



**ASSOCIATION FOR TERTIARY EDUCATION MANAGEMENT
NEW ZEALAND (Inc)**

**Submission to the Tertiary Education Advisory Commission on 'Shaping
the Funding Framework'
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Contacts:

Ginny Ferguson, President
Email: g.ferguson@regy.canterbury.ac.nz

Peter Wills, Secretary
Email: atem.nz@cce.ac.nz

The Association for Tertiary Education Management (ATEM) is pleased to have the opportunity to respond to the fourth report of the Tertiary Education Advisory Commission.

ATEM NZ membership is comprised of managerial and administrative staff from the tertiary education sector both private and public. There are 183 individual members from 32 institutions as well as 21 corporate memberships representing 102 nominated staff from the Ministry of Education, Universities, Colleges of Education, Polytechnics, Wananga and Private Training Establishments.

Consequently, this response will address issues in the report relative to the management and administrative roles of the ATEM constituency.

1. The Commission acknowledges that the eight principles guiding the thinking may involve some trade offs but there seems to be an impossible gulf between particular principles and later recommendations.

In particular, ***Principle 2.1.3 - that the new funding framework should have low transaction costs*** is to be applauded. However recent experience suggests that this will be unlikely in practice. In the first instance the task of evaluating charters and profiles and applying desirability tests will involve a significant central bureaucracy. In addition the development of guidelines for desirability tests, the dissemination of the information and the application and monitoring at local and national levels will demand significant administration with all of the attendant costs. In addition, there is the task of reviewing the funding categories, which will not be simple and will involve considerable effort, consultation, and modelling. In the absence of additional resources for the tertiary sector, these administrative costs must be borne locally within the institutions and at a national level out of existing funds, thereby eroding the funding going into the core business of teaching, learning and research..

Historical precedents in both the education and health sectors demonstrate that the collection of data for reporting and compliance purposes increases exponentially with every change in the system. This in turn demands an increasing complexity in Management Information Systems (MIS) and substantially higher skill levels in staff. This is at a time when inadequate funding too often results in inadequate or incomplete MIS

and few resources for staff training and up skilling. Consequently systems and the robustness of data are at best at risk and at worst inaccurate. Decision making and planning at local and national levels, which should be founded on robust data may be increasingly flawed because of poor quality data, hence compromising ***Principle 2.1.2 – the requirement for timely, accurate and appropriate information to support and defend decision making and planning processes and for monitoring and accountability purposes.***

Professional Development is the primary purpose of ATEM. It is commonly understood that in times of scarce resources, staff development is one of the first budgetary casualties. The Tertiary Education Sector is suffering from scarce resources at a time when skilled administrative, management and leadership is imperative to achieve the goals for a well-educated and skilled society. ATEM members report that they currently have difficulties attending Professional Development activities that would assist them in their work because of resource constraints.

2. The principle of recognising and respecting academic freedom and provider autonomy would seem to be at odds with the proposal for central steering and what appears to be micro-management as proposed in the new funding mechanisms. The ability and responsibility of institutions to develop and deliver appropriate programmes is to be compromised by the desirability tests and the consequent proposed funding mechanisms. Underpinning the recommendations is the assumption that providers are not performing an adequate and accurate analysis of the needs of the nation and are not aware of the needs for a knowledgeable and skilled people. ATEM would assert that the resources required for developing the knowledge and skills to the necessary level are not sufficient. Given appropriate resources that are not required to be diverted into compliance and micro management, Tertiary Education Providers in New Zealand have a track record of producing graduates who are in demand internationally from every element of the sector. Our teachers, university graduates, and polytechnic trades and professional people are eminently employable in the rest of the world. The evidence suggests that providers are able to develop and deliver the programmes to produce the graduates New Zealand and the world requires for the future. The trick would be in retaining these people in New Zealand after they qualify.

3. Implicit in the recommendation for a review of the cost and funding categories is a level of detail and complexity that will demand greater administrative resources diverting funding and staff energy further away from the business of teaching, learning and research. Developing the guidelines, disseminating the information and assessing and monitoring the results will result in larger administrative bureaucracies at both national and local levels. Is this a cost effective way to achieve the outcomes sought in a time of very constrained resources? Is this recommended process necessary? Is there evidence of Tertiary Education Institutions (TEIs) not administering funding wisely or effectively? If there is, surely there should be intervention at the organisational level rather than an expensive system wide change.

4. While a significant number of TEI's have Charters, it would appear that they do not differentiate adequately to enable central steering. It is debateable whether institutions are currently equipped to provide well developed and meaningful Charters and Profiles. Some may be well positioned in this regard but those who are not will be disadvantaged. There may be a temptation to submit Charters and Profiles based on

less than rigorous data and without sufficient community consultation in order to meet requirements.

5. The cost of the proposed changes (nor any other funding or financial details) are not indicated in the report. Observation of similar change in the Health Sector and in the Polytechnic sector throughout the nineties leads to questions of the cost benefits of the changes as proposed. While the outcome of a ***co-operative and collaborative tertiary education sector that will better assist NZ in becoming a world-leading knowledge economy and society*** is not up for question, the assumptions underpinning the recommendations of how this might be achieved are questionable and hence the proposed way forward flawed in many respects. The problem we have faced is not one of competition itself (which may have brought about some positive changes in fact), but duplication at the local/regional level. That will not be addressed by these changes. ATEM would contend that many TEI's are currently collaborating and co-operating and that they are doing an admirable job of preparing our people for the future within very constrained resources. In the way of New Zealanders it could be seen as the 'bit of size eight fencing wire and smell of an oily rag' when compared with other developed countries such as Denmark and Ireland.

To achieve the outcome sought and retain our skilled people to contribute to the development of New Zealand's future requires that much of the available resource is directed into teaching, learning and research, and not diverted into administrative bureaucracies.

6. In summary, ATEM has concerns about the assumptions and the lack of evidence underpinning the recommendations. Hence there are grave concerns that the outcome sought for a ***co-operative and collaborative tertiary education sector that will better assist NZ in becoming a world-leading knowledge economy and society*** - an outcome which is fully endorsed by ATEM - is not going to be achieved by central steering and micromanagement strategies which divert precious resources away from the core business of teaching, learning and research into administrative bureaucracies at both national and institutional levels.

ATEM recommends that the changes implemented in the Tertiary Sector (Polytechnics) in the late eighties be evaluated. Central steering and micro management strategies were trialled with the introduction of the ACCESS programme and REACs with regard to the cost benefit, before embarking on the changes recommended at this time. A study of the cost benefit of the purchaser/ provider split in Health in the nineties might also yield some useful learning that would underpin strategies for achieving the outcome for the NZ Tertiary Education Sector that we all agree about.

Christchurch
30 January 2002