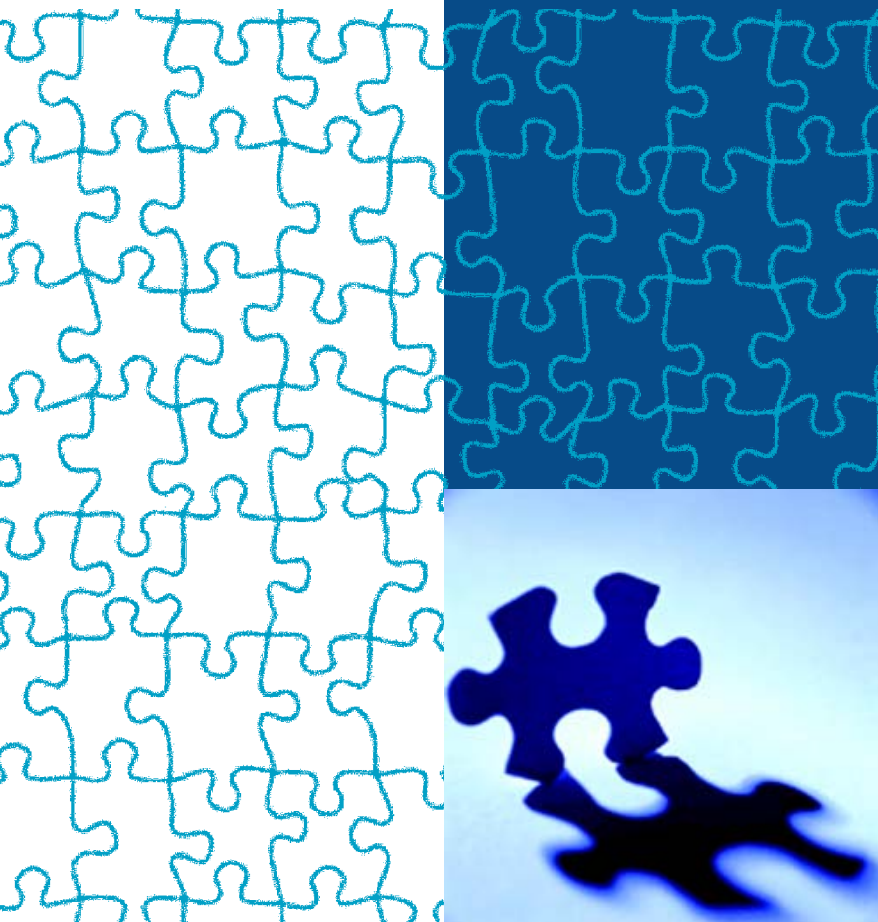


# Report of the Steering Group

Collaborating  
for Efficiency



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## Foreword from the Steering Group Chair

This report, for consideration by the Associate Minister of Education (Tertiary Education), suggests ways in which our nation's tertiary education institutions can operate more collaboratively and more efficiently – and thus more effectively. None of the suggestions are radical. In fact, many are modelled on the ways and means to generate efficiencies pursued by other nations with larger and more complex tertiary education systems.

The report considers five areas – capital utilisation; entrepreneurial activities; libraries; Māori issues; and staffing. Two other areas were later nominated as promising areas for system-wide efficiency gain (and thus for additional study), namely those of curriculum development across tertiary education institutions and of career choices made by students during fulltime study.

Some clear findings were made. The first is that we often lack sufficiently robust, common definitions for data and information across our tertiary education institutes. This can severely inhibit our collective ability to measure performance and thus for institutions to benchmark themselves against others and for the Government to benchmark the whole system against those of other nations. The second is that where some benchmarks could be – and were - made by the Working Groups we were pleasantly surprised. For example, taken overall New Zealand's universities are as good at commercialising their knowledge and technologies as those overseas. Folklore has suggested otherwise. The third is that significant gains in effectiveness can be achieved by enhancing sensible collaborations, such as in sharing aspects of library services for the greater benefit of students across this sparsely populated land or by mentoring in areas of commercialisation.

The Steering Group believes that the Government should accord the specific recommendations made in this report a priority. We consider that they should be systematically implemented. By so doing, sensible and practical collaboration will be strengthened and emphasised.

Some of these collaborative gains will require a small, initial investment in order to secure them. That is why the Steering Group is recommending to the Government that the value of this investment be considered in the 2004 Budget process. After all, if larger jurisdictions and countries can successfully implement system-wide collaborations that generate benefits for students, staff, institutions and the wider community then so can we.

I would like to thank the members of each of the five Working Groups, their advisors and consultants and in particular their Chairs. I would also like to thank the members of the Steering Group that oversaw this work. Finally I would like to thank the staff of the Ministry of Education’s Tertiary Advisory Monitoring Unit and of the Tertiary Education Commission for their support throughout.

Dr Andrew West

**Chair of the CfE Steering Group**

The report comprises the studies and recommendations of four Sub-groups plus the work of a fifth Sub-group convened during the study to consider Māori-related issues. These five groups reported to a Steering Committee that coalesced the entire work into a single document – this one. The individual Sub-group reports are publicly available, as set out below, and form a rich source of documentation and evaluation.

No.	Title	TEC catalogue number	ISBN
1	Report of the Staffing Sub-group	TE74	ISBN0-478-08741-1
2	Report of the Entrepreneurial Sub-group	TE75	ISBN0-478-08742-X
3	Report of the Responsiveness to Māori Sub-group	TE76	ISBN0-478-08743-8
4	Report of the Library Services Sub-group <i>Sharing Library Services</i>	TE77	ISBN0-478-08744-6
5	Report of the Capital Sub-group	TE 78	ISBN0-478-08745-4

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# 1 Introduction

Following the passing of the Education (Tertiary Reform) Amendment Act 2002, New Zealand Tertiary Education Institutions (TEIs) face a wide range of expectations, especially for behavioural change.

The Collaborating for Efficiency Project (the Project) was devised to assist TEIs to make the transition to this new environment. Supported by the Tertiary Education Commission Te Amorangi Mātauranga Matua (TEC) and the Ministry of Education, particularly the Tertiary Advisory Monitoring Unit (TAMU), five reviews have been conducted under the auspices of a Collaborating for Efficiency Steering Group, the recommendations of which are contained in this overview report.

In essence the Project's recommendations are not about making quantum leaps forward. Many of the recommendations are of a common sense nature and tend to point to *evolutionary* rather than *revolutionary* changes. A key outcome of the Project is the identification and analysis of good practice that is already occurring in the sector and encouraging these practices to be emulated where appropriate.

This Steering Group Report gives an overview of the five working group report findings and gives guidance on how to resource the implementation of the recommendations.

As advised to Ministers a series of funds exist from which initiatives could receive resourcing for implementation. This includes the Innovation and Development Fund of \$10 million agreed to by Cabinet to ensure continuous improvement by TEIs in future years [Cab Min (02) 12/8(51) paras 72 and 73 refers]. The TEC will advise on the criteria for the allocation of this funding.

Notwithstanding the existence of these funds, advice is offered in this report on:

The immediacy with which initiatives can be actioned, which are typically those that can be funded from existing vote baselines or by the institutions themselves; and

The extent to which other initiatives may require new funding, either through accessing funding through the Innovation and Development Fund or through new appropriations for Budget 04 and beyond.

The Steering Group has also made a set of recommendations separate from the work conducted by the sub-groups. These recommendations are set out below and should be considered as complementing the main body of recommendations discussed later in this report:

1. As an overarching expectation, the Steering Group is of the view that TEIs should be prepared to help each other wherever possible and practicable. All the recommendations in this report are predicated on such an expectation and the communication of this ethos to the sector is one of the foundations of the Collaborating for Efficiency project.
2. The Steering Group is of the view that significant efficiency benefits from rational collaboration can and must be achieved in the next five years. Across the country there are many examples of good collaborative practice – New Zealand must utilise its ability, as a small country, to be agile and move to promulgate such good practice as quickly as possible.
3. The Steering Group recommends that government consider another project, similar to and, or founded in Collaborating for Efficiency that will investigate approaches to curriculum development or that this be specifically referred to the forthcoming review of Quality in Tertiary Qualifications.”
4. The Steering Group recommends that sector players and central agencies including the Ministry of Education, the Tertiary Education Commission, the New Zealand Qualifications Authority and Career Services, investigate how to improve the quality and delivery of impartial careers advice for prospective and current students of New Zealand TEIs.

## 2. Project overview

The Collaborating for Efficiency Project (the Project) was approved by Cabinet with funding for the 2002/03 financial year. Further, Cabinet agreed that the study should focus on assisting tertiary education institutions adapt to the new environment.

In term of Government's Tertiary Education Strategy, the overarching goal of the Collaborating for Efficiency Project is to strengthen the contribution of Tertiary Education Institutions primarily to the following key strategies:

Strategy One: Strengthen System Capability and Quality

Strategy Six: Strengthen Research, Knowledge Creation and Uptake for our Knowledge Society

This goal is to be realised through providing advice on ways of improving effectiveness and efficiency across the tertiary education sector. In that regard, the Project has focussed on "big ticket" items of expense for TEIs and investigates ways in which small (though comparatively significant) efficiencies can be achieved. The Project also examines revenue side improvements that could be achieved primarily through non-EFTS/fee related activities.

A number of research projects were commissioned as part of the Project that examined collaborative initiatives and practices conducted overseas. In many respects New Zealand TEIs had not engaged, or been encouraged to engage, in the type of mass-collaboration initiatives found in the United Kingdom, Europe, the United States, Canada and Australia.

The *efficiency* focus of the Project is based on the fact that financial and operating performance across the tertiary sector varies widely and there are differing levels of efficiency in terms of how human and capital resources are deployed. In terms of *effectiveness* this Project focuses on the efficacy of links between TEIs and between TEIs and the wider community – students, industry, research organisations (including CRIs) and whānau, hapu, iwi and Māori.

Recognising this stance, the terms of reference for CFE described the Project as having both diagnostic and facilitative functions.

## 2.1 Diagnostic

The diagnostic function of the Project focused on:

- Identifying and sharing of best practice development within the sub-sectors
- Accelerating the implementation of efficiency improvements across the TEI sector through:
  - Providing esteem and recognition for good practice and its further development;
  - Encouraging work on the development and implementation of recognised good practice, particularly involving collaboration, and
  - Enabling new developments to enhance efficiency and effectiveness.

## 2.2 Facilitative

The facilitative function of the Project has focussed on identifying ways and means to:

- Assist tertiary institutions to develop collaborative strategies, including shared services, which maximise efficiency and effectiveness, and
- Encourage collaborative initiatives should also include working with industry (e.g. fishing, forestry, boat building) and Crown Research Institutes.

Given these two complementary functions the broad outputs of the Project were intended to provide:

- Recommendations for developing performance benchmarks and best practice advice
- Measures aimed at supporting further development of best practice and assisting target groupings to evaluate proposals in this regard, and
- Ideas regarding collaborative strategies and activities that enhance efficiency and effectiveness.

It was clear from the start of the Project that the diagnostic function of Collaborating for Efficiency would be more easily fulfilled. Indeed, the results from the Project have indicated that there are a number of examples of good

practice occurring in the sector across the full spectrum of activities that the sector participates in.

These activities include:

- The CONZULSys Project which has brought together four university libraries in a comprehensive collaborative arrangement to share library and information resources and facilities.
- The Canterbury Tertiary Alliance (CTA) 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 relative performances of the University of Auckland and the University of Otago in terms of commercialising intellectual property, indicating they are performing as well as other organisations are on a world stage and have a number of collaborative arrangements underway with other organisations including CRIs.
- 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. The Tertiary Alliance aims to provide as wide as possible a range of access to tertiary education. The Tertiary Alliance also 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 work currently being undertaken by professional associations, industry organisations, TAMU and the TEC in providing benchmarking information and best-practice guidance to lift performance in the sector. The Steering Group recognises as well that much of this work needs to continue and where possible be further enhanced.
- The efforts of a number of organisations to recognise the importance of involving whānau, hapu, iwi Māori constructively in the operations of TEIs and the methods being used to achieve this i.e. specific management

positions charged with providing stewardship for Māori issues and developments of formal partnerships between TEIs with whānau, hapu, iwi and Māori organisations.

There appears to be a clear need to communicate and disseminate these examples throughout the sector. This may take the form of best-practice manuals or information packages or the provision of opportunities for sector practitioners to come together to better share their skills, knowledge and experiences.

Of more difficulty, however, is the facilitative function the Project was aiming to perform that goes beyond documenting best practice or methods of collaborative behaviour.

The key issue that the Steering Group has considered is how to “incentivise” positive behavioural change. To a large extent the Project has recognised that there is no single solution to this issue although some high-level realities have had to be recognised:

- There will remain disincentives to collaborate when the benefits of past efforts or investments could simply be appropriated by others who have not contributed to these in any way
- The tangible benefits of collaboration do not flow evenly to participants for a range of reasons and this can impact on participants’ overall inclination to collaborate
- Many institutions are facing resource constraints and this can impact on their ability to collaborate, and
- Successful collaboration takes considerable and on-going effort by the collaborating parties and are founded on well functioning relationships at both the institutional and personal level. Collaborations can be positively or negatively influenced by changes in the operating environment.

The Charters and Profiles process, to be instituted by the TEC potentially provides a vehicle to reward improved and productive levels of collaboration. This is a degree of sophistication, however, in profile evaluation that may not be achieved in the first round.

Making government education agencies (TEC, MoE etc) responsible for driving all aspects of collaboration across the tertiary sector is clearly not the answer. There are opportunities for instance for the sector to develop a commonality of approach across a number of areas that could have significant beneficial effects. It should be noted that the sector already has a number of groups, which can act as vectors for supporting collaborative activity and these groups can be supported to better encourage these roles.

## **3. Environmental context for the project**

From its inception, it was expected that the Project would be as inclusive as possible in terms of recognising the diversity of the tertiary education sector. New Zealand, for a country of its relative size and population density, has a considerable number of TEIs with varying niche strengths and differing levels of capacity and capability. The recommendations developed by the sub-groups for going forward are shaped by this recognition of diversity and the need to ensure all types of institutions can benefit from proposed initiatives and solutions.

### **3.1 Reconciling new expectations with past behaviours**

The issues being explored by each of the sub-groups are areas where significant levels of expenditure and investment do occur. The question of how the funding system of the last decade and the devolved operating environment has impacted on, for example, decisions made on infrastructural issues were often raised. Parallel to this question is the issue of how the sector can collaborate in a tertiary environment with new behavioural expectations but in which core funding mechanisms remain essentially demand-driven and competitive.

Bearing the above in mind, some institutions have made significant investments over the last decade in major capital, staffing and other infrastructural initiatives. This legacy can be a barrier to encouraging further constructive collaboration. Institutions need to be assured that by entering collaborative partnerships they will not lose control of these investments. Or, just as critically, consider they do not see the benefits of their efforts appropriated by others who did not contribute to this infrastructural development. It is probably not unfair to say that the larger, more capable institutions may not have as much to gain from collaboration, or the sharing of expertise and capacity, as other less well-positioned institutions.

### **3.2 Improving the overall quality of services**

A key question that arises is how to improve the overall quality of services provided to learners through the implementation of the recommendations of this Project. This needs to be achieved without institutions being disadvantaged through engagement in collaborative activities.

Similarly a guiding principle behind Collaborating for Efficiency is that the benefits of a strengthened tertiary education system should be available to all learners. Collaboration can positively influence the quality of learning but this may necessitate TEIs to consider system-wide issues. This needs to be reconciled against institutional imperatives. However, the Steering Group considers that cross-sector collaboration, occurring on a more frequent and/or formalised scale will have positive and considerable benefits to the learning experience. This raises questions of whether or not collaboration can be encouraged through agreement by the sector to adapt a commonality of approach, or whether there are other appropriate incentives to encourage collaborative behaviour or whether direction needs to come from the centre? Another question, in that context, is whether “the Centre” is better placed to evaluate such opportunities and formulate cohesive strategies?

The group has explored this issue to some extent in the sections detailing the sub-groups’ recommendations. It is accepted that the approach to take is not one of “either/or” but rather of striking the appropriate balance for encouraging behavioural change.

## 4. Methodology

Having set the high-level intentions of the project, it was decided to identify those areas where opportunities exist to improve efficiency and effectiveness in the sector, and where small gains might lead to significant improvements in the utilisation of resources.

It was also decided that there needed to be a focus on revenue side improvements. Improving the efficiency and effectiveness by which TEIs pursue “non-core” income producing activities might also lead to significant tangible gains for the sector.

The structure of the Project and how it would practically investigate opportunities for improved effectiveness and efficiency was set around the establishment of four “Sub-groups”. These four groups were:

- Capital
- Library Services
- Entrepreneurial
- Staffing

In addition a review was commissioned of the key characteristics of TEI collaboration with whānau hapu, iwi and Māori generally.

Overseeing the progress of the Project was the CFE Steering Group that was given the task of monitoring the ongoing work of the sub-groups. Members of the groups were drawn from the tertiary sector, supplemented by external representatives, with support provided by the Ministry of Education and the TEC.

### 4.1 Rationale for the Sub-group areas

As indicated earlier Collaborating for Efficiency was looking to focus on improved efficiency and effectiveness in the “big-ticket” areas. The facts speak for themselves in this instance. For example:

- Personnel costs are 50-70% (depending on the TEI) of total costs excluding depreciation. Improvements in collaboration could have a marked effect on overall levels of productivity with ensuing benefits.
- Total capital expenditure for the sector in 2002 was \$334 million. \$234 million of this was spent in universities. In the last six years alone universities have spent some \$1.3 billion on fixed assets. Despite this

apparent high level of investment, there appears to be capital rationing issues and asset productivity issues.

- Library assets are currently valued at around \$284 million, representing 7% of total fixed assets of the TEI sector. University library holdings comprise 93% of this value. Library budgets appear to be under considerable pressure to demonstrate the value-added to the learning experience.
- In terms of revenue-side issues, “non-core” or “entrepreneurial” income for TEIs has increased in importance over the last ten years. Because of the wide range of areas that could be explored here it was decided that the Entrepreneurial sub-group should focus on the commercialisation of intellectual property. In addition, investigating the romanticised notion that potentially huge pecuniary gains might be available for TEIs in the commercialisation field needed to be clarified as a priority.

## **4.2 Collaboration with whānau, hapu, iwi Māori – where is the focus for the project?**

The need to improve collaboration with Māori is a key priority for TEIs. Māori participation in tertiary education, across all categories of providers, has increased significantly in the last decade. Concurrently and contributing to this growth in participation is the unparalleled achievements of the public wānanga, which have opened both a new world of opportunity and potential pitfalls for the public tertiary sector.

### **A review project undertaken**

A report was commissioned by the Collaborating for Efficiency Steering Group to investigate the high-level issues that characterise TEI collaboration with whānau, hapu and iwi Māori. Highlights of collaboration were also sought for documentation and discussion.

The timing and resource constraints upon the Māori Engagement review meant that this would not be a comprehensive study and also precluded the participation or involvement of many Māori groups. This caused some consternation amongst the contracted research team, as they were required to make assertions on behalf of Māori communities without sufficient mandate or knowledge. The Steering Group acknowledges this shortcoming and seeks to rectify this situation by recommending in the body of this report that there is scope to provide for a more comprehensive review of TEI collaboration with Māori as part of the ongoing implementation of the Collaborating for Efficiency recommendations.

In saying this, although there is much to be done in the tertiary sector there are some encouraging examples of TEIs collaborating effectively with whānau, hapu and iwi Māori. The innovation demonstrated by the three public wānanga in surviving and prospering in the current tertiary environment illustrate significant gains for “by Māori, for Māori” education that is also encompassing increasing involvement by non-Māori. It was noted however, that the three wānanga face issues themselves in terms of being cognisant of the needs of Māori who do not have whānau, hapu or iwi links to their particular institution. In addition, the parameters of the current tertiary policy settings are being pushed by the wānanga and the inevitable tensions of dealing with a new “phenomena “ may overshadow the gains and directions achieved so far.

The Māori Responsiveness report did highlight a range of other institutional arrangements that show positive developments in terms of collaboration with Māori. The Open Polytechnic of New Zealand and its relationship with Te Wānanga o Aotearoa in the provision of library services to wānanga students is an example of the positive effects for supporting Māori participation in the tertiary education sector through two institutions sharing capability and capacity. At a higher level, the Steering Group notes the contribution of the Colleges of Education towards educating Māori and offering avenues for further institutional engagement with Māori providers at the tertiary level.

The discussion on Te Tapuae o Rehua, the Ngai Tahu tertiary alliance in the South Island, opens an interesting debate in terms of collaboration between TEIs and well-established iwi partners. Engagement with a competent corporate entity is much easier and more likely to succeed, as opposed to collaboration with a range of diverse, under-resourced organisations lacking critical mass. The Steering Group suggests that the development of organisational capability amongst Māori interests could be a significant step-forward in improving TEI relationships with whānau, hapu and iwi Māori.

Specific recommendations from the Māori Responsiveness report are included in this document alongside those of the four sub-groups. The Steering Group recognises that the constraints within which the Māori Responsiveness report was prepared will need to be dealt with, to ensure the projects being recommended can proceed in the most effective manner and provide the best information possible for quality decision making in this area.

### **4.3 Bringing the groups together**

Nominations from various sector groups, individual TEIs and other organisations were called for in May 2002 and reviewed by both TAMU and the Transition Tertiary Education Commission.

The selection of members for the four sub-groups was intended to take into account the diversity of organisations that make up the public tertiary education sector and include a mix of expertise to consider the range of financial, economic and demographic issues TEIs must contend with in New Zealand. For some of the sub-groups, experience outside the sector was also included (eg input from the Crown Research Institutes on the capital, entrepreneurial and libraries sub groups).

Although the foci of the groups were decided during this nominations process, there was scope for the roles of the sub-groups to be further defined after they met and during the process of agreeing the individual terms of reference for the groups.

Membership of the sub-groups is attached as Annex Two. The four chairs of the sub-groups are:

Staffing	Professor Roger Field (Deputy Vice-Chancellor, Lincoln University)
Entrepreneurial	Dr Ian Smith (Deputy Vice-Chancellor Research and International, University of Otago)
Capital	Adrienne Cleland (Registrar, Massey University)
Library Services	Graeme Coe (Manager Electronic Services, National Library of New Zealand)

Dr Sarah-Jane Tiakiwai (Fellow of the Wilf Malcolm Institute for Educational Research at Waikato University) was commissioned to lead the review of TEI collaboration with whānau, hapu, iwi and Māori.

As noted above the sub-groups reported to the steering group, chaired by the Chair of the Tertiary Education Commission Dr Andrew West. The steering group reports to and is responsible to the Associate Minister of Education (Tertiary Education). The other members of the steering group are:

Turoa Royal	Chair, National Association of Wānanga
Derek McCormack	Deputy Vice Chancellor (Administration) and General Manager, Auckland University of Technology
Julie Pettit	Chair, Aotearoa Students Association.
Allan Sargison	Manager, Tertiary Advisory Monitoring Unit.

Dr Joce Jesson	Director, Research Development, Auckland College of Education
Jim Doyle	Executive Director, Association of Polytechnics in New Zealand.

## **4.4 Key activities undertaken by the sub-groups**

### **4.4.1 Capital**

The capital group undertook a survey of TEIs to gauge:

- Current asset usage
- The state of asset planning
- Current asset management practices, and
- Development areas where TEI managers seek additional training.

Copies of the survey findings are available from TAMU. In addition the group reviewed:

- Key practices for managing capital assets
- Opportunities for TEIs to develop collaborative strategies in the management of its assets
- Efficient management practices and processes, and
- The use of the group’s findings in development of key accountability documents.

A major output from the study for the Capital group is a resource guide of “current tertiary education sector practice in the management of capital assets”, that covers:

- Alignment of investment decisions with strategy
- Performance management and analysis, and
- Effective and efficient use of capital, people capability and collaboration.

The guide includes resource material and case studies; identifies additional sources of material; and provides contact details to assist with sector networking.

#### **4.4.2 Staffing**

The key data collection activity for the staffing group was the development and distribution of two consultation questionnaires, one directed to Academic Managers and the other to Human Resource Managers and Directors. Similar questionnaires were also sent to staff and student union and other sector representatives.

In addition, a representative sample of Collective Employment Agreements (CEAs) was reviewed for the content that would be relevant to the issue of collaborative staffing between institutions.

Finally a range of international and New Zealand reports were reviewed to identify key themes that contribute to the potential for collaborative staffing in New Zealand Tertiary Institutions.

#### **4.4.3 Māori engagement**

The focus of this review was to gather information about the activities of different TEIs within New Zealand in order to compile an overview of best practice models concerning TEIs' responsiveness to Māori. Information was collected largely from institutional websites, annual reports and the Universities Academic Audit Unit report on universities' activities, particularly in relation to the Treaty of Waitangi.

A key focus of this report is a case study that highlights issues identified in 1990 by Māori who were consulted by their local TEI as part of the Charter requirements introduced under the 1989 Education Act. The case study tracks the progress of two TEI in two subsequent Academic Audit reports that examines the extent to which issues raised at this consultation were dealt with.

The Māori Engagement review was not intended to be a comprehensive study and it is expected a more comprehensive review will be undertaken as part of the ongoing implementation of Collaborating for Efficiency recommendations.

#### **4.4.4 Library services**

In developing its report, the Library Sub-group initially:

- considered the range of existing information on TEI and CRI libraries, including existing and proposed collaborative initiatives, and
- completed literature reviews on collaborative initiatives internationally.

As with the other groups, a major survey was undertaken that gathered additional information on:

- numbers of users and library staff
- library budgets
- library management systems
- electronic information
- storage arrangements
- technical services and collection development
- drivers and barriers to collaboration
- the potential role of the National Library in facilitating collaboration, and
- other examples of innovation and best practice.

A separate piece of research was also commissioned that examined:

- how library services can help address Māori development aspirations,
- technology infrastructure issues,
- accessing New Zealand's research outputs,
- e-resources and consortia for purchasing these resources, and
- shared storage.

Of the five reports produced, the Library Sub-group report had the most detailed set of recommendations and accompanying implementation plans.

#### **4.4.5 Entrepreneurial**

Activities undertaken by the Entrepreneurial Sub-group were clustered around a set of commissioned reports that investigated:

- international commercialisation practices, in particular schemes used in various jurisdictions to encourage commercialisation activities by TEIs
- entrepreneurial activity in New Zealand TEIs
- TEI, CRI and venture capitalist opinions on the opportunities, constraints and impediments relating to entrepreneurial activity, and

A review of the policy framework in New Zealand relating to the commercialisation of Intellectual Property.

The sub-group comprised a number of experts and seasoned practitioners in the field of commercialisation who were able to bring this expertise to bear in reflecting their local and international understanding of commercialisation activities.

The Entrepreneurial Sub-group also engaged on a number of occasions with representatives of the Ministry of Research, Science and Technology to discuss aspects of commercialisation policy and possibly incentives the government could provide in this field.

## 5. Conclusions

This section summarises some of the key conclusions of the work of the sub-groups investigating collaboration and efficiency. Recommendations are provided in the following section.

### 5.1 Entrepreneurial Sub-group

The key concern of the Sub-group, in relation to this project, is whether commercialisation opportunities are being appropriately exploited.

Relatively little systematic analysis has been undertaken of the commercialisation of Intellectual Property (IP) by New Zealand TEIs. The Sub-group's analysis was therefore primarily qualitative.

As the Sub-group progressed in its deliberations, it became increasingly clear that there were a number of myths about the commercialisation of IP that needed exploration. The final conclusion of the group is that there are four myths that policy-makers and would-be “commercialisers” need to be aware of:

- *That Universities are a vast untapped source of intellectual property.* The Sub-group believes that there are relatively few TEIs actively engaged in activities that may generate IP opportunities.
- *TEI IP is under-sold.* The New Zealand business environment offers only limited opportunities for sale of IP, necessitating offshore licensing. It is also important to realise that commercialisation of IP is expensive and risky.
- *TEIs are behind overseas counterparts in commercialising research.* There is little information available, but informal research would suggest the performance is often comparable with overseas institutions.
- *Researchers are anti-commercialisation.* The Sub-group believes that this is simply untrue, but acknowledges that there are impediments (primarily in the lack of institutional or researcher experience of commercialisation).

Notwithstanding the points above, the sub-group concluded that improvements could be made in the internal and external environments, which would facilitate commercialisation of research and IP. These improvements included:

- Realistic expectations (and support) for commercialisation activity, together with an acknowledgement and acceptance of its risks, must be set by the TEC, Councils and TEI management;

- TEIs should be given greater autonomy to invest in commercialisation projects. The sub-group also noted that the lack of interest from the New Zealand business community in funding early-stage commercialisation might necessitate greater public funding to bring such projects to fruition;
- Commercialisation activities should be undertaken by well-funded specialist units within TEIs, with appropriate experience and sufficient critical mass;
- Researchers need to be appropriately incentivised to participate in and benefit from commercialisation activity.

## 5.2 Staffing Sub-group

The Staffing Sub-group stresses 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. This does mean that the economic benefits of collaboration may be realised more in increased effectiveness than in efficiency.

As discovered by other Sub-groups, there is serious issue about the availability of quality information about Human Resources (HR) management. There is a lack of consistency both between and within institutions, and a clear tension between institutional autonomy on the one hand and the availability of good sectoral information on the other. Within institutions, it is not clear that HR management is effectively linked to workloads.

### 5.2.1 Conclusions on efficiency

A key issue for TEIs' efficient use of resources is the disjunction between staffing levels and revenues:

- The primary driver for staff numbers is the number of courses, and
- TEIs do not necessarily constrain the number of courses by each course's enrolments.

TEIs' flexibility to reduce costs in the face of poor enrolments in particular courses is limited, but this situation can be exacerbated by:

- Poor research and forecasting of enrolments, and
- Failure to monitor and take rapid corrective action.

One response to this problem has been the growing casualisation of the workforce.

The Sub-group has also concluded that the sector probably incurs high costs through 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.

The Sub-group questions whether there really is an adequate incentive structure to encourage TEIs to be more efficient. 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. The likelihood of "rescue interventions" by the Government in situations of gross failure is not likely to improve incentives to operate efficiently. It is the view of the Sub-group that the overall environment does not create a huge incentive for TEIs to be efficient.

### **5.2.2 Conclusions on collaboration**

In general the Sub-group has found that a significant amount of collaboration does exist across the tertiary sector. In broad terms, the Sub-group has noted three categories of collaboration:

- 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.
- 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.
- There is a range of bilateral arrangements, such as the longstanding arrangement between Victoria University and Wellington College of Education.

The Sub-group is of the view that these forms of collaboration are more likely to result in improved educational outcomes rather than greater economic efficiency. Generally, the Sub-group concludes that the incentives for collaboration for direct economic benefit are not strong and there is no real incentive to collaborate in the context of the national interest. Most TEI decisions are taken in the context of individual interests, not the overall national interest.

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. The Sub-group's view is that there is a need to actively incentivise collaboration.

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*.

### 5.3 Capital Sub-group

The key findings and conclusions of the Capital Sub-group may be summarised as:

- Capital expenditure across the sector is forecast to increase over the next five years from circa \$300m per annum to \$350m per annum. It is not clear to what extent this expenditure is remedial or driven by expansion or other changes in the scope and delivery of tertiary education
- External sources of capital (particularly borrowings) are likely to be required to meet this increased capital expenditure
- With the changing tertiary education environment, it is increasingly important to ensure that capital spending is aligned with both TEI strategic direction and the Government's own strategic priorities
- There is little data available or consistently collected on TEI assets
- Practice on capital budgeting, planning, management and performance monitoring varies considerably across the sector:
  - Capability, skills and expertise varies widely
  - Whilst the record of successful investment is generally reported as good, some TEIs do report mixed success
- Many TEIs (surveyed by the sub-group) requested more information and training on best practice asset planning and management
- Students wish to be consulted more extensively and earlier in capital planning processes, to ensure that student needs are better met. Of particular concern to students are:

- Intergenerational issues surrounding the funding of capital assets
- The need for capital planning to take account of changing student demographics and ethnicity, and
- The opportunity to use TEIs' bulk buying power to assist student purchases (e.g. purchases of student computers, other 'tools of the trade')
- Collaboration in the use of existing or planned assets is relatively limited.

The Steering Group noted the importance of exploring course-development costs from a collaboration and efficiency perspective. However, there was insufficient resource and time for the Capital Sub-group to consider this matter. It is proposed as a possible work area to explore in 2003/04 and beyond.

## **5.4 Library Services Sub-group**

The Library Services Sub-group concludes that there is substantial scope for increasing collaboration and efficiency in the use of the national resources devoted to libraries.

Collaboration between TEIs is currently driven by:

- Responding to user needs to improve access to quality information
- Cost pressures on limited library budgets
- Mutual benefits for participating libraries and their users
- Technology enabling libraries to more readily access and share information
- International best practise
- The TES and associated funding framework
- The role of libraries as 'active learning environments'.

The barriers to closer collaboration include:

- Unequal benefits from collaboration – smaller institutions tend to benefit proportionally more than larger institutions
- Institutional focus and independence – institutions naturally focus on the needs and interests of their users and are understandably concerned at any potential loss in autonomy and self-sufficiency
- Perceptions that institutions are still operating in a competitive commercial environment

- Lack of resources to meet the start up costs required to realise longer-term benefits
- Accounting policies that do not always make the cost of current management practises transparent
- Lack of an effective forum for cross-sector dialogue
- Limited time and resources available to institutions to invest in the assessment and development of new initiatives
- Lack of a co-ordinating infrastructure, and
- Lack of inter-operable computer systems.

Overseas there is an increasing trend towards integrated system-wide and formalised resource sharing. Moreover, there appears to be a trend toward public-supported academic libraries including vocational and technical institutes and public libraries and private academic libraries in their consortia arrangements.

## **5.5 Māori Responsiveness Sub-group**

The research on cooperation and collaboration between TEIs and Māori concluded that, whilst there are some clear positive developments, practice in collaboration with Māori communities varies widely across the TEI sector. Positive developments include:

- Efforts by some TEIs to address their obligations under the Treaty of Waitangi
- Recognition by TEIs of the need to develop and maintain relationships with their local iwi
- The creation of Māori senior management positions, involvement of all staff in responsibility for Treaty issues and the creation of separate Māori faculties
- Specific institutional reporting to Māori, in line with the Tertiary Education Strategy of ensuring greater accountability to Māori
- The establishment of collaborative relationships with the distinct objective of using each other's expertise in order to create more positive Māori education outcomes
- Separate from the rest of the TEI sector, the Wānanga demonstrate a clear philosophy that is grounded in Māori and tribal tikanga, which appears to influence the way these institutions operate

### **5.5.1 Constraints of institutional responsiveness to Māori**

The following were identified as the major constraints on the institutional responsiveness of Māori:

- Difficulties in developing and maintaining relationships with tangata whenua. Few institutions had developed relationships with iwi that could be considered mutually beneficial
- Little involvement by iwi in the development of institutional policy
- A reduction in consultation with Māori staff, students and in some cases, iwi with the creation of senior Māori management positions
- A general lack of understanding and commitment within institutions as to their responsibilities to ensuring Treaty obligations were being fulfilled
- Conflicting demands on Māori staff, increased by expecting Māori staff to have greater input on Treaty related issues, and
- Limited development of relationships between wānanga and both other TEIs and the iwi groups in wānanga catchment areas.

### **5.5.2 Key factors for effective collaboration and greater responsiveness to Māori**

Key features that define a successful collaborative relationship include:

- Power-sharing
- Involvement in all levels of the decision-making process
- Acknowledgement of cultural and philosophical differences, and
- Mutual respect and reciprocity

The Sub-group has concluded that responsiveness to Māori has largely been a result of reporting requirements based on the Charter, and not from a real desire by institutions to have collaborative relationships with Māori.

There appears to be limited innovative practice in relation to institutional responsive to Māori and in relation to how collaborative relationships may be developed.

## 6. Recommendations

This section sets out the key recommendations of the Collaborating for Efficiency Steering Group, as considered and revised from the deliberation of the Sub-groups and the Steering Group itself. In many cases, the recommendations drive at improved use of resources within individual institutions. In others, they relate to the potential to generate cost savings or improved performance through collaboration between institutions, or across the sector generally. The sub-groups' reports contain extensive and sometimes specific recommendations. These are attached in full at Appendix 1.

Identifying potential areas for improved internal performance also raises the question of the extent to which these improvements will actually be sought and the incentives that currently exist or can be created to encourage changes in behaviour so as to achieve the desired outcomes.

This drives at the controversial issues of institutional autonomy and the current framework for competitive provision of tertiary education. Greater national efficiency may well come at the expense of institutional autonomy.

There would appear to be a number of approaches that might be adopted to encourage greater national efficiency:

- Ensuring that existing mechanisms for encouraging behavioural change are being utilised as effectively as possible, (for example the use of funding approvals or course approvals)
- Strategic application of Government funding to particular collaborative initiatives (“Collaborate on this project, and Government will make it cheaper for all of you.”)
- Using benchmarking and reporting systems to incentivise improved performance
- Sector participants and central Government acting to disseminate and encourage best practice, so as to create a commonality of approach across TEIs, and
- Sector participants and central Government acting as facilitators – persuading and actively demonstrating the opportunities for and benefits of improving efficiency or collaborating with other institutions.

Some of the Sub-groups have addressed the issue of the type and form of incentives in their individual reports. In other cases further consideration needs to be given to this subject.

Some of the recommendations can be acted upon relatively quickly and with limited expense (e.g. making best-practice guides available across the sector). Others are likely to require more time and substantial funds (e.g. inter-operable library IT infrastructures), or relate to ongoing development of policy.

Within each recommendation, indications of priority are provided on a sliding alphabetical scale (with ‘A’ being of highest priority).

An attempt at estimating costs is also given:

- Level ‘1’ equating to activities that can be conducted with existing agency baselines (TAMU and TEC)
- Level ‘2’ equating to activities that may require external funding from a budget bid process 2004/05, and
- Level ‘3’ indicating activities that merit receiving funding in the near-future to allow for swift implementation.

## 6.1 General recommendations

The Group recommends that the Government should ensure that:

<b>Recommendations: Policy and Policy Guidance</b>	<b>Priority</b>	<b>Cost</b>
1. Collaboration is incentivised through benchmarking and funding schemes. This is the Steering Group’s foundation recommendation from which many of the recommendations below stem from. An example of what is meant here is the co-ordinated provision of best practice information on capital asset management, reinforced with a funding incentive such as subsidised membership for TEIs of professional bodies in this field.	‘A’	1&2
2. The Government’s expectations in key areas, such as the commercialisation of IP, be clearly stated and disseminated through appropriate policy mechanisms.	‘B’	1&2
3. The Government’s current 5-year planning horizons take account of longer-term planning required in TEIs regarding, for example, capital assets (many of whose useful lives are measured in decades).  This is the lowest priority for the Steering Group in terms of ongoing development of policy, given that there is	‘C’	1

already a Tertiary Education Strategy in place that can serve as the basis for better long-term planning for the tertiary sector, as well as the new Charter and Profile process;		
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All of the sub-groups identified improving best practice within institutions as key to improving efficiency in the sector.

Specific recommendations include:

<b>Recommendations: Best practice capability</b>	<b>Priority</b>	<b>Cost</b>
<p>4. Creation of an on-line resource database/collection, (coordinated by TAMU) covering best practice guides and self-assessment materials. This resource collection could be used for dissemination of best practice generally, but specific recommendations from the Group are that it should cover:</p> <ul style="list-style-type: none"> <li>- Managing and commercialising IP</li> <li>- Asset management, capital planning and capital project management</li> <li>- Library service standards, and</li> <li>- Staffing/Human Resource practice – with a particular focus on the development of consistent measures and methodologies for monitoring workload and collecting national data on the New Zealand tertiary sector workforce.</li> </ul>	'A'	1&2
<p>5. Complementing and reinforcing Recommendation 4, TEIs should obtain further training, facilitated by TAMU on the areas listed above.</p>	'B'	1&2

<b>Recommendations: Incentivising best practice</b>		<b>Priority</b>	<b>Cost</b>
6	<p>The Steering Group recommends that government subsidises membership costs to allow individual TEIs or collectives of TEIs to join international benchmarking organisations in priority areas including:</p> <ul style="list-style-type: none"> <li>- Performance in relation to commercialising IP (the Group recommends using the AUTM methodology – which will also provide a consistent measure for evaluating New Zealand performance in this area)</li> <li>- Capital planning, the performance of capital projects and the ongoing utilisation of capital assets (the Group recommends that TEIs join the Australian Association of Higher Education Facilities and participate in benchmarking exercises and that capital efficiency KPIs are developed).</li> </ul> <p>Furthermore, the Steering Group recommends that an evaluation of the effectiveness of TEI involvement in these bodies be conducted at the three year point. This will complement monitoring work for the purpose of ensuring TEIs make constructive use of their memberships. It is proposed that TEI participation in TEC funding initiatives, including the Innovation and Development Fund, also requires institutions to demonstrate effective use of their memberships.</p>	‘A’	3
7	<p>The TEC and TAMU should, in consultation with TEIs, develop KPIs and reporting requirements, across a wider suite of areas, including:</p> <ul style="list-style-type: none"> <li>- Staff, workloads and employment trends;</li> <li>- Engagement with and responsiveness to Māori;</li> <li>- Aspects of capital asset management;</li> <li>- Managing the commercialisation of IP.</li> </ul> <p>The Steering Group recognises that work of this nature is already going on and that the Charters and Profiles process is also contributing to Key Performance Indicator (KPI) development. There is, however, a consensus in the group that KPIs for Staff, workloads and employment trends, capital efficiency and engagement with Māori are areas in which KPI development is weak.</p>	‘B’	1

## 6.2 Further research and information gathering

The sub-groups identified a number of areas in which further research was required on current practice in order to assist with the development of policy and initiatives to improve efficiency and collaboration. Further research of this nature will also help inform the development of KPIs as discussed in Recommendation 7.

Recommendations include research into:

<b>Recommendations: Further research</b>		<b>Priority</b>	<b>Cost</b>
8	<p>The TEC and TAMU should undertake research into:</p> <ul style="list-style-type: none"> <li>- The performance of TEIs in relation to the commercialisation of IP;</li> <li>- Existing approaches to enhanced efficiency and effective collaboration between TEIs in relation to staffing and programmes;</li> <li>- Existing collaboration between TEIs and Māori communities, and Māori and TEI perspectives on the responsiveness of TEIs to Māori;</li> <li>- Current asset management, efficiency and procurement practice in TEIs and its alignment with strategy and the changing tertiary environment; and</li> <li>- Models for improving shared technical service initiatives and inter-operable systems between tertiary and research libraries.</li> </ul>	'A'	1

## 6.3 Specific Sub-group recommendations

### 6.3.1 Entrepreneurial activity

<b>Recommendations: Entrepreneurial activity</b>		<b>Priority</b>	<b>Cost</b>
9	TEIs with a small number of commercialisation opportunities collaborate with other TEIs to establish viable commercialisation units, with sufficient critical mass to be effective;	‘B’	1&2
10	<p>The Steering Group specifically recommends that collaboration extends to the use of shared facilities between TEIs and that instruments for supporting such collaboration need to be investigated.</p> <p>The Steering Group considers that collaboration around entrepreneurial activities should include improved institutional co-ordination in making use of experienced (and scarce) “deal-makers” who can market the consultancy and commercialisation products of TEIs on a regional, national and international scale.</p>	‘C’	1&2
11	The Steering Group recommends that collaboration be considered a key criterion in any initiative that provides support for commercialisation activity by TEIs, CRIs and research bodies. This includes schemes being funded from within Vote Research, Science and Technology.	‘A’	1

<b>Recommendations: Entrepreneurial activity</b>		<b>Priority</b>	<b>Cost</b>
12	<p>The Public Finance Act be amended to increase TEI's autonomy to invest in commercialisation of IP.</p> <p>With regard to this recommendation the Steering Group notes those aspects of the Public Finance Act that are being repealed in order to clarify the parameters within which Crown Entities, including TEIs must function.</p> <p>In essence, it is recommended that the ability of TEIs to make investment decisions for the purpose of commercialising IP be rationalised so that capable institutions can make decisions without requiring the approval of government. This will be balanced against the Crown's requirement to manage risk around such activities and ensuring that the sphere of activities included in commercialisation is appropriate to TEIs.</p>	Immediate	1

The Entrepreneurial Sub-group also recommended that the Government increase funding for basic research and commercialisation opportunities. The Steering Group recognises that this is an issue that needs to be deliberated by Ministers and relevant policy agencies. Both the Steering Group and the Entrepreneurial Group recognise the new initiatives announced as part of Vote Research, Science and Technology to support pre-seeding development by CRIs and TEIs, namely the Pre-Seed Accelerator Fund and the Equity Investment Fund. It is hoped that some of the learnings and recommendations from the Collaborating for Efficiency project prove useful for the implementation and ongoing management of these two initiatives.

### **6.3.2 Staffing**

The Steering Group recognises that staffing and workforce issues are critical to the development of a quality tertiary education system.

The Staffing Sub-Group, in many respects, was unable to advance its work due to the dearth of good quality and consistent staffing data available from and about the tertiary sector. Hence, the specific recommendation below must be actioned to ensure better understanding of staffing and human capability issues in the sector.

The Staffing Sub-group also identified key areas for improving efficiency as being in programme development and duplication. The sub-group believes that many programmes are unnecessarily duplicated across the sector, and that many institutions cross-subsidise loss-making activities from a few large courses. The sub-group also expects that there is substantial duplication of costs in the development of programmes.

Any move to reduce such duplication or cross-subsidisation would involve increasing the amount of control exercised by the TEC over TEIs. Whilst efforts to reduce duplication would be in line with the TES, greater central control would also work against the competitive environment in which institutions currently operate (with its incentives to operate efficiently). The Steering Group therefore makes an additional recommendation that policy work in this area needs to be carried out as a priority for improving efficiency and using scarce human resource more effectively.

<b>Recommendations: Staffing</b>		<b>Priority</b>	<b>Cost</b>
13	The TEC and TAMU should, in line with the recommendations above, pursue initiatives that enable consistent national data collection regarding the tertiary sector workforce. The Tertiary Workforce Review will focus closely on this matter. It is envisaged that data collection will encompass information on the categories of work employed, discipline related staff data, casualisation and trends in qualifications, retention and turnover.	‘A’	1&2

### 6.3.3 Māori Responsiveness

The themes discussed earlier in this report regarding Māori Responsiveness are reiterated here. This includes key issues that have already been set out in this document (increased research into examples of effective collaboration between TEIs, whānau, hapu, iwi Māori as well as the development of KPIs and reporting standards).

The Steering Group acknowledges that such work, both in the context of the Collaborating for Efficiency Project and the further work streams that result, must be conducted in early and close consultation with whānau, hapu, iwi Māori.

The Steering Group is pleased then to recommend that:

<b>Recommendations: Māori responsiveness</b>		<b>Priority</b>	<b>Cost</b>
14	Models for assessing effective collaboration with Māori be developed and have Māori involvement from the outset. This is beyond a consultative approach and requires Māori to become involved in the planning process as well.	‘A’	1
15	Whānau, hapu, iwi centric research be conducted that allows current performance in, and key drivers and constraints for collaboration with TEIs to be identified.	‘B’	1&2

### 6.3.4 Capital

The Sub-group was concerned to ensure that good performance in the management of assets and capital projects was strongly incentivised. The Steering Group has also made specific recommendations in this area that are identified and discussed below:

<b>Recommendations: Capital</b>		<b>Priority</b>	<b>Cost</b>
16	The Steering Group recommends that a set of strategies be developed that encourage institutions to share or collaborate more effectively in terms of the purchase and utilisation of fixed assets.	‘A’	1
17	The Steering Group recommends that sector participants, including TEIs and the government, facilitate sharing of good or effective capital asset management systems with each other.	‘B’	1&2
18	In order to foster greater collaboration in the use of existing and new assets, the Capital Sub-group also recommends: <ul style="list-style-type: none"> <li>- TEIs, CRIs and research organisations establish a database of major assets and other specialised assets, to facilitate identification of opportunities for collaboration</li> <li>- TEIs implement sensible internal-charge, user-pays schemes to encourage efficient use of land and buildings</li> </ul>	‘C’	1&2

<ul style="list-style-type: none"> <li>- MoE and the TEC begin to facilitate an investigation into whether a market could be established for sharing/utilising spare capacity in TEI assets.</li> </ul>		
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### 6.3.5 Library services

The Steering Group believes that there is considerable scope for improving collaboration and efficiency in library services across the TEI and CRI sector.

Already, significant momentum has been gained with the Library Sub-group sponsoring a National Forum for librarians and information managers from TEIs, CRIs and other research bodies – a precedent setting exercise where the Library Sub-Group Report was a central feature of that event. The Steering Group sees significant opportunity for this momentum to be capitalised upon and its recommendations are:

<b>Recommendations: Library services</b>		<b>Priority</b>	<b>Cost</b>
19	That Government seed the establishment of an Office for Library Cooperation to facilitate and drive TEI, CRI and research association collaboration. An evaluation of the Office will be conducted at the three-year point to measure the achievements of the initiative.	‘A’	1,2&3
20	<p>The Office for Library Cooperation should:</p> <ul style="list-style-type: none"> <li>- Facilitate the development of a co-ordinated national collections strategy</li> <li>- Work with the sector to develop a common technology platform for use in all TEI and CRI libraries</li> <li>- Promote collaboration between Māori and libraries, and encourage greater participation by Māori in library professions</li> <li>- Examine the potential for creating a database of all New Zealand research outputs</li> <li>- Evaluate the potential for shared storage facilities for the majority of large TEI libraries.</li> </ul>	‘B’	1,2&3

21	TEC should develop benchmark standards of Māori responsiveness and TEI libraries should develop and adhere to Māori responsiveness plans.	‘C’	1
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# Appendix

## Sub-group Recommendations

### 1 Entrepreneurial Sub-group

As a result of its analysis, discussions and experience, the sub group recommends that:

- TEI Councils and Managers be given clearer and more operational guidelines about the Government expectations for them to commercialise IP and knowledge and to embark on collaborative activities. This may be made explicit in the Tertiary Education Strategy, the development of charters and profiles or through the Ministerial expectations of council members. It would include the desirability of collaboration and the need to accept the risks inherent in entrepreneurial activities.
- TEIs which are likely to generate small numbers of commercialisation opportunities be strongly encouraged to collaborate in establishing viable commercialisation units or to outsource their requirements. The sub group considers that a minimum of 4 – 5 FTE personnel are required for a viable unit undertaking the commercialisation of IP and knowledge.
- TEIs collaborate, both with other TEIs, and with other organisations, to establish and deliver courses for councillors, managers, researchers and other personnel to create an awareness and understanding of the best practice structures, systems and processes for commercialising IP and knowledge, together with the potential implications and impact of entrepreneurial activities.
- TEIs be provided with guidelines for developing internal culture and establishing incentives for researchers to co-operate in identifying commercialisation opportunities and to assist with developing research enable proof of concept.
- The Public Finance Act be amended to increase the autonomy of TEIs to invest for the purposes of commercialising IP and knowledge.
- The Tertiary Education Strategy be strengthened in the areas of collaboration and performance in commercialisation of IP and knowledge to clarify the Government expectations of TEIs.
- Robust information on the performance of New Zealand TEIs be developed using the AUTM methodology and be used to inform the

Government in its policy deliberations about funding and other issues relating to commercialisation of IP.

- Increased public funding be provided to TEIs, CRIs and other research organisations to increase the level of fundamental and basic research and, in turn, enhance the generation of commercialisation opportunities.
- Increased public pre-seed funding be provided to overcome the gap between the development of TEI research and requirements for funding by venture capital organisations.
- TEIs be eligible for start up funding of commercialisation units to ensure that scarce resources are not diverted from core responsibilities for teaching and research.
- Practical assistance with collaboration between TEIs, CRIs and other research organisations be provided through Government sponsored Science Enterprises workshops to develop and implement co-operative research and commercialisation initiatives.

## **2 Staffing Sub-group**

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

- Systems to consistently measure staff workloads.
- Enhance the quality of HR practice.
- 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.
- The impact of qualification replication on the effective use of the staff resource.
- Incentivising improvements in the efficient use of the staff resource.
- In promoting the case for increasing collaboration there should be further investigation of:
  - Developing cross-representation on the councils of institutions.
  - Promoting the benefits of collaboration in the development of charters and profiles for institutions and the creation of specific incentives for enhancement of collaboration.
- 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.

### **3 Māori responsiveness Sub-group**

- The development of any model for assessing effective collaboration needs to ensure Māori involvement from the outset. This is beyond the consultative approach and suggests a need for Māori to become involved in the planning processes as well.
- Further research is required in order to assess the relevance of the above key success factors, particularly for Māori and within the New Zealand context. There are a number of areas in which such research may focus:
  - A Māori analysis of tertiary institutional responsiveness (drawing from Māori, iwi and Māori urban groups)
  - Identification of key drivers and constraints for collaboration from a Māori/iwi perspective
  - An analysis from tertiary institutions' perspective in relation to their understandings of Māori responsiveness and fulfilling Treaty responsibilities
- The development of any model for assessing the effectiveness of such collaborative relationships requires negotiation with Māori, in line with the objectives outlined in the Tertiary Education Strategy.

### **4 Capital Sub-group**

#### **4.1 Improved asset management within TEIs**

- 1 (Capability)** Additional research, directed centrally (i.e. TEC, TAMU or MoE), should be performed on:
  - The quality of capital spending evaluation, decision-making and processes in the sector;
  - The alignment with and success of capital expenditure in meeting both institutional and sector-wide needs;

- The efficient use of capital in the TEI sector;
  - Issues of deferred maintenance;
  - The responsiveness of capital programmes to changes in the TEI environment (demographics, learning paradigms, research, policy, etc.)
- 2 **(Capability)** TEIs should develop systematic and inclusive capital expenditure planning processes, reassessing their existing processes where necessary.
- TEIs should consult more extensively with students and take greater account in capital planning of changing patterns of student ethnicity.
- 3 **(Capability)** TEIs should obtain more training in capital investment decision-making generally, and in particular:
- the preparation of asset management plans;
  - criteria for making capital investment decisions (in a tertiary educational environment);
  - finance of capital assets and management of external borrowings;
  - capital project management;
  - MoE and TAMU could assist in this area by incorporating training in these areas in the senior management training programme, sponsoring development of self-assessment resources and sponsoring training of TEI management by capital investment experts.
- 4 **(Capability and Incentives)** All TEIs should join the AAPPA (Australasian Association of Higher Education Facilities), to
- Have access to the wealth of material currently available at AAPPA on capital asset investment and management; and
  - Incentivise efficient capital usage through benchmarking.
- 5 **(Capability)** A database of resource material should be developed by [ ], to hold in electronic form copies of the tertiary sector material currently available on capital asset investment and management. This resource base should further developed and updated on an ongoing basis by sector participants.
- 6 **(Capability)** The current networks of TEI chief financial officers should be further supported and developed, with the intention of disseminating and discussing best practice guidance material, training, and consideration of possible collaborative initiatives.

- 7 **(Capability and Incentives)** TEC/TAMU should work with sector senior managers to establish a formal management system that (for material projects):
- Clearly identifies the drivers of success for each major capital project (including an assessment of key risks) at the project analysis stage;
  - Ensures the ongoing management of a project in terms of the identified drivers and risks (over the useful economic life of the project or at least its payback stage);
  - Provides a reporting system that reviews the outcomes of a project and the attainment of its goals.
- 8 **(Capability and Incentives)** Policies to encourage capital efficiency should also be developed, potentially including:
- TEI KPIs be expanded by the TEC and TAMU to include measures of capital efficiency;
  - Benchmarking information should be published annually in Profile documents;
  - TEIs should be required to demonstrate, in Profiles and Annual Reports, alignment of capital expenditure with institutional strategy.
- 9 **(Incentives)** TEIs should implement user-pays schemes to encourage efficient use of land and buildings.

#### 4.2 Greater collaboration across the TEI sector

- 10 **(Capability)** A database of TEIs' major assets and other 'specialised assets' should be developed by [ ], for use in identifying capital assets that could be shared across the sector and with other education providers.
- 11 **(Capability)** MoE and the TEC should provide resource support for TEI financial officer networks, particularly in relation to developing collaborative projects.
- 12 **(Incentives)** MoE and the TEC should conduct an investigation into whether a market could be established for spare capacity of TEI capital assets.

### 4.3 Other recommendations

More generally, the Capital Sub-group also recommends to central Government that:

- Policy is developed to ensure alignment of the TEI capital stock with future national training and research needs and an agreed strategic vision for tertiary education.
- A long term national strategy is developed that goes beyond the 5-year focus. It was noted that in the area of capital investment TEIs are having to take a longer term focus, often spanning decades.
- Government should take into account TEI planning requirements when considering major policy changes, as well as the potential impact of policy changes on long-term capital investment.

## 5 Library services

### 5.1 The foundations for closer collaboration

- *Recommendation 1:* That a National Forum for TEI, CRI and National Library managers be convened to review the proposals in this report and confirm actions under an Agenda for Collaboration.
- *Recommendation 2:* That the Ministry of Education and the Tertiary Education Commission support a national forum for TEI and CRI and National Library managers under the auspices of the Collaborating for Efficiency Project.
- *Recommendation 3:* That an Office of Library Co-operation be established to facilitate and drive collaboration across the TEI and CRI sector.
- *Recommendation 4:* That the National Library and CONZUL and representatives from ACENZ, ACRI, APNZ, and Te Taihira o Aotearoa:
  - Agree governance arrangements for an Office of Library Co-operation
  - Agree terms of reference and an initial work programme for the Office, and

- Develop a proposal for the Tertiary Education Commission to contribute to the funding of the Office through the Innovation and Development Fund.
- *Recommendation 5:* That the National Library and CONZUL, on behalf of the sector, prepare an application for funding for a project manager to undertake the work required to define terms of reference and a work programme for the Office of Library Co-operation, along with proposed governance and funding arrangements.
- *Recommendation 6:* That the National Library, working through the Office of Library Co-operation, facilitate the development of an agreed set of best practice library service standards for the tertiary and research library sector, in partnership with the sector.

## **5.2 Co-ordinated collection development and shared technical services**

- *Recommendation 7:* That the development of a national strategy for co-ordinated collection development form part of the work programme for the Office of Library Co-operation.
- *Recommendation 8:* That assessing the feasibility of shared technical services initiatives form part of the work programme for the Office of Library Co-operation.

## **5.3 Māori responsiveness**

- *Recommendation 9:* That each TEI library develop a Māori responsiveness plan that can form part of its institution's profile, including specific action plans and targets to:
  - Give effect to their partnership responsibilities to iwi
  - Increase the number of qualified Māori library staff
  - Provide a research and learning environment that meets the needs of Māori researchers and students
  - Improve the access to, and protection of, Māori knowledge and taonga, and
  - Contribute to improvements in Māori literacy, particular among youth.

- *Recommendation 10:* That the Tertiary Education Commission:
  - Develop benchmark standards for Māori responsiveness, in consultation with TEIs
  - Monitor progress with the implementation of TEI's Māori responsiveness plans through the Charters and Profiles review process
  - Ensure consolidated time-series reporting on Māori library staff numbers takes place, and
  - Review, in consultation with the Ministry of Education and Te Puni Kōkiri, scholarship funding available for developing Māori librarians.
- *Recommendation 11:* That the Tertiary Education Commission (TEC) facilitate meetings between Victoria University of Wellington, Wānanga o Raukawa and The Open Polytechnic of New Zealand to develop options for:
  - The cross-crediting, stair-casing and development of qualifications required to produce bi-cultural knowledge workers, and
  - Increasing the number of Māori learners taking and completing library qualifications.
- *Recommendation 12:* That a specific position within the Office of Library Co-operation be dedicated to facilitating enhancements in Māori responsiveness in tertiary libraries including:
  - Communication of Māori responsiveness best practice within the libraries and their communities
  - Attraction of Māori to librarianship
  - Negotiation with Victoria University of Wellington, Wānanga o Raukawa and The Open Polytechnic of New Zealand to enable students to take some courses from each institution and cross credit them to create a tailored qualification
  - Participation in developing standards for New Zealand's tertiary libraries (client services, collection management, physical environment, ownership and access)
  - Develop draft documents for iwi and libraries entering into arrangements over ownership and access to taonga, and
  - Prepare draft policy relating to management of collections e.g. intellectual property.

## 5.4 Technology infrastructure

- *Recommendation 13:* That all tertiary and research libraries in New Zealand should operate an inter-operable Integrated Library and Resources Access Management System (IRAMS).
- *Recommendation 14:* That the Office of Library Co-operation, working closely with CONZULSYS and the National Library:
  - Identifies the best option for ensuring inter-operable systems for the tertiary and research libraries is developed
  - Identifies a funding and governance model for the development and ongoing support of an inter-operable IRAMS for the sector, and
  - Develops a business case for submission to the TEC for national funding, or contributory national funding that maximises the removal of barriers to participation by smaller institutions.
- *Recommendation 15:* That the National Library, working through the Office of Library Co-operation, lead the establishment of appropriate standards for IRAMS across the sector to maximise interoperability
- *Recommendation 16:* That all TEI and CRI libraries endorse the concept of the Next Generation Internet Consortium initiative to ensure adequate bandwidth is available to the tertiary library and research New Zealand community as quickly as possible and support the consortium proposal to seek seed funding from TEC.

## 5.5 Access to New Zealand research outputs

- *Recommendation 17:* That New Zealand establish a database that provides access to all New Zealand published research outputs (papers, conference proceedings and books) for the research and tertiary community.
- *Recommendation 18:* That the National Library works collaboratively with the tertiary and research sector, through the Office of Library Collaboration, to determine the infrastructure and standards required to establish the database.
- *Recommendation 19:* That the TEC, FRST, Health Research Council and Royal Society of New Zealand require research funding recipients to enter their research outputs to an agreed standard on the database as a requirement of government funding.

- *Recommendation 20:* That the Office of Library Co-operation develop a business case for the seed funding required to establish and maintain the database and provide unrestricted TEI and CRI access to it for a three-year period for consideration by TEC and MORST.
- *Recommendation 21:* That the Office of Library Co-operation investigate an expansion of the [Australian Digital Theses Program](#) to become an Australasian programme capturing metadata and potentially full-text for theses from the tertiary sector.

## **5.6 Access to e-resources**

- *Recommendation 22:* That all universities, CRIs and the larger polytechnics are encouraged to join CEIRC.
- *Recommendation 23:* That CONZUL expand its consortium to a model similar to CEIRC, so that all tertiary libraries and CRIs can join to acquire electronic resources that are not available through CEIRC.
- *Recommendation 24:* To enhance access to international electronic resources for New Zealand tertiary teachers, researchers and students, the Office of Library Co-operation should develop a business case for new funding from TEC and MORST to support consortial purchase of:
  - Back issues of key resources, and
  - Access to core research databases for a three-year period.
- *Recommendation 25:* That an extended CONZUL committee, or the Office of Library Co-operation, represent the CRI and TEIs in negotiations for e-resources, establish guidelines for the funds and, ensure the funds are equitably spent on core resources.

## **5.7 Shared storage**

- *Recommendation 26:* That the Office of Library Co-operation, as a secondary priority, undertake a study to establish what governance and economic arrangements would be required to enable a national store facility to operate so as to attract the participation of a majority of the large libraries in the tertiary sector.