies to improve responsiveness could mean a range of things, but none of them would be necessarily desirable. For example, often responsiveness means the how and the when of the response. Technology offers a platform where contact can be made at any time anywhere. Current practices are generally within working hours, but what if this extends to 24-hours a day? The synchronous/asynchronous nature of email and online communication could

⁷ This implies that the government itself is a barrier to change (as opposed) to private providers who would not face such barriers.

lead to a blurring of the boundaries for when responses can be expected. There is no mention of what the measures or criteria of responsiveness might be, and who might be responsible for deciding this.

Nevertheless it would seem that responsiveness to students is a pressing matter for the tertiary education sector. The ITES propose that technology is a way of addressing this, but they have not provided any further explanation of what this means. It almost seems as though it is a word that is thrown out there, it sounds good, but there is actually little meaning behind it. It would be difficult to challenge this keyword without being positioned as 'impassive' or 'indifferent'. Few, in the tertiary education sector would wish to be described as such, especially if they work closely with students and colleagues.

transformative: *change the form or appearance of, alter out of recognition*

<p>Synonyms <i>life-changing, metamorphic, reframing</i></p>	<p>Antonyms <i>Uneventful, every day, ordinary</i></p>
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The ITES suggests that technology will transform tertiary education by enabling providers to be innovative in the adoption of new delivery methods. It is proposed that the internet and technology-driven communication channels will open up a new way of teaching and learning which will provide graduates with the skills and knowledge to operate in the 'unknown future' of work. There is comment that providers would find it difficult to engage in "transformative practice" as they were often tied to traditional ways of delivery with teaching staff who have strong beliefs about their own roles as teachers (ITES, 2014, p. 22). Technology as a tool for 'transformation' would also release providers from the burden of having to maintain a physical infrastructure as teaching delivered through the internet can be done anywhere.

In the ITES document, the scale of 'transformation' is never clarified. In addition, the word is often used in statements which (a) do not define exactly what it is that is to be transformed, and (b) what it is to be transformed into. For example: "... the new forms of education delivery were seen to be highly transformative, and have the potential to entirely subsume existing methods of tertiary education delivery" (p. 19). This statement reveals the passive voice. Who sees new forms of delivery as 'highly transformative'? This statement suggests that we all want this to be the case, and emphasises "... the difficulty of transformative change when traditional institutions are tied to particular ways of delivering education" (p. 22). There is the sense that if education is not moving towards 'transformation', then this must be a missed opportunity for radical change into something entirely different. As highlighted in the box above, the definition of 'transformation' is to be 'life-changing' or 'metamorphic', which are both rather substantial changes of being, and can appear very desirable compared to the staid status quo.

However, the lack of clarity around the meaning of 'transformative', or 'transformation' can blur the overall purpose of a tertiary education provider. A very recent example occurred at a large polytechnic in Auckland, New Zealand in which a 'project of transformation' was implemented across the whole institution. In an attempt to be 'leading edge' and 'future-focused' to produce

'work-ready' graduates, the institution found itself in a reign of confusion as the project was rolled out. The 'transformation project' included casualisation of the workforce, outsourced student administration, and moving entire programmes to an online model of delivery. The institution lost a significant number of enrolments as students voted with their feet. Consequently, the institution had to be bailed out by the government and was placed under review with a government-appointed commissioner replacing the council (Cooke, 2018).⁸

Within the summit proceedings, the phrase "change is inevitable..." (p. 5) is an example of Thompson's (1990) 'reification' mode whereby 'change' is illustrated as naturally occurring and therefore unavoidable. Consequently, the proposed shift to a technology-based solution is left unchallenged. The phrase used in this instance is a means for justifying the shift towards the adoption of technology and new models of delivery in order to achieve a desired outcome. Perhaps this is because economies could be made from using technologies to deliver learning (e.g. by reaching large numbers of people and not having the costs of maintaining property and teaching space). Moreover, moving away from traditional methods of delivery could potentially mean employing fewer staff.

6.5 New Zealand Productivity Commission: New Models of Tertiary Education (Final Report). (Released March 2017).

The final report of the New Zealand Productivity Commission inquiry into new models in teaching was released in March 2017. A very lengthy 'snapshot' of the existing tertiary education system led to a series of recommendations as to how tertiary education could adopt new models of teaching. Most recommendations related to better career advice so that students could make informed decisions about what they should be studying (i.e., what will get them a job at the end of it). This entailed the promotion of a seamless model where students could move between providers to "mix and match" courses (NZPC, 2017, p. 6). The 18-month inquiry involved an extensive consultation process across the sector resulting in a 500+ page document, which was presented to Paul Goldsmith, who had taken over the Tertiary Education, Skills and Employment portfolio vacated by Steven Joyce. The National Government was in its final days of office (unbeknown at the time of course), but the report failed to generate much of a response from the government, the public or the media.

The terms of reference for the inquiry came out of the content outlined in the Innovations in Tertiary Education Summit (ITES). It was surmised that there are "numerous emerging models of provision but considerable inertia in New Zealand where tertiary providers appear to be reluctant to be 'first movers' or 'early adopters' in shifting away from the traditional models. Yet ongoing change in the tertiary system is taking place influenced by the Tertiary Education Strategy 2014-2019" (NZPC, 2017, p. iv). It is important to appreciate the contradiction in the

⁸ More details on the failed 'transformation project' can be found in Cooke, D (2018). "Blind Faith: Deconstructing Unitec 2015-2017" retrieved from https://teu.ac.nz/wp-content/uploads/2018/08/Blind-Faith-Deconstructing-Unitec-Strictly-Embargoed.pdf?+Update&utm_term=0_fa4a622c53-29ac998302-15667897

above statement: it is noted that the sector is changing, but at the same time there is the suggestion that things are not changing. The TES 2014-2019 had laid the ground work for the focus on the adoption of ‘new technologies’ by the tertiary education sector. The ITES document had continued the conversation and focused the inquiry on technological trends and how they could drive changes in the tertiary sector business model. However, the final recommendations of the inquiry say very little about these technological trends, but instead appear to focus on the need for changes to the system in which the tertiary education sector operates, with a relatively small list of recommendations at the end of a very significant undertaking.

Keywords

- **inertia:** *property by which matter continues in its existing state of rest.*

Synonyms <i>apathy, laziness, paralysis, passivity</i>	Antonyms <i>Action, liveliness, activity, moving</i>
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The New Zealand Productivity Commission’s final report on new models in tertiary education claims that there is “considerable inertia” within the tertiary education sector in relation to adopting new models of delivery. The following statement appears in the opening paragraph:

The terms of reference suggested that the tertiary education system has ‘considerable inertia’, with tertiary providers reluctant to be first movers or early adopters in shifting away from traditional models. At the outset of the inquiry, the Commission was mindful of the importance of this alleged problem. If providers in the tertiary education system are inflexible and slow to adapt to changing circumstances, then that carries with it considerable risks for New Zealand and missed opportunities for improvement. (p. 1).

The inquiry report appears to suggest that the traditional models of delivery are inherent to a sector that is prone to apathy and that there is a preference to do things the ‘old way’ and therefore ‘the wrong way’. It is implied that the failure to adopt new models or being slow to incorporate new technologies in the delivery of teaching is indicative of a reluctance to change. The outcome, it is suggested, is a system that continues to underserve specific groups in society. This is seen to perpetuate inequality in tertiary education prompting a need to:

...investigate opportunities through new tertiary models to improve access, participation and achievement in tertiary education of priority groups such as: Māori and Pasifika; at-risk youth; and those with limited access to traditional campus-based provision (p. v).

‘Inertia’ is a strong word that the Productivity Commission has applied to the tertiary education sector in that it carries the implication of being ‘apathetic’, ‘passive’ or ‘lazy’ in taking on new methods of delivery that are primarily linked with digital technologies. At the same time, the report comments that the sector is a victim of the system in which it operates. All the issues that providers are dealing with, including limited funding and rigidity within the government-implemented system, could mean that investing in the infrastructure required to run any technologically-driven platform or process might not be

so easy. In addition, there could be other reasons for the reluctance to be “early adopters of new models” when the ‘new models’ have not yet been defined.

- **traditional:** *that has prevailed or been accepted from generation to generation.*

Synonyms <i>Classic, conventional, historic, old</i>	Antonyms <i>Abnormal, different, extraordinary, modern, new</i>
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The final report applies the word ‘traditional’ in a range of contexts. This occurs when describing the changing demographics of tertiary education students (“traditional” vs “non-traditional” groups), how people access employment (the “traditional pipeline”) and the ways in which providers deliver tertiary education (“traditional” methods). The report provides the reader with the sense that regardless of where ‘tradition’ is being applied, there is a need to “[shift] away from traditional models” (p. iv) or to “[challenge] traditional ... models” (p. iv), that the sector must attempt to move away from ‘tradition’ as “the traditional model(s) continue to dominate...” (p. 19). However there is no deep insight as to why these ‘traditional methods’ should give way to ‘non-traditional’ means, other than the sense that institutions are standing in the way of progress by holding on’ to the ‘old ways’. When the word ‘traditional’ is used, it suggests a state which is somehow not desirable: “higher ranked universities have a strong attachment to traditional ways of delivering education...” (p. 3).

There is no evidence provided for the ‘new models’ being any better for increasing access to tertiary education from underrepresented groups, only that they would benefit from a shift away from ‘traditional’ models of delivery. The report declares that “the system’s focus on educating school leavers, full time and on-campus, means that it does not recognize demand for other groups who would be well-served by new models” (p. 4). The report goes on to comment that:

... the last few years have seen exciting advances in new technology ... [this] ongoing technological change is offering new ways to deliver higher education programmes and more choice for students ... challenging traditional organizational and operating models (p. 22).

It seems here that technology is the answer to all of the issues facing those who wish to access tertiary education. The ITES document had also referred to ‘tradition’, positioning ‘traditional’ as a roadblock to innovation. It was further claimed that “traditional campuses are generally under-utilized and expensive to run” (ITES, 2014, p. 7). Thus “innovation is required to fit into the existing structures and policies of traditional institutions and this does not allow for truly revolutionary institution-wide change (ITES, 2014, p. 8). There is the sense that to be considered ‘traditional’ is not desirable in that it is used against opposite words such as ‘new’, ‘modern’ and “forward thinking’. ‘Traditional’ models and ‘traditional’ institutions are being encouraged to make changes in order to be considered anything but ‘traditional’. However, unsurprisingly, the rationale for this is not explained, nor is it made clear the reason why ‘traditional’ is considered unacceptable.

- **efficiency**: *producing effect, competent, capable, ratio of useful work performed to energy expended.*

Synonyms <i>ability, adaptability, capability, productivity, competence, performance, outcomes</i>	Antonyms <i>idleness, ignorance, inadequacy, incompetence, weakness</i>
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Efficiency in regard to the tertiary sector concerns the need to make improvements in performance both financially and in delivery of a more responsive service. The inquiry suggests that at present there is little or no incentive for tertiary education providers to improve efficiencies, and proposes that incentives be introduced in order to lift the performance of the sector overall. Since the 1990s, the tertiary education sector has been responding to the notion that it needs to be ‘doing more with less’. The notion of ‘efficiencies’ within the sector is presented as providers needing to conform to a more business-like model with a focus on inputs and outputs, and increased productivity.

I suggest that ‘efficiencies’ is used as cover to maximise what the government gains from its investment in tertiary education. If the Government can get away with spending less, but can still expect the same returns, then this is what ‘efficiencies’ are about, i.e. ‘doing more with less’. The NZPC report suggests that the system does not allow for efficiency, and that the polytechnics can avoid the need to increase efficiency because there are no incentives to encourage them to do this:

TEC expects institutes of technology and polytechnics (ITPs) to concentrate primarily on delivering education that meets the needs of students in their region, and requires ITPs to gain prior approval before they deliver outside their region. This gives incumbent ITPs protection, dampens pressure to improve or increase efficiency, and restricts the spread of new models (NZPC, 2019, p. 7).

The neoliberal reforms of the 1980s under the Fourth Labour Government enabled a programme of “cold-blooded efficiencies” (Jesson, 1989, p. 80) to be rolled out across all the state services, including education. The focus on the ‘bottom line’, in the economic sense, and how much money could be saved became paramount. Ever since that time, the tertiary education sector has been responding to the demand to increase ‘efficiencies’ and there are many examples of ‘restructures’⁹ in both universities and polytechnics to reduce staffing costs, while bringing in more automation and self-service functions.

The NZPC suggests that the existing system prevents tertiary education providers from making changes to enable efficiencies in individual institutions and within the sector itself. Given that the sector does not govern or direct the system, it would be difficult for providers to circumnavigate the system. Not making efforts to increase ‘efficiencies’ enables the state to step in and make these decisions for tertiary institutions, thus rendering them impotent in the face of change.

⁹ Examples include the University of Otago restructure: <https://www.odt.co.nz/opinion/editorial/recovering-uni-restructuring> and UCOL, a polytechnic based in the Manawatu: <https://teu.ac.nz/2016/06/ucol-women/>

flexibility: *that will bend without breaking, pliable, manageable, versatile, supple, complaisant.*

Synonyms <i>resilience, adaptability, pliant, compliant</i>	Antonyms <i>constraint, inflexibility, resistance</i>
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Appearing no less than 61 times throughout the document, 'flexibility' is often combined with a number of other desirable terms such as: 'innovate', 'responsiveness', 'speed', 'efficiency' and 'skills'. The inference is made that the current system is not 'flexible' and needs to be made so. The reference to 'flexibility' is made often with the future state in mind. There is a need to "... [increase] the system's flexibility and responsiveness ... whatever the future holds" (p. iii). The system needs to be freed up to allow providers to innovate and embrace the new technologies. Currently the 'rigid' and 'inflexible' system does not allow for this, and provides little motivation or incentive to do so.

Much is made of the need to have flexibility and responsiveness in the tertiary education sector. The reasons why the current system is deemed to be inflexible, is linked to government controls and measures for the allocation of funding. It is implied that there is general apathy from providers to be more flexible in their approaches to delivering education. So we have a 'catch-22' situation: while the inquiry calls for the sector to be 'more flexible', the system itself is seen as the barrier to being flexible. Tertiary education providers do not have control over the system and so are unable to change it. As such, the pressure to be 'flexible' will remain and may possibly be used against providers (the state could deem them to be 'inflexible', and might therefore step in to make the necessary changes on their behalf).

As with many of the keywords explored so far, it would be difficult to criticise the need for flexibility, as there is a tacit understanding from the writers of the document that this is a desirable state. The opposite state is to be 'constrained' and 'resistant', and it would be easy to push aside any possible critique of the desire to have a 'flexible and responsive system' that would meet the needs of all learners. However, the specificities of how the sector should be more 'flexible' is not discussed to any degree, we are left with a vague sense that the sector simply needs to be more 'flexible'.

6.6 Language and Ideology in the Productivity Commission and Related Documents

In the three documents analysed, common keywords and meanings were identified. This suggests that there is a shared discourse running through the narrative around the need for the tertiary education sector to make changes to the way it delivers education (in spite of being constrained by the system in which it operates).

6.7 Expanding the Language of Productivity

Historically, the keyword 'productivity' was used in the context of farming and agriculture, in the description of the yield produced at time of harvest. With the Industrial Revolution and the advent of machine technology and automation, 'productivity' was used to describe the outputs, or the number of units produced by a factory. Owners and managers of such factories became focused on how to improve productivity through efficient use of resources. Or, as we might say, 'how to do more with less' by getting the absolute maximum out of the smallest input of resource. Today, the word 'productivity' is applied in many contexts, usually in reference to the maximisation of output with minimal input, with the aim to 'improve productivity' in order to lift performance.

'Productivity' appears in the documents as one of the many aspects that the tertiary education sector must address. It proposes that New Zealand requires a tertiary education system that will meet the needs of the economy through 'lifting productivity' and enabling 'successful and productive citizens'. There must be adoption of new technologies and strong links with business and the global community and the ability to meet changing needs and demands. Only then will the sector be able to deliver a highly performing educational system which will lead to global recognition and improved competitiveness. Increasing 'productivity' became the key focus for the New Zealand Productivity Commission (NZPC) inquiry. The inquiry focus was that increased productivity leads to improvements in the economy and a higher skilled workforce leads to a higher level of productivity. Therefore the tertiary education system needs to enable more people to achieve a higher level of education to improve productivity and boost the economy.

The NZPC was quite open about the purpose of the inquiry in looking at how the tertiary education sector can 'do more with less'. The terms of reference for the inquiry were guided by the review from the Innovations in Tertiary Education Summit, and driven by the Tertiary Education Strategy 2014-2019 in establishing the linking of technology with innovation. The NZPC inquiry was an investigation of new models of delivery to find out why the sector was slow to adopt the technologies for delivering. For the purposes of being productive, it is suggested that the adoption of technologies will save time and money in the delivery of tertiary education.

Meanwhile, the relationship between the Ministry of Education and the Ministry of Business, Innovation and Employment appears to stem from the *Business Growth Agenda* (BGA), produced by the Ministry for Business, Innovation and Employment and Treasury. The Tertiary Education Strategy 2014-2019 refers to the BGA as the driver for the premise that the tertiary education sector needs to have a closer relationship with business and industry for advice on the types of skills needed by employers. This will then inform the development of specific programmes to produce graduates with the relevant skills for the workforce. The TES link with the BGA illustrates how the business sector has become increasingly central to the education sector not only with the marketisation of education and the operation of providers within a business-like model, but also in the expansion of its role in making decisions on the direction of

tertiary education policy to produce a certain type of graduate with a specified set of skills wanted by employers.

6.8 Entrenching technological determinism

The word 'technology' has its roots in industry and manufacturing, and refers to the technological advances enabled by machines that were designed to automate many factory processes (Williams, 1983). Today, the word 'technology' appears to be used to describe 'digital technology', or technology using computers and web-based applications. When we hear the word 'technology' these days, it is usually in reference to the internet, an app, smart phones or other examples of increasingly complex computer-based technology in relation to the ways we operate in the world. The term is also often used in the context of 'improvement', as in an improved way of doing something (e.g. engaging in business, communicating with others, conducting transactions, learning, and so on). When linked with the notion of 'progress', to engage with such technology is to make life better overall.

I have included 'technology' as a keyword as it is used in significant statements, such as "[the tertiary education sector is] ... addressing new and emerging shortages in specific areas, such as information and communications technology (ICT) ... This is needed for innovation and economic growth" (TES, 2014, p. 10). The TES proposes that the tertiary sector needs to "think about our existing modes and means of delivery – including new and emerging technologies" (TES, 2014, p. 2) to meet the requirements of an "increasingly technology-based" job market. The document points out that 'technology' is changing all the time so New Zealand needs to produce graduates who have a range of skills to meet these ever-changing demands. If the tertiary sector is able to provide the type of programmes to produce such people, then it can be seen as a primary contributor to tertiary education provision both nationally and globally.

'Technological determinism' is a term that describes how developments in technology are seen as the drivers for social change. The term "presumes that a society's technological innovation drives the developments of its cultural values" (Heywood, 2014). For example, society allows itself to be consumed by social media technology to the point where the value of talking to another person in the same place and time (face-to-face interaction), once an important societal value, becomes less valuable. In the case of tertiary education, the risk is that by allowing technology, or technologies to become primary drivers for teaching and learning, the depth and breadth of what constitutes a genuine learning experience could be lost. To explain further, by assuming that all teaching and learning can be delivered online, is to lose sight of the view that learning is socially constructed (Vygotsky, 1962). And the richness of the learning experience often enables the opportunity to engage meaningfully with others. As yet, I am not sure if this can be done online, without the social cues and signals that come from having a debate or discussion with other people in the same room.

There seems to be great excitement concerning the potential uses of technology in the education sector. What is now known as 'e-learning' has been around since the advent of the home computer and, as technology in this area has developed, much effort is expended on utilising e-learning tools and delivery. There is a view that this type of learning is preparing the

future workforce for a world where everything is conducted online. Using online learning platforms, such as Moodle, are examples of technological solutionism, where technology, particularly digital technology, is held up as being the solution to all problems. Certainly it seems that the TES (2014) embraced this sentiment with the objective of encouraging education providers to shift to fully online delivery of teaching. This was discussed in detail at the Innovations in Tertiary Education summit (ITES) in 2014 (see following section for more detail). The focus on technologies for the 'revitalisation' of the tertiary learning landscape has meant that universities and polytechnics have had to 'get on the bandwagon' with the technology-driven hyperbole in order to be a key player in the tertiary education environment.

The ITES remit was to discuss how tertiary education providers could utilise technology for the delivery of teaching following the release of the Tertiary Education Strategy 2014-2019. It was declared that "technology-driven changes will require New Zealand's tertiary education sector to advance its thinking quickly on new delivery models" (TES, 2014, p. 4). In the context of this document, technology is seen as the 'enabler' for tertiary education institutions to become innovative, and this is where the use of the word 'innovation' comes into play. The writers of the chosen documents really mean that tertiary education needs to get on board with technologies for the delivery of teaching. Technology is, therefore, the way of the future given the "affordability and availability of technology" that would enable "...people wanting a range of different, flexible pathways of learning ... using new options and technologies to get what they require out of tertiary education" (p. 15). The suggestion that tertiary education institutions are slow in the uptake of the new technologies therefore means that they are missing out on an opportunity to be innovative.

The use of a pluralised version of 'technology', the keyword 'technologies' appears to be all encompassing in relation to digital technologies platforms and online delivery models including Massive Open Online Courses (MOOCs). In 2017, it appeared that MOOCs could be the way of the future for the delivery of teaching, and there were a number of MOOC providers at the summit. A good portion of the ITES discussion centred around the MOOC and how it would be important for tertiary education institutions to get 'on board' with this concept of delivery. However, in 2019, it would seem that the MOOC revolution has not quite lived up to the expectations that it would take over the way in which tertiary education was delivered.

6.9 Obsession with Outcomes

A focus on outcomes is one of the defining features of all three documents. The assumption was that the direction of the tertiary education sector should lead to improved economic and employment outcomes. The government was looking to the sector to increase its contribution to economic growth through the provision of skilled employees to meet the needs of the labour market. The TES 2014-2019 marked a direct linkage between the outcomes of tertiary education and improved economic outcomes. "The strategy focuses ... on the economic benefits that result from tertiary education, and therefore on employment, higher incomes and better access to skilled employees..." (TES, 2014, p. 7). In other words, outcome measurement

would be based on the ability of the tertiary education sector to lift productivity through the relevance of its programmes and of producing graduates with the 'right' kinds of skills.

The issue is who gets to decide what an outcome is, and which outcomes are important and which are not. Outcomes are often tied in with performance which in turn leads to judgments about the distribution of funding for tertiary education providers. Not all institutions are judged on an even playing field, particularly when it comes to research performance outcomes. With the Performance-Based Research Fund (PBRF) for example, the universities are designed to produce significant research outputs; whereas this is less of a focus for polytechnics. Therefore the funding based on research outcomes are heavily weighted towards the universities.

Examples of the use of this keyword in the documents generally relate to the improvement in economic and individual outcomes. The tertiary education system needs to be "focused on improving New Zealand's economic outcomes" as well as "improving outcomes for individuals and society as a whole" (TES, 2014, p. 2). This lofty ambition, is also encapsulated in the following statement: "[the focus] ... on the economic benefits that result from tertiary education, and on employment, higher incomes and better skilled employees for business are critical outcomes of tertiary education" (TES, 2014, p. 7). In this context, the focus on improved outcomes is seen as being essential for the future direction of tertiary education.

6.10 Conclusion

The keywords identified in this chapter are words that are prevalent in a range of documents that were produced to drive and promote a neoliberal agenda in tertiary education policy. All the words are seemingly innocuous which makes them difficult to challenge as they are words which promote a sense of progress and positivity about the future. The repetitive use of the words enable to them become part of 'common sense' thinking, but when each word is considered in depth, it is possible to see that many of the ideas associated with the keywords lack depth and form which allows for a wide interpretation of meaning and application.

There are connections between the three documents analysed which have been identified through a range of shared keywords. The documents promoted technologies as being essential for the future state of tertiary education delivery. However, it was not determined what this means in the operational sense beyond the assumption that new technologies will enable appropriate skill development in graduates. The tertiary education sector was maligned for being slow to adopt such technologies, and much effort was expended, through the New Zealand Productivity Commission (NZPC) inquiry, in seeking the reasons for this situation.

The 'uncertain future' and the 'unknown world of work' is an apparent concern that ran throughout the documents, although the future can never be known. The documents did not provide any insights on how this can be addressed through the efforts of tertiary education providers apart from increasing pressure on the sector to adopt new technologies. This preoccupation with technologies appears to be the driver for all change in the sector. However, the NZPC proposed that the tertiary education system itself is the problem, regardless of

whether or not technologies are involved. It was suggested by the NZPC that the system does not provide incentives for change, and that therefore change cannot be expected. However, at the same time, the NZPC along with the other document writers promoted the adoption of digital technologies as the way forward. The 'catch-22' situation appeared to remain unacknowledged; certainly no solutions were offered to resolve the situation.

The circular arguments and the absence of reasoning resonant in the three documents were supported by a range of keywords and phrases that appear as 'common sense' and unarguable. On closer analysis, many of the ideas that were advanced lack depth or practical context. Tertiary education providers have been left to interpret the messages from the government and related agencies to make improvements in the delivery of curricula. In some cases (i.e. such as Unitec Institute of Technology), the inchoate nature of the ideas allowed neoliberal ideologues to drive their own agendas within the institution with destructive consequences.

Chapter Seven: The Predicament of Polytechnics in New Zealand

7.1 Introduction

In the three documents chosen for analysis in the previous chapter, a number of keywords and phrases signalled that the tertiary education system is in dire need of change. The word 'traditional' was used to mean old-fashioned and not desirable, and the tertiary education sector was accused of this. By being 'traditional', the sector was not being 'flexible', 'innovative', 'responsive' or 'transformative'. Upon reading the documents and other related material, the reader is struck by the assumption that the sector has remained static in an 'ever-changing world' in its approach to the delivery of tertiary education. Consequently, this 'inertia' has led to a system that is apparently not capable of producing graduates with 'skills' to go forth into an 'unknown future'. Digital technologies have been touted as the way forward for driving change in the sector. However, a clear rationale for such a move was not provided, other than to claim that the introduction of technology would help prepare the future workforce.

Much was made of the technological shift that will improve the tertiary education sector in the delivery of teaching and in supporting learning. Yet one could look at any tertiary education institution in the public sector to see evidence of the adoption of new technologies for the purpose of online delivery of classes. The concept of delivering teaching using online tools (for that is what is generally meant when we hear the word 'technology', in relation to education) has been around for decades. Education providers have spent much on the development of online courses or a 'blended' learning environment (blended learning is a combination of both 'traditional' classroom teaching and online components). The debate on adopting such approaches continues with teaching staff raising concerns about the pedagogical and social consequences of moving teaching to a fully online platform (Mentz & Schaberg, 2018). Learning online, without others, with a remote teacher (literally) can be isolating for many (Bowers & Kumar, 2015). The social constructivist¹⁰ approach to education is to create knowledge through interacting with others. The online environment can be a 'cold' place of learning, where the social cues from physical face-to-face interaction are difficult to replicate. I would suggest that the 'inertia' and reluctance to adopt new approaches based on 'technology' are less about resistance and more about caution and a concern for providing a good educational experience for the learner. It is also not less work, if anything, it is actually more work to ensure that online environments are designed properly. In addition, the teacher needs to be fully engaged in an online classroom just as much as when in a face-to-face environment (Bowers & Kumar, 2015).

If all teaching was shifted online, then theoretically an institution could have fewer teaching staff. The idea of teaching being automated to the point where a course would just run itself might be appealing to many, but probably very few teachers. However, the neoliberal approach is to dismiss teacher concerns, about decisions that are being made on their behalf, as pure self-interest (Harvey, 2005). In 2012 and 2013, a series of documents were released by a number

¹⁰ Vygotsky's Social Development Theory (1962) proposes that learning development is dependent upon social interaction with others.

of multinational consultancies commenting on the future of tertiary education worldwide. It was proposed by Ernst and Young, a global audit firm, that the dominant model of university teaching would not be viable within a decade if the traditional model of on-campus teaching continued. The report exhorts the universities to “forge new business models that are dynamic, modern and fit for the decades ahead ... [and] in a ‘brave new world’, to be the drivers of change” (Ernst & Young, 2012, p. 22). The writers advised that with an aging academic workforce, universities needed to make way for “new talent” within a modern, responsive model of delivery that can respond to change. It was noted, several times, that the universities are “traditionally slow, or resistant, to change” (Ernst & Young, 2012, p. 24).

Immediately following the Ernst & Young report, two further reports were released in 2013 by McKinsey and Co., a global management consultancy and Pearson, a multinational publishing company. The report by McKinsey and Co. is a commentary on the role of Massive Open Online Courses (or MOOCs) changing the way tertiary education is delivered. “As is well known, frustration with the performance of traditional institutions is mounting ... most employers say graduates lack the skills they need” (McKinsey & Co, 2013, para. 2). Note here that it is not explained who knows this, but apparently we all do. The report highlights the importance of universities adopting new technologies that offer open access courses, digital delivery and flexible learning opportunities. The second report by Pearson entitled *An Avalanche is Coming: Higher Education and the Revolution* was released in March 2013. The document is a lengthy treatise on the potential demise of the university with the advent of globalisation and global markets. It is predicted that students will ‘shop around’ for the best university education which may not be the one which offers a campus-based, traditional education. ‘Technology’, again, is proposed to be the driving force behind the shift away from the on-campus model to an online format. Students can pick and choose the subjects they want (and may even be assessed by their peers, or even the employer, thus relegating the role of the teacher). The report proposes that universities will want to be in the best position they can be to compete for the best students, particularly in the science, technology, engineering and mathematics (STEM) subjects. Therefore, the Pearson report authors caution that universities must take heed to ensure they are prepared for the technological ‘avalanche’ that is coming (Barber, Donnelly & Rizvi, 2013).

The three reports discussed are international, and are mainly focused on university education, but I believe they have relevance as they may have influenced the language contained in New Zealand-based documents analysed in the course of this research. The ideas in these documents are shaped by the belief that technology should be the main driver for change. In addition, there is the idea that the tertiary education sector is required to be operating and competing within a global marketplace. In New Zealand, ‘technology’ and the global competitive market are also connected to the desire for increased productivity. As was demonstrated in the document analysis, tertiary education is to be designed to produce highly skilled graduates to meet the needs of employers and the labour market.

I suggest that the polytechnics have not been considered in any depth in the conversation around ‘productivity’ as they have been outranked by the Industry Training Organisations

(ITOs). ITOs are primarily responsible for industry and trades-related education and training whereas this was once the domain of the polytechnic. Most polytechnics in New Zealand claim to have close links with industry to support the vocational nature of their programmes, and the preparation of graduates for work is a common theme. However, despite this being a key focus for most, if not all, the polytechnics, these public institutions have not necessarily been asked to contribute to discussions about productivity in terms of their relationship with industry and business.

In the decades since the first round of tertiary education reforms in 1989 and 1990, the polytechnics have been increasingly marginalised in the narrative around tertiary education provision in New Zealand. The role of the polytechnic in the delivery of vocational and skills-based education is diminished from the original purpose of vocational education institutions. It seems as though many polytechnics themselves have lost sight of their original *raison d'être* even though it is still clearly stated in the 1989 Education Act that polytechnics are responsible for applied and vocational education. The competitive environment has meant that polytechnics are in direct competition with the universities for enrolments and funding, with both institutions offering degree-level programmes in similar, if not the same, subjects. The research performance-based funding model is also to the detriment of the polytechnic as they are not set up to be research-focused. Therefore they are less likely to be able to tap into this type of funding, and the gap between polytechnics and universities is only becoming wider.

The relationship between the local polytechnic and its community is further undermined through changes in the governance structure. Polytechnics have been required to exclude community-based council members for ministerial appointments to ensure a closer link with Government-driven initiatives and policy¹¹. News of mergers and closures, as well as polytechnics in financial strife is commonplace in the media alongside reports on the financial crisis of polytechnic sector in general (Collins, 2018; Gerritsen, 2018). There have been specific cases that have been highlighted, such as the problems facing both Tai Poutini polytechnic (Carroll, 2018) and Unitec Institute of Technology (Pullar-Strecker, 2018). Polytechnics are in a struggle to find their place within the overloaded tertiary education environment, competing not only with universities, but also private training establishments, industry training organisations and wānanga. Some have blurred and unclear boundaries, and all are competing for an ever-decreasing pool of public funding.

The New Zealand Productivity Commission report on new models in tertiary education does not offer any particular insights concerning the future of polytechnics. However, it does mention the blurred boundaries between polytechnics and universities. It also mentions the 'second class' nature of a polytechnic education over a university education. There is a sense, perpetuated over the years, that to choose a polytechnic education is an admission that one is not up to the rigours of academia. This was highlighted in a history of the New Zealand polytechnic which raises the principle of "parity of esteem" (Dougherty, 1999, p. 57). Dougherty described how a

¹¹ For detailed information on governance in universities and other tertiary education institutions, see <https://www.tec.govt.nz/assets/Forms-templates-and-guides/6931f6b408/TEC-Governance-Guide-May-2015.pdf>

number of polytechnics in the 1990s sought to address the parity issue by focusing on the provision of degree-level programmes in a bid to elevate their status alongside the universities. Some polytechnics chose to take it further and make a bid for university status. Only one polytechnic was successful in this, the Auckland Institute of Technology. It was conferred university status in 2000 and is now known as Auckland University of Technology (AUT). One other polytechnic failed in its bid to be awarded university status after an amendment to the Education Act 1989 precluded any further bids from non-universities. It had been determined that eight universities were enough to sustain the New Zealand population. Carrington Polytechnic had changed its name in advance of the final decision, and is now known as Unitec, one of the largest polytechnics in New Zealand.

There is no direct evidence for the view that the process of seeking university status and the subsequent failure sent Unitec into a tailspin. However, it had already changed its name and to be knocked back in this way must have had some effect. From 2011 onwards, a series of 'restructures' began, but it was in 2015 that Unitec embarked on a programme of change which became known as the "transformation project" (Cooke, 2018). There is no evidence to suggest that the documents produced by the NZPC and other groups directly influenced the Unitec Council's decision to move ahead with what appeared to be a programme of radical reform but the timing seems to be about right and there was certainly a shared language. The council's initiatives seem particularly in line with the commentary being produced by multinational corporates such as Ernst & Young and the Pearson Group as discussed earlier in this chapter.

A commissioned report released in August 2018, detailed the 'transformation project' and outlined the damaging effects the 'transformation' of Unitec had on students, staff and the reputation of the institution itself. The 'executive leadership team', consisting of high level managers, faculty deans and the Chief Executive Officer (CEO), made a series of decisions in an attempt to 'transform' Unitec into a "world class [institution with] technology enabled learning and teaching opportunities ... aligned with industry. Graduates [will have] the skills, capabilities and attitudes required to meet the changing needs of the workplace" (Cooke, 2018, p. 34). The leadership team promoted their efforts with a series of statements such as "global trends make it clear that disruptions are already with us [and that] we need to prepare our graduates". Associated phrases included: "21st century learners", "flexible learning spaces", and "changing from traditional ... models to collaborative, customer-driven, networked models" (Cooke, 2018, p. 13).

The changes were effected through the casualisation of the workforce, which involved bringing in industry-based staff to teach on courses and programmes in order to strengthen the link with industry and business. Student services were outsourced to a multinational call centre. A programme of course redevelopment commenced to move all teaching to blended or fully online formats, which allowed for significant portions of land to be sold to finance the 'transformation project'. The Tertiary Education Union (TEU), as staff representatives, tried repeatedly to get the executive leadership team to slow down the pace of change, and to bring in an element of consultation and collaboration with Unitec staff. The message that was reiterated was that the

changes “were not up for debate” (Cooke, 2018, p. 13). The situation appeared to spiral downwards from 2015 onwards with decreasing student enrolments and significant staff shortages. In 2016, the New Zealand Qualifications Authority (NZQA), through its quality assurance process, downgraded Unitec from a category 1 institution to a category 2 institution¹² (note there are four categorisations, 1 being the highest, and 4 being the lowest).

There are examples of ‘change’ in other polytechnics in New Zealand, although it is difficult to find one that has undergone such a fundamental reorganisation as Unitec. Generally, one can see in any publicly available material from any polytechnic that they have been, and are responding to, the government-driven initiatives to link education with industry and business, and to ensure that graduates are prepared for the ‘global marketplace’. One can view annual reports from any polytechnic in New Zealand to find evidence of responses to the Tertiary Education Strategy (TES) showing how they are aligning with policy. For example, at Wintec, a polytechnic based in Hamilton, the focus is on staying afloat within a highly challenging environment, and maintaining connections with employers. The excerpt below from a Wintec annual report contains keywords that align with those analysed in Chapter Six:

2017 has been a year in which we continued to build the success and future sustainability of Wintec during an ongoing period of change. We have taken careful account of developments in our region, emerging new skills for the future, and international considerations and opportunities. In addition, we are embracing significant changes in the delivery of education and training itself. We continue to build strong links with employers, strive for student success and work-readiness, modernise our programmes and our campuses, work through our change programme, and be a globally-recognised learning institution (Wintec, 2017).

Given that tertiary education funding is linked to performance, a number of criteria must be met in order to retain funding. Measurement of performance and educational quality in polytechnics is monitored by the Tertiary Education Commission (TEC) and assessed against the goals of the Tertiary Education Strategy (TES).

With the election of the Labour Government in 2017, the polytechnics have finally come on to the radar of the Minister of Education. In 2018, a review of the polytechnic and vocational education sector was undertaken with a view to “making the sector more sustainable and agile” (Tertiary Education Commission, 2018). The review process involved consultation with the sector and was presented by the Minister of Education as an opportunity for making substantial changes to the vocational education system which had long been identified as struggling within the current tertiary education environment. It was suggested by the Tertiary Education Commission that most of the 16 polytechnics were financially unstable as student numbers continued to drop (Tertiary Education Commission, 2018). During the consultation process some polytechnics such as Otago Polytechnic and Southland Institute of Technology have maintained that they have been successful in spite of the ongoing issues that are facing polytechnics (Morris, 2019). After a series of meetings with the polytechnics and other

¹² For further information about the NZQA quality assurance categories, see <https://www.nzqa.govt.nz/providers-partners/approval-accreditation-and-registration/provider-categories/provider-categories-eei/>

concerned parties, the TEC presented its recommendations to the Minister of Education in December 2018 (Tertiary Education Commission, 2018).

The recommendations included a proposal for a new programme of reform for the vocational and training sector. At the time of writing, three main recommendations were under consultation with the public (closing date April 2019). They are as follows:

1. The disestablishment of the Industry Training Organisations (ITOs).
2. The creation of a centralised 'New Zealand Institute of Skills and Technology' under which all 16 polytechnics would be assimilated.
3. A consolidated funding model that would consider vocational education and training as being one and the same.

It is difficult to deny that something needed to be done to preserve the polytechnics and the role they play in the delivery of tertiary education. However, many would argue that a national body responsible for vocational education and training could lead to a loss of autonomy and regional and community connections. The polytechnics who have managed to remain strong in the current climate, Otago Polytechnic and Southland Institute of Technology (SIT), are concerned at the prospect of losing their autonomy as they would no longer be able make their own financial decisions and judgments with regards to teaching and learning. They also worry about the effect of centralisation on their communities with whom they have a strong relationship. Otago Polytechnic has put forward an alternative proposal to the centralised model which would maintain the community connections and support that the institution has built up over the decades. The Dunedin City Council is a major supporter of Otago Polytechnic, and has been reported in the media as saying how much of an asset the polytechnic is to the city of Dunedin. The council also stressed the importance of retaining the polytechnic's ability to develop and maintain collaborative relationships with the community as well as the council. (Morris, 2019). Over the past three decades, any policy advice and consultation has been sought from external and unrelated parties, following the neoliberal line to avoid serving the interests from those who are associated with the sector. It would seem that the Labour Government has an opportunity to revive the polytechnic sector through careful and considered consultation with those 'insiders' who have experience and knowledge of how it could work better.

7.2 Conclusion

It has been suggested that the tertiary education sector is in dire need of an overhaul. This suggestion has come from parties who are outside of the sector and who have justified this claim on the grounds that the tertiary providers are outdated and old-fashioned. The latter have been criticised for being too slow to take on digital technologies for education delivery. The reports produced by the multinational corporations are an indictment on the future of the 'traditional' institution; they suggest that in order to move forward into the future, the traditional models of delivery need to give way to technologically-driven and mobile solutions where students can pick and choose what and when they want to study. Therefore, 'traditional' is somehow 'bad', and it must be avoided at all costs.

In New Zealand, these multinational pronouncements are more than likely to have had an influence. The documents selected for this study all contain elements of the views of the international authors of these works. Considerable public resources have been put into trying to find out why the tertiary education sector has not embraced technological change. The NZPC Inquiry ran for 18 months to seek out the reasons for the 'inertia' of the sector in relation to developing new models (related primarily to technology) for delivering education. The final report appeared to contain very little to show for the length and breadth of the consultation. The small number of unremarkable recommendations that might have been a minor criticism of the system itself, and therefore the government, passed almost without comment. The project has almost certainly been shelved particularly in light of the sixth Labour Government's 2018-2019 review into the provision of vocational and applied education.

The polytechnic sector has undergone significant changes and, in many cases, has experienced considerable decline during the past three decades of neoliberal reform. While there are a small number of institutions who have continued to be successful in spite of a difficult climate, many more have ended up in serious financial straits and are suffering the consequences. The 2018-2019 review is an opportunity for the government to address the issues facing polytechnics. There is hope in the sector that the Minister of Education will consider the elements that have enabled some polytechnics to experience success, and apply them to any future recommendations (Morris, 2019). The review presents an opportunity for the polytechnics to be involved in their own destiny instead of having decisions made for and about them by those who are outside of the sector.

Chapter Eight: Conclusion

This thesis explored the neoliberal discourse that has been prevalent throughout policy documents and other material produced for making decisions about tertiary education in New Zealand. It examined the history of tertiary education, and the journey it has taken through the decades since the 1930s, when the general education system was established by the First Labour Government on behalf of all citizens, regardless of status and capability. The tertiary education sector was developed and there were a range of options for school leavers and adults who wished to further their education or learn new skills for work. There was a clear distinction between vocational and academic education. Vocational education was traditionally delivered by technical schools which were later named 'polytechnics'. Universities were primarily responsible for delivering academic or higher education.

The material analysed in Chapter Six showed the durability of neoliberal discourse, and demonstrated how this type of discourse has manifested itself throughout our everyday language. The keywords identified in the selected documents are all words that are difficult to challenge as they all promote a sense of positivity in making progress and in being 'forward-looking'. Words such as 'innovation', 'transformation', 'flexibility', and 'productivity' are used in many different contexts, and it would not be surprising if most of us are not even aware of when and how we use these words. It is only when the semantics of each word is analysed in depth, that the vacuity of the keywords and the power through repetition in general words is revealed.

My personal experience of working in a New Zealand polytechnic was described in the opening chapter. This ultimately led to the questions developed for this thesis. In an attempt to explain what was happening in these scenarios, the role of ideology was discussed with particular reference to the neoliberal reforms that started in New Zealand in 1984. Neoliberalism and its restructuring of education and the polytechnic sector within New Zealand was considered. The methods of critical discourse analysis were presented with specific references to the work by Fairclough (2003) and Williams (1983) in order to explain the discourse that shaped policy direction for the tertiary education sector, and polytechnics in particular.

In order to appreciate the current political and policy climate in which the polytechnic sector operates, it was necessary to explain historically how the tertiary education sector has developed and changed over the decades since the 1930s. It can be argued that of all the tertiary education providers in New Zealand the polytechnics have been the most affected by the neoliberal reforms that have occurred.

The advancement of tertiary education for citizens who would be able to participate in society and the wider nation was a key objective for the 1935 First Labour Government. They put considerable resources into the development of a complex education system that would benefit all. The reasoning behind the robust system was to provide equal opportunity for all New Zealanders to access an education of a range and type suited to their needs and ability.

Investment in the infrastructures and institutions to support the social democratic Keynesian welfare state was a defining feature of the First Labour Government, who governed from 1935 to 1949. The macro-economic principle of full employment was central to this era, and the tertiary education system was developed with this objective in mind. People were encouraged to further their education after leaving school. There was a range of options for those who wanted to proceed to a higher level, or who wanted to learn specific skills needed for work.

The ideal of full employment and access to education opportunities for all citizens came to an abrupt end in July 1984 after a tumultuous period of economic instability and political unrest, culminating in a snap election which brought about the departure of the Muldoon-led National Government. The fiscal crisis of the early 1980s provided the vehicle for which a group of senior public servants and certain politicians within the shadow Labour Cabinet could use to promote their neoliberal agenda. Labour swept into power with a 'rescue' package of reform that would transform New Zealand's economic and social policy direction beyond recognition. Within a few short years the socio-economic structures that were put in place to provide security and support for all New Zealanders regardless of circumstance were dismantled. Government spending was curtailed across all public policy areas and it was proposed by advocates of neoliberalism that all public services including education should be increasingly transferred to the private sector. The private providers took on the costs of delivery and passed them on to the consumers, in the development of a 'user-pays' culture. The education sector underwent a drastic review as government and Treasury officials claimed that the education system was no longer fit for purpose. They believed that it needed an overhaul to so that it would meet the needs of the economy. The perceived need to be internationally competitive by producing graduates with the skills required by a 'modern' workforce became official orthodoxy.

Full employment was no longer a key objective for the government and, in fact, a certain level of unemployment was seen as necessary to keep the rate of inflation low. Under the Lange-led Labour Government, a key neoliberal reform for education was the decentralization of the primary and secondary school sector. In 1988, responsibility for the delivery of education was given to school principals, boards of trustees and local communities. The tertiary education sector would see similar changes with a unified funding structure for vocational, training and academic education. After a change of government in 1990, the National Government commenced an even more stringent programme of funding cuts; community education provision was all but extinguished as government spending dwindled. National Government policy documents from 1990 to 1999 reveal an increase in the 'hands off' approach with a further shift towards the development and entrenchment of autonomous models of operation and decreased public funding for tertiary education providers.

The three most significant changes that affected the polytechnics directly were the introduction of Industry Training Organisations (ITOs), the enablement of private training establishments (PTEs) and the formation of the New Zealand Qualifications Framework (NQF). The changes to the 1992 Industry Training Act led to the creation of the ITOs, which were tasked with the

responsibility for delivering trades-related education. Prior to this, polytechnics were instrumental in providing 'off-the-job' training for apprentices, and the removal of this meant that they were no longer central to trades-related training and education. The Education Act 1989 was amended to provide government support to enable private providers to move into the delivery of vocational and skill-based training. The PTEs have encroached on the domain of the polytechnics in the provision of English language learning courses, computer and IT-related skills training and employment skills training. Finally, the NQF allowed tertiary education providers to apply for the delivery of any of the programmes listed in the Framework. Thus, polytechnics and universities could offer degree-level programmes in any area, vocational, applied and otherwise. Competition between the two for student enrolments undoubtedly increased as a result of this change.

By the time the Labour-led Coalition Government was elected in 1999, the country had seen disruption across the entire spectrum of social policy. The newly elected government promised to bring back social democracy to tame some of the more extreme neoliberal initiatives for policy development. There were some minor changes made to the tertiary education system, but none that really stopped or reversed any of the more radical decisions made under the juggernaut of neoliberalism. The Labour-led Coalition Government moved away from the market-led, 'hands-off' approach to education in favour of a more guided model with the establishment of the Tertiary Education Commission (TEC). The TEC would be the government-appointed advisor on policy direction for the tertiary education sector. The initial focus of the TEC was to propose a series of policy recommendations to ensure that the tertiary education sector was able to provide graduates for the global marketplace who had the skills to face the 'uncertain future' of work.

The advent of sophisticated digital technology and the subsequent development of high-speed technology-enabled communication increased the government's focus on the ability of the tertiary education sector to deliver the 'right' types of programmes for the 'right' types of graduates. Towards the end of the fourth Labour Government's tenure, the conversation turned to the issue of New Zealand's low 'productivity' (compared with other OECD countries) which had a negative impact on the economy. The Treasury documents on the state of productivity in New Zealand highlighted their thoughts on the importance of skill acquisition and the development of a higher skilled workforce as means of increasing the level of productivity. The sector was also tasked with ensuring that programmes allowed for skills development of the type that would add value to the economy. Higher skilled employees led to higher skilled jobs and higher salaries, to increase the overall standard of living and improved economic performance overall.

The fifth National Government was elected in 2008 with the ACT Party and the Maori Party making up the numbers needed to govern. One of the agreements with the ACT Party was to increase efforts to improve productivity in order to stimulate the New Zealand economy. At the same time, the impetus for driving skills as the means to improve the level of productivity and

economic growth gained momentum during this era. The National Government provided direction to the tertiary education sector via the Tertiary Education Strategy. The purpose of the document was to focus on the types of skills that would lead to higher skilled jobs and those that would attract alternative sources of funding (i.e. through research and development funds). These skills are embedded in science, technology, engineering and mathematics subjects (also known as STEM). Performance measures were implemented to ensure that tertiary providers were putting their efforts into providing approved programmes that led to high performing graduates.

The link with business and industry grew even stronger during the National Government's term with the third Tertiary Education Strategy (TES) developed in conjunction with the Ministry of Education and the Ministry of Business, Innovation and Employment (MBIE). The discourse of business and industry became firmly entrenched in the discourse of education, and the MBIE was included in making decisions for the direction of tertiary education policy. Further control was established through the changes in governance for the public tertiary education providers. The government would appoint their own council members according to their own criteria, and there would be less involvement from the community as a result. Alongside these developments was the establishment of the NZPC in 2010. The NZPC conducted a range of inquiries and reports into the state sector in order to make recommendations for improving productivity in these areas.

It was soon the tertiary education sector's turn in the spotlight when it was announced in February 2016 that the NZPC would conduct an inquiry to investigate the tertiary education sector's perceived 'inertia' in adopting new models of delivery. Prior to the launch of the inquiry, there had been a series of documents produced that indicated the focus of the inquiry. The adoption of digital technologies seemed to be a key priority for the sector to ensure highly skilled, 'future-proofed' graduates who would ensure New Zealand's place within the global marketplace. An 18-month consultation process was undertaken and a series of draft reports and recommendations were presented and refined. The commentary was mostly a lengthy description of the then current state of the tertiary education system, with some additional material included from the received submissions. There was very little insight from the NZPC itself other than the claim that the sector was a casualty of an overly complex government system that inhibits 'innovations' or changes to the way tertiary education is delivered. The final report with the concluding recommendations was presented to the government in February 2017 to very little fanfare. It would appear that this work has since been shelved as the election was lost to the sixth Labour Government on 26 October 2017.

The three documents chosen for close analysis were connected as they each set up the premise for the succeeding document. The Innovations in Tertiary Education Summit (ITES) paper appeared to crystallise the thinking around the use of digital technologies as a means to drive innovation in the tertiary education sector. This thinking was then reflected in the Tertiary Education Strategy 2014-2019 (TES) document that provided direction to tertiary education

providers by ensuring that the 'right' kinds of programmes were being delivered to equip graduates with the 'right' skills. Much was made of the need for the sector to take note of the 'uncertain future'. The TES espoused the importance of digital technologies and insisted that providers needed to get on board with these so as to ensure a competitive edge within the global marketplace. The opinions that were drawn out of the ITES document appeared in the terms of reference for the NZPC inquiry conducted from 2016 to 2017 on new models in tertiary education. A range of keywords were identified from each individual document and across all three. All the keywords have different meanings, together they illustrate ideas that are, in general, undeveloped and ill-defined yet promoted as important and significant. For example, 'innovation' was used only in relation to the 'need' to adopt digital technology as a means to improve methods of delivering tertiary education. This was a very narrow interpretation of a word which essentially means to 'try something new'. The keyword 'flexible' also cropped up several times, however the means for the tertiary education sector to be 'flexible' is often constrained by the government-driven system in which the sector operates, thus is outside the control of providers.

At the time of writing, the current Labour Government is in the process of reviewing the vocational tertiary education sector. The consultation process for the proposed recommendations is underway, concluding in April 2019. One controversial recommendation will affect all polytechnics as well as the Industry Training Organisations (ITOs). The intention is to bring them all together under one centralised entity. The existing polytechnics would act as regional 'satellites' of the main body, but all governance, funding and operational functions would be controlled by the central body. Not surprisingly, the initial response from the strongly performing polytechnics, in particular Otago Polytechnic and the Southern Institute of Technology, is one of considerable concern at the prospect of losing their autonomy. While the recommendations are in the consultation phase, these polytechnics have taken to the media to voice their concerns to the government. Before he makes the final decision on the recommendations, the Minister of Education would do well to look closely at how and why these particular polytechnics have been able to maintain their successful operation while others have failed or struggled to survive.

The policy direction proposed by the 2008-2017 National Government and the increasing pressure to meet the needs of employers and the economy is difficult to specify in detail. Especially given the vacuity of language driving the policy documents. For example, the persistent message for tertiary education providers to adopt 'new technologies' in order to facilitate New Zealand's place within the competitive global marketplace is difficult to translate, meaningfully, in operational terms. In spite of this, there are some successful polytechnics that have managed to flourish in the current environment. The southernmost polytechnics in New Zealand have and continue to function well and have not been dogged with the issues and problems that other polytechnics have experienced. The reason for this is a function of management and how they have chosen to interpret and operationalise tertiary education

policy. The strength of the connection and support of the surrounding region and communities could also be relevant.

The Unitec example highlights the importance of not ‘throwing the baby out with the bathwater’ when operationalising ideologically-driven policy. The largest polytechnic institution in New Zealand has almost collapsed under the misguided “transformation project”. The NZPC inquiry and related documents that were analysed provided little clarity on the rationale behind the need to engage in ‘transformation’, ‘innovation’ and digital technologies. The Unitec Council enabled the leadership team to make a number of rash decisions in their interpretation of what this policy direction ought to mean for Unitec. The lack of evaluation in regard to what was being proposed and the shutting down of any criticism or discussion from staff comes straight out of neoliberal ideology. It is interesting to note that no one from the leadership team who participated in the Unitec “transformation project” has stayed on to help stabilise what was once a thriving polytechnic serving the communities of West Auckland.

None of this is to say that changes are not needed in the polytechnic sector, or that they should not be responding to developments in technology. There is always room for improvement. However it is important to take a step back and look at how certain language is used to push an agenda that might not be in the best interests of the polytechnic and its students in terms of how they deliver their curriculum. It would seem that over the last 60 years the purpose of the polytechnic in the tertiary education landscape has been eroded to the point where one could ask: do we need these institutions at all? The programmes they offer are also offered by other institutions, both public and private. The Industry Training Organisations have taken control of the trades-related training and education and they may or may not include the polytechnics in their contracts to deliver this. There is a risk, however, that if the polytechnics were to disappear from the landscape, those regional areas of New Zealand that do not have alternatives, or other options close by would suffer considerably.

The final decisions made by the sixth Labour Government on the future of polytechnics will be important. That future currently hangs in the balance, certainly in its current iterations. The reforms of the past decades have taken their toll on the polytechnic sector as it struggled to find a foothold in the current climate of tertiary education delivery. The funding gap between the universities and the polytechnics is growing wider as the universities are able to utilise their research capabilities and international reputations to supplement the funding they receive from the government. Recognition that there is a difference between the two types of institutions, and the education that they offer is required. This needs to be reflected in distinctive funding mechanisms so that each can be funded based on its own merits, rather than through a competitive marketplace. The Education Act 1989 states clearly that the polytechnics are Crown entities charged with delivering vocational and applied education in New Zealand. As such, the polytechnics need to be empowered and supported to do the job for which they were created.

This thesis has attempted to show how decisions made by those outside of the sector have affected the polytechnic sector in New Zealand. The discourse of neoliberal ideology is revealed through the keywords and phrases that are embedded in the relevant policy documents. The appeal of the words used makes them sound unthreatening and empowering (who could possibly be against innovation and the use of technology in the delivery of curricula?). Any negative reaction to such language would be met with the assumption that the challenger is pessimistic and not open to change. However, the generality of these words indicate that there is very little substance behind them and to build a structure of change around them carries a very high risk of failure as evidenced by the case of Unitec Institute of Technology. The ongoing development of the regions would cease if polytechnics were allowed to fail on this basis. The connection polytechnics have with their communities is important as they can and do cater to a wide range of learners, and have the capacity to provide a spectrum of courses and programmes to suit local needs and the wider region. For this to continue, lessons must be learnt from the neoliberal past so that the polytechnic can take its rightful place as the public provider of vocational and applied education for the New Zealand tertiary education sector.

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