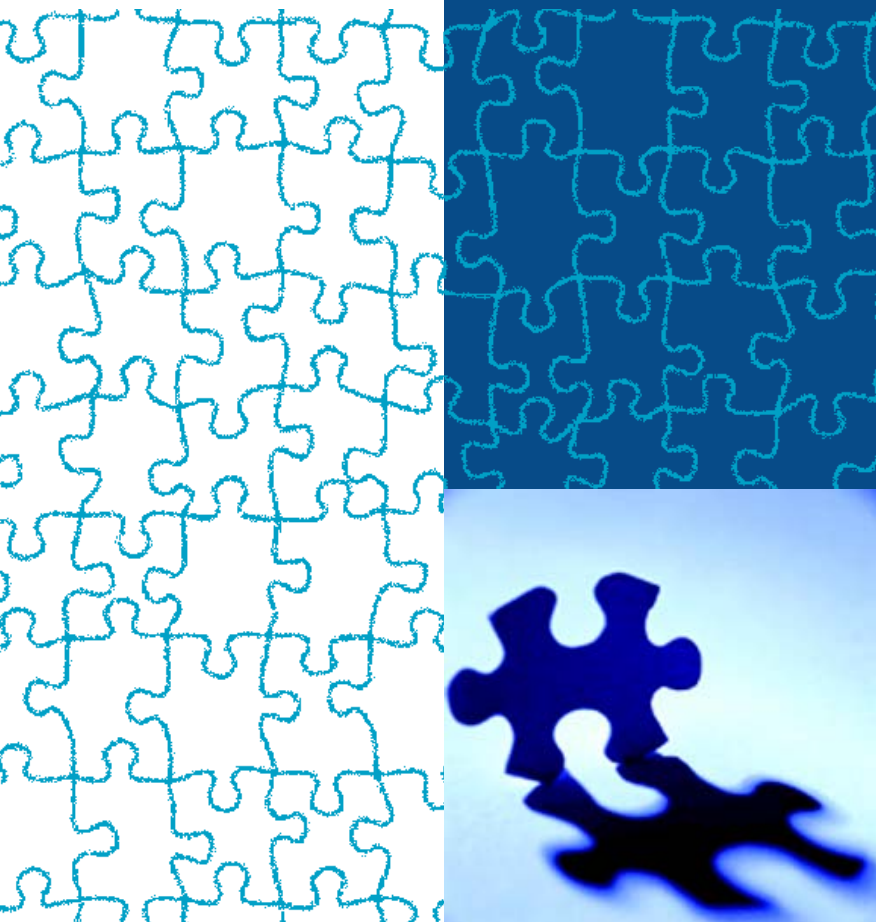


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Collaborating
for Efficiency

Report of the
Staffing
Sub-group



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Executive Summary

The purpose of this report is to identify opportunities for, and constraints on, collaboration in the use of staffing resources across the publicly funded tertiary education sector, that are consistent with the aims of the Tertiary Education Strategy and the initial Statement of Tertiary Education Priorities released in 2002. In reaching its conclusions and recommendations, the Staffing Sub-group undertook a survey of collaboration and also sought to obtain information about staffing practices, related to efficiency, throughout the sector.

Staffing costs in public tertiary education institutions form the largest budget item. Experience in the sector suggests that staffing costs are one of the most difficult to predict and manage, particularly in relation to readjustments of institutional business brought about by a system based on student-driven demand.

The report outlines current practices in the sector and indicates the major issues impacting on enhancement of efficiency and the factors influencing collaboration. Examples of current good practice in collaboration are identified. The importance of recognising the particular character of each sub-sector and individual institutions is critical to avoiding over-generalisations about opportunities for and performance, in both generating efficiency gains and enhancing collaboration.

There is already considerable evidence of effective collaboration across the sector. Collaboration *per se* may not be a major factor in reducing costs, but often yields improved learning opportunities and outcomes for students. Economic benefits of collaboration may be realised more in increased effectiveness than in efficiency. Critically, the number of students drives the amount of funding available to an institution, while it is the number of courses delivered that drives staff numbers. These are important elements in the overall equation that determines institutional involvement in collaborative ventures.

In broad terms there are three categories of collaborative venture:

1. Regional alliances that aim to maximise cooperation in best practice, cost efficiencies and collegiality.
2. Alliances by institutional type that brings together institutions to grow and develop specific opportunities.
3. A range of bilateral arrangements.

In relation to efficiency it is recommended that there should be initiatives in the following areas:

1. Systems to consistently measure staff workloads.
2. Enhance the quality of HR practice.
3. Consistent national data collection relating to the TEI workforce. This should include data on the categories of staff employed, discipline related staff data, casualisation and trends in qualifications, retention and turnover.
4. The impact of qualification replication on the effective use of the staff resource.
5. Incentivising improvements in the efficient use of the staff resource.

In promoting the case for increasing collaboration there should be further investigation of:

1. Developing cross-representation on the councils of institutions.
2. Promoting the benefits of collaboration in the development of Charters and Profiles for institutions and the creation of specific incentives for enhancement of collaboration.
3. Limiting the proliferation of tertiary qualifications, in the national interest, with promotion of the benefits of franchise and articulation models to promote more effectively the use of elite staff and specific resources to enhance educational outcomes for students.

A good number of the current approaches to enhanced efficiency and effective collaboration occur outside of traditionally defined structures and agreed models. There is a strong case for developing an independent research capability to create a stronger base of understanding for such ventures to develop in the future.

1. Introduction

1.1 Overview

The purpose of this report is to evaluate possible models for collaboration across the publicly funded tertiary education sector, that are consistent with the aims of the Tertiary Education Strategy (TES), released in 2002. In reaching its conclusions and recommendations, the Staffing Sub-group undertook a survey of a number of current examples of collaboration and also sought to obtain information about good and deficient HR practices, related to efficiency, throughout the sector. The Terms of Reference for the Staffing Sub-group are appended. (Appendix A)

Staffing costs in public tertiary education institutions currently form the largest budget item. Experience in the sector suggests that staffing costs are one of the most difficult to predict and manage. This is particularly so in relation to rapid readjustments of institutional business brought about by a competitive market system based on student-driven demand that influences student enrolment, and may impact on research and other revenue streams.

The emergence of the competitive environment in tertiary education provision followed the introduction of the Education Act 1989 and the later impact of the Employment Contracts Act 1992 (in relation to staffing). This legislation confronted the sector with the competing challenges of ensuring consistent and prudent management of institutional business, while operating in a highly competitive and changing market place. Additionally, institutions have been faced with declining Government funding per equivalent fulltime student (EFTS). Notwithstanding increases in student participation, the dominating significance of staffing and associated costs during this period of declining revenue per EFTS, presented a significant challenge to many institutions.

The experience of the 1990s has provided a useful base for determining both good and deficient practices by institutions in allocating staffing expenditure and in the management of their staffs. The changes envisaged with the establishment of the Tertiary Education Commission (TEC) and the implementation of the TES and Statement of Tertiary Education Priorities (STEP) provide an opportunity for a shift in focus that could reduce inter-institutional competition and promote the value of collaboration. While this shift in emphasis is at an early stage, there is sufficient experience in the last decade to suggest that effective collaboration throughout the sector is both possible and able to make a significant difference to behaviour in the sector. This report puts significant weight on current experience and identifies good practice exemplars that should provide models for future opportunity. In addition, the report identifies factors that limit

collaboration and its effectiveness. The Sub-group has taken a balanced approach to identifying benefits, which may include more effective resource use and additionally, enhanced educational opportunity, improved access and improvements in academic quality which directly benefit the students.

The Staffing Sub-group's approach recognises the opportunity created by TES and, in particular, to contribute to the achievement of *Strategy One: Strengthen system capability and quality* and *Strategy Six: Strengthen research, knowledge creation and uptake for our knowledge society*. These two strategies provide the overarching context for improving efficiency in the management of the staff resource and seek to enhance effective collaboration. Promotion of these improvements supports implementation of the additional four strategies contained in the TES, with notable emphasis on *Strategy Two: Contribute to the achievement of Māori development aspirations* and *Strategy Three: Raise foundation skills so that all people can participate in our knowledge society*.

Linkages to the Tertiary Education Strategy and the STEP

Extract from Six Strategies 2002/07, STEP

Strategy One:

Strengthen system capability and quality

- 1 Improved strategic capacity and leadership at both governance and management levels
- 2 Increased differentiation and specialisation across the system
- 3 Greater collaboration with the research sector, the creative sectors, industry, iwi and communities
- 5 A strong system focus on teaching capability and learning environments, to meet diverse learner needs
- 7 A coherent and reliable system of qualifications, learning recognition and credit transfer

Strategy Two:

Contribute to the achievement of Māori development aspirations

- 13 A tertiary education system that makes an active contribution to regional and national Māori/whānau/hapu/iwi development

Strategy Three:

Raise foundation skills so that all people can participate in our knowledge society

- 14 Significantly improved adult foundation skill levels, achieved through increased access to foundation education in a range of learning contexts
- 17 Improved linkages between secondary and tertiary education and improved staircasing within tertiary education

Strategy Six:

Strengthen research, knowledge creation and uptake in our knowledge society

- 32 A more focused tertiary research investment through world-class clusters and networks of specialisation
- 33 Greater alignment of tertiary education research with national goals.

It is stressed that the sector is not a holistic entity and should not be treated as such. It is differentiated in terms of the types of institutions and their missions relating to varying educational objectives. The concept of a differentiated sector is critical in understanding, in particular, EFTS:FTE ratios, types of programmes, research intensity, staffing priorities, institution infrastructure and costs.

The Sub-group has reflected on what has been experienced through the last decade. It recognises the need for improvement and develops a positive proposition that is consistent with the TES and the steering that is likely to be applied by the TEC. The Sub-group also recognises that publicly-funded support for tertiary education opportunities on both a national and regional basis is a significant challenge and one that impacts on the level of efficiency achieved in managing staff resources. Providing enhanced opportunities for collaboration across the sector may assist in meeting regional and wider educational objectives.

There is significant evidence of collaboration across the tertiary sector, particularly in the sharing of information that has limited direct commercial value. Section 5 outlines the positive examples of collaboration in high-level policy and process development, quality assurance, research and scholarship and in areas related to student assessment. The establishment of collaborative efforts designed to improve utilisation of key staff resources and enhanced academic programme quality, are more limited and impacted by the issues considered in Section 5.

1.2 Governance and management of TEIs

The legislative environment of the 1990s led to the development of short-term perspectives in the governance and management of institutions. The dominant emphasis on a market-led approach did not return sustainable approaches. This has resulted in consequential negative impacts on establishing efficiency of institutional performance, and specifically the efficient deployment of the staffing resource, as a long-term priority. Governing bodies must take some responsibility for creating this environment and in their expectation of the performance of Chief Executive Officers. The significant variations in performance across all TEIs reflect the overall conditions impacting on the sector and the extent of the volatility, neither of which promoted the achievement of clear efficiency goals.

The difficulty associated with achieving efficiency gains in a highly competitive environment was not conducive to collaboration. This is not to suggest that collaboration did not occur, but there is little evidence that such ventures were driven by possible efficiency gains. Most collaborative ventures were driven by student capture objectives that were financially beneficial to individual institutions, rather than gains in overall efficiency by the sector as a whole. The notable exception to this generalisation has been the continued value placed on research collaboration, particularly by the universities. Although in the context of the highly competitive nature of the sector, in many instances it was easier to develop research cooperation with Crown Research Institutes or overseas institutions, rather than other New Zealand universities.

The apparent lack of business-focussed inter-institutional cooperation among TEIs could reflect some fundamental issues related to governance. The restriction on individuals holding double or multiple memberships of TEI Councils is a possible inhibitor to the required high-level support for collaboration. An amendment to Council membership rules could assist collaboration and be consistent with the establishment of regional and broader tertiary alliances and achievement of goals focussed on collaboration. The findings of the current Review of Governance may be germane.

The role of the Chief Executive Officer in the 1990s environment promoted achievement of short-term goals above longer-term success. The pressure for early and immediate success is at odds with goals promoting sustainability, long-term efficiency and collaboration in the national interest. Autonomy is a critical element in the perception of tertiary institutions as being independent and contributing to the objectivity required to support an informed society. Developing and achieving longer-term goals involving collaboration has been significantly hindered by the market-led approach of the previous decade. The Sub-group notes however, that a strongly centralised approach to defining the resourcing and activities of TEIs does not offer a solution, although some centralised intervention would permit improved efficiency gains and promotion of collaborations that were in the national interest.

The Sub-group believes that the establishment of the TEC and the light-handed steering likely to be applied by the TEC could provide TEIs with appropriate incentives to make more effective use of staff resources to improve efficiency and enhance collaboration.

1.3 Staffing standards, risk assessment and management

The Tertiary Advisory Monitoring Unit (TAMU) collates and analyses sector-wide personnel information, but only on the basis of an annual snapshot of the sector using information that is inconsistent from institution to institution. Lack of good quality information has been an issue for the Sub-group. The present high level analyses reflect the considerable range of institutional approaches to the application of staff resources to meet key institutional outputs in teaching, research, extension and associated activities.

The wide institutional variation in the application of the staff resource and consequential impacts on efficiency and effectiveness are in part, a response to the widely differing nature of TEIs, their programmes and their students. A better understanding and reinforcement of these differences is a key to understanding how overall improvements can be made across the sector or parts of it. At its most fundamental, the issues suggest that care should be applied to single, universal approaches to funding across all sub-sectors.

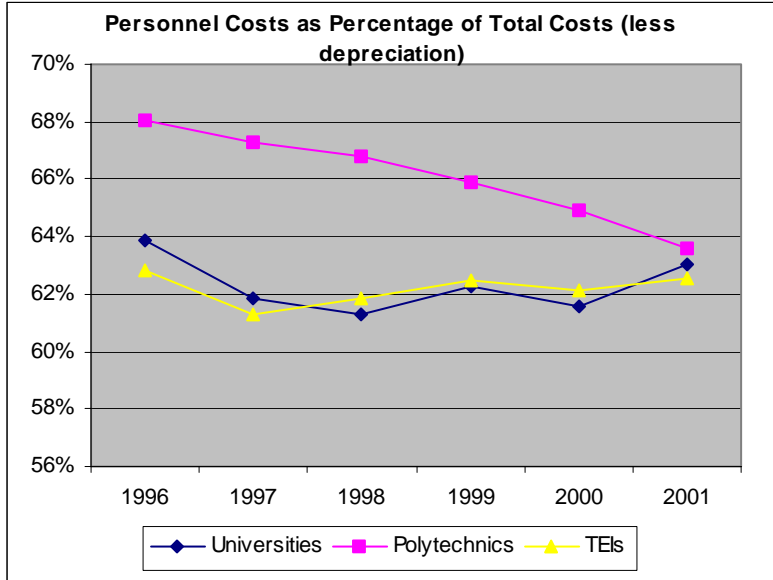
At present there is no agreed and systematic process for ensuring that staffing data is consistently reported. The total staff in full-time equivalents (FTEs) and the qualitative and quantitative breakdown by employee groups does not receive the same critical process analysis as does the calculation of EFTS. The absence of a standard set of protocols makes comparative analysis between institutions and between sub-sectors of questionable value. It would be useful, therefore, if standard protocols were developed, at least within each sub-sector.

The lack of standard protocols also reflects the difficulty of determining appropriate benchmarks for efficient deployment of staff in the delivery of courses, programmes and services to students. While institutions legitimise variations in approach through terms in collective agreements, their detailed application, implementation and measurement is not always apparent. There is clearly institutional risk associated with such informality. Additionally, the Government, as the principal funder, has an interest in more consistent and reliable performance and reporting.

The lack of a consistent and unified approach to describing the staff resource and its management does not enhance the development of collaboration, *per se*, but neither is there evidence to suggest that it fundamentally prevents collaboration.

There are no defined staffing standards for the tertiary sector, although some proxy measures, notably EFTS:FTE ratios, purport to establish a measure that can be used for comparative purposes. The following data supplied by TAMU

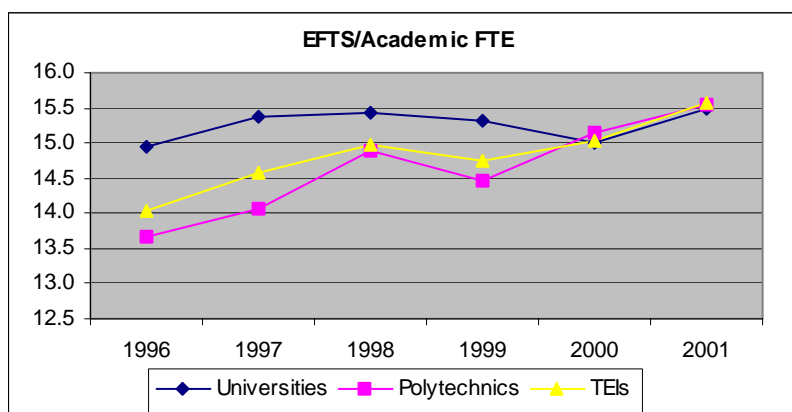
contains trend information for the period 1996-2001 for each sub-sector and TEIs as a whole.



Personnel Costs as a Percentage of Total Costs (less depreciation)

	1996	1997	1998	1999	2000	2001
Universities	63.8%	61.8%	61.3%	62.2%	61.6%	63.1%
Polytechnics	68.1%	67.3%	66.8%	65.9%	64.9%	63.6%
COEs	27.3%	29.2%	50.9%	51.5%	60.6%	60.1%
Wānanga	8.0%	0.0%	0.0%	37.6%	34.7%	40.1%
TEIs	62.8%	61.3%	61.8%	62.5%	62.1%	62.5%

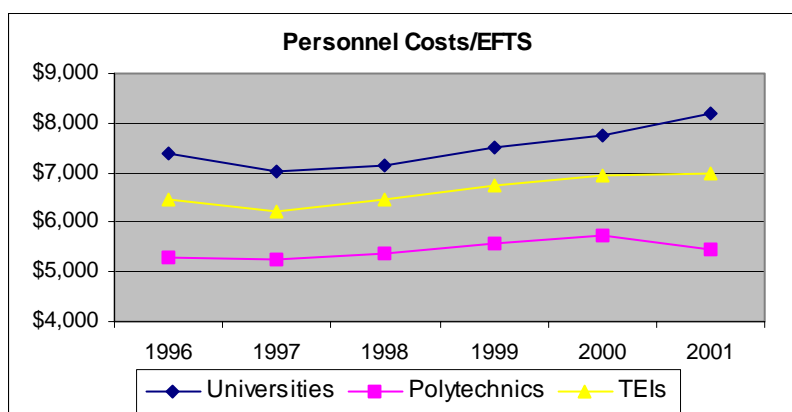
While the personnel costs as a percentage of total costs show the 2001 situation to be similar for universities, polytechnics and colleges of education, that has not always been the historical position, and as a gross measure does not reflect some fundamental differences in educational objectives by sub-sector. The major point of difference relates to research activity. The commitment of staff in the universities to research is quite different to the expectation in the polytechnics, with colleges of education taking up an intermediate position.



EFTS/Academic FTE

	1996	1997	1998	1999	2000	2001
Universities	14.9	15.4	15.4	15.3	15.0	15.5
Polytechnics	13.7	14.1	14.9	14.5	15.2	15.5
COEs	8.7	10.7	10.9	11.2	11.9	10.8
Wānanga	11.6	11.9	18.1	13.3	30.5	32.4
TEs	14.0	14.6	15.0	14.8	15.0	15.6

The marked variation in expected educational and research outputs suggests that similarities in EFTS:FTE ratios in universities and polytechnics in 2001 are at best a coincidence. The increase in EFTS:FTE ratios in polytechnics over the period 1996-2001 reflects both increases in student numbers but also significant loss of staff positions. The significantly lower EFTS:FTE ratio in colleges of education warrants further investigation. The total personnel costs applied to each EFTS is highest for the universities and more clearly reflects their role in research and postgraduate education.



Personnel Costs/EFTS

	1996	1997	1998	1999	2000	2001
Universities	\$7,380	\$7,012	\$7,149	\$7,500	\$7,755	\$8,197
Polytechnics	\$5,303	\$5,260	\$5,388	\$5,578	\$5,739	\$5,466
COEs	\$3,506	\$3,258	\$6,037	\$6,064	\$7,107	\$7,694
Wānanga				\$3,110	\$2,098	\$2,272
TEIs	\$6,461	\$6,202	\$6,441	\$6,727	\$6,925	\$6,990

The trend information suggests that the polytechnic sector has been most effective in holding personnel costs/EFTS, while shifting the balance of costs from personnel to other operating expenditure. This has not occurred in the universities and colleges of education. It is not possible for the Sub-group to determine what impact, if any, there has been on the quality of education in polytechnics as a consequence.

The data demonstrate major differences in the operation of wānanga, compared to other TEIs, with significantly lower personnel costs leading to higher EFTS:FTE ratios. The Sub-group recognises that further analysis of wānanga is required.

The Sub-group notes that the change from polytechnic to university status for AUT has been accounted for in the presentation of data. There appear to be inconsistencies between TAMU data on EFTS:FTE ratios, those collected by the New Zealand Vice-Chancellors' Committee (NZVCC) and those reported by Statistics NZ published annually by the Ministry of Education. The apparent anomalies relate to differences in the process and timing of data collection. The lack of a standardised set of data is a major concern. The Sub-group recommends that this issue be further investigated by the Tertiary Education Workforce Review Group and, additionally, that some international benchmarks be developed.

The Sub-group recognises that aggregated data gives no insight into the significant institutional variation that reflects a number of variables, including overall size, geographic location, distinctive role and the efficacy of governance and management. The separate Sector Overview analyses prepared by TAMU reflect the extent of institutional variation within each sub-sector and in themselves identify institutions that are likely to reflect good practice.

A dominant factor in measuring institutional performance is student recruitment and the associated revenue flows. The prevailing demographics of eligible students is a significant factor in institutional performance and should influence long-term planning and determination of the required tertiary education workforce. Additionally, the shifting boundaries between the secondary and the tertiary sectors and within the tertiary sector promote the case for longer-term

modelling and an assessment of impacts at institutional level. The Sub-group recognises that future changes in student behaviour and choice, and the extent of their preparedness for more advanced study are critical and over-arching issues that require full assessment, but are beyond the scope of the current project. The anticipated quantitative and qualitative changes in student decisions will impact on future staffing requirements.

The report provides additional interpretation of the gross trend data, by sub-sector. However, the Sub-group emphasises that simple analysis of financial parameters without full consideration of the range of educational outcomes, by institutional type, is likely to mislead. The sharper definition of educational outcomes envisaged by the TEC through the implementation of the STEP and agreed Charters and Profiles has the ability to add great meaning to any analysis by institutional type.

1.4 Independent research

In compiling this report, the Sub-group recognised that New Zealand is not well-served by research information that identifies the critical elements for providing educational opportunity for students in the tertiary sector. Existing agencies collect some relevant information, but usually for the purposes of establishing business viability, rather than the effective application of resources to achieving appropriate learning outcomes for students. The Sub-group accessed a number of international reports on issues related to improving educational outcomes through efficiency and collaboration. The establishment of additional, independent New Zealand research capability would be of considerable value.

1.5 Impact on students' educational outcomes

Students in tertiary study are focussed on the quality of specific educational outcomes, their overall experience and on value-for-money considerations. The quality of staff in supporting learning, their accessibility and their understanding of student needs are critical in providing a positive overall experience. Many of the issues that determine the characteristics of a sound human resource system, as outlined in Section 3, are required to deliver positive educational outcomes.

One of the critical challenges is to be able to support the staff resource appropriately with the funding available, thereby achieving the balance point between adequate support for students and prudent management of the institution. The form of academic delivery, qualification design and staff allocations that result in equitable and reasonable EFTS:FTE ratios, and related measures, are fundamental to the quality of the educational experience, as is the level of funding available. The wide variation across the sector and across

qualifications reflects historical practice, disciplinary differences and in some instances, inappropriate judgment. Linking resource allocation to measurable educational outcomes and objective measures of student satisfaction is important, but not always consistently applied across the sector. It is critical that reasonable requirements of the student and adequate staffing to meet those requirements are fully recognised.

In most examples received, collaborative arrangements provide enhanced educational outcomes and experience for students. The Sub-group believes that opportunity exists for significantly improving educational outcomes for students by collaboration, cooperative delivery and making the most effective use of key staff.

1.6 Student profile and demographic trends

The overall impact of changing domestic student demographics and the increasing recruitment of international students are major factors in determining staffing levels at each institution. Negative domestic student demographics in particular regions, coupled with strong market competition have created forecasting difficulties for institutions. The under-enrolment of students is the major factor leading to over-provision of staff resources. In some areas, this has also negatively affected the continuance of certain courses essential to the national interest and the loss of important staffing expertise.

The growth in international students has offset some of the negative domestic demographics, but does not apply to all types of institutions and qualification areas. Research into the wider impact of expanded international student participation is urgently needed, including the education, social and economic implications both regionally and nationally. The dominant international activity is in foundation programmes, higher-level sub-degree qualifications and degrees. The international student influx has done little to support enrolments in vocational qualifications or to support institutions from outside of major urban areas.

The impact of international students does influence staffing decisions and levels, and in ways that affect overall efficiency. The Sub-group did not investigate particular collaborations involving international students, but observed no evidence for international students creating closer relationships between TEIs. There are however, relationships between TEIs and private providers operating in New Zealand, generally to meet access requirements. The paucity of collaboration within New Zealand contrasts with the wide range of collaboration and business arrangements between TEIs and overseas providers.

1.7 Māori responsiveness

The Sub-group attempted to include those involved in Māori education provision in all types of TEIs and related organisations in the research and surveys. The response to questions related to efficiency and collaboration was very limited, although a number of positive, cooperative and collaborative ventures were identified.

A further, specific contribution on Māori responsiveness is provided in the report of the Collaborating for Efficiency Steering Group.

1.8 Management of the project and consultation approach

The timeframe for the current exercise precluded a totally systematic collection and analysis of data and information from all public sector tertiary institutions and relevant agencies. The Sub-group recommends that such an exercise should be considered by the proposed review of the Tertiary Education Workforce Review Group.

The Sub-group was constituted as an expert panel that would sample the sector for determination of current approaches and identification of both good and deficient practice. The major instrument used was specific sets of questions to senior academic, human resource and other managers in TEIs, while putting equivalent questions to staff and student unions and associated organisations. The response rate was variable, as was the level of detail provided. The Sub-group is satisfied that there has been appropriate consultation and that the findings and recommendations are based on the range of views obtained.

In terms of specific focus, the Sub-group has not included a significant analysis of efficiency and collaboration between TEI libraries, given the separate initiative being conducted as part of the Collaborating for Efficiency project.

The approach to analysis of project consultation and enquiries is contained in Appendix B and details of information sources, including respondents from institutions, organisations and sector groups are contained in Appendix C.

2. Significant issues related to efficiency and collaboration

2.1 Efficiency

There are some issues that are separate from the potential impact of collaboration across the sector but nonetheless are significant efficiency issues in the utilisation of staffing resources within TEIs. These issues are discussed briefly in the table below while a more detailed discussion on key aspects of these issues is dealt with in Section 4 of this report.

In broad terms the efficiency issues within TEIs fall within the following three categories:

1. There is a set of issues about workload management (issues 1-3 in the table below). These issues are primarily about how actual individual teaching, administrative and research (where appropriate) workloads are linked to target workloads such as those within TEI workload standards, workload priorities and employment agreements and those embedded in accreditation systems. The core issue is about better management of staff in the context of staffing targets. However it is also important to recognise that formula-driven targets may not always be appropriate across all TEIs, disciplines and student types.
2. The second set of issues are course management issues (issues 4-5 below). These issues arise often because of the small classroom sizes arising from a tendency to replicate both courses and teaching content within institutions. In some instances there may be sound pedagogical reasons for replication.
3. The third set of issues (issues 6 and 7) arise from some system inefficiencies such as providing unnecessary non-contact time allowances, research time allowances that do not yield appropriate outputs, or managing without an adequate resource management information base.

Not all of the above issues apply equally across the university, college, polytechnic and wānanga sub-sectors. Each is discussed below.

Efficiency issue	Comments
<p>1. Teaching related workloads</p>	<p>Efficiency in the utilisation of teaching staff may be enhanced by the establishment and utilisation of robust teaching workload formulae systems – both at “whole of TEI” level and at faculty / school and department / programme level.</p> <p>Evidence exists of considerable unevenness across staff of a TEI in teaching-related workloads which may not be offset by other workloads relating to research, community service and administration.</p>
<p>2. “Prescribed” and actual teaching related workloads</p>	<p>For almost all polytechnics and colleges of education, the Collective Employment Agreement (CEA) prescribes teaching-related workloads in relation to contact teaching and other factors, referred to as “total teaching hours”. In addition, variations in teacher activity, such as National Qualifications Framework (NQF) level, degree or sub-degree, class size etc, are factors.</p> <p>Evidence exists that a significant number of staff have actual teaching contact workloads considerably below the levels incorporated in the CEA and this usually relates to institutional policy related to the application of the CEA.</p> <p>Some “gaps” may be unavoidable in a number of TEIs because of specialisation, “lumpiness” of employment and a limited range of appropriate courses. There is evidence that some academic staff in regional polytechnics have been under-utilised. This may, on occasion, be unavoidable because of the level of specialisation and inherent problems in predicting student enrolments.</p>
<p>3. “Accreditation” and actual class contact hours</p>	<p>NZQA accreditation of programmes / courses establishes a “target” level of class contact hours which reflect the NQF level of the programme and other clinical / workshop requirements to achieve learning outcomes.</p> <p>Examples exist where the actual teaching contact hours exceed the target accreditation hours.</p> <p>The “gap” between the accreditation and actual contact hours can alter the balance between directed and self-directed learning, to the detriment of the standard of learning outcomes, as well as absorbing increased teaching contact hours.</p> <p>Some cuts by Industry Training Organisations (ITOs) in the duration of qualifications and directed learning may have impacted negatively on educational outcomes.</p>

Efficiency issue	Comments
<p>4. Distribution of class sizes</p>	<p>All timetabled classes generate a demand for teaching contact time and supervised activities and in turn have an impact on staff resource efficiency.</p> <p>The existence of a significant number of small classes (i.e. less than 10 – 20 students) at a TEI has the potential to reduce the efficiency with which teaching resources are used. Universities attempt to balance small classes against the perceived economies of larger classes. The other sub-sectors typically operate in the small – medium class range, which may create delivery diseconomies.</p> <p>Opportunities exist to reduce the proportion of small classes by reviewing the capacity and mix of teaching spaces, the “go – no go” class size criteria, and the integration of separate but similar classes across a whole institution. In some instances there may be sound pedagogical reasons for small classes.</p>
<p>5. Common courses</p>	<p>Almost all TEIs offer a number of different courses in core disciplines such as:</p> <p>Mathematics / Statistics</p> <p>Communication</p> <p>Marketing, etc.</p> <p>Many of these courses have a substantial degree of overlap as a result of providing introductory principles and concepts.</p> <p>Opportunities exist in many TEIs to improve “horizontal” internal collaboration by reducing the number of separate but similar courses that exist across programmes.</p>
<p>6. Non-contact time allowances</p>	<p>A number of explicit management / administrative time allowances, together with research time allowances are incorporated into the workloads of many polytechnic and college teaching staff.</p> <p>Examples exist where the existence and level of such time allowances are not commensurate with the outcomes achieved, e.g. providing research time allowances to all teaching involved in degree level courses, without corresponding measurable research outputs.</p> <p>Evidence suggests that organisation structure, i.e. the number of distinct management “units”, the number of programmes and internal time allocation policies and practices all contribute to determining the actual level of non-contact time allowances.</p>

Efficiency issue	Comments
7. Robust course workload information	<p>A prerequisite for responding to a number of the specific issues identified above will be to address the issue of obtaining robust information on workloads and courses. This does not exist in a number of TEIs.</p> <p>Systems and information to measure and track staff workloads, course contact hours, core / optional courses, class sizes and “common” courses are prerequisites for a TEI wishing to identify and implement opportunities for improving the efficiency of staff resources.</p>

2.2 Collaboration

There are a number of issues that are concerned with the nature and extent of collaboration among TEIs in the utilisation of staffing resources. The advantage of collaboration is the opportunity to improve both efficiency and the quality of learning outcomes for students.

The key collaboration issues are discussed briefly in the table below and then in more detail in section 5 of this report. These issues can be categorised into four groupings.

1. There are a number of barriers to collaboration (issues 1-2) that are linked to the policy and funding environment within which TEIs operate. The broad issue is simply that the current policy and funding approach is not conducive to collaborative endeavour.
2. Secondly it has to be acknowledged (issue 3) that all TEIs are not the same. Many of the cultural differences between TEIs arise from the nature of their differing programmes and student bodies. What is important, however, is that these differences are respected and not used as an excuse not to collaborate where it is sensible to do so.
3. The third group of issues (issues 4-5) relate to barriers to collaboration, which arise from operational differences between TEIs themselves. These can include geographic barriers, differences in teaching structures or HR management. While these barriers do exist in themselves, they do not provide a valid excuse not to collaborate where it is worthwhile. These barriers do not appear to prevent collaboration with agencies outside the sector for example.
4. There are also some opportunities (issues 6-8) for collaboration. These can range from enhanced programmes quality, to collaboration in service areas. Therefore, where practicable they can both improve effectiveness and efficiency.

As with the efficiency issues summarised above, not all of the collaborative issues will have the same impact on the university, college, polytechnic and wānanga sub-sectors. Each is considered below.

Collaboration issue	Comments
<p>1. Inconsistent policy environment</p>	<p>The overall policy environment for tertiary education, as expressed in the TES, establishes a desire for increased collaboration between TEIs and suggests that the Profiles and Assessment Of Strategic Relevance will be important tools.</p> <p>For collaboration to be enhanced, specific funding initiatives will be required that support this objective.</p> <p>The CoREs are a policy and funding initiative which supports collaboration, whilst the proposed PBRF appears to create disincentives to inter-institutional collaboration.</p> <p>Whilst the Profiles will provide a mechanism for directing collaboration, funding for teaching and research will need to create incentives for TEIs to be proactive in collaborative initiatives.</p>
<p>2. Cultural differences</p>	<p>Successful collaboration cannot easily be “imposed” by an external agency but is dependent on trust and respect between the collaborating TEIs.</p> <p>There is evidence of different cultures and a lack of respect among TEIs and between the university, college, polytechnic and wānanga sub-sectors. Successful collaboration will require greater acceptance of the different characteristics, styles of management, types of programmes and profiles of staff and students that exist and need to be retained.</p>
<p>3. Entrenched competitiveness</p>	<p>The last decade in New Zealand tertiary education has encouraged competition between TEIs as they seek to maximise their student-driven revenue through increased EFTS. This revenue driven approach to financial management has created numerous examples of a “silo approach” by TEIs and resulted in many TEIs expanding their programme portfolio for revenue generation, rather than educational reasons, or in support of the national interest.</p> <p>Unwinding this entrenched competitiveness is likely to be a slow process and requires a range of centrally-managed strategies and initiatives to enhance the shift to a more collaborative sector.</p>

Collaboration issue	Comments
<p>4. Enhanced programme quality</p>	<p>A number of TEIs are restricted in their capacity to enhance the quality of programme delivery as a result of limitations on the staff resources available for programme development and delivery.</p> <p>Collaboration between TEIs in programme development has the potential to enhance programme quality as an outcome of a greater investment in programme development and the involvement of a diversity of capabilities and perspectives.</p> <p>Collaboration, where possible, in programme delivery has the potential, particularly in smaller TEIs, to enhance the quality of programme delivery and educational outcomes.</p>
<p>5. Extended staff opportunities</p>	<p>A number of smaller TEIs have limited staff resources in each discipline area and a number of larger TEIs have a similar issue with more specialised and advanced courses and programmes.</p> <p>Collaboration, either formally through programme development / delivery and shared research projects or informally through communication and support, has the potential to create larger “virtual” peer groups that span multiple TEIs and create increased opportunities for individual staff to participate with peers.</p>
<p>6. Operational practicalities</p>	<p>Successful collaboration will require TEIs to overcome a number of operational constraints on collaboration.</p> <p>A significant number of New Zealand TEIs operate in relatively separate geographic areas. This geographic separation may create barriers to extensive collaboration between staff of different TEIs.</p> <p>Differences between TEIs in timetable structures, length of teaching year etc. may inhibit collaboration across TEIs in similar geographical locations. These should be seen as manageable issues that provide no major impediment to collaboration.</p>
<p>7. Differences in HR systems and processes</p>	<p>TEIs use a variety of HR systems and processes, together with a range of interpretations of what comprises a well functioning HR system.</p> <p>Collaboration between staff in different TEIs may be hindered by differences in performance management, professional development, leave and remuneration if collaboration places staff alongside each other but with significant differences in their employment relationships.</p> <p>A similar issue arises in the different expectations in the portfolio and mix of activities that comprise a workload in the university, college, polytechnic and wānanga sub-sectors.</p> <p>These differences are embodied in different CEAs across the sub-sectors.</p>

Collaboration issue	Comments
<p>8. Support services</p>	<p>Collaboration can occur in the core academic services of teaching and research, in the services that directly support academic services, or indirectly support the TEI infrastructure.</p> <p>Evidence exists that collaboration in the core academic services has been more difficult because they are “at the heart of” the TEI’s reputation and standing.</p> <p>Significant opportunities exist and success has been recorded in collaboration for academic support services and infrastructure support services.</p> <p>Collaboration in non-academic and infrastructure support services is often seen to be more neutral and may involve staff and/or systems and include IT, HR, facilities, and procurement. Specific areas of HR services opportunities may include sharing payroll, professional development, HR information systems, job evaluation, health and safety, and ACC.</p>

2.3 Cross-boundary issues

Arising out of the consultation process, it is apparent that a number of issues relating to staff resources do not fit easily into either the efficiency or collaboration dimension. These include:

Multi-employer Employment Contract Agreements

Deficiencies in sector information on HR issues and practices.

These issues are considered below.

Cross-boundary issues	Comments
<p>1. Multi-employer agreements</p>	<p>Multi-Employer Contract Agreements (MECAs) provide an opportunity to “standardise” conditions across a number of TEIs and remove possible impediments to collaboration in the use of staff resources.</p> <p>However, only a small percentage of staff from any TEI would be involved in collaborative activities and it is not suggested that a MECA should be designed to facilitate collaboration at the expense of more broadly applicable employment conditions.</p> <p>Institutions have expressed concern for the potential for a MECA to reduce TEI autonomy and possibly stifle creativity in employment relationships. A MECA in itself will not generate an opportunity for collaboration.</p> <p>There are current examples of multi-union negotiations that appear to operate efficiently.</p>
<p>2. Deficiencies in sector HR information</p>	<p>For the sector as a whole to enhance its people planning, management and performance capacity, it requires robust information on HR policies and practices and the utilisation, expertise and demographics of its staff resources.</p> <p>There is strong evidence that the sector lacks much of the information required to undertake workforce analysis and planning and to consider “best practices” in HR management. Without this information efficiency issues will be difficult to resolve.</p>

3. Characteristics of sound human resource practices for TEIs

Collaboration in the area of staffing may, as discussed later in this report, encompass a number of different dimensions. A prerequisite to enable collaboration to occur is that effective HR systems and processes exist.

Institutions must ensure that their working environments make distinct provision for the involvement of academic staff in decision-making about academic programmes and delivery.

The summary below provides the characteristics of good practice, within which an institution would have the flexibility to maintain their customised HR systems, policies and procedures.

Theme	Comments
HR planning and policy development	<p>HR policies, directives and systems are developed in consultation with those who are affected by them, and contribute to the formulation of the organisation's strategic goals. HR policies are adequately monitored and evaluated on their effectiveness.</p> <p>HR plans are reviewed and updated periodically and procedures should exist for the development of long- and short-range plans. Information and resources are provided regularly to senior management regarding staffing trends and related performance indicators.</p> <p>Institutional HR teams recognise the importance of staff as the key element in the delivery of education to students. Communication to all staff is acceptable, open, clear and timely.</p>
Recruitment selection and appointment	<p>Efficient and cost-effective recruitment and selection processes are used for all staff positions. Recruitment policies exist for both internal and external, and national and international recruitment.</p> <p>Target recruitment markets are identified for specialist positions, both within New Zealand and internationally.</p> <p>Appropriate and varied advertising and selection tools are used throughout the recruitment process. Terms and conditions of employment are defined and discussed openly with all candidates, as are starting salary policies.</p>
Performance management	<p>Performance management systems exist for all staff and are linked directly with career development and succession planning actions. Managers and staff are adequately trained in developing personal plans and in applying the performance management system. All staff receive performance appraisals at least annually.</p> <p>The performance appraisal process is job-related, reliable, consistently applied, practical and acceptable. Information gained through the performance appraisal process is used for further HR initiatives or actions where necessary.</p>

Theme	Comments
Remuneration and rewards	<p>A remuneration policy exists which is closely linked to divisional and institutional goals. The policies are performance-oriented, non-discriminatory, equitable and motivational and are relevant to national and international market pay rates.</p> <p>All employees receive salary reviews periodically and understand the relationship across performance, service and pay. The relationship among performance, pay and benefits is clearly communicated to employees, and attitudes are reviewed regularly.</p> <p>Progression systems are transparent, based on objective criteria and clearly communicated to employees. The systems are reviewed regularly in consultation with staff and their representatives.</p>
Career management	<p>Career management policies and procedures exist and are closely linked to organisational goals. Staff create career plans with formal career goals which contribute to individual training plans.</p> <p>Key positions have been identified and succession plans, which are linked to HR strategy and institutional objectives, are in place. The expertise of potential retirees is retained through long-term planning. Part-time opportunities exist for staff considering retirement, and staff nearing retirement mentor younger employees.</p>
Training and development	<p>Individual and group training needs are identified and are related to the performance management system. Formal induction programmes exist for all staff.</p> <p>A variety of training methods are used, (i.e. in-house training, external training providers, job rotation etc) and training courses are periodically monitored. Specialists participate in the design of training courses to meet identified needs.</p>
HR information management systems	<p>The HR information system is able to provide the necessary information to key decision makers, including profiles of staff groups in each division of the institution.</p> <p>Statistics are calculated and maintained to evaluate HR practices (e.g. accident rate, turnover, absenteeism and control over labour costs), which also enables comparative benchmarking.</p> <p>Periodic reviews of HR information systems are conducted to ensure needs are being met economically and efficiently.</p> <p>The role and function of HR managers are clearly defined and there is a clear relationship and accountability with the chief executive officer and other senior managers.</p>
Clear accountabilities for HR management	<p>The structure of the HR team is appropriate for the complexity of the Institution and responsibilities of managers.</p> <p>HR functions are assigned to competent and qualified individual staff that are appropriately trained and experienced.</p> <p>Reporting and accountability lines are clear across the TEI for HR management. It should be clear who is responsible for the performance</p>

Theme	Comments
	<p>management, remuneration reviews, career management and training and development of each staff member.</p> <p>Monitoring of the execution of these functions should be carried out regularly.</p>
<p>Staff consultation processes</p>	<p>Staff and key stakeholders are well informed and involved in decisions that affect them.</p> <p>Changes in the Institution are well planned, and have built-in monitoring and feedback mechanisms.</p>

4. Observations and conclusions on efficiency

4.1 Introduction

This section of the report focuses on efficiency in HR management within tertiary institutions. Its thrust is to review the lessons learnt within the tertiary sector over the last decade, to assess the current position and to suggest some ways in which performance can be improved.

This section therefore looks at the question of efficiency outside the specific context of collaboration. This is a critical focus because understanding the current approaches to managing the staff resource in relation to educational outcomes is a necessary prerequisite for determining the opportunities for collaboration aimed at eliminating costs.

Additionally, it is therefore the view of the Sub-group that the terms “collaborating” and “efficiency” need to be considered separately so that policy makers can assess:

1. the extent to which institutions can positively improve their HR management; and
2. the extent to which further improvements can then be realised by enhanced collaboration.

This section of the report therefore focuses on the efficiency issues within institutions without looking more closely at issues surrounding collaborative activities.

4.2 Linkages to the Tertiary Education Strategy and the STEP

Improvements in efficiency in HR use are linked to the TES through *Strategy One: Strengthen system capability and quality*. As indicated in the data contained within the introduction to this report, staff costs amount to more than 60% of the total costs of TEIs. These costs are therefore the most significant element in the total costs of the sector. If the tertiary sector is going to respond effectively to the challenges of the future it will have to manage its most significant resource in the most efficient and effective fashion. The magnitude of staffing costs are such that even a 1% saving across the board will free up some \$9 million for business growth, improved delivery or re-allocation to higher priority activities.

4.3 Barriers to sound HR management

4.3.1 Poor HR Management Information

It is surprising that in a sector based on research and analysis there seems to be poor information available on the utilisation or even the nature of the sector's most important resource. In the following section there will be consideration of the significance of the lack of standard definitions throughout the sector. Inter-institutional and intra-sectoral comparisons are suspect and such an exercise is open to major misinterpretation. However, what is also clear and of significant concern is that basic management information on staff utilisation and clear protocols for measurement are often unavailable at the level of the individual institution. The inadequacy of effective measurement and the frequent absence of regular reporting are quoted as major factors in the poor financial performance of some tertiary institutions and in the unevenness of performance across the divisions in larger institutions that have a decentralised management structure.

The key drivers of staff costs are the number of courses taught and class size. Yet there is little evidence that TEIs have standardised approaches or systems for student management and lecturer/tutor deployment. The basic tools that enable EFTS:FTE ratios to be managed effectively are not clearly available and are rarely shared between institutions. There are clearly institutions that manage these factors very effectively but the Sub-group could not establish the existence of idealised models that were easily transferable for wider application.

4.3.2 Workload Management

There is evidence of uneven workload management across the sector. Workload provisions in employment agreements are often cited as an excuse for uneven workload management. In reality the limits of those provisions are not being reached in many cases because of additional institutional policies, some of which allow considerable discretion by management at department level. This is particularly evident within the polytechnic sector where workload specification in collective agreements is the most developed.

Care must be exercised in applying too much criticism to institutions that have attempted explicit workload management. The absence of corresponding detail from the universities and other sectors identifies a concern that is part of a more substantive agenda. Some universities have workload models that provide a basis for equitable allocation of time for key tasks. Often the models are designed for application at management unit level, rather than at the level of the individual. There are however, those who would eschew such models on the grounds of stifling individual achievement and undermining the position and role of academic staff. In part, some of this problem is a reflection of the earlier

point about inadequate workload measurement systems.

There is compelling evidence to suggest that some of the workload problems arise from overly optimistic assumptions about student recruitment driving staff numbers. Once those assumptions fail to eventuate there is often a failure and difficulty in reacting quickly to reduce staff numbers, to a level that is commensurate with actual students. The issue is complicated by varying institutional approaches to casualisation and the real difficulty of making rapid reductions in staffing levels from those on continuing contracts.

4.3.3 Staffing Profiles and Casualisation

Staffing profiles reflect a balance of staff on permanent or fixed term agreements that may be full- or part-time. The flexibility in managing fixed term agreements relates to the requirements of the Employment Relations Act 2000 and can create issues for institutions in effective management of staffing levels and in responding to rapid changes in student demand.

Increasing casualisation of the academic workforce creates flexibility in managing the volatility of student recruitment but does little to establish effective quality assurance and consistent educational outcomes. Additionally, in the research-led environment that is typical of universities and some of the larger TEIs, there are quite clearly negative impacts if the shift to increased casualisation is excessive. The implementation of PBRF could well bring about a reduction in the employment of limited-term staff in favour of those who can make a broader contribution.

The Sub-group has recognised the tension created by uncertainty about student recruitment on a year-to-year basis and the extent to which this may impact negatively on staffing profiles. The inability of institutions to make rapid reductions in permanent staffing must be weighed against some of the inherent problems associated with too many casual staff. Typically the latter can only make a limited contribution to the wider institutional requirements and too much reliance undermines achievement of longer-term objectives, as well as creating recruitment difficulties in many regional centres.

The Sub-group could not identify any research or analysis that investigated the impacts, benefits or problems of increased casualisation in New Zealand institutions. In contrast, the United Kingdom Treasury commissioned such research published in 2002: *The Roberts Report into Science and Engineering* which concluded that levels of casualisation and levels of pay were a “serious cause for concern”. It also concluded that higher education is facing major recruitment and retention problems among scientists and researchers, citing amongst other factors, “unsustainable levels of casualisation and the need for greater use of permanent contracts”.

5. Observations and conclusions on collaboration

5.1 Introduction

This section focuses on how collaboration could be improved within the sector in regard to HR management. As noted in Section 4, the Sub-group considers that the efficiency gains that may come from collaboration are likely to be small. Nonetheless the Sub-group is of the view that there are worthwhile gains to be achieved through enhanced collaboration from two avenues:

1. While efficiency gains may be small they are probably still worth having where they are available. Given that the sector continues to face funding constraints, it would be unwise to miss these opportunities where they are possible.
2. There are likely to be significant quality improvements available through the collaborative use of high calibre teaching and research staff. These may not lead to efficiency gains *per se* but will lead to improved educational outcomes through the following channels:
 - a) The better utilisation of staff with excellent teaching records.
 - b) More effective use of teaching resources relative to student numbers, particularly in regional contexts or between institutions of similar type.
 - c) The improved dissemination of research throughout the sector.

One area that the Sub-group has not explored in detail is the possibility of reviewing the extent to which academic programme and course development activities could be more collaborative. There are a number of excellent examples in the polytechnic sector of institutions making developed programmes available for delivery by other polytechnics under franchise or other forms of commercial relationship. It is the view of the Sub-group that there could be significant savings in this area as a result of improved collaboration. It is, however, the Sub-group's understanding that the Collaborating for Efficiency Steering Group has already flagged this area as worthy of detailed study over the next year.

5.2 Linkages to the Tertiary Education Strategy and the STEP

It is the Sub-group's belief that improved qualitative outcomes will be the most significant enhancement from collaboration. In a sense, where collaboration is worthwhile it can assist progress towards all of the strategies in the TES through improving the outcomes for students. In particular this will contribute to *Strategy Six "Strengthen research knowledge creation and uptake for our knowledge society"*.

5.3 Existing levels of collaboration

While it is important to seek enhancement of collaborative activity, it is critical to acknowledge that significant collaboration already exists within the sector. Collegiality is central to the way that tertiary staff operate on a daily basis and the exchange of information and research findings are an important part of everyday work in the sector.

The following are examples of regional collaboration that include approaches to delivering specific academic programmes or more general alliances.

Victoria University and Wellington College of Education

Victoria University of Wellington (VUW) and Wellington College of Education (WCE) have several collaborative arrangements in place to teach particular programmes and provide shared administrative services.

VUW and WCE have jointly taught and awarded Bachelor of Education (Early Childhood Teaching) Degree since 1997, and have recently begun the joint teaching of three sets of double degrees. Recently WCE and VUW have begun the joint delivery of advisory services to schools for environmental education using VUW staff. VUW and WCE believe that the joint academic programmes deliver an enhancement in quality through the involvement of a wider variety of staff and because the programmes can be better designed to meet objectives.

Arrangements for VUW to provide administrative services to WCE are investigated on a case-by-case basis and usually involve the transfer of staff from WCE to VUW. VUW currently provide the following services for WCE: Student Recruitment, Marketing, Public Affairs, Finance, Student Services, Information Technology and advice to WCE on these matters. Further agreements for the provision of Library Services, Student Management Systems and Facilities Management will be put in place during 2003.

Christchurch College of Education and University of Canterbury

There are three qualifications where the institutions collaborate; Bachelor of Education, Bachelor of Teaching and Learning (including an Honours option) and the Graduate Diploma of Teaching and Learning. All qualifications, with the exception of the Bachelor of Education are offered by the Christchurch College of Education. Students may access courses from both institutions and, in some instances, are required to enrol at both institutions.

There are clear educational benefits to students by virtue of the availability of a wider array of courses. There are some inherent cost savings.

Canterbury Tertiary Alliance

The Canterbury Tertiary Alliance (CTA) is made up of Christchurch's four major tertiary education providers; Christchurch College of Education, Christchurch Polytechnic Institute of Technology (CPIT), Lincoln University and the University of Canterbury (UC). The goal of the CTA is to maximise cooperation in best practice, cost efficiencies and collegiality, to the benefit of students.

The CTA consists of the following working parties: Shared payroll system, e-Learning, Joint purchasing, Marketing, Programme development and Credit transfer. Recent achievements of the Alliance include: a reciprocal library access agreement, CPIT-UC cooperative venture in Jazz, e-Learning conference, fees discounts for staff and a strategic planning seminar.

The Tertiary Alliance

The Tertiary Alliance between Bay of Plenty Polytechnic, Tairāwhiti Polytechnic, Waiariki Institute of Technology, Wanganui UCOL, Western Institute of Technology, Waikato Institute of Technology and The University of Waikato aims to provide as wide as possible a range of access to tertiary education. The Tertiary Alliance aims to provide clear academic pathways through agreed articulation, credit and contractual teaching arrangements.

The Tertiary Alliance institutions have developed programmes that reflect their cooperative approach to education. Students study for a qualification offered jointly by a polytechnic and The University of Waikato. The Tertiary Alliance institutions have registered agreed recognition of each other's qualifications. The basis of the agreed recognition of credit is set out in the Recognition of Credit Principles and Guidelines.

The Tertiary Alliance has four groups to add focus to its business. These include; Academic Pathways, Information Technology, Libraries and Staff Development. The emphasis on access for students and broader approaches to shared services and opportunities are a critical element of this collaborative partnership. The Staff Development Group recognises the value of pooled expertise and their efforts can translate into real cost savings.

Otago University and Southern Institute of Technology

Otago University and the Southern Institute of Technology (SIT) have an arrangement to collectively deliver papers from the Otago University Bachelor of Commerce Degree. This arrangement has been in existence for more than 20 years and is seen by Otago University as a method of providing a service to the Otago / Southland region.

Most year 1 and 2 papers are taught by SIT staff and are moderated by Otago University staff. Otago University supplies teaching outlines and materials, and students of SIT sit the Otago University examinations. Students benefit from the individual attention and the small group teaching at SIT, and graduate as some of the best B.Com students at Otago University.

The arrangement is informal and SIT pays minimal fees to Otago University, which reflects the long-standing nature of the collaboration.

Manukau Institute of Technology and The University of Auckland

In 1999, Manukau Institute of Technology and the University of Auckland formed an alliance to provide students in the greater Manukau area with a wider range of high quality educational opportunities, particularly at degree level. This resulted in the University of Auckland at Manukau programme, which aims to provide an exciting and challenging set of study options that lead to internationally recognised qualifications and worthwhile professional careers.

The partnership is committed to providing educational opportunities for the Manukau region.

There are collaborative arrangements that are national in focus and attempt to identify benefits based on common institutional type or themes. The following are examples.

Sub-sector representative bodies

The New Zealand Vice-Chancellors' Committee (NZVCC), the Association of Polytechnics in New Zealand and the Association of Colleges of Education in New Zealand all foster collaboration appropriate to the institutions that form their members.

Sector-wide bodies

The Inter-institutional Quality Assurance Bodies Consultative Group that is convened by the New Zealand Qualifications Authority (NZQA) promotes collaboration in important areas of quality assurance and has supported a more unified approach to sector-wide issues such as academic programme registration and credit recognition and transfer.

There are also a number of bilateral bodies such as the Joint Consultative Group between NZQA and NZVCC.

Tertiary Accord of New Zealand

The Tertiary Accord of New Zealand (TANZ) includes the following polytechnics: Christchurch Polytechnic Institute of Technology, Manukau Institute of Technology, Otago Polytechnic, The Open Polytechnic of New Zealand and Universal College of Learning. It is “committed to growing and developing the polytechnic market through cooperation, cost sharing and innovation”. TANZ follows the principle that there is much to be gained through the sharing of resources, intellectual property, staff interaction and the capability to respond to the demands of students, the professions and industry.

Current cooperative activities include: shared negotiating, shared intellectual property, shared policies and procedures, development of on-line digitally delivered course materials, and business and industry relationships.

TANZ working parties are researching and developing models to provide:

- closer educational links between providers, workplace and learners
- frameworks to enhance seamless transition between schools, tertiary providers and the workplace
- procedures that will ensure closer linkages and alliances between tertiary providers, learners and onsite work placements
- processes that will enhance linkages between educational providers.

TANZ puts emphasis on the member institutions sharing a commitment to vocational education.

There are a number of collaborative arrangements where the primary objective is to enhance the quality of academic programme delivery by gaining benefit from site-specific location or simply by providing a higher level of disciplinary support. The following are two examples:

Lincoln University and Nelson-Marlborough Institute of Technology

The Lincoln University Bachelor of Viticulture and Oenology degree is now offered in association with the Nelson-Marlborough Institute of Technology at its Blenheim campus. The location is in the centre of New Zealand’s largest wine-growing area, improving access for wine students to relevant practical experience as well as delivering a programme in association with support from the wine industry.

The University of Waikato and Wanganui UCOL

The Waikato University Bachelor of Computer Graphic Design and the Master of Computer Graphic Design are delivered in association with the Wanganui UCOL School of Design and build on earlier offerings from the latter institution. In the Masters programme students must spend one year full-time in each of the two institutions.

This form of collaboration provides significant disciplinary support for programmes that in part are delivered at Wanganui UCOL, and meet local regional needs as well as allowing Wanganui UCOL to operate at a higher academic level in computer graphic design than may be possible if the institution operated alone.

The development of collaborative activities to support the particular requirements of Māori has started to generate real successes. The major benefits are in terms of improved access for students and enhanced educational outcomes, rather than an explicit financial benefit to institutions.

Te Tapuae O Rehua

Te Tapuae O Rehua was established in 1998 with the goals of increasing Māori participation in tertiary education, ensuring high quality course content for Māori tertiary students and advising institutions about how to meet their Treaty of Waitangi obligations.

Te Tapuae O Rehua was formed with participation from Canterbury, Lincoln and Otago Universities, Christchurch Polytechnic Institute of Technology and Christchurch College of Education and the South Island iwi, Ngai Tahu.

The core business strategies of Te Tapuae O Rehua are to:

- improve Māori participation, retention and achievement in tertiary education
- ensure quality of course content, delivery and environment for Māori
- provide Māori intellectual leadership, scholarship and research in Te Waipounamu
- establish a national and international reputation as a leader of tertiary education for Māori

Te Tapuae O Rehua has created positive study pathways for students, supported students through the development of scholarships and is increasingly meeting some of the requirements for supporting Māori students in the South Island.

Te Wānanga Whare Tapere O Takitimu and Massey University

Te Wānanga Whare Tapere O Takitimu and Massey University formally offer and award a Bachelor of Māori Performing Arts degree. The collaboration is primarily aimed at supporting qualifications for Māori to study performing arts. The programme does not result in a cost reduction in delivery, but does provide enhanced educational outcomes for students.

The Tertiary Alliance

The alliance of a number of regional polytechnics with The University of Waikato in the Tertiary Alliance has provided enhanced pathways for Māori into degree study, including Te Tohu Paetahi (Bachelor of Arts in Māori).

It is clear that collaboration has not been limited to academic interchange. There has been a growing trend towards more collaboration on staff management issues. Examples of this type of collaboration are outlined below.

Additional Approaches to Collaboration

The sector has continued to evolve various forms of collaboration that benefit overall performance of each sub-sector and their constituent institutions. There are significant examples of the sharing of good practice and experience that are rarely accounted for in direct economic benefit, but may spin off more substantial cooperative activities that have a direct cost saving or an improvement in efficiency. Currently within and cross-sector collaboration exists in the following areas:

- At the highest level there are joint meetings of Chancellors and Council Chairs. Vice-Chancellors meet through NZVCC and polytechnic and college Chief Executives through the Association of Polytechnics in New Zealand and the Association of Colleges of Education in New Zealand, respectively.
- HR managers and practitioners, particularly in establishing good practice in industrial relations and in dealing with issues such as health and safety, harassment and development of IP policy.
- Facilities management, where excellent benchmarks exist for a range of staffing and plant applications.
- Financial management practices, including the application of new accounting standards, reporting requirements and purchasing agreements.
- Information technology developments, including joint approaches to systems and applications developments.
- Staff development managers and the sharing of good practice and the joint development of programmes to support staff.
- Student recruitment is at the sharp end of the current competitive environment in tertiary education but this has not prevented a more cooperative approach to dealing with the educational interests of individual students.
- Libraries have long held to the advantage of cooperation and resource sharing through reciprocal borrowing, inter-loan services and joint systems development.

There is longstanding collaboration in support of student learning and in the establishment and maintenance of educational standards. There are significant approaches to enhancing academic quality by the level of direct interaction between institutions. Key examples of current practice include:

- Regular meetings of academic managers from the polytechnics and corresponding interaction by the universities through the Committee on University Academic Programmes (CUAP). Similar contributions are made in meetings of Deans and academic leaders of specific disciplines. The University-wide Subject Conferences are dedicated to collaboration in curriculum development and research focus. The annual Quality Enhancement Meetings arranged by CUAP and the New Zealand Universities Academic Audit Unit are attended by academic and quality managers from all sub-sectors.
- There is longstanding collaboration in relation to maintenance of academic standards, through external examining of bachelors honours papers and research degree theses. The international contribution to the latter is relevant to establishing a major external benchmark.
- Extensive use of inter-institutional expertise in broader achievement of quality assurance measures, including reviews of academic programmes, departments, and support units and peer evaluation of research proposals and senior promotions.

There is evidence of failure of a number of collaborative ventures over the past ten years or so. Typically these were inter-institutional agreements for delivery of part of an academic programme by one institution that was awarded by another institution. These articulation arrangements typically provided students with improved access to a university degree course through initial study at a polytechnic. The arrangements have often foundered because of inappropriate economies of scale caused by low student enrolment. The rationale for establishing such arrangements are often very well intentioned and an attempt to meet the needs of regional communities. There is an inherent duplication of delivery in most of these arrangements implying overall poor efficiency that is exacerbated by low levels of student enrolment. There is scope for further evaluation of the merits of articulation and franchise arrangements as effective models, rather than further proliferation of slightly different versions of existing academic qualifications.

The evidence of positive approaches needs to be balanced against tendency to develop and maintain institutional silos that frequently fail to respond to wider sectoral needs. It is the view of the Sub-group that there are a number of factors that reinforce this individualistic behaviour. These factors are discussed briefly in Section 5.4, below.

5.4 Barriers to collaboration

5.4.1 Institutional autonomy

All institutions hold their autonomy dearly and it is strongly related to both the current legislative and regulatory environment and to important concepts such as academic freedom. However, while the very nature of academic endeavour does encourage collaboration between academics in research and other areas of interest, the significance of institutional autonomy means that this feature of academic life often does not extend to:

- Management systems, issues, principles and protocols.
- Resource utilisation issues.
- The development of courses and teaching materials.

In these areas all too often institutions go their own way without consideration of wider sectoral interests. One issue that will need to be faced is the extent to which this autonomy may need to decrease in the interests of the wider sector. There is currently little incentive for well-performing institutions to support those that are struggling. How the introduction of TEC and the notion of giving

common cause to achievement of the strategies in the TES will change the direction and behaviour of institutions has yet to be determined.

During the course of its discussions, the Sub-group firmed up its conviction that the Strategies and Objectives outlined in the STEP cannot be realised if TEIs maintain “silo” levels of separateness and virtually absolute levels of autonomy.

Whatever the objective that the TEC may be seeking to achieve, be it “improved learning outcomes for learners”, “a coherent and reliable system of credit transfer” or “greater alignment of research with national goals”, the Sub-group concluded that the present independence of TEIs from each other acts as a major barrier to achievement.

The Sub-group suggests that TEIs develop strategies, perhaps as one component of the Charters and Profiles exercise, to ensure that strategically selected sets of TEIs collaborate at the level of governance with a view to responding collectively to the achievement of national goals.

As an illustration, regional or disciplinary-linked clusters of TEIs could be invited to collaborate with a view to developing common policies and practices in relation to:

- Student transitions and credit transfers;
- Consultation with stakeholders;
- Consultation with Iwi and communities on a regional basis, and
- The sharing of innovative/good practice.

Additionally on a regional basis, cross-TEI forums could include consideration of the sharing of facilities and functions, e.g. learning assistance support, and career advising.

Representatives from regional forums could meet to consider issues of cross-regional collaboration and sharing of good practice.

As a further illustration, TEIs with common specialist disciplinary areas, for example, accountancy, agriculture and medicine, could be invited to collaborate in relation to:

- Research to meet national goals;
- Consultation with stakeholders including professional associations;
- Maintaining standards and benchmarking, and
- Improving linkages between TEIs and improving stair-casing.

5.4.2 The funding system

The nature of the tertiary funding system is in itself highly competitive. As the mechanism allocates funding on the basis of an institution's student numbers (EFTS), institutions rather naturally actively compete for students to maintain or increase funding levels.

While the competitive model can have some benefits in terms of ensuring a level of responsiveness to student needs it does have some significant drawbacks in terms of collaborative activity. The following are relevant issues:

- A tendency has developed to differentiate similar academic programmes to attract students. This has led to significant additional costs in programme development that has probably delivered very small benefits in terms of improved educational quality or relevance.
- Similarly even within institutions there has been a tendency for faculties to develop their own courses in areas of common subject content such as statistics. This again has led to significant duplication without real apparent benefits to students and almost certainly increased costs.
- An unwillingness to share teaching resources in ways that may better reflect the comparative advantage of different institutions or the different skill sets of their academic staff.

It is the view of the Sub- group that the introduction of the Performance Based Research Fund (PBRF) component in tertiary funding, will further reinforce the present tendency by encouraging academics to reduce collaboration in research so as to maintain or increase their institution's share of the PBRF.

5.4.3 Governance structures

The nature of council appointments also has an effect on collaboration. Council members are typically selected from within the region in which the TEI operates. It is also a requirement that no council member may serve on more than one council. These aspects of the governance arrangements have two effects on the way in which the councils approach issues.

- There is a tendency to approach issues from the viewpoint of sometimes relatively narrow local interests.
- Council members have no comparative experience of the workings of other councils to draw on and will therefore often be unaware of parallel developments elsewhere. This enables duplication of key strategies and specific objectives to take root, often unwittingly.

5.4.4 A strongly established culture

All of the above aspects have led to a “silo mentality” culture within TEIs. Generally, performance is judged on the basis of what is good for the individual institution rather than the sector as a whole. There is apparently scant attention paid to promoting change in the national interest, reinforced by the statutory obligations of governing bodies to look primarily at the performance of their own institution.

It will obviously take some considerable time to offset the inherently strong cultural bias against collaboration in the areas of activity that have the greatest impact on efficiency and financial performance of the sector. However, from a policy viewpoint there are some measures that could be taken at the centre.

- There is a strong case to enable some cross-representation on councils to better enable a sector-wide view to be more strongly represented within governance structures. As the Minister makes a significant number of council appointments this mechanism is feasible and could easily be pursued.
- From 2004 all TEIs are required to have a new style Charter that is agreed with the TEC and approved by the Minister. It would be an important signal to the whole sector if Charters reflected the importance placed on collaboration and that collaborative activity was seen as an important performance dimension. The existing regionally based collaborations, those based on institutional type or common objectives plus the Centres of Research Excellence should be given appropriate prominence and be fully recognised.
- From 2004, all TEIs will have a Profile negotiated with the TEC. These negotiations also provide an opportunity to encourage collaborative activity particularly as funding levels will be partly determined as a consequence of an institution’s Profile. Over time, these negotiations will provide an opportunity to reward collaborative effort and to sanction overly competitive actions. It follows that the development of appropriate measures of collaboration should occur and be widely recognised.
- Changes to the funding system have already been signalled and should provide some revitalisation of incentives.

5.4.5 Incentives for collaboration

There are currently no specific incentives that promote collaboration between TEIs. Current initiatives have been developed because of perceived advantage and positive attitudes taken by some institutions to recognise benefits that may

yield overall efficiencies, but more likely improved learning opportunities for students. Further consideration should be given to identifying positive incentives for enhancing collaboration that are in the national interest and supports regional, sector and discipline-based models of delivery.

5.5 Collaborative opportunities

The previous section focused on the sector-wide mechanisms that could be used to encourage collaborative activity. However, there are also some measures that can be taken directly by institutions to achieve possible gains.

5.5.1 Information protocols

As noted in the Introduction the Sub-group has had to work with a relative paucity of information and with data that lacks consistency. It does not necessarily require a “central system” to generate better information. One major advance within the sector would be if institutions could agree information protocols so that HR information was collected in a consistent manner. Such an approach would reveal significantly more about needed improvements in HR management. It is important to know:

- That FTE definitions are consistent across the sector;
- How much time is allocated to teaching, including the relationship to the particular approach to delivery that may include e-education, laboratories, clinical practice or other specialised components;
- How much time is allocated to generating research outputs;
- How much time is allocated to administration and management;
- How much time is allocated to other tuition or student support;
- How much time is involved in meeting broader extension needs and support for external communities, and
- Numbers and levels of staff employed on a casual or fixed-term basis.

The Sub-group appreciates that this suggestion will lead to some concerns about over-centralisation and loss of institutional autonomy. The Sub-group suggests that any such response is exaggerated and what is suggested is simply an agreement about how information will be collected and presented. This does not require central processing and does not prevent an institution from collecting specific information that it may need for its own purposes.

5.5.2 Support services

The costs of HR support services and systems such as payroll can relatively easily be shared across a number of institutions, particularly on a regional basis.

5.5.3 Sharing costs of programme development

As noted earlier it is likely that there will be ongoing work in this area. However, the Sub-group is of the view that significant duplication exists and that significant savings in staff costs are available in this area. It should not be necessary in the current funding environment for TEIs to wait for precise evidence of the costs before taking action.

5.5.4 Credit recognition and transfer

The ease with which students can establish recognition of credit and transfer them to qualifications offered by other institutions is one of the important keys to effective student mobility and critical to wider harmonisation of qualifications. The recently developed policy, “Supporting Learning Pathways: Credit Recognition and Transfer Policy”, establishes principles that when implemented, should improve credit recognition and transfer between institutions. A wider understanding and application of the principles can enhance collaborative opportunities and promote qualification staircasing that improves overall access and portability for students. Approaches between institutions that take the form of specific articulation agreements would provide considerable benefits.

6. Conclusions and recommendations

6.1 Introduction

This section of the report focuses on the high-level conclusions and specific recommendations that the Sub-group wishes to make. This section of the report is in three parts:

- The general conclusions that are generic to both the issues of efficiency and collaboration.
- Those conclusions and recommendations that are related to approaches to improvement of efficiency.
- Those conclusions and recommendations that are related to enhancement of collaboration.

6.2 General conclusions

Throughout this report the Sub-group has made it clear that it is important that the sector is not seen as monolithic with TEIs being treated as if they are identical. The reality is that TEIs are differentiated in a number of ways by type, student catchment, geographic location, types of qualifications offered and by research intensity, to name some important differences. This means that any recommendations made may not always have general application to all TEIs. In some cases the recommendations will reflect current practice in some TEIs, in others they simply may not be applicable to all TEIs.

It should also be noted that the sector is trying to respond to the needs of the communities within which they operate. This does mean that the distribution of population will have some impact and at times quite significant impact on the perceived comparative “efficiency” of TEIs particularly outside the main urban centres.

It has been stressed that collaboration *per se* may not be a major cost saver in efficiency terms. In many cases the outcomes from enhanced collaboration will be in improved learning opportunities rather than direct cost savings, as outlined in Section 5.3. This does mean that the economic benefits of collaboration may be realised more in increased effectiveness than in efficiency.

6.3 Conclusions on efficiency

One issue that has been made very clear through the process followed by the Sub-group is the availability of quality information about HR management. There is a lack of consistency both between and within institutions. There is a clear tension between institutional autonomy on the one hand and the availability of good sectoral information on the other.

The Sub-group is not of the view that a move to any form of centralised HR management information system is the answer to this problem. What is needed, however, is that there are some agreed protocols put in place about HR information collection so that consistent data is available. The current position is such that there can be no certainty that fundamental data such as academic FTEs by institution is consistently created.

Within institutions the issue is slightly different and there is a need to ensure that HR management is linked to workloads in an effective manner. The Sub-group has noted that the actual average workload in institutions is not necessarily reflected in the contact teaching limits contained in collective agreements, even where these include other workload factors in “total teaching hours”. The Sub-group acknowledges that there will always be a level of variation from the established norms. The Sub-group also notes that time measurement alone is not the sole determinant of workload and there are qualitative factors that relate to work intensity that need to be considered. However, what does need to be put in place is realistic workload assessment in each institution and perhaps guidelines by sub-sector. These norms should include all aspects of the relevant outputs being delivered (i.e. they should include both teaching and research workloads). The norms set as a consequence by institutions themselves then need to be effectively managed and monitored.

There are a number of issues that are linked to the management and resourcing of academic programmes delivered by TEIs. The number of courses available to each qualification is the primary driver of academic staff allocation. The number of courses is not necessarily constrained by the number of students that attend the institution or enrol in individual courses. This is therefore a disjunction between funding and staff allocation. While the number of students drives the amount of funding available to a TEI, it is the number of courses that drives staff numbers.

This is one area where a number of TEIs have experienced difficulty. There is evidence that a number of TEIs have got into financial difficulty through overly optimistic revenue forecasts and have then failed to adjust their cost structures when the student numbers have failed to materialise. A number of linked issues arise from this.

- There is evidence of poor market research particularly in regard to new

qualifications and in regional markets.

- There is often a failure to monitor the situation or to take corrective steps in regard to the cost structure when it is clear that the student numbers are not running to forecast. This is also linked to the poor quality of management information that is available in some TEIs.
- Volatility in student enrolments has become an issue that TEIs must manage. This is often difficult when access to casual staff is limited and when increasing the casual workforce has negative implications for educational outcomes.
- The advantages accruing to “first movers” in specific programmes is quickly lost as other TEIs move into the market niche that has been created. Some protection for “first movers” given their investment in development, personnel and capital is seen as appropriate, as well as incentives to avoid duplication.
- At times the desire to respond to regional needs through delivering specific courses wanted by the local community can result in reduced viability when the courses prove not to be as popular as envisaged.

As noted in section 4, one response to this problem has been the growing casualisation of the workforce. While this enables TEIs to respond to the uncertainty of student recruitment, there are some inherent problems in having too high a proportion of casual staff. In particular it can lead to negative impacts on quality assurance and delivery of consistent educational outcomes. The Sub-group has noted the lack of research in this area and feels that this gap should be filled in the future.

The Sub-group has also noted the probably high costs associated with extensive duplication in course development. The Sub-group welcomes the likelihood that this area will be studied more extensively in the coming year. It is the Sub-group’s view that a franchise or articulation type model could operate given the regional spread of TEIs and the limited availability of elite staff. It is acknowledged that there is a downside if teaching delivery continues to be duplicated, but this is likely to be necessary unless more student support is targeted to enable increased student mobility. The current arrangement for the Southern Institute of Technology to deliver the initial years of the Otago University B.Com degree in Invercargill is seen as an excellent example (see section 5.3). However within existing constraints the ‘franchise model’ still enables more effective use of the sector’s elite staff.

Finally, there is a real question about the overall environment. Is there really an adequate incentive structure to encourage TEIs to be more efficient? While quite significant interventions occur when any TEI seriously undermines its financial

viability, there is still a lot of room to be marginally profitable but operationally inefficient. An example is that any TEI with a good EFTS:FTE ratio could well be operating inefficiently in most of its activities, through enjoying the benefits of cross-subsidisation from a few large courses. It is the view of the Sub-group that the overall environment does not create a huge incentive for TEIs to be efficient.

6.4 Conclusions on collaboration

In general the Sub-group has found that a significant amount of collaboration does exist across the tertiary sector. This collaboration often has results that lie outside the context of pure economic efficiency, but it does have some economic value through producing gains in the quality of educational outcomes. The Sub-group believes the cooperative activities outlined in Section 5.3 are of significant value and provide some good practice examples.

In broad terms there are three categories of collaboration that the Sub-group has noted.

1. There are regional alliances such as the Canterbury Tertiary Alliance and the Tertiary Alliance that aim to maximise cooperation in best practice, cost efficiencies and collegiality to the benefit of students.
2. There are alliances by institutional type, such as the Tertiary Accord of New Zealand (TANZ) that brings together polytechnics to grow and develop specific elements of the polytechnic market.
3. There is a range of bilateral arrangements, such as the longstanding arrangement between Victoria University and Wellington College of Education.

However, it is also true that the incentives for collaboration that results in direct economic benefit are not strong and there is no real incentive to collaborate in the context of the national interest. This means that most decisions by TEIs are taken in the context of their own particular interests, not the overall national interest.

One conclusion that could be drawn from this is that there needs to be a fourth type of collaborative activity via multilateral or bilateral arrangements that are made in the national interest. Areas where these would be feasible or desirable are centres of national interest or inter-institutional collaboration in high-cost specialist areas. The model envisaged by the CoREs is consistent with this approach.

However, if such arrangements are to flourish, there needs to be consistency in

the policy approach. As has been noted in this report, the development of the PBRF runs somewhat counter to the approach envisaged by CoREs. While there are some successful collaborations in place it must be realised that, in the current environment, capturing EFTS revenue is very important for the individual institution. It is interesting to note in this regard that the longstanding Otago University/SIT collaboration predates the current funding regime.

There is obvious policy conflict between desiring robust financial performance by individual institutions on the one hand, yet wanting the provision of particular educational outcomes by the sector as a whole, on the other. If the TES is to develop some momentum and the TEC is to make a difference, this dichotomy needs to be addressed.

There are also some issues about the impact of governance structures on collaboration. The Sub-group's view is that there is a need to incentivise collaboration if New Zealand is committed to enhancing collaboration and deriving the clear educational benefits. In Section 5, the Sub-group has noted the key factors:

- The tendency for councils of TEIs to approach issues from a narrow single institution or regional interest.
- Limited or no inter-institutional experience amongst council members.
- Performance instruments that stress individual TEI performance, not contribution to the national good.

Finally, the extent of programme proliferation is both unhelpful and inefficient in developing positive momentum for collaboration. In this regard, the role of professional accreditation bodies is significant. The current practice is to agree to such programmes when students have already been enrolled. This timing is too late to allow for an appropriate weighing up of the national benefits of such replication and in effect makes such proliferation a *fait accompli*.

6.5 Recommendations

The recommendations proposed by the Sub-group are focused on the opportunities for further improvement in efficiency and collaboration, and in quality and effectiveness. The Sub-group emphasises the critical importance of improving student learning, based on incorporating clearer views on achieving enhancement of excellence, relevance and access, as emphasised by TEC.

The Sub-group makes the following recommendations:

6.5.1 Efficiency

1. That TEIs develop effective systems to measure staff workloads in a meaningful way, and to manage and monitor staff workloads against the norms established by such systems. The outcome sought should be the effective and equitable deployment of staff against measurable outputs, including both teaching and research performance and in the context of good health and safety practice.
2. That each TEI ensures that its HR practices and management system reflect the common characteristics of a sound HR system, as outlined in Section 3 of this report.
3. That consistent information protocols be developed across the sector for the collection and reporting of HR data, and consistent FTE values be developed for casual staff. Efficiencies in staff deployment should not be at the expense of the delivery of quality education to students. These requirements should be seen as the basis for providing appropriate information for Chief Executive Officers and other managers, as well as for external reporting.
4. That, as part of the ongoing work of TEC, a review be undertaken of the extent to which replication in course development, both within and between TEIs, is causing significant cost inefficiencies within the sector. Such a review should put emphasis on the value of collaboration and seeking to share core costs more widely across the sector.
5. That the TEC consider the development of positive incentives for improving efficiency that relate to the staffing resource, and are congruent with enhancement of learning outcomes for students.

6.5.2 Collaboration

1. In the conduct of its governance review, government should seriously consider the option of enabling cross-representation on TEI councils, as a mechanism to foster stronger national and regional collaboration.
2. That TEC should require all Charters to reflect the importance placed on collaboration in the national interest.
3. That in negotiating Profiles with TEIs, the TEC should take the opportunity to encourage enhanced collaborative activity in the provision of educational services by TEIs. Instruments should be developed to incentivise collaboration that is in the national interest and supports regional, sector and

discipline-based models of delivery.

4. That professional accreditation bodies take a more effective role in managing the proliferation of tertiary qualifications, recognising both professional requirements and the national interest.
5. That in developing its funding strategy, the TEC encourages the development of franchise and articulation models that will enable better utilisation of elite staff in course development and will provide improved educational outcomes for students.

6.5.3 Quality and effectiveness

1. That further consideration be given to how various forms of collaboration can enhance the quality of education and range of opportunities for students.
2. That priority be given to the establishment of an independent research function to support systems capability and effective HR practices in improving access, relevance, quality and all educational outcomes.

Appendices

Appendix A – Terms of Reference

1. Purpose

The Sub-group will prepare a report that will provide the basis for the effective and efficient management of staffing across the public tertiary education sector.

2. Introduction

Staffing costs in public tertiary education institutions form the largest budget item and experience in the sector would suggest that it is one of the most difficult to predict and manage, particularly in terms of rapid re-adjustments. The demand for better qualified educators, and associated research personnel, along with pressures for enhanced remuneration and better working conditions makes this a volatile and increasing cost component. International competition for tertiary educators makes it essential for New Zealand to achieve sensible comparability in employment conditions.

3. Definition

For the purposes of the working group “staffing” will include:

- Academic staff
- Management staff and organisational structures in tertiary providers
- Support staff (in administration and student support)
- Technical staffing (in technical support related to experimental disciplines, asset maintenance and information technology), and
- Costs associated with the management of staff.

4. Scope

The Sub-group will prepare a report that provides the basis for further progress to be made on the effective and efficient management of staff costs across the public tertiary education sector. It is not intended that this report will cover all aspects of staff management but rather that it will develop some options where relatively quick gains could be made in increasing efficiency either through better staff management practices within institutions or through collaborative processes that will increase the efficiency of staff management.

4.1 Efficiency

The report will cover the following areas:

- An assessment of “best practice” staffing models in the sector. This will include the examination of centralised and decentralised systems of managing staffing budgets, recruitment of staff and salary setting policies
- The most effective models for determining deployment of staff and the extent to which such models benefit institutional performance and recognition of individual staff contribution, and
- The most effective forms of staff performance review, recognising measurement of staff contribution and incentives for improved performance and productivity.

4.2 Collaboration

An assessment of successful collaborations/partnerships will be included in the report. This will cover:

- An evaluation of the potential for sharing essential support services between two or more providers and the practicalities of promoting more effective inter-institutional collaboration, and
- Models for the possible collaboration of academic staff between tertiary institutions that focus on the provision of enhanced learning experiences for students, effective apportionment of EFTS between participating providers and incentives for participation.

5. Key Considerations

In developing the report the Sub-group will take into account:

- The need to develop stronger institutions that are better positioned for strategic change
- The need to enhance collaborative opportunities both within institutions and between TEIs, including considering the cost versus benefit of collaboration
- The strategic directions elaborated in the Tertiary Education

Strategy and Statement of Tertiary Education Priorities and the need to enhance sector capability to meet those priorities

- The needs of stakeholders (particularly students) for responsive services
- Opportunities arising from relationships with iwi, local government, industry and research organisations (including Crown Research Institutes) as appropriate
- The ability to monitor and assess improvements in effectiveness and efficiency
- Identifying innovative practice in the sector, and
- “Best practice” in both a New Zealand and international context.

Plus for Staffing

- The expectations of staff, including the range of employment options and the need to secure an internationally comparable workforce.

Appendix B - Analysis of project consultation and enquiries

1. Overview

This appendix provides a synopsis and analysis of:

The responses to consultation questionnaires;

TEI Collective Agreements; and

Other relevant reports from the tertiary education sector.

It also draws out of the above synopsis and analysis a number of key attributes and issues relating to the theme of “collaborating for efficiency”.

A key component of the project was the consultation with the tertiary education sector. This was primarily completed by way of two questionnaires, one directed to HR Managers and Directors, and the other to Academic Managers. The response to these questionnaires has been uneven across the two groups identified above, as well as uneven across the key sub-sectors, i.e. Universities, polytechnics, colleges of education and wānanga. This unevenness of response has limited the ability to consider the consultation process as being fully representative of the sector.

2. Key observations from sector consultation

As indicated above, a range of similar consultation questionnaires were distributed to the Academic Managers and HR Managers of all TEIs to staff and student unions and to a range of organisations linked to the sector. There was some unevenness in the extent to which the sub-sectors were represented in the responses.

The questionnaires sought information on a number of practical aspects of collaborative staffing. The synopsis provided below extracts a number of ‘themes’ that existed in the responses.

Theme	Comments
Benefits to students	<p>Staffing collaboration can increase the staffing resource pool available within a TEI. This includes the staffing pool for positions requiring specialist knowledge, as well as the pool of physical resources in terms of specialist and/or expensive equipment.</p> <p>The development of new programmes can be enhanced through collaboration efforts that utilise a larger pool of expertise. This can result in appropriate and well-resourced programmes that are better able to meet the needs of students and the requirements of employers, as well as achieving a sharing of development costs.</p>
Benefits to staff	<p>Collaboration can contribute to the development of staff both personally and professionally. Staff can take part in activities that are not offered in their home Institution and would have the opportunity to share research findings and programme and delivery ideas with staff from other Institutions.</p>
Practical issues	<p>Collaborative efforts require greater time, due to the consultation and communication required. Practical barriers also include logistical issues, timetable and travel constraints.</p>
Workload	<p>Existing staff workloads inhibit collaboration between TEIs. Staff have significant demands on their time and do not have the time available for collaborative ventures, due to commitments in their home institution.</p> <p>The different levels, composition and measurement of workload across TEIs make shared staffing arrangements difficult to quantify.</p>
Competition for funding and staff	<p>Competition for funding is a significant deterrent to collaborative ventures, particularly to collaborative research. The proposed PBRF policy is an example of a significant deterrent to collaborative research.</p>
Differing conditions of employment	<p>Different conditions of employment between TEIs makes collaborative staffing ventures difficult to define and difficult to put into effect.</p> <p>Pay scale and structure differences between institutions also inhibit shared staffing arrangements.</p>
Performance management	<p>In general, Performance Management systems differ considerably across TEIs. These differences, together with the suggestion that such systems are poorly managed and inconsistently adhered to across the sector, is considered to inhibit collaboration.</p>
Intellectual property	<p>Intellectual property ownership and rights is an issue that is significant to collaborative research. This is usually dealt with inconsistently through Employment Agreements and typically is identified in separate documentation. The sharing of ownership of research and the proceeds resulting from it are of concern to TEIs considering collaborative research.</p>

Theme	Comments
Institutional culture	<p>Culture differences between TEIs are a deterrent to undertaking collaborative ventures. The risk of institutions being 'taken advantage of' or 'exploited' was a concern.</p> <p>Larger Institutions appeared to have little incentive to attempt collaborative ventures with small Institutions. Smaller institutions could be disadvantaged by the development of strong collaboration involving larger TEIs.</p>
HR information systems	<p>Poor HR information systems are not providing sufficient information to HR teams or senior managers. Effective HR information systems would allow for succession planning enabling institutions to promote training and mentoring to younger staff who are likely to move into key positions in the future. Collaborative staffing ventures can benefit such key individuals by expanding the experience and knowledge base through opportunities in other institutions.</p>
Support services staffing collaboration	<p>Collaborative staffing has been more widespread in the support services areas. Collaborative efforts in the areas of HR, IT, Marketing, Library and Specialist Management staffing appear to be easier to implement and support, than collaborative staffing with academic staff members.</p>
Institutional autonomy	<p>Collaboration initiated by TEIs will occur because of perceived benefits relating to efficiency, effectiveness and quality.</p> <p>This type of collaboration needs to be distinguished from "standardisation" which may reduce institutional autonomy and freedom without obvious benefits.</p>

3. Key features of collective employment agreements

A representative sample of Collective Employment Agreements (CEA) was reviewed for content that would be relevant to the issue of collaborative staffing between institutions. Reviewing these agreements provides a practical view of the differences in employment conditions that may impinge on collaborative staffing efforts.

Collective Employment Agreements may have a limited role as the vehicle for enhancing the opportunities for collaborative staffing. That is, the CEAs are designed to provide the employment framework for all or the majority of employees, whereas collaborative staffing is very likely to involve only a small minority of staff.

The schedule below outlines a number of the components of CEAs that may inhibit or contribute to the environment for collaborative staffing arrangements.

Component	Comments
Workload	<p>The CEAs may contain specific workload policies or refer to a workload policy of the institution which is not included in the Employment Agreement. Many of these workload policies contain similar or identical clauses.</p> <p>The CEAs of colleges of education include very detailed measurements of workload and maximum amounts of each classification of work. The CEAs of polytechnics and Institutes of Technology describe in great detail the specific maximum levels of different classifications of work. Workload policies included in the CEAs of Universities do not refer to specific allocation of workload (i.e. days or hours).</p> <p>Workload policies across institutions are very similar in terms of principles, definitions, review procedures, approach to part-time staff members. A limited number of TEIs address issues such as non-teaching academic staff, Treaty of Waitangi and Māori staff, above load payments and e-education.</p>
Intellectual Property/ Confidentiality	<p>Few university CEAs specifically define the institution's IP policy, even though the Universities have IP Policies. It is understood that significant differences exist in the IP policies of Universities. These differences are thought to influence the development of collaborative research, in some instances.</p> <p>CEAs from colleges of education contain no reference to IP or confidentiality agreements with staff. A small proportion of CEAs of polytechnics or Institutes of Technology refer to IP or confidentiality.</p>
Performance Management	<p>No significant differences appear across types of TEIs, in the information on Performance Management contained in CEAs.</p> <p>It is likely that individual Institutions have Performance Management policies that are not contained in the CEAs.</p>
Professional Development and Staff Training	<p>All CEAs make reference to Study Leave or Professional Development Leave available to staff.</p> <p>The CEAs of polytechnics and Institutes of Technology contain very specific clauses relating to the amount of leave and limited funding available, to undertake professional development. Colleges of education contain more flexible clauses relating to Professional Development, though often specifying the level of leave and funding available. CEAs for Universities are significantly more flexible, not defining the amount of leave or funding available to staff as this is at the employer's discretion.</p>
Sabbatical Leave/ Secondments	<p>Very few CEAs refer to sabbatical leave or professional secondments.</p>
Flexibility in the Deployment of Staff	<p>A small proportion of Universities are the only Institutions that refer to the engagement of staff in activities outside of their home Institution. These clauses specify that employees are able to</p>

Component	Comments
	undertake private activities that may conflict with or impinge upon, the employee's current duties.

4. Information from other reports

A number of New Zealand and International reports were reviewed to identify key themes that contribute to the potential for collaborative staffing in New Zealand Tertiary Institutions.

Theme	Comments
Research	<p>Collaborative research efforts are hindered by a number of factors. Competition for research funding and the proposed introduction of the PBRF make collaborative research less attractive.</p> <p>Demands on academic staff are restricting the time available to commit to research projects. Collaborative research projects require further commitment and place more demands on time management.</p> <p>Collaborative research may restrict the freedom of academic staff to focus their research on their area of specific interest. This restriction, along with the demand for careful monitoring of research performance, makes collaborative research less practical and less appealing for TEI staff.</p>
Shared Services	<p>Reviews of service provision in TEIs have suggested that significant savings can be achieved through the development of shared service facilities. Such a facility could more efficiently provide services that are uniform across "clusters" in the sector. Savings of between 10% and 25% have been suggested, as well as increased quality and flexibility.</p> <p>The following services were identified as potential elements of a shared service provider: finance, procurement, human resources, property management, information technology, communications, library services, and campus services.</p> <p>A number of risks in the development of a shared services provider were identified, including potential staff resistance to such changes and cultural differences between service providers.</p>
Workload	<p>The workload of academic staff is seen as a major inhibitor to collaborative ventures between Institutions. Different workload policies are an inhibitor to collaboration between TEIs.</p> <p>Workloads of academic staff have become increasingly demanding and restrict the capacity of staff to undertake new ventures. Increasing numbers of students, increasing EFTS:FTE ratios and increasing numbers of international students have resulted in academic staff spending more time in direct contact with students. Increasing management and administrative requirements are also reducing the amount of time available for collaborative research or</p>

Theme	Comments
	other collaborative ventures.
Intellectual Property	<p>Universities are reviewing their intellectual property (IP) policies. Previously, policies have differed greatly and IP issues have been dealt with inconsistently and have not been compatible across institutions.</p> <p>The IP policies from New Zealand TEIs cover a wide range of factors and differ greatly in their application within individual institutions. The differences in IP ownership policies could directly affect collaborative research. Current IP policies state that the Institution owns any IP created by their employees, but few policies consider a situation involving employees from more than one institution.</p> <p>Significant benefits could be achieved in the area of collaborative research, through the development of consistent IP principles or a consistent IP policy, throughout New Zealand institutions.</p>

Appendix C – Information sources

1. Responses to survey

Responses were received to the survey questions from the following institutions, organisations and professional groups.

<i>Organisation</i>
Association of University Staff
Auckland College of Education
Auckland University of Technology
Bay of Plenty Polytechnic
Christchurch College of Education
Christchurch Polytechnic Institute of Technology
Dunedin College of Education
Eastern Institute of Technology
Lincoln University
Massey University
The Open Polytechnic of New Zealand
Tairāwhiti Polytechnic
Te Tapuae O Rehua
Telford Rural Polytechnic
UNITEC
Universities joint response from Staff Development managers
Universities joint response, from the HR Directors
University of Canterbury
University of Otago
University of Waikato
Victoria University of Wellington
Waikato Institute of Technology
Wellington College of Education
Whitireia Polytechnic

2. Employment agreements

The following employment agreements were evaluated.

Auckland University of Technology Collective Employment Agreement. Academic Staff Members. 1 May 2001 – 1 June 2003.

Auckland University of Technology Collective Employment Agreement. Allied Staff. 1 January 2001 – 31 August 2002.

Bay of Plenty Polytechnic Collective Employment Agreement. Academic Staff Members. 2 June 2001 – 1 June 2003.

Bay of Plenty Polytechnic Collective Employment Agreement. Allied Staff Members. 31 July 2001 – 31 July 2003.

Bay of Plenty Polytechnic Individual Employment Agreement.

Christchurch Polytechnic Institute of Technology Collective Employment Agreement. With the members of the Association of Tutors in Tertiary Institutions (ATTI). As at 02 October 2000.

Christchurch Polytechnic Institute of Technology Collective Employment Agreement. Allied Staff. 1 April 2001 – 31 March 2003.

Christchurch Polytechnic Institute of Technology Collective Employment Agreement. Academic Staff. 2 March 2001 – 1 March 2003.

Eastern Institute of Technology Collective Employment Agreement. Academic Staff Members. 2 March 2001 – 1 March 2003.

Lincoln University Collective Employment Agreement. Academic Staff. 2 January 2002 – 31 October 2002.

Lincoln University Collective Employment Agreement. General Staff. 1 March 2002 – 31 October 2002.

Lincoln University Collective Employment Agreement. General Staff on fixed term employment. 1 March 2002 – 31 October 2002.

Massey University Collective Employment Agreement. 10 May 2002 – 31 October 2002.

Southern Institute of Technology Collective Employment Agreement. Allied Staff. 1 July 2001.

The Open Polytechnic of New Zealand Collective Employment Agreement.

General Staff. 19 April 2001 – 18 April 2003.

The Open Polytechnic of New Zealand Individual Employment Agreement.

University of Canterbury Collective Employment Agreement. General Staff. 1 October 2001 – 30 September 2002.

Waikato Institute of Technology Collective Employment Agreement. Allied Staff. 1 April 2001 – 31 March 2004.

Waikato Institute of Technology Collective Employment Agreement. Academic Staff Members.

Waikato Institute of Technology Individual Employment Agreement 2001.

3. Additional documents

Additional information from a number of documents was reviewed in this report:

A New Tertiary Landscape. Introducing the Tertiary Education Commission, December 2002.

Canterbury Tertiary Alliance (CTA) Newsletter, October 2002.

Challenges Facing Universities: Implications for Leaders, Philip H Meade.

Consultation Structures and Procedures Survey, The University of New England Centre for Higher Education Management and Policy, 1999.

Deloitte Touche Tohmatsu Report on Shared Services Initiative between the University of South Australia and the Flinders University of South Australia. August 2001.

Experiences of Academics of Workload and Responses by Unions and Management. Jill Ovens and Derek McCormack.

Intellectual Property Policies at New Zealand Universities, July 2002, David Turner, NZVCC.

Interim Statement of Tertiary Education Priorities 2002/07, Ministry of Education 2002.

Ministry of Education Shared Services Scoping Study. PricewaterhouseCoopers. July 2000.

Strategic Restructuring of Financially Distressed Regional Polytechnics, February

2003. Presentation and notes by Richard English.

Supporting Learning Pathways: Credit Recognition and Transfer Policy, NZQA 2003.

Tertiary Accord of New Zealand (TANZ) Newsletter, November 2002.

Tertiary Education Strategy 2002/07, Ministry of Education, 2002.

The Roberts Report into Science and Engineering, United Kingdom Treasury, 2002.

Workload and Stress in New Zealand Universities, Anna Chalmers, 1998.

TAMU Profile Report, 2002. Wānanga Sector Overview

TAMU Profile Report, 2002. College of Education Sector Overview

TAMU Profile Report, 2002. University Sector Overview

TAMU Profile Report, 2002. Polytechnic Sector Overview

General Overview of Trends in the Tertiary Education Sector (TAMU).

Information was obtained from a significant number of institution and organisation websites.

Appendix D – Abbreviations

ACC	Accident Compensation Corporation
CEA	Collective Employment Agreement
CoRE	Centre of Research Excellence
CTA	Canterbury Tertiary Alliance
EFTS	Effective Full Time Student
FTE	Full Time Equivalent
HR	Human Resources
IT	Information Technology
MECA	Multi-Employer Collective Agreement
NQF	National Qualifications Framework
NZQA	New Zealand Qualifications Authority
NZVCC	New Zealand Vice-Chancellors' Committee
PBRF	Performance Based Research Funding
STEP	Statement of Tertiary Education Priorities
TAMU	Tertiary Advisory Monitoring Unit
TANZ	Tertiary Alliance New Zealand
TEC	Tertiary Education Commission
TEI	Tertiary Education Institution
TES	Tertiary Education Strategy