

The relationship between Universities and Government in New Zealand

INTRODUCTION

I am told that the University of Cape Town can trace its roots to the South African College founded in somewhere in the 1820s. If so, this city has some claim to be Africa's oldest 'modern university' city – putting aside places of learning like Alexandria that have arguably hosted higher learning for around two thousand years.

So, it is a pleasure to be in this lovely, and on this occasion, *historic* university city.

I should make it clear that the comments I offer today on this subject are not of course official comments in my capacity as Privacy Commissioner, nor in any way reflective of the New Zealand government. They are personal views, asked of me only last week as I prepared to come to the meeting. It will not surprise you that in a nice example of cooperation between government and university, I have drawn extensively on comments from Dr Andrew Ladley, Director of the Institute of Public Policy in the School of Government at Victoria University of Wellington. Andrew tells me that apart from anything else, he graduated in the 1970s from the University of CapeTown. If there are matters of detail, he is happy to correspond about them by email (you can get details from www.ips.ac.nz).

For the sake of brevity, I have framed my brief remarks for this discussion around three propositions that might have some general relevance to most Commonwealth members, but which are particularly shaped around New Zealand experience:

- first it is important to remember that the modern university, however “independent in its teaching and thinking”, has always in some measure been responsive to government policy, especially relating to higher education. This does not mean that governments should directly tell universities what to research and teach in a political sense – but it does mean that we need to understand the relationship between government and university within the broad framework of policy, especially education policy;

- secondly, relationships between government and universities need to be seen in the context of what can be quite dramatic policy changes affecting higher learning and state-funded research; and

- thirdly, a very interesting and interactive relationship has developed between Universities and Government in New Zealand, particularly in the capital city, Wellington.

Proposition 1: MODERN UNIVERSITIES ARE CREATURES OF STATUTE AND OF PUBLIC POLICY

We might almost regard a general definition of 'modern universities' as those founded by statute, mostly in the twentieth century, to advance higher learning and knowledge.

As creations of parliaments, modern universities are thus inevitably in some measure instruments of public policy – in this case, the policy of providing higher education and training for intellectual leadership in all aspects of the society, and the related goal of ‘growing knowledge and understanding of the meaning of things’ – which we call collectively: ‘research’.

All universities probably share the maxim ‘rerum cognoscere causas’ – (to know the causes of things) – which is, incidentally, the maxim of the London School of Economics, founded initially by charitable donations and then absorbed into the University of London.

The current statute for Victoria University of Wellington in my home town in New Zealand, phrases its purposes simply:

“For the advancement of knowledge and the dissemination and maintenance thereof by teaching and research there shall be ... a University to be called the Victoria University of Wellington.”

(section 3 of the Victoria University of Wellington Act 1961)

In general, the establishment of modern universities should be seen as directly accompanying the rise of representative legislatures. As the franchise expanded across the 20th century, so each state increasingly took on responsibility for mass education from childhood onwards. Universities were founded to advance the peak of higher knowledge for the economy and as part of what the 20th century will surely record as the steady expansion of democratic values.

The democratic basis is seen simply in the imperative that there be public educational opportunities at all levels, to which all citizens might have access, albeit that there would be a requirement of academic merit.

In the absence of substantial charitable funding in most countries, only *governments* could provide the capital backing to start universities. This was certainly the case in New Zealand. This means that apart from student fees (which are quite new in New Zealand, having been introduced only in the early 1990s), and some outside funding from donors or industry, most modern universities are highly dependent on government funding, and see themselves as ‘public institutions’ serving the people, the democracy, and the economy in a particular way.

Universities are not of course, government departments, subject to Ministerial or political direction in their basic activities. But they are accountable in some way to the people and taxpayers – as well as to their students, staff and wider community. In general, University governance is through Councils made up of elected members of the University, but with some government appointees, or other constituent representatives, to ensure public perspectives are brought to bear on governance.

The extent of public funding has encouraged some governments to try to control universities, without accepting their autonomy in relation to knowledge and freedom of expression. We all know of societies where these clashes have been dramatic, and

certainly in New Zealand, students and staff have a long and proud history of being in the vanguard of changes to values and arguments.

Actually, the most resistance in the universities at the moment in New Zealand relates not to some wider values, but to the funding structure which has seen a generation of students start their working lives with more debt than at any other time in the country's history.

As a general statement, whilst we must accept the public nature of universities, their relationship with government is always also going to reflect the values that the government is putting into law across the board, as well as the specifics of education policy.

And the more repressive a government, the more one might expect voices of disagreement to be found in places of higher learning - and the more one might expect governments to try to further repress such voices. I suspect that all Commonwealth countries will have examples that illustrate this. Some are very current.

Proposition 2: RELATIONSHIPS BETWEEN GOVERNMENT AND UNIVERSITIES NEED TO BE SEEN IN THE CONTEXT OF WHAT CAN BE QUITE DRAMATIC POLICY CHANGES AFFECTING HIGHER LEARNING AND STATE-FUNDED RESEARCH

Putting aside wider political or world issues (such as the Vietnam War, or the Springbok Tour), we need to concentrate on changes to state policies for higher learning and research.

In New Zealand, these policies have taken a variety of courses since the various university colleges were founded about the turn of the 20th century in different cities. Across the course of the century, we have seen the original 'federal university' broken into separate universities in cities. As might be expected, the state has legislated to form other institutes of learning to fill skill or training gaps, especially in skills and trades (eg polytechnics, teachers colleges, nursing colleges). As regards high level research, the government formed the Department of Science and Industrial Research (DSIR) early on, to accumulate practical and high level applied research that would be of benefit to the core needs of the New Zealand economy, especially in primary industries.

As might be expected in a small country with limited resources, government policy and the legislation initially ensured there was some specialisation in the universities. For example, of the 8 modern universities, only two (Massey and Lincoln) focused on agriculture and forestry, two on engineering (Auckland University and Canterbury University in Christchurch) and two on Medicine (Otago in Dunedin and Auckland University). Most universities had general students doing 'catch-all' degrees, such as the standard BA and BSc. But otherwise, Government funding and the orientation of the universities was directed towards reasonable specialisation.

In the 1980s and 90s, government policy changed course dramatically. The DSIR was broken into 'Crown Research Institutes' expected to produce market-relevant and funded research and a dividend to the Government. Funding for universities was

altered to ensure a proportional government subsidy for every student, no matter what course was being taken. Universities could charge fees on top of the government subsidy. Student loans were offered to encourage students to undertake higher education.

The result was a massive increase in enrolments, with NZ jumping from a very low proportion of only the brightest school leavers going to university (about 1/3) to about 2/3 post-school engagement in higher education. But (and in retrospect predictably), Universities also shifted their strategies to attract students, especially into low-cost/high-return courses, like the BA and Commerce. Teaching, rather than research, was very highly rewarded by the subsidy scheme. Some universities set up new satellite campuses in other population centres, rather than relying on their basic locations, so that they could attract students. *Competition* was assumed to be driving educational strategy, not core policy aimed at maximising value for each education dollar spent in universities.

Over the last few years in New Zealand, this core policy has begun a slow road towards 180degree reversal, basically towards trying to ensure more specialisation, the allocation of funding towards preferred courses needed in the economy, an entirely new funder (the Tertiary Education Commission) whose job it is to channel funding on a more strategic basis than just enrolments), and an entire new funding scheme (the Performance-Based Research Fund) aimed at encouraging research.

At the same time, the Crown Research Institutes are being weaned off the ‘market-driven’ model, and being given longer-term stable funding to enable them to keep highly skilled people who have increasingly left New Zealand rather than live with the instability of losing their job at the end of each research contract.

In short, the ‘market-model’ is regarded by the current government as not having worked for the best interests of New Zealand, and it is being re-shaped so that the ‘visible hand’ of government directs resources in a more coherent way.

It is too early to assess this policy reversal. No doubt, each Commonwealth jurisdiction will have its own variation of this theme about government policy. In South Africa, a major theme will of course have been government policy as regards race and university education. But whatever the variation, the point is that we need to understand relationships between government and universities within the context of what can be dramatic general shifts of education policy and funding.

Proposition 3: A VERY INTERESTING AND INTERACTIVE RELATIONSHIP HAS DEVELOPED BETWEEN UNIVERSITIES AND GOVERNMENT IN NEW ZEALAND, PARTICULARLY IN THE CAPITAL CITY, WELLINGTON.

In a small jurisdiction like New Zealand, it is inevitable that many people in government, both at the political level and in the bureaucracy, will know staff and students in universities. That is especially so in a small capital city like Wellington. The result of that ‘smallness’ is that university expertise tends to get called on in all sorts of ways by government, from policy advice to expert comment, to secondments for particular functions.

But, at least in New Zealand, those interactions always need to recognise the distinctive roles of government and the academy. For the universities, then result of all the changes to government funding has focused the Universities on core business. They seek to interact with government to ‘advance knowledge’ by teaching and research – and *in particular, to ensure that their interaction is funded...*

In other words, whilst the network of working relationships is very strong, there is no longer any free lunch for government at New Zealand universities if something other than ‘the advancement of knowledge by teaching and research’ is on the table.

I gather that universities tend to look very closely at requests from government to assist in some way. The question is: does this relate to a funded *teaching* course? (if so, come and take the course, and pay). Or, how might this advance *research*? (and if it does, how can we agree payment for that, rather than just doing it for the hope of an academic publication?)

Here, I only have time to elaborate on two examples that might be of interest to this meeting to illustrate effective collaboration between universities and government.

The first relates to the School of Government at Victoria University, formed in 2002 to teach and research public policy, public management and strategic studies. One of the components of that School is the Institute of Policy Studies. This was actually formed in the university well before the School, back in 1983, to be a forum for the neutral discussion and analysis of important questions of public policy, and as such to be a trusted bridge between the university and government. Over the intervening 24 years, a great many difficult and sensitive policy issues have been researched, discussed and disseminated by the Institute.

One example is the transition from first past the post voting to proportional representation, which was a very major constitutional change in New Zealand. In my capacity as then Cabinet Secretary, I was very pleased to see the IPS playing a key role in bringing together opposing political parties, and indeed officials, into trusted university environment. This allowed the issues to be worked through sensibly, so that there were no surprises and a major change took place smoothly. At the same time, a number of academics undertook a substantial research project to monitor and assess the changes, resulting in several books and many learning articles.

A more recent example of how the Institute works is the “emerging issues project”. In 2004, Chief Executives of Government departments in New Zealand agreed to ‘pool’ a component of their research funding to fund research and discussion of “cross-cutting emerging issues”. That pooled fund was then allocated that to the Institute of Policy Studies in the School of Government, to undertake research and discussion of new issues that are likely to affect all of government.

On that basis, the IPS has led academic and public discussion over the last few years about aspects of climate change. Behind this academic discourse, core government policy will inevitably be formed, and the university will no doubt comment on that as it sees fit. But in raising hard issues, and in particular in bringing together a very wide range of informed opinion into the university, the IPS has played a critical role. This

is then reflected in several publications, and of course in the teaching that results to students of public policy.

The second example, also from Victoria University of Wellington, but reaching widely across Australia too, is the Australian and New Zealand School of Government, otherwise affectionately known as ANZSOG.

ANZSOG is a very dramatic development reflecting a close relationship between governments and universities in Australia and New Zealand. It was formed in 2004 as a company - its shareholders are 10 universities in Australia and NZ, the governments of Australia and New Zealand, and the governments of the states of Queensland, New South Wales, Victoria, Western Australia, and the Australian Capital Territory. (It is expected that South Australia and the Northern Territory will one day join)

This joint venture aims at pooling resources so that world class higher education can be given to public servants, on a scale that single institutions simply could not provide on their own. Through the respective universities, ANZSOG offers a Masters Degree (Executive Masters in Public Administration), and a Senior Fellows Programme involving chief executives who meet for advanced discussion.

Thus far some 400 senior public servants have taken the courses, or are in the progress of doing so. The School of Government at Victoria University is the principal New Zealand partner in ANZSOG (apart from the NZ government as shareholder). I suspect you will hear more about ANZSOG in the years to come. In the meantime, type ANZSOG into Google, and you will find details.

CONCLUSION

My starting point is that universities are public institutions in New Zealand and as such are shaped by public policy. That policy has changed dramatically, including over the last few years. The current emphasis is on getting better value by strategic spending, not just funding student enrolments for whatever courses they choose. These policies affect the relationships between universities and government. Prime current examples of how those relationships are playing out, are the School of Government, the Institute of Policy Studies, and the related Australia and New Zealand School of Government (ANZSOG). The key to these relationships, is that whilst a trusted and collegial network exists, both government and the university recognise that their relationship is based on respect for separate roles – *and on appropriate funding*. The collaboration appears to be very successful, but as Mao Tse Tung is reported to have said when asked whether he thought the French Revolution was successful, perhaps it is too early to be sure...