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## Evaluating the Tertiary Education Advisory Commission: An Insider's Perspective

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### **Abstract:**

*The Labour/Alliance government established the Tertiary Education Advisory Commission (TEAC) in April 2000 to advise it on the future direction, shape, regulation and funding of the tertiary sector. During the subsequent 19 months, the Commission produced four public reports and advised the government on a wide range of policy issues. Drawing on the experiences of TEAC, this article considers the necessary conditions for (relatively) short-term advisory bodies to provide ministers with timely, high-quality policy advice and make an effective contribution to the policy process. It then outlines a series of criteria for evaluating advisory bodies like TEAC, examines the performance of the Commission in the light of these criteria, and considers its likely contribution to the evolution of tertiary education policy in New Zealand.*

In many fields of public policy, governments rely heavily on various kinds of ad hoc or semi-permanent advisory bodies – committees, commissions, boards, working groups, consultative groups and taskforces. In New Zealand this has been particularly true in areas such as health care, social services and education. The sub-field of tertiary education is no exception (Boston, 1997; Snook, 1991; Olssen & Matthews, 1997). Since the mid-1980s, governments have sought advice on specific policy matters in the tertiary arena from a plethora of (mainly short-term) advisory bodies, the most notable of which have included the Working Group on Post Compulsory Education and Training in 1988 chaired by Professor Gary Hawke (Hawke, 1988), the Ministerial Consultative Group in 1994 chaired by Jeff Todd (Todd, 1994), and the Tertiary Education Advisory Commission in 2000-2001

60 Jonathan Boston

(chaired initially by Norman Kingsbury and subsequently by Russell Marshall). The fact that governments of varying ideological persuasions continue to establish such bodies suggests that they serve a range of useful political and policy purposes. Be that as it may, it takes little more than casual observation of policy making in the tertiary arena over recent decades to recognize that some advisory bodies have operated much more successfully (on virtually any criteria of “success”) than others, and that governments have not always been well served by the advice which has been proffered.

The purpose of this article is to provide a brief evaluation of the Tertiary Education Advisory Commission (TEAC). In so doing, consideration is given to two particular matters. The first concerns the conditions that must be satisfied if (relatively) short-term advisory bodies are to provide ministers with timely, high-quality policy advice and make an effective contribution to the policy process. To what extent did TEAC meet these conditions and what lessons can be gleaned from this particular instance about how advisory bodies can best be structured to maximize their likely effectiveness? Second, the article outlines a framework for evaluating the performance of advisory bodies like TEAC. In this context, a series of evaluative criteria are identified and some interim conclusions are offered with respect to TEAC's performance against such criteria.

Several caveats deserve mention before proceeding. Obviously, it is impossible in a short article to provide a comprehensive analysis of all the relevant issues. Accordingly, the following account is necessarily and deliberately selective. Equally, it is important to declare my direct interest in the subjects under discussion: I have been an active participant in tertiary policy debates over many years and served as a member of TEAC. I was thus a co-author of, and signatory to, the four reports that it produced. This does not, of course, mean that I agreed with all of TEAC's recommendations or that I always felt comfortable with the process by which decisions were made. Nevertheless, the reflections offered here are inevitably coloured (and some might say “tainted”) and constrained in various ways by my direct involvement in the Commission. However, self-evaluation – both for individuals and organizations – is a perfectly legitimate, if not vital, task in the process of policy learning (Wildavsky, 1979). Any such assessment must, however, be utterly honest and appropriately “critical” – not self-justificatory or self-serving.

### Factors Affecting the Success of Short-Term Advisory Bodies: The Case of TEAC

Governments establish advisory bodies like TEAC for a variety of purposes. They may lack confidence in the capacity of their "in-house" departmental officials to produce sound, competent or politically useful advice. They may trust their officials but nonetheless prefer a more open, contestable advisory system, with the potential for a wider range of views and the evaluation of policy options that might otherwise be ignored. They may wish to secure advice of a specialist or technical nature that is not readily available from within the public service. They may have a political need – perhaps for fiscal reasons – to buy time: establishing an advisory body is one means of justifying a delay in taking action. They may wish to secure authoritative backing, and hence greater legitimacy or credibility, for a largely pre-determined policy programme. Or they may have a commitment to sectoral consultation and consensus-building and believe that the creation of a non-departmental advisory group with strong sectoral representation provides the best means of securing support from the relevant interest groups for new policy directions. In many cases, of course, advisory bodies may be created to fulfill two or more of these purposes.

Plainly, any assessment of the effectiveness or success of such bodies will depend on the reasons for their establishment and the nature of their tasks. That said, it is evident from the relevant literature and the experience of policy making in a range of parliamentary democracies that a wide range of factors influence the capacity of advisory bodies to achieve their purposes (whatever these may be) (Boston, 1980; James, 1986; Baehr & Whittrock, 1980). To start with, there are various contextual, external or background influences. These include the degree of political and economic stability, the legal and institutional environment, the nature of the policy community (e.g., the structure and power of vested interests), the prevailing pattern of ideas, values and expectations, and the nature of any policy "legacies" or "inheritances". At another level, there is the complexity and tractability of the issues under examination. And at yet another level, there are various other factors, typically of a more malleable nature. Amongst these are the following:

1. The nature and level of political support;
2. The nature and scope of the terms of reference;
3. The expertise and credibility of the members of the body (especially

- the chairperson), their commitment to the task in hand and their capacity to work effectively as a team;
4. The resources available, including (where necessary) an effective and competent secretariat, the capacity to undertake (or commission) research and policy analysis, and sufficient time for the task in hand; and
5. The capacity of the advisory body to secure the support of relevant stakeholders, including the backing of (at least some) powerful interest groups and the cooperation of departmental officials.

How well did TEAC fare in relation to this latter set of conditions?

#### *Political support*

The creation of TEAC was amongst a number of firm commitments contained in the Labour party's 1999 election policy on tertiary education, and the idea of having a commission was strongly supported by Steve Maharey – Labour's spokesperson on tertiary matters prior to the election and subsequently Associate Minister of Education (Tertiary Education) in the Labour/Alliance government. His vigorous and persistent backing contributed to the Coalition's acting promptly after taking office to consult with the tertiary sector on the composition of the proposed commission. The appointment of eight commissioners was duly announced in April 2000 (barely four months after the formation of the new government), and TEAC commenced operations in early May. On the whole, the Associate Minister (and the relevant staff in his Beehive Office) provided the Commission with a high level of support, both publicly and privately, throughout the 19 months of its deliberations. This was evident from the Commission's ready access to Maharey and his staff, his periodic attendance at TEAC meetings, his public endorsement of most of the Commission's key recommendations (certainly those in the first three of TEAC's four reports), and his preparedness to press for their adoption by his Cabinet colleagues.

But if TEAC enjoyed generally firm backing from the Associate Minister of Education, the support of other ministers was more equivocal. Indeed, the relative lack of enthusiasm for the Commission from some senior ministers during the early part of 2000 contributed to the government's decision to provide the body with only a modest level of funding, a factor which was to hinder TEAC's operations for much of its existence.<sup>1</sup> Against this, as the concept of a "knowledge society" emerged as a vital component of the government's wider political and economic strategy, and as the potential contribution of TEAC and the

tertiary sector to the achievement of this objective became more widely recognized within the coalition, the level of support for the Commission's work appears to have increased. Also relevant in this context was the growing realization of the magnitude of the financial problems within the tertiary sector and the need for policy changes – with respect to both funding and governance – if these were to be satisfactorily addressed. Such an environment tended to strengthen the degree of political receptiveness to TEAC's advice. It did not, however, increase the government's appetite for major tertiary reforms, especially given the political risks that these might entail.

#### *The nature and scope of the terms of reference*

The Commission's terms of reference were relatively broad, thus giving it the opportunity to comment on a wide range of policy matters within the general area of tertiary education (Maharey, 2000). The initial task of the Commission was to "develop a strategic direction for tertiary education in New Zealand ... which has wide acceptance that will endure over the medium to longer term." Beyond this, the terms of reference stated that the Commission would be expected, over the term of the government, "to provide advice on:

- the future 'shape' of the sector, including the contribution each form of tertiary education provision can best make;
- how the opportunities for increased collaboration and co-operation across the sector can be maximized, and how the links with the wider economy and community can be strengthened;
- how tertiary providers and students can be best positioned to provide and participate in courses of study that complement New Zealand's social, economic and regional needs;
- the basic principles to guide funding for research in tertiary education, including in the arts and humanities; and
- the basic principles to guide Government's approach to financial support for tertiary education that recognize the differing cost of different education content and forms of delivery as well as Government's overall research, science and technology priorities."

Such wording, at least in principle, gave the Commission a relatively free reign, both in terms of the subjects to be examined and the nature of the advice to be tendered. Indeed, the wording gave the Commission a clear mandate to address most of the key policy issues in the tertiary

arena, including strategic, structural, regulatory and funding matters. This, of course, represented an opportunity, but also a major challenge.

There were, however, a number of constraints. First, the terms of reference made it clear that the "exact scope" of the Commission's work would be "determined by the Minister" (i.e., Maharey). In practice, however, the Minister made only occasional efforts to influence the scope of the Commission's inquiries or the nature of its recommendations. Second, TEAC was directed to "focus on the sector as a whole rather than on individual institutions." Third, a number of potentially controversial policy matters, such as student finance, governance and quality assurance, were not explicitly mentioned in the terms of reference, and in relation to student finance (including loans and allowances), the Commission was actively discouraged from proffering advice. This was partly because of a desire to avoid any duplication of effort with the separate inquiry into student fees, loans and allowances that was undertaken during 2000-2001 by the Parliamentary Select Committee on Education and Science (Education and Science Committee, 2001). In the event, TEAC chose to include several recommendations with respect to student finance in its Fourth Report (*Shaping the Funding Framework*) notwithstanding political objections to the nature of the proposed policy changes.

With little doubt, the most serious constraint on TEAC's work, particularly in relation to funding matters, was the requirement to formulate its advice "within the context of the overall level of funding allocated to tertiary education by Government", and to avoid discussion of the "overall quantum of funding". In effect, this meant that the Commission could not comment in any detail on the crucial issue of the appropriate level of public investment in tertiary education. It also implied that if the Commission wanted to recommend additional funding (in real terms) in one part of the tertiary sector it would be obliged to find compensatory savings elsewhere. Part of the rationale for excluding the issue of funding levels from TEAC's brief was to reduce sector expectations and avoid possible political embarrassment (e.g., in the event that the Commission proposed funding increases which were well beyond the government's willingness or capacity to deliver). But regardless of the rationale, the requirement to adopt a zero-sum approach caused difficulties for the Commission and necessarily constrained the nature of its advice. To compound matters, it generated much frustration within the tertiary sector and prompted some observers to doubt the usefulness and integrity of TEAC's Fourth

Report. It also meant that the government failed to secure authoritative advice on one of the central longer-term issues facing the sector.

### *The expertise and credibility of commissioners*

Critical to the effectiveness of any advisory body is the quality of its members. "Quality" in this context means many things. Above all, the members must have the requisite professional and technical expertise, and a detailed understanding of the issues about which they are charged to offer advice. Important too, however, is the need for the members (or at least some of them) to have an appropriate knowledge of the policy process, the wider policy context in which the advisory body is operating, the confidence of the relevant policy makers, and the respect of their peers (especially those in senior positions within the relevant sector or sectors). Additionally, the members must have sufficient time to undertake the tasks required, and a capacity to work effectively as a team. In this regard, the calibre and standing of the chairperson is of crucial importance.

Judged against such criteria, TEAC scored, at best, satisfactorily. The first group of eight commissioners, for instance, brought with them a broad range of capabilities, knowledge and experience. Included were three members who held (or had held) senior management positions in tertiary providers (both public and private), four members who held (or had held) senior academic positions, and a number of people with a long involvement in tertiary policy matters. Significantly, too, there were people on the Commission with a detailed knowledge of most parts of the tertiary sector, including higher education, the polytechnic sector, wananga and second chance education. An added strength lay in the fact that certain commissioners, including both chairpersons, were well respected in political circles.<sup>2</sup>

Against this, there were some obvious gaps and deficiencies. At a technical level, there was no one with a legal background, and few had a deep understanding of labour market issues. Knowledge of the policy frameworks in the tertiary sectors of other jurisdictions was equally patchy. Only a few of the commissioners had much experience in the art and craft of policy formulation, development and implementation. Likewise, prior to the appointment of Hugh Fletcher in December 2000, the Commission lacked anyone of standing from the business community. And while the Commission included two Maori, it lacked anyone from the Pacific Islands community.

Another source of concern, at least within certain parts of the tertiary sector, was the preponderance of people with university connections. Of the 11 people who served as commissioners during 2000-2001, five held (or had held) academic positions in New Zealand universities, at least three were (or had been) members of a university council (one of these, Russell Marshall, was a Chancellor), and Norman Kingsbury (who chaired TEAC for the first six months or so) had been the Registrar of Waikato University for more than two decades. But while such data might give the impression that the Commission was stacked in favour of the universities, in practice the degree of sympathy for the higher education sector was not always as great as might have been expected – with universities (and those charged with their management) being perceived by some commissioners as relatively advantaged, if not unduly privileged.

In terms of the effective operation of TEAC, a much more serious difficulty, at least in my view, lay in the government's decision to appoint commissioners (including the chairperson) on a part-time basis. At the time of the Commission's establishment, it was assumed that members would be paid for around 55 days a year (or roughly one day a week), with the chairperson being paid for roughly double this amount. Significantly, most of the 11 people who served as commissioners, including the first chairperson, held full-time jobs – and demanding ones at that. The part-time nature of the Commission, together with the fact that virtually all the members had other substantial commitments of various kinds, had a number of largely unavoidable consequences: it limited the capacity of members to prepare their own discussion papers or undertake independent research; it reduced their availability for meetings (such as those with sector representatives, overseas experts, departmental officials, etc.); it made it difficult to establish and operate an effective system of working parties or sub-groups; and it affected the time available for reading submissions and digesting and commenting upon the numerous policy papers and draft reports prepared by the secretariat (or consultants). This, in turn, reduced the capacity of commissioners to undertake a rigorous, in-depth analysis of critical issues and policy options, and contributed to much "churning" (that is to say, many issues were rehearsed and relitigated meeting after meeting as members gradually came to grips with the complexity and dimensions of the problem or sought to address the concerns of those who had been absent from a previous discussion of the issue). Not surprisingly, perhaps, workload

issues contributed to the resignation of two commissioners – Norman Kingsbury in late 2000 and Dr Linda Sissons in early 2001.

But if a part-time commission generates difficulties of this nature, a full-time commission (presumably of a somewhat smaller nature) would doubtless have presented other problems. For instance, it would automatically have excluded those persons who were unable or unwilling to commit a significant amount of time to such a venture, thereby reducing (perhaps substantially) the pool of talent available. Also, were a full-time commission to have had fewer members, it would necessarily have reduced the range of expertise available and limited the representativeness of such a body, with implications for its standing within the tertiary sector. Additionally, to the extent that such a commission was required to report within a relatively short period of time, the opportunity for extensive research would have been limited.

In considering the relative merits of part-time versus full-time commissions, a critical dimension concerns the nature of the task and the time frame for completion. Where the task is substantial and the time frame relatively tight, there is clearly a strong case for a full-time commission. Where neither of these conditions applies, a part-time arrangement is arguably a more realistic solution. TEAC, in many ways, fell uncomfortably between these two stools. The task was undoubtedly substantial, both in terms of scope and complexity. At the same time, the government's initial intention was for an independent advisory body that would furnish on-going advice over the medium term (and possibly longer); the time frame was thus relatively open-ended. Accordingly, Commission members were appointed for a term of two years with an expectation that this would be extended for a further two years (subject to performance). In these circumstances, a part-time arrangement seemed the logical choice. With the benefit of hindsight, it might have been more prudent either to have narrowed the focus of the Commission so that the tasks were more manageable on a part-time basis or, alternatively, established a full-time commission, but for a more limited duration.

There is another matter that warrants attention in this context. Because of the open-ended, yet part-time, nature of TEAC's advisory role, it was expected to provide on-going advice to the government with periodic public reports. Not unreasonably, therefore, the Commission set itself the task of producing a series of discrete, yet inter-related, reports on major policy issues over a two-year time horizon. It was agreed that the report on funding should be the last

within this initial series, since funding issues were acknowledged to be inherently complex and thus required sustained analysis, research and consultation with the sector. This approach, however, generated serious difficulties. For instance, it proved much harder than expected to devise an integrated package of reforms in a sequential manner. Likewise, there were problems offering advice on structural, regulatory and strategic issues before the nature of the funding system had been determined. In some respects, it would have been easier (and more logical) to produce a single report covering all the key issues (e.g., like the Dearing Report in the UK). But this option was not available given the government's desire for early results and the sequential manner in which TEAC was expected to report.

### *Resources*

Any advisory body, irrespective of the expertise and commitment of its members, will struggle to provide high-quality advice if it is inadequately resourced, and, in particular, if it lacks a competent secretariat. Having a secretariat of adequate size and capability becomes all the more critical where the body in question is comprised largely (or solely) of part-time members, where it has broad-ranging advisory responsibilities, and where it is expected to consult widely with the relevant policy community (or communities) in formulating its advice – as was the case with respect to TEAC. Unfortunately, the Commission did not receive sufficient funding to enable it to employ a high-powered staff of the requisite size and expertise; nor, in my view, were TEAC's limited resources deployed as effectively as they might have been. For the first eight months of the Commission's life, the secretariat had fewer than five full-time staff, of whom only one had training and experience in policy analysis. By way of comparison, the Dearing Commission (1996-97), which was charged with reviewing the purposes, shape, structure and funding of higher education in the United Kingdom, had a support staff of close to 30, of whom more than a dozen were policy advisers (Dearing, 1997, Annex B).

While the secretariat's analytical resources were boosted somewhat during 2001, it was only during the latter stages of work on the Fourth Report (between August and October) that the Commission came close to having the strength, breadth and expertise necessary for the task in hand. The net result was that the secretariat's staff, notwithstanding tireless effort and dedication, were heavily overloaded for the whole life of the Commission. This inevitably contributed to a greater level of

stress for all concerned, limited TEAC's capacity to address important issues in the depth desired and to undertake independent research, constrained the extent of consultation possible, rendered it almost impossible to contemplate the publication of discussion papers or interim reports, and affected the Commission's standing within parts of the tertiary sector. Against this, TEAC was able to draw significantly on the analytical resources of various sector organizations, such as the Vice-Chancellors' Committee, and certain tertiary providers. This undoubtedly assisted the Commission's work, particularly on the issue of research funding (Peters, 2001a, 2001b, 2001c).

There is a further issue that warrants mention in this context. TEAC was established to provide advice independent of the Ministry of Education. The concern to safeguard this independence led the Commission to eschew the recruitment or secondment of existing Ministry staff to work in the secretariat (with one brief exception during the preparation of the Fourth Report). Equally, for various reasons, no staff from other government departments and agencies, such as the Treasury, the Department of Labour, the Ministry of Research, Science and Technology or Skill New Zealand, were employed by the Commission. There can be little doubt that the absence of anyone of seniority from a key ministry affected the standing of TEAC negatively in the eyes of some officials, and contributed in various ways to the difficulties experienced by the Commission in its relationships with certain agencies. In my view, the independence and integrity of the Commission would not have been compromised if the secretariat had included a person (or persons) with the appropriate knowledge, expertise and seniority from within the bureaucracy.

### *The attitude and support of stakeholders*

Any advisory body of a relatively small and short-term nature is necessarily reliant upon the cooperation of relevant stakeholders. For instance, such a body will need access to data and information from government agencies, including access to draft reports and cabinet papers. It will also be dependent on the good will of powerful interest groups if it is to operate in a consultative and open manner, and if it is to draw on their knowledge, expertise and resources. Quite apart from this, advisory bodies are more likely to have their advice accepted and implemented if they are able to secure the respect and cooperation of key stakeholders and build a broadly-based coalition of support for their key recommendations.

The establishment of TEAC was widely (but not universally) supported within the tertiary sector. To be sure, there was scepticism about what might actually be achieved; there was an understandable weariness and impatience with the prospect of yet more consultations; and there was concern that the Commission's work would enable the government to delay taking action to deal with long-standing issues, particularly on the level, structure and predictability of public tuition subsidies. Generally speaking, however, most of the peak organizations within the sector welcomed the fact that the government would not be relying solely upon the Ministry of Education (in whom many had little confidence) for advice on key policy issues; they were thus willing to provide the Commission with constructive assistance. By the end of the process, in late 2001, views within the sector were much more mixed, with relatively few of TEAC's key recommendations receiving universal (or even close to universal) acclamation, and many (such as the idea of imposing higher entrance standards for undergraduate degrees) being vigorously opposed in certain quarters. Given the essentially zero-sum fiscal framework within which the Commission was obliged to operate, the growing disaffection with its proposals was hardly unexpected. Sector attitudes to TEAC were also coloured by the increasingly serious financial difficulties afflicting many tertiary providers during 2000-2001, with at least one university and nine of the country's polytechnics (i.e., close to 40 per cent) reporting operating losses in 2000.

Unsurprisingly, the creation of TEAC and the nature of some of its recommendations (such as the creation of a Tertiary Education Commission) were greeted with little enthusiasm within parts of the bureaucracy, including the Ministry of Education and the Treasury. Bureaucratic misgivings, and at times resistance, were not merely the product of legitimate and perfectly understandable disagreements over the appropriate direction of public policy. They were also the result of the nature and scope of the government's reform agenda and the enormous pressure that this imposed on the limited resources of those agencies with responsibilities in the tertiary arena. Quite apart from the extra workload generated by TEAC, there were significant demands arising from the controversy over the government's proposals to amend the Education Act in relation to the governance of tertiary education institutions, the problems generated by the government's tuition fee stabilization regime, the separate policy reviews of industry training, adult literacy, and adult and community education, the select committee review of student finance, and the "Closing the Gaps"

initiative. Further compounding the burden on officials was the need to address the growing number of tertiary institutions in financial difficulties.

**Summary**

No advisory body ever operates in ideal conditions. Constraints and difficulties of various kinds – whether limited resources, internal dissension, political ambivalence or bureaucratic antipathy – always apply. Amongst the favourable conditions for TEAC were the fact that it had a sympathetic Minister who invested significant political capital in the Commission's mission, a clear mandate to address many of the critical issues afflicting the tertiary sector, and a reasonable level of support from key stakeholders. Against this, the Commission was constrained in its capacity to tender advice on the all-important question of funding levels, under-resourced and under-powered for the magnitude and complexity of the task to be performed, inhibited by the part-time nature of the assignment, and confronted by a challenging bureaucratic context and a relatively crowded field of parallel policy reviews and inquiries. Meeting the expectations of ministers and sector representatives in such an environment was inevitably going to be difficult.

**Assessing TEAC's Performance**

But how successful or effective was TEAC? What is one to make of the quality and impact of its advice? And what contribution has it made to addressing the central issues and dilemmas currently affecting New Zealand's tertiary education sector?

Any attempt to answer such questions must first grapple with the problem of determining the appropriate criteria for assessing the performance of advisory bodies of this type. Yet this is no straightforward or uncontroversial task. Performance assessment is inherently problematic (Boston, 2000; Controller and Auditor-General, 2001; Parsons, 1995; Pollitt, 1995). Evaluators are typically confronted with a wide range of potentially relevant criteria. Which of these are selected and how they are weighted will inevitably affect the overall nature of the assessment. Moreover, even when there is an agreement on the appropriate evaluative criteria, the relevant evidence is frequently unavailable, incomplete or subject to conflicting interpretations. Additionally, there is the problem of determining what

Table 1 Criteria for evaluating the performance of advisory bodies like TEAC

Performance Dimensions	Specific Criteria
Fulfilment of mandate	<ul style="list-style-type: none"> <li>• Fulfilment of terms of reference</li> <li>• Timely and faithful completion of other assigned tasks</li> </ul>
Procedural issues	<ul style="list-style-type: none"> <li>• Adequate consultation with relevant stakeholders</li> <li>• Effective management of resources and relationships</li> <li>• Sound internal decision-making processes</li> </ul>
Quality of advice	<ul style="list-style-type: none"> <li>• Clear problem definition and faithful representation of the issues</li> <li>• Clear identification of assumptions and guiding principles</li> <li>• Factual accuracy and proper, dispassionate interpretation and use of evidence</li> <li>• Logic, rigour, comprehensiveness and consistency of analysis</li> <li>• Evaluation of an adequate range of policy options</li> <li>• Appropriate consideration of implementation issues and technical feasibility of proposals</li> <li>• Consistency of recommendations with analysis of issues and options</li> <li>• Effective, concise presentation of analysis, arguments, evidence and recommendations</li> <li>• Appropriate use of peer review</li> </ul>
Timeliness of advice	<ul style="list-style-type: none"> <li>• Advice delivered in accordance with agreed reporting deadlines</li> <li>• Timely advice in terms of the government's political needs</li> </ul>
Cost-effectiveness of advice	<ul style="list-style-type: none"> <li>• Prudent use of public funds in preparation of advice</li> <li>• Capacity of other advisers to produce advice of a similar quality more cheaply</li> </ul>

Independence of advice	<ul style="list-style-type: none"> <li>• Willingness to challenge prevailing assumptions, policy frameworks and entrenched interests</li> <li>• Willingness to question current governmental priorities and policy preferences</li> <li>• Willingness to tackle difficult or controversial policy issues</li> </ul>
Support for advice from within relevant policy community	<ul style="list-style-type: none"> <li>• Degree of support from influential interest groups</li> <li>• Degree of support from relevant government agencies</li> <li>• Degree of support from experts in the field, locally and internationally</li> <li>• Degree of public support for key recommendations</li> <li>• Degree of support from non-governmental parliamentary parties</li> </ul>
Impact of advice on policy making	<ul style="list-style-type: none"> <li>• Extent of governmental endorsement of recommendations, especially the major ones</li> <li>• Commitment of government to implementation of advice in the manner intended</li> <li>• Impact of advice on policy makers in other jurisdictions</li> </ul>
Implementation of advice	<ul style="list-style-type: none"> <li>• Extent to which recommendations are implemented within a reasonable period of time</li> <li>• Durability of new policy framework</li> </ul>
Outcome of implementation of advice	<ul style="list-style-type: none"> <li>• Extent to which the outcomes of the policies are consistent with the expectations/predictions of advisory body</li> <li>• Desirability of outcomes (i.e., in terms of the values and goals being sought)</li> </ul>

constitutes “success”: must all the relevant criteria have been satisfied or only some – and if not all, then which ones, and to what degree?

There is not the space here to address such issues in detail. Hence, for the purposes of this exercise it has simply been assumed that the relevant criteria for assessing the performance of an advisory body like TEAC are broadly similar in nature to those which are commonly applied to policy units within government agencies (Hawke, 1993; State Services Commission, 1992; Wolf, 2000). Such criteria, with various

additions and modifications, are set out in Table 1. There is no suggestion that these criteria are of equal weight. For instance, the timeliness of the advice produced by an advisory body is arguably of less importance than its quality – although, naturally, if the advice is unduly delayed it may well end up being ignored, regardless of its merit. Nor is the suggested list necessarily complete; other performance dimensions and specific criteria could doubtless be added. Nevertheless, I am reasonably confident that Table 1 embraces most of the relevant considerations.

The next stage in any evaluation would be to apply such criteria to TEAC. Yet to do this properly would, of course, be a major undertaking. For instance, it would entail a careful assessment of the quality of the analysis and advice contained in each of the Commission's four reports (which, in aggregate, run to over 400 pages and almost 200 recommendations). A further difficulty lies in the fact that it is too early to assess TEAC's performance in relation to some of the suggested criteria. Take, for example, the question of the impact of the Commission's advice on governmental policy making. At the time of writing (January 2002) the nature of the Coalition's response to the Commission's first two, if not three, reports was relatively clear. But whether the government will endorse and implement the major recommendations on funding in the Fourth Report (and, if so, to what extent and in what form) is far from certain. Already a number of significant recommendations have been explicitly rejected, most notably those relating to the current loan interest write-off policy for full-time and low-income students, the proposed indexation of public tuition subsidies (via the development of a separate Tertiary Education Price Index), and the Commission's preference to see an end to the current fee-stabilization regime. Equally, there are doubts over the government's willingness to undertake the recommended review of the existing tuition funding categories or introduce higher entrance standards for undergraduate degrees. And it will be difficult for the new Tertiary Education Commission (TEC) to implement other key recommendations – such as the introduction of a Strategic Development Fund and a Performance-Based Research Fund (PBRF) – if no significant additional funding is available in the next few budget rounds.

#### *Influence on decision making*

Notwithstanding such reservations, it might be argued that the Commission's success rate, in terms of having its recommendations



endorsed by the government, is relatively high. After all, many of the key recommendations in the Second Report (*Shaping the System*) have been accepted and are in the process of being implemented via the Tertiary Education Reform Bill. This includes the establishment of the Tertiary Education Commission – a new Crown entity that will fund and regulate the tertiary sector – and the requirement for tertiary providers to have “profiles” outlining their strategic direction, activities, policies and performance measures over a three-year period. Likewise, TEAC’s proposals to establish Centres of Research Excellence within the tertiary sector (advocated initially in advice to the government in September 2000 as part of the bidding process for the 2001/2002 budget) are in the process of being implemented. Equally, the government’s Draft Tertiary Education Strategy, released in December 2001, largely supports the strategic goals, priorities and proposals (including the idea of a Tertiary Education Scorecard) outlined in TEAC’s Third Report – *Shaping the Strategy* (Office of the Associate Minister of Education – Tertiary Education, 2001).<sup>3</sup>

But if many of TEAC’s proposals have been accepted by the government, they have not always been adopted in exactly the form intended. For instance, while the idea of a TEC has been endorsed, the body that is in the process of being established is substantially different from that proposed. In particular, it will have significantly less statutory independence than TEAC recommended and will have a much more modest policy role than originally intended. There remains the possibility, too, that the government will ultimately merge the New Zealand Qualifications Authority with the new TEC, a move that would run directly counter to TEAC’s advice. On another front, the Centres of Research Excellence that are in the process of being established do not entirely follow the blueprint prescribed by the Commission. And in the regulatory arena, while the government has more-or-less endorsed TEAC’s idea of a “desirability test”, it has not yet made provision for a policy instrument of this nature in the Tertiary Reform Bill. As recommended by TEAC, the proposed test would give the TEC the capacity to decide, in accordance with explicit statutory criteria, not to fund particular programmes and activities. If there is no legislative mandate for such a test, a key element of TEAC’s reform package will be missing (or potentially much weaker than intended).

On balance, then, the record to date suggests that TEAC’s success – as judged by the extent to which its recommendations have been accepted by the government – is moderately good; this verdict will, of

course, need to be revised if additional elements of the funding report are rejected (or implemented in ways significantly different from those proposed).

It might be objected that the apparent success of the Commission in influencing government decision-making merely reflects the fact that TEAC offered advice that was consistent with the Coalition’s pre-determined views. In other words, TEAC simply provided the “flesh” for an existing tertiary education policy “bone” (Labour Party, 1999). There is an element of truth in this assessment, but it should not be exaggerated. Undoubtedly, TEAC’s general policy approach was in line with the government’s preference for a less market-oriented policy framework and its desire for better central “steering”, a more collaborative and differentiated tertiary sector, and greater equity of access to lifelong learning opportunities. However, if the general policy directions recommended by the Commission were broadly in keeping with the Coalition’s preferences, many of the proposed instruments and specific reforms bear little relationship to, and in some cases contradicted, those advanced in the respective election manifestoes of Labour and the Alliance. This is particularly the case in relation to student finance, the role of private providers, the funding of research, the proposed single funding formula, and higher entrance standards for undergraduate degrees. It would be inaccurate, therefore, to suggest that the Commission merely told ministers what they wanted to hear or had already planned to do.

### *The quality of advice*

Arguably the larger, and more important, question is whether the specific advice offered by TEAC was sound. In particular, did the Commission accurately identify the nature of the problem (or problems) afflicting the tertiary sector, and was the “problem definition” clearly articulated and broadly agreed amongst stakeholders? Equally, will the Commission’s proposals, if implemented, address the identified problems, achieve their intended outcomes, and do so with few unintended adverse effects? For instance, will they produce a more efficient and cost-effective tertiary sector, and one better equipped to contribute to the country’s wider social, economic, environmental and political needs? Will they reduce the degree of inefficient and wasteful competition between tertiary providers, while at the same time avoiding significant additional compliance costs or a loss of responsiveness and innovation? Will they enhance the quality of

research and tuition within the tertiary sector, and improve the international standing of New Zealand tertiary providers and their qualifications? Will they generate greater systemic and programmatic diversity and reduce the pressures for institutional homogeneity (including the pressures for more polytechnics to become universities)? Will equitable access to lifelong learning opportunities be enhanced, especially for those who are currently relatively disadvantaged (such as Maori and Pacific peoples)? Will tertiary providers enjoy greater funding predictability and thus the opportunity to plan more effectively? Will TEC be able to ensure high levels of academic freedom and provider autonomy while enhancing the accountability of the sector? And will it be possible to manage a transition to a new regulatory and funding framework in the context of continuing fiscal stringency, without placing the financial viability of additional providers at serious risk?

Such questions are difficult to answer and, as one might expect, have already generated different responses from spokespersons and experts within the tertiary sector. Needless to say, it is hard, given my role in TEAC, to set aside my own particular predilections and offer an impartial judgement (whatever "impartial" might mean in these circumstances). A number of general observations, however, are worth making.

To start with the obvious: any evaluation of the merits of TEAC's proposals is bound to be coloured by the ideological stance of the assessor. Those favouring "market" solutions and preferring a minimalist role for the government in tertiary education (and thus only limited regulation, ownership and funding of tertiary providers) will necessarily be critical of TEAC's proposals for somewhat greater regulation of the tertiary sector than has recently been the case. Conversely, those favouring a much larger role for the state (in terms of central planning, regulation, resource allocation or funding levels), those sceptical of mainly student-driven funding systems and those opposed to private providers receiving public funds (or receiving public funds on more-or-less the same basis as public providers) will naturally be disappointed that TEAC failed to recommend a more radical shift away from current policy settings. Those favouring a "middle" or "third" way, by contrast, are likely to find the Commission's proposals (or at least some of them) rather more appealing.

But while ideology will inevitably influence the nature and tone of any analysis, there are a variety of possible lines of inquiry open (and

typically acceptable) to those of different normative dispositions. For instance, it might be argued that the best way to test whether TEAC's proposals produce their desired outcomes would be to implement them – fully and comprehensively. Yet even in the unlikely event that such an "experiment" were to be conducted, it would not be possible to draw incontrovertible conclusions. After all, it will be many years before the full impact of some of the proposed changes (such as the introduction of a performance-based research fund) can be properly assessed. Additionally, all the standard problems of evaluation will remain: limited information, measurement difficulties, problematic relationships between cause and effect, determining the appropriate counterfactuals,<sup>4</sup> determining the specific impact of different elements of the reform package, and dealing with the problem of incommensurability. In any event, it is already apparent that not all of TEAC's proposals will be introduced, or implemented in the manner intended. Accordingly, there will not be the opportunity to conduct a thorough-going experiment to test the merits of the proposed integrated package of reforms.

An alternative approach would be to employ the tools of comparative analysis. After all, many other countries use regulatory and funding mechanisms similar to those proposed by TEAC (Dearing, 1997; Goedegebuure, 1994; Henkel & Little, 1999; Kemp, 2001). It is thus possible to draw on overseas experience to assess the likely impact of some of the Commission's proposals. For instance, a system of profiles has been employed in the Australian higher education system since the late 1980s, a growing number of countries have performance-based research funds, numerous countries have Centres of Research Excellence (of various kinds), most jurisdictions have uniformly-applied, merit-based entry to undergraduate degree programmes, and many countries have intermediary bodies (not unlike TEC) for regulating and funding their tertiary education providers. For those who turn to overseas models to assist in assessing TEAC's recommendations, it is important to bear in mind that what works in one jurisdiction may not work in another, or may work rather differently (for a variety of institutional, cultural, bureaucratic or other reasons). Similarly, it is unusual to find that experts agree about the merits of particular policies. Thus, for example, the performance-based research funding models that are used in countries like Britain and Hong Kong have both ardent advocates and passionate critics. Likewise, the members of TEAC who spent time in Canberra in April 2001 talking to officials and sector experts discovered rather divergent views about both the concept of

provider profiles and the impact of profiling on institutional behaviour (Boston, 2001). On a different front, several of the Commission's more radical proposals, such as the recommended single funding formula (and its various components), have no counterpart elsewhere in the world. Overseas experience, therefore, cannot form part of any assessment of their likely merits.

Yet another approach would be to consider the feasibility of the Commission's proposals, drawing on experience, where relevant, from other policy arenas. For instance, how practical is the proposed profiling regime, and is a relatively small funding body, such as TEC, likely to have the knowledge and resources to negotiate (in a comprehensive fashion) detailed profiles with hundreds of different providers? If not, will the new profiling system generate the benefits expected? Similarly, whatever the conceptual merits of the proposed desirability test, what are the probable difficulties that TEC will confront in trying to determine whether specific activities and programmes (of which there are many tens of thousands) are consistent with a provider's charter and profile, and whether they produce "sufficient net benefit" to justify public funding? Equally, what are the practical implications of the proposed single funding formula, and what problems are likely to arise in moving away from the current purchase model that applies to most of the programmes funded by Skill New Zealand? Such questions are perfectly reasonable, and in my view TEAC failed to give them sufficient attention.

Other possible ways of assessing the merits of the Commission's proposals can also be identified. One of these would be to examine how the various recommendations might alter the incentives (financial and non-financial) affecting different stakeholders within the tertiary sector, including learners, researchers, administrators, third-party funders, and so forth. The key question in this regard would be whether the new structure of incentives is likely to produce behavioural changes of the kind envisaged by TEAC. A related, but different, approach would be to consider the distributional impact of the various changes to the system of funding. It should be noted that TEAC (with assistance from the Ministry of Education) sought to model the impact of its proposed changes, but made only modest progress – not least because of the difficulties of deciding what assumptions should be made about the likely structure of tuition funding subsidies following the proposed review. And any modelling based on the existing funding categories would have been seriously flawed. For such reasons, claims by various

sector representatives about the likely impact of TEAC's proposals on particular providers, or types of providers, need to be treated with appropriate caution.

Finally, the overall impact of TEAC's proposals will be greatly affected by the context – particular the financial context – in which they are applied. In my view, a major, and perhaps overriding, influence on the performance of the tertiary sector in New Zealand over the coming years will be the total quantum of resources available and, more specifically, the real level of funding per equivalent full-time student (EFTS). If the government continues to operate a fee-stabilization regime (of a relatively inflexible kind) and does so in a context where the increase in public tuition subsidies is very modest (with the result that funding per EFTS remains more-or-less constant in real terms), then many tertiary providers will experience continuing financial strain, student/staff ratios are likely to deteriorate further, and the quality of tuition and research will be put at risk. Moreover, as noted above, any attempt to implement TEAC's proposed changes to the funding system in such an environment could have significant adverse consequences, and threaten the financial viability of many providers.

## **Conclusion**

Drawing on the experience of TEAC, this article has examined the conditions which influence the effectiveness of relatively short-term advisory groups, and the criteria for assessing their success. It has also attempted, albeit in a limited fashion, to indicate some of the lessons for policy making which can be gleaned from the Commission's operations.

Although it is too early to make hard or fast judgements, I believe that there are grounds for asserting that TEAC has been amongst the more influential advisory bodies to be established in the tertiary education sector in New Zealand over recent decades. To be sure, its policy impact is unlikely to be as great as the paradigm shift effected by the Hawke Report in the late 1980s. Against this, there are indications that the Commission's advice will have a significant impact on a range of matters, including the institutions for managing the tertiary sector, the regulatory framework and funding arrangements. Moreover, judging by the responses of opposition parties, it seems reasonable to suppose that most of the changes currently being introduced or seriously considered by the Labour-Alliance Coalition will survive a change of government, and thus prove relatively durable.

Regardless of the merit or otherwise of the Commission's numerous policy proposals, TEAC made a sincere effort to address at least some of the enduring problems facing the tertiary sector, including the issue of how best to ration scarce public and private resources and the question of what the policy priorities should be over the medium term. I readily admit, however, that a number of other significant issues received too little attention. These include governance matters, equity issues, student finance (including both loans and allowances), and the policy challenges posed by the increasing globalization of education markets. Such issues – which are currently exercising the minds of policy makers in many other jurisdictions – will require sustained attention over the coming years.

Finally, to those disappointed by the Commission's failure to propose a more comprehensive and radical departure from the prevailing (largely) neo-liberal policy paradigm, it is worth stressing that it was almost inevitable – given the Commission's composition and terms of reference, and the informal pressures on Commissioners to compromise often long-held positions in the interests of reaching a jointly-agreed view wherever possible – that TEAC would steer towards a "middle" way of some kind. On occasions, of course, such compromises were not forthcoming. In such instances, notably in the Fourth Report, policy makers have the benefit of a number of minority views. On balance, and with the benefit of hindsight, I think the quality of debate on tertiary issues would have been better served if such minority views had been offered, where required, in earlier reports and if such views had been more fully developed. But this perhaps points to a much larger question, namely, how, in a small democracy like New Zealand, is it possible to generate a lively, informed debate on critical policy issues? Bodies like TEAC can undoubtedly make a contribution, but it will inevitably be modest.

#### Notes

1. The Commission's budget was around \$1.3 million, on an annual basis. By comparison, the Royal Commission on Genetic Modification, which delivered its report in early August 2001, received close to \$5 million over a period of about 15 months.
2. The members of the Commission were: Norman Kingsbury (chairperson, April-November 2000); Russell Marshall (chairperson, December 2000-December 2001); Jonathan Boston, Shona Butterfield (June-December 2001), Hugh Fletcher (December 2000-December 2001), Tony Hall, Patricia

Harris, John Ruru, Linda Sissons (April 2000-early 2001), Ivan Snook, and Linda Tuhiwai Smith.

3. It should perhaps be added that the government also accepted the Commission's advice that TEAC should be abolished if a Tertiary Education Commission were to be established.
4. Counterfactual - an event that has not happened, but might occur under different conditions; a benchmark against which the impact of any change in settings can be measured.

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