



STRATEGIC DIRECTIONS

2009-13

25 August 2009
 [updated January 2011]

VISION

Tai Poutini Polytechnic will provide an empowering learning environment for our students to enable them to gain vocational education and applied skills through a portfolio of programmes that are delivered locally and nationally in an efficient and effective way.

ROLE

Tai Poutini Polytechnic's role is to:

- deliver vocational education that provides skills for employment
- assist progression to higher levels of learning or work through foundation education
- undertake applied research as appropriate that supports vocational learning and technology transfer

EXPECTATIONS

The expectations of ITPs in the Tertiary Education Strategy are to:

- enable local access to appropriate tertiary education
- enable a wide range of students to complete industry-relevant certificate, diploma and applied degree qualifications
- support students with low literacy, language, and numeracy skills to improve these skills and progress to higher levels of learning
- work with industry to ensure that vocational learning meets industry needs

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CPIT	Christchurch Polytechnic Institute of Technology
EFTS	Equivalent Full-Time Student
ERO	Education Review Office
ITPs	Institutes of Technology and Polytechnics
JIT	Just-in-time
JIE	Just enough
MAINZ	Music and Audio Institute of New Zealand
MIT	Manukau Institute of Technology
NMIT	Nelson Marlborough Institute of Technology
SAC (funding)	Student Achievement Component
TEOC (funding)	Tertiary Education Organisation Component
TEC	Tertiary Education Commission
TES	Tertiary Education Strategy
WITT	Western Institute of Technology Taranaki

FROM THE CHAIR AND CEO

While the winds of political and bureaucratic policy change may come and go, Tai Poutini Polytechnic (TPP) continues to focus on stakeholder needs and delivering cost-effective courses with course and effective qualification completion rates which consistently are amongst the best in the sector. Such outcomes, coupled with a comparatively low cost structure, have seen TPP cope reasonably well through the “tertiary” (ITP) reforms of the last five years.

In the midst of this seemingly ever-changing climate, TPP has focused on delivering on its clear mission and vision for the benefit of our stakeholders and our economy. By focusing on the four imperatives as outlined in this document, we will ensure continual improvement for our stakeholders in whatever environment we may face.

Strategic Directions 2009-13 outlines the directions and intentions of TPP to enable it to contribute to the New Zealand economy by providing training opportunities on the West Coast and providing specialist, productivity enhancing programmes in national niches.

Long term, TPP intends to be an example of best practice in all we do in a regional ITP within the New Zealand context - and indeed when benchmarked internationally as well.

In the words of Robert Browning “... the best is yet to be”.

TPP believes:

- *education is a right,*
- *in a focus on the student,*
- *the principles of the Tiriti o Waitangi underpin what we do and how we do it,*
- *we are responsive to the needs of our stakeholders,*
- *our polytechnic is our people,*
- *in a dedication to service,*
- *in a spirit of respect.*

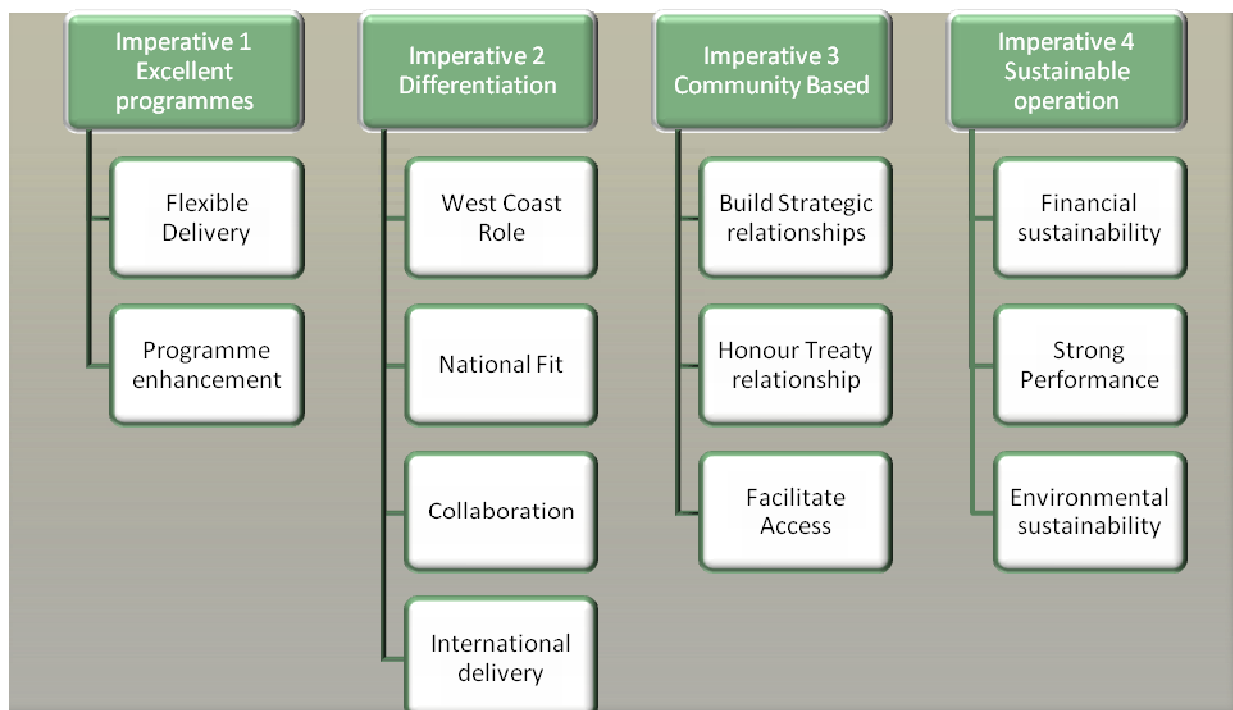
Key Outcomes

TPP will:

- remain a student centred learning organisation focused on student success;
- use learning centres and flexible learning to facilitate access by students in a variety of locations;
- continue to provide a range of pathways into tertiary education offering programmes from level 1 to 7;
- connect closely and creatively with its communities and clients and relevant national industries;
- have enhanced the quality of our teaching and student support, relationships with key industries, the relevance of our curricula, and the operation of our quality assurance processes;
- be operating in a fully sustainable manner.

Critical Success Factors

- **student success**
- **being the best on the Coast**
- **meet all stakeholder needs**
- **talented motivated staff**



INTRODUCTION

TPP HAS A NATIONALLY DISTRIBUTED RANGE OF DELIVERY IN THE FOLLOWING AREAS OF SPECIALIST INDUSTRY PROVISION:

- Audio engineering, live sound, music production and event management
- Scaffolding, rigging, industrial rope access, elevated work platforms, cranes, and working at heights
- Search and rescue and emergency management
- Civil infrastructure and extractive industries
- Ski patrol

STRATEGIC IMPERATIVES

TPP will:

- Provide excellent learning programmes to meet the needs of students and their employers;
- Be recognised nationally and internationally as having a distinctive role in NZ tertiary education;
- Interact creatively with its communities, contributing to their social development, economic development and environmental sustainability;
- Ensure its sustainability through effective management, reputation, effective dialogue with funders and strong performance.

This Plan sets out a strategic direction for TPP over the next 5-7 years. TPP will enhance its areas of excellence both regionally and in areas of national capability. It will be seen as a “connected” institution by students and industry.

It is a given, under the current funding arrangements, that TPP cannot be sustained by operations within the West Coast although this is clearly its home region and of critical importance. To sustain that activity and provide the necessary human and physical infrastructure the Polytechnic must continue with its areas of national provision through its Music and Audio Institute of New Zealand (MAINZ) and the National Industry programmes where TPP is the dominant provider in areas such as working at heights; emergency services and land search and rescue; and civil infrastructure and extractive industries. There are also other smaller specialist courses which are run exclusively by TPP but largely within the home region - these are jade carving, ski patrol, and ecotourism.

While the Plan assumes some changes in the environment there will be others as yet unknown and undoubtedly challenging to the Institution. *Strategic Directions* is not, therefore, intended to be a prescriptive master plan document with many discrete actions and objectives. These are more appropriate to Investment Plans and Operational Plans/Budgets.

Instead, the document establishes four key strategic imperatives. These are needed to respond to both current environmental issues and anticipated issues while advancing the vision and mission. Underlying these imperatives are 12 objectives. Over time these will be disaggregated into actions which are picked up in other plans. Some of those which are already identified are also set out in this document.

This document is in two parts. The first part identifies those key environmental factors which will have the most impact on the Polytechnic. These are not the only significant factors. They are covered at a high level because other documentation exists which investigates them further.

The second part is the core of the plan: each strategic imperative is outlined with relevant analysis and key objectives and actions/priorities.

The conclusion provides a one page summary of the plan.

Part 1

Key Influences

REGIONAL OVERVIEW

This section provides only a top level summary of issues affecting planning. More detailed information is available from the 2008 Regional Facilitation Report produced by TPP.



With only some 31,300 people, the West Coast has New Zealand's smallest population, making up less than 1% of the national population. It generates a similar share of GDP. The region is amongst the most economically deprived in New Zealand.¹

The West Coast is also the most sparsely populated region in the country with only 1.41 people per square kilometre against the national average of 13.97.² This is a low figure internationally. The West Coast is not nearly as urbanised as the rest of the country with only 57% in urban areas compared with a national figure of 85%. It is understood to be the only region with no traffic lights in any urban area.

There is a high level of social deprivation.³ This is shown by the Eco-footprint publication by the Ministry for the Environment. Overall, the index rates West Coast as below average. It is also shown by the Deprivation Index.

Infrastructure in the form of road and rail communications and, indeed, telecommunications, is not well developed and is problematic at times. Population access to critical communications is behind the NZ norm. In 2006, 49.8 percent of households had access to the Internet, compared with

60.5 percent of households nationally. It has a higher proportion of its population with no qualifications and a lower level with degree attainment.

Income is low. In 2006

- people aged 15 and above had a median income of \$20,400 compared to \$24,400 nationally;
- 49.4 percent of people aged 15 years and over had an annual income of \$20,000 or less, compared with 43.2 percent of people for New Zealand as a whole;
- 12.8 percent of people aged 15 years and over had an annual income of more than \$50,000, compared with 18.0 percent of people throughout New Zealand.

¹ West Coast Strategic Development Plan 2002, http://www.nzte.govt.nz/common/files/economic_dev_plan.pdf

² <http://www.mfe.govt.nz/publications/ser/eco-footprint-sep03/eco-footprint-chapter16.pdf>

³ http://www.ps.parliament.govt.nz/eps/West_Coast-Tasman.pdf

LEARNERS

The West Coast has three key economic driver industries that are underpinned by a wide range of small to medium enterprises. The population base is generally at or near the lowest range of the key indicators with regard to education, income, and other deprivation indices. Unemployment rates, and thus actual numbers, are amongst the lowest in the country.

THE POPULATION HAS A RELATIVELY LOW LEVEL OF TERTIARY EDUCATION

- 32.6 percent of people aged 15 years and over in West Coast Region have a post-school qualification, compared with 39.9 percent of people throughout New Zealand.
- In the West Coast region, 36.3 percent of people aged 15 years and over have no formal qualifications, compared with 25.0 percent for New Zealand as a whole.

MĀORI

- In the West Coast Region, 26.7 percent of Māori aged 15 years and over had a post-school qualification, compared with 27.9 percent for Māori throughout New Zealand.
- 42.0 percent of Māori aged 15 years and over in West Coast Region have no formal qualifications, compared with 39.9 percent of New Zealand's Māori population.

QUALIFICATIONS OF SCHOOL LEAVERS

In 2003 the Education Review Office reported that the West Coast had the lowest level of school leaving qualifications of any New Zealand region. In that year 26 percent of students completing school on the West Coast had no formal school qualifications, compared with the national average of 15 percent of school-leavers.

In 2004, although students completing school on the West Coast were gaining fewer qualifications than the national average, the difference was less than in 2003. The number of students leaving school with no qualifications had reduced to close to the national average. In 2004, however, only 19 percent of school leavers on the West Coast had attained Level 3 qualifications, which was half the national average of students leaving school with these qualifications.

Nationally in 2007, 66% of school leavers had qualifications at NCEA Level 2 or above. The West Coast had the lowest proportion at 45%.

Thus, fewer students on the West Coast than the national average leave school with Level 3 qualifications (typically gained in Year 13). This is likely to limit their future access to skilled employment and opportunities for tertiary education.

“For many guys this would be the first qualification they have gained since high school”.

*Daren Richardson, Partner in
MBD Contracting Ltd*

Overall, in 2006 the West Coast had a considerably higher proportion of its working-age population without any formal educational qualifications compared to the national figure, whilst its high-school qualification proportion was a little less than the New Zealand figure. The region's tertiary level figure was slightly up on the national one, whilst the proportion for the university-level category was well below half the national figure. Over 2001-2006, the West Coast working-age population proportion without any formal educational achievement fell, as did the figure for those with only a school-based qualification. The regional results for the tertiary and university level achievement categories increased noticeably.

INDUSTRY AND SKILLS

The West Coast has three key economic driver industries that are underpinned by a wide range of small to medium enterprises. The population base is generally at or near the lowest range of the key indicators with regard to education, income, and other deprivation indices. Unemployment rates, and thus actual numbers, are amongst the lowest in the country.

The key driver industries are tourism/hospitality, mining/extractives, and dairy farming. All of these industries require a level of basic infrastructural support in other areas such as health, retail, manufacturing, and other service facilities/provision. There are varying demands for both high level specialist and trade skills in those driver industries, as well as trained staff within the supporting organisations, however the actual numbers in many specialist fields are low.

The current world economic issues will challenge these specialist industries in ways which are as yet not totally clear. Most will encounter at least some reductions of income and profitability. Amongst other effects this is likely to put some constraints on training needs and at the same time increase the demand for JIT delivery. As employment tightens, individuals may also respond by focusing on attaining relevant qualifications.

“Tai Poutini has done well to get 4-500 EFTS on the West Coast. Even with some slight growth, it cannot be expected to operate efficiently and viably off West Coast provision alone.”

Allan Beaumont, Chair of Council

One of the largest problems is recruitment of people to the West Coast in the first place, with training in specific skills for the particular industry often of secondary importance. There is a high need for short course and industry-based training to ensure that businesses are able to continue operating with the staff they have during peak times.

It is apparent that the network of providers is currently meeting, although in instances only just, the immediate needs of the region with regard to an ongoing demand for ACE and foundation learning skills. There is significant need for workplace-based foundation skills across the West Coast.

Low levels and thus actual numbers of Maori on the West Coast, when coupled with their wide geographic dispersal, make meeting their particular needs more problematic than in metropolitan areas. Numbers of Pasifika within the region are also significantly less than national averages and are statistically insignificant.

The **gaps** found within the Regional Facilitation Statement range from local support for distance learners to pre-entry programmes in trades and health; from degree level mining through to volunteers in family and older person support; from higher level trades in all areas through to generic business skills.

ITP GEOGRAPHIC PENETRATION

There has never been the slightest chance that a “normal” polytechnic business model will work on the West Coast. While the geographic and socio-economic dynamics of the region are particularly challenging these could be dealt with if there was a sizable urban area and/or the regional population was at least three times the size.

In general ITPs in New Zealand require almost 60 people to support 1 EFTS p.a. To put this in fuller perspective the total public tertiary sector requires 20.6 people to support 1 EFTS. In a number of the metropolitan areas including Wellington, the penetration is less significant for ITPs. Tai Poutini Polytechnic is operating at about the same level as Canterbury as shown in the following table.

People needed for 1 EFTS	NZ	Wgtn Region	Chch	Canterbury	TPP
ITPs	59.2	75.4	66.4	64.4	64
TEIs	20.6	17.6	18.9	23.3	

Regional polytechnics generally require around 40-50 people to generate 1 EFTS.⁴ Even if the total Coast population was accessible, therefore, it would only provide some 600 EFTS. The higher figure reflects the lack of high population centres, distance and related factors. Greymouth itself has some 10,000 people - enough to provide some 200 EFTS. There is no other polytechnic operating off an urban area of less than 30,000 people.⁵ Oamaru has 13,000 people, 30% more than Greymouth, and can barely support a small polytechnic outpost.

The next smallest populations are in the Nelson and Marlborough regions which have 44,900 and 45,900 people respectively.⁶ Even with this combined population, NMIT still finds the two regions challenging in terms of achieving ongoing viability.

More appropriate comparisons are perhaps Wairarapa and Wanganui. In both cases local independent provision was clearly uneconomic. The main urban centres where those polytechnics were located had 20,000 and 39,000 people respectively. It should be noted that this is not an argument for mergers as in both cases the merged institutions are still struggling with the same fundamental issues: both operations, which have less than 1000 EFTS each, are uneconomic.

Nationally ITPs get some 47% of their load from the 20-40 age group. The West Coast population in this age group is some 15% less than the national level further reducing the potential pool of students reducing the notional 600 EFTS to 510 EFTS.

From this perspective TPP has done well to get 4-500 EFTS. Even with some slight growth, it cannot be expected to operate efficiently and viably off West Coast provision alone since:

- the population is simply not there as noted above;
- TPP has been a leader in distance/blended delivery but the possibilities are limited both by poor communications including the limited uptake of computers in homes and in the difficulties even then of getting reasonable class sizes.⁷ Internet connections where available mean that people wanting to study have considerable choice of on-line providers.

⁴ Generally the lower numbers are those ITPs with large 5,1 provision, Northland and NMIT are around 50.

⁵ Telford does but it is not trying to live off its immediate location and is entirely a niche provider.

⁶ <http://www.stats.govt.nz/products-and-services/hot-off-the-press/2006-census/2006-census-provisional-counts-2006-hotp.htm>

⁷ Where productivity and quality have been greatly improved it has been by focusing on large classes – see various publications by Carol Twigg and <http://www.house.govt.nz/workforce/hearings/108th/21st/afford71003/twigg.htm>

ITP PROVISION ON THE WEST COAST

Regional stakeholders and the TPP Council are committed to TPP continuing with its present mission and structure as a polytechnic operating both on the West Coast and in other areas of national significance.

There are three other general models of provision which are possible on the West Coast. All options start from the realisation that provision on the West Coast is always going to be marginal: the population is too low, the demographics and geography challenging.

The options are:

1. Hub and Spoke Merger

In this scenario TPP would be merged with another larger metropolitan ITP with TPP being one spoke of a larger hub. This option would face the same challenges as TPP now faces and struggle for a breakeven result. The UCOL experience in both Wairarapa and Wanganui confirms this. Similarly the Massey Wellington merger indicates that there are limits to the reduction in costs possible.

A merger with an off-Coast provider would be unlikely to reduce overheads much below this point. Geographic realities and the practical realities of relating to the region mean that on-Coast management and reasonable support would be needed. There would be savings on some of the senior management and back office support including academic quality, but merger experience would not suggest savings below those taken into account in the example. The figures suggest that the merged entity would still be seeking reductions in provision to ensure that the operation broke-even. Indeed after a transitional period the Coast operation would be expected to contribute to institutional overheads as well.

The only alternative is reduction in direct provision and the use of technology to deliver programmes to the Coast as one of a number of locations. The Coast market is insufficient to justify the required investment by TPP which is why assistance is already being sought through Supporting Change Funding⁸.

2. Network Model

A network model would give some benefits on programme development but again would not break even although services would be reduced to low (and questionable) levels. Franchising presents an alternative to a “fully owned” network. It has the advantage of maintaining control over programme design and delivery. As noted elsewhere, TPP is seeking to obtain the benefits of networking in its current strategic plan: it still, however, needs an investment in campus infrastructure to make it work.

3. Stand-alone West Coast Polytechnic

A stand-alone TPP confined to the West Coast is simply not viable without major changes to the funding system. Loss-making programmes would have to be further reduced leaving little provision. Unique provision would also be under threat.

⁸ The major benefits of alternative delivery are to be obtained from application to large classes or number of students.

The arguments against this are powerful on both financial and educational grounds. To be at all viable financially would require total Coast income to be increased by over 50%. Even with this there would be a sharp reduction in educational outcomes because the institution would not have the critical mass it now has.

IMPLICATIONS FOR TPP

Tai Poutini Polytechnic must:

- Continue to meet the educational needs of a small and scattered population with poor communications and limited broadband which will require more flexible learning and distributed operations;
- Have relatively small programmes with uncertain financial viability;
- Maintain Levels 1-3 programmes to meet the basic needs of the region;
- Meet increasing needs for access to some level 5 and above programmes requiring creative ways of providing such access without being totally uneconomic;
- Continue to perform well in its areas of specialist national provision to help underwrite the costs of the West Coast operation.

NATIONAL OVERVIEW

In addition to its regional activities, TPP has a significant role as a provider of specialist courses for industry on a more national basis. This section does not attempt to analyse the national picture in the way that the previous chapter did for the immediate region. Rather, it pulls together some of the key strategic implications of that role.

These can be grouped into five separate activities:

1. Audio engineering, live sound, music production and event management through its Auckland and Christchurch campuses. These programmes range from foundation to Level 6 Diplomas.
2. Scaffolding, rigging, industrial rope access, elevated work platforms, cranes, and working at heights through our Auckland, Wellington and Christchurch scaffolding schools, but managed from the Greymouth campus. These programmes are predominantly at Levels 2-4 with level 5 programmes under development.
3. Search and rescue and emergency management throughout New Zealand, but managed from the Greymouth campus. These programmes are at Levels 2 to 4 with Level 5 Diplomas planned for 2009 and beyond.
4. Civil infrastructure and extractive industries throughout New Zealand, but managed from the Greymouth campus. These programmes are predominantly at Levels 2-4 but include a Diploma at Level 6 from 2008 and beyond.
5. Ski Patrol and associated training through our Campus at Wanaka.

With the exception of audio engineering, these activities are focused primarily on skill development. In these selected areas TPP is giving effect to the Skills Strategy.

There are a number of significant issues for TPP in this portfolio including:

- Relatively small scale
- While the numbers might seem large given the West Coast scale the national requirements for most of the specialisations is limited. This means that to get economy of scale only one or a very small number of institutions can be involved:
- The requirements are primarily in levels 2-4 with only a small volume in levels 5-6;
- In the case of Search and Rescue in particular the trainees are volunteers. Amongst other things this means that they are unlikely to want to pay for the training and there is no industry to do so. It is in fact a public good;
- The need for close liaison with industry groups and organisations. Thus, maintaining and augmenting TPP's relationships with EXITO, InfraTrain, AglITO, FRISTO and OTO are a major priorities.

Most importantly, 80 percent of people working now will still be in the workforce in 2020. This makes it vital to improve the skills of the current workforce and the value of the work they do.

Enhancement of skills also has wider social benefits. There are recognised links between skills and social outcomes such as health, the reduction of crime, and social cohesion.

NZ Skills Strategy, 2008

IMPLICATIONS FOR TPP

Tai Poutini Polytechnic must:

- Continue to perform well in its areas of specialist national provision to help sustain the West Coast operation;
- Enhance its strategic relationships with relevant industry groups and organisations;
- Articulate its role in developing social capital, particular with the volunteer “industries”.



TPP's Digger Schools are operated in six locations throughout New Zealand

STRATEGIC POLICY SETTING

The current Tertiary Education Strategy and Statement of Tertiary Education Priorities were both issued in 2007 for the period ending in 2012. There will therefore be a new Strategy before the end of this plan.

In the Strategy the particular role of ITPs was defined as:

- Contribute to economic transformation to a high skill, high productivity and high wage economy that is internationally competitive is a key priority. This requires “continuous development of a productive, skilled workforce”.
- Deliver of applied education needs to focus on developing individuals for “productive employment and equipping them with adaptable skills”
- Roles of ITPs:
 - Provide skills for employment and productivity
 - Support progression to higher levels of learning
 - Act as a regional facilitator.

TPP fits this profile, being very focused both on its core region and the needs for workforce skills in a range of key national industries. Together, these to some extent limit the ability of the institution to respond to all of the changes expected of ITPs summarised as:

- *extending the reach of ITPs into higher levels of learning*
- *growth in volumes of learning in applied diplomas*
- *step change in the extent of progression from entry level into technician level and higher learning*
- *building a role as a regional facilitator; “building a shared understanding about the tertiary education needs of local communities and industries.”*

The TES then poses particular challenges to TEOs. These are identified in the table on the next page and the TPP response indicated. In almost all cases the responses point to high alignment, the roots of which predate the TES. TPP does not anticipate any difficulty in future alignment with a new TES which will, most likely, be developed during the life of this Plan.

While the alignment shown above is present, it does also provide Tai Poutini with particular challenges given the nature of its region discussed earlier. The volume end of the training and education needs of the Coast and the TPP industries means provision at levels 3 to 5 predominantly.

Challenges	TPP Response
<p>Global awareness</p> <ul style="list-style-type: none"> • Growth in trade; requires large economy with a skilled workforce • Technological change • Global demand for skilled and talented workers - greater mobility of the skilled. 	<p>Very highly responsive</p> <p>TPP programmes are essentially industry focused providing skilled workers, often on a “just in time” basis.</p>
<p>Lift productivity and innovation</p> <ul style="list-style-type: none"> • “high employment and labour force participation rates mean future economic growth will rely more on increasing productivity and raising adult workers’ foundation skills than increasing the size of the workforce” • Work closely with industry to meet business needs • Support a more highly skilled workforce • Support innovation. 	<p>Very highly responsive</p> <ul style="list-style-type: none"> • Primary focus of National and Industry • Innovative industry partnerships • Leadership programmes
<p>Deal with changing face of New Zealand</p> <p>Māori, Pasifika and Asian peoples are increasing in number and the sector needs to deal with their needs.</p>	<p>Highly responsive</p> <p>High numbers of Māori and Pasifika students are attracted to the practical focus and kinesthetic models of teaching in our niches.</p>
<p>Sustainable use of natural resources</p> <p>“add value to primary production, help manage increased pressure on national resources, help manage and restore our indigenous ecosystems and biodiversity.”</p>	<p>Responsive</p> <p>Key part of focus and in particular in N/I operator programmes, Ecotourism programmes, etc.</p>

Given these challenges, the TES defines the priorities as being to

- *increase the number of New Zealanders gaining higher level qualifications*
- *ensure more New Zealanders complete tertiary education before 25*
- *increase literacy, numeracy and language skills*
- *reduce skill shortages through improving the relevance of tertiary education to the needs of the labour market*
- *Build excellence in research*

With the exception of the last item, which is not intended for ITPs, TPP is exceptionally well aligned to these priorities. Its development will continue this pattern.

While the overall intent of the Strategy is likely to generally comply with the expectations of any new government it is likely that there will be further changes of emphasis over the next five years. At the very least there is likely to be at least two to three Statements of Tertiary Education Priorities during the life of this plan.

In this regard the uncertain economic situation is likely to prompt a variety of new policy responses. TPP should preserve its capability to respond quickly to these.

SKILLS STRATEGY

In addition to the TES and STEP the NZ Skills Strategy is a key policy document with its emphases on TEOs being responsive to the needs of students and delivering quality and informed JIT training.

In many ways TPP is an exemplar of the type of responsive and flexible institution envisaged in the strategy.

Goals of Skills Strategy

The effective use and retention of skills to transform the workplace;

Increase in the quality of demand from employers and workers

Influence the supply of skills and create a more responsive education and training system

TEC REFORMS

Under the previous “competitive” model of tertiary education in New Zealand, TPP delivered programmes across the nation. Primarily, this was in response to specialist industry needs. Where campuses outside of the West Coast were opened, in the majority of cases this was done in consultation with, if not the express approval of, the local ITP.

TPP was the first ITP outside of the Auckland region to open a campus for the music and audio industry. For many years before moving to its current location in the CBD, it rented premises from Manukau Institute of Technology (MIT) until its needs for space outgrew the premises.

In addition to this clear specialist and non-duplicative national delivery, TPP also delivered some generic courses and qualifications, primarily in first line management and driver training. These programmes were delivered primarily to industries for whom TPP was already delivering specialist training. These courses were not delivered in the ordinary generic classroom context, but (especially in the case of first line management) were heavily contextualised to the industry and delivered in block courses at times which suited the industry to release staff. One of the key advantages of this was that the knowledge and skills learnt in the classroom were able to be put to immediate use in the workplace. Hence the productivity improvements for key industries were greater per \$ of government investment than would normally be achieved through traditional classroom delivery of the same qualification.

With a government shift from a “competitive” to a cooperative tertiary education model, TPP’s prior decisions to operate in specialist areas meant there were not necessarily significant shifts for it to make. TPP clearly had (and continues to have) political and industry support for its specialist delivery.

Despite industry support and specialist models of delivery, TPP complied with the direction of the TEC and closed its national provision in Generic Workplace Studies, Driver Training and most of its First Line Management programmes. This removed more than 20% of previous EFTS provision but left local delivery and specialist national delivery. The removal of this quantum of provision placed TPP under significant financial pressure in 2008. Recovering from this is a particular challenge for the planning period.

The TEC then indicated in October 2007 that while it supported the concept of TPP's ongoing specialist national provision, it did have questions over the appropriate funding model. TPP's Investment Plan for 2008 to 2010 was subsequently approved for a single year only - although approval for the 2009 and 2010 years was granted in December 2008 for substantially the same provision levels as in the original investment plan.

This is a significant issue for TPP as it must retain EFTS funding levels for this delivery or further exacerbate its operating deficit. That said, TPP acknowledges that there are some inconsistencies within current funding models and is committed to working with TEC to ensure the most appropriate mechanisms are used.

IMPLICATIONS FOR TPP

Tai Poutini Polytechnic

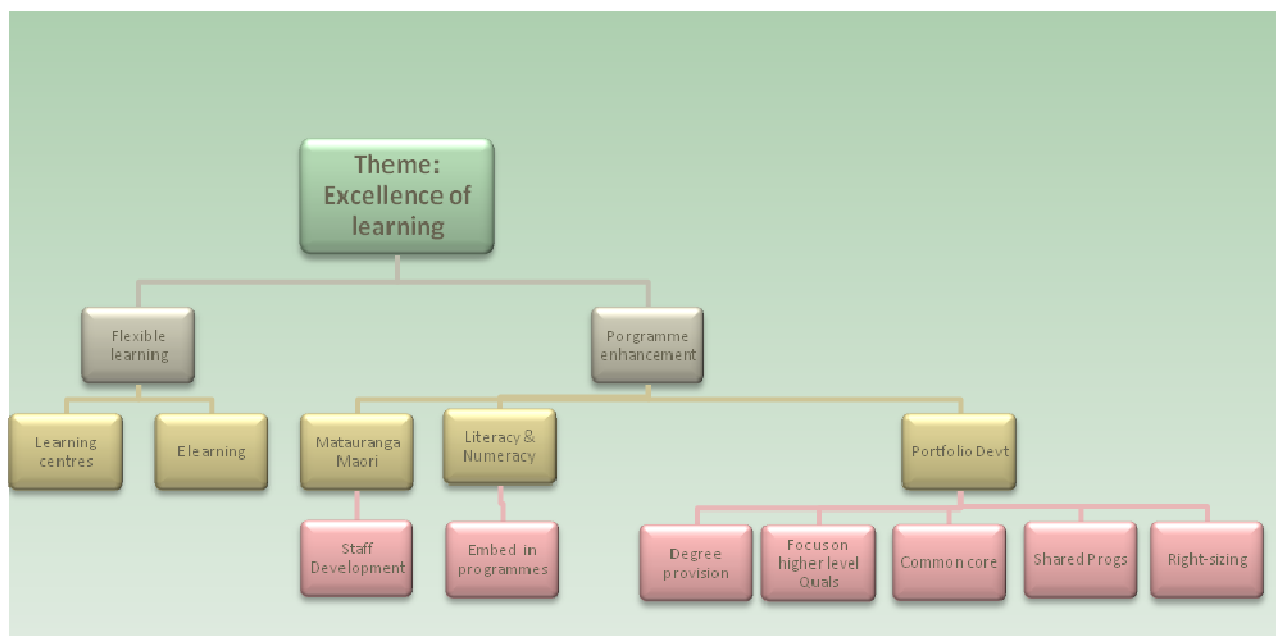
- is well aligned to the TES and STEP;
- must sustain its specialist national provision;
- must obtain adequate funding recognition of the cost of supporting West Coast access to tertiary provision;
- must continue to meet the educational needs of a small and scattered population with poor communications and limited broadband which will require more flexible learning and distributed operations;
- will by definition have programmes of relatively small size with uncertain financial viability, largely Levels 2-4 increasingly enabling access to some levels 5 and above programmes;
- must find creative ways of providing such access without being totally uneconomic;
- will therefore develop its flexible learning capability to meet these challenges; and
- sustain an effective dialogue with TEC and government and at the same time increase its non government income.

Part 2

Strategic Imperatives

IMPERATIVE 1: EXCELLENT LEARNING PROGRAMMES

TPP WILL PROVIDE EXCELLENT LEARNING PROGRAMMES WHICH MEET THE NEEDS OF STUDENTS AND EMPLOYERS.



Key

	Theme Strategy
	Goal
	Objective
	Action

OUTCOMES

- TPP will remain a student-centred learning organisation focused on student success;
- Learning centres and flexible learning will facilitate access by students in a variety of locations on the West Coast;
- TPP will continue to provide a range of pathways into tertiary education offering programmes from level 1 to 7. We will continue to focus on the quality of our teaching and student support; our relationships with key industries; the relevance of our curricula; and the importance of our quality assurance processes.

FLEXIBLE LEARNING

Access to programmes for people who live away from the Greymouth base is very limited. For the past four years we have been in the public transport business, and run a daily bus to bring students from Hokitika, and for the past three years we have run a minivan to Reefton.

In 2003 TPP opened a campus in Hokitika and, in 2005, a campus in Westport. These have not been completely supported by the direct SAC funding generated.

To facilitate the access of West Coast learners (wherever they might be located) to learning opportunities provided both by TPP and by other providers, TPP will grow the existing campuses into more integrated 'Tertiary Learning Centres' supported by the Tertiary Learning Hub based in Greymouth. Each Centre will provide single student and small group access to a variety of learning opportunities including but not limited to live classes; online videoconferencing; interactive on-line access; and over time virtual reality learning spaces. Services available to the students will include:

- a Learning Facilitator who is physically present during normal business hours
- student interaction and workspaces
- participation in live group classes via videoconference and/or virtual reality spaces
- participation in interactive, online learning from a range of providers
- very high speed data access to all information services
- on-line Library access
- print/copy facilities for all media.

The cost of establishing the key first stage of this vision – the integrated data systems and videoconferencing facilities in our four campuses with a connection to the schools' network to allow multi-point and full regional access - is estimated to be \$500,000 and forms part of our existing request for Supporting Change funding.

As the ability of firms to access workers with the right skills at the right time is a major contributor to business success, we need to take action now to fine tune our education and training system to deliver skills when and where they are needed

NZ Skills Strategy 2008

PROGRAMME ENHANCEMENT

Programmes will continue to be a mixture of long and short programmes relevant to the workplace and range from levels 1 to level 7. They will be closely attuned to the needs of learners and the specific industries TPP serves.

PORTFOLIO DEVELOPMENT

The key focus for programme development will be “right-sizing”. TPP needs this to attain sustainability, particularly on the West Coast. This applies to programmes, courses and pedagogy which must all be developed to achieve sustainability in both an academic and a financial perspective.

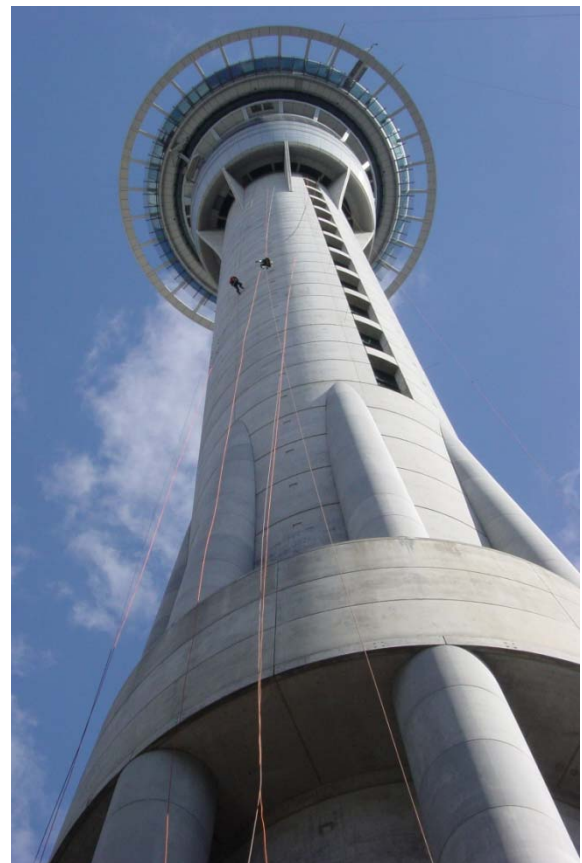
KEY INDUSTRIES

On Coast:

- Retail
- Hospitality
- Tourism
- Engineering (Entry Level)
- Health
- Social Services
- IT
- Trades
- Jade
- Hair, Beauty & Grooming
- Education
- Agriculture
- Horticulture
- Transport & Logistics
- Forestry
- Professional Services

On and Off Coast:

- Working at Heights
- Search & Rescue
- Emergency Management
- Civil Construction
- Extractive Industries
- Music and Audio



Industrial Rope Access training is offered on demand at industrial sites throughout New Zealand

The portfolio will continue to develop themes of sustainability across programmes.

COMMON CORE

Portfolio redevelopment will include an increasing focus on common core content to help offset some of the diseconomies of scale.

“Send more students like this - send more!”

Executive Chef, Huka Lodge, Taupo, after having a Culinary Arts student on work placement for two weeks

COLLABORATION

TPP will build on its existing record of collaboration. Shared programmes will be part of the portfolio redevelopment to offset expensive development costs. Thus CPIT is supporting TPP to offer the Certificate in Pre-Health Science from 2009. This Level 3 programme will provide the foundation for graduates to be able to staircase into health related degrees both at CPIT and other ITPs. We will also continue to collaborate with the wider ITP sector in other jointly developed but locally delivered programmes up to and including level 7.

DEGREE TEACHING

To meet the needs of students and employers there will be a restricted move into level 7 delivery. The polytechnic will enable some degree access for students on the Coast, probably providing and access and support for degrees of other providers such as CPIT and NMIT.

MAINZ will begin teaching a degree programme during the life of this plan.

FOCUS ON HIGHER LEVEL QUALIFICATIONS

In line with the STEP, we will focus on offering higher level qualifications, while retaining the focus on foundation that is needed on the Coast. In our areas of specialist provision, we will focus on developing higher level qualifications to further cement our place in the network of provision. On the West Coast we will continue to review our portfolio in line with industry need. This will include some new qualifications one level above what we currently offer as well as working with other TEIs to align and develop common programmes.

LITERACY, LANGUAGE AND NUMERACY

TPP will upskill our staff across all delivery sites and curriculum areas and secondly to ensure that we have the required literacy, language and numeracy content embedded in our level 1-3 programmes.

Over the life of this plan:

- All delivery should incorporate effective techniques to ensure that learners use and understand required terminology in both written and oral form.
- All delivery should incorporate effective techniques to ensure that learners use and understand numbers, measurements and calculations as applicable to their discipline.
- Notwithstanding customary or historical industry or community practice, all learners will be encouraged to use written language regularly and effectively.
- Training in adult literacy and numeracy should be a required part of a tutor's professional development.
- Programme documentation should be specific as to both the level of literacy and numeracy expected from the learners and of the requirement to embed literacy and numeracy education into delivery.

MATAURANGA MAORI

Over the past three years, TPP has carried out extensive research into the education and training needs of Maori in the region.

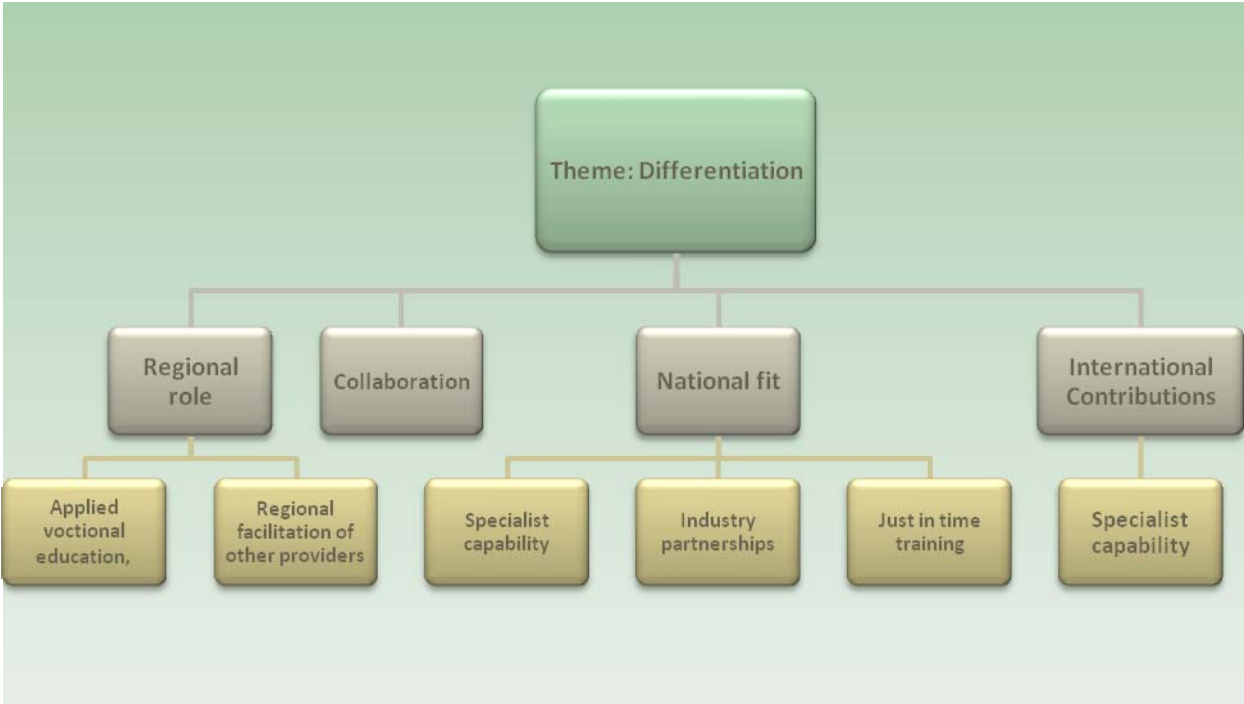
Specific Maori priorities identified include Te Reo, raranga (weaving), maipi (taiaha), whakairo (carving), performing arts, and matauranga Maori (world view). TPP is in the process of seeking accreditation to offer these subjects. Generic priorities include the full range of business skills, ICT skills, and ecotourism. The preference is for training to be wananga-based (this refers to the mode of delivery, not a specific provider).

TPP will acquire the capability to offer this education and training in an appropriate environment, and this will be included in our Supporting Change proposals. As a start we have entered an agreement in 2008 with CPIT to offer an entry level foundation programme of theirs at TPP with the potential for graduating students to progress onto higher level programmes both at TPP and at CPIT in Te Ao Maori specific areas.

TPP additionally acknowledge the relatively high numbers of Maori students enrolled in our specialist national provision. The proposals contained above as part of the Literacy, Language, and Numeracy (LLN) development for TPP will ensure that we continue to meet our internal expectations with regards achievement rates for those students.

IMPERATIVE 2: DIFFERENTIATION

TPP will be recognised nationally and internationally as having a distinctive role in New Zealand tertiary education.



Key

	Theme Strategy
	Goal
	Objective
	Action

OUTCOMES

TPP will be a key part of the national network of provision. It will provide skills for productivity and employment; to support progression to higher levels of learning through the provision of foundation education; and be a regional facilitator through ensuring that our region’s tertiary education needs are identified and met.

TPP will have a suite of collaborative arrangements with other ITPs across New Zealand to support the reforms, the emergent network of provision, and our regional and specialist contribution to both.

DIFFERENTIATION

TPP's core purpose is to provide high quality and relevant applied and vocational education to enhance our learners' future to enable them to contribute to the West Coast's and New Zealand's economic and social development.

TPP's role within the New Zealand network of tertiary provision is to provide skills for productivity and employment; to support progression to higher levels of learning through the provision of foundation education; and to act as a regional facilitator through ensuring that our region's tertiary education needs are identified and met.

We know that our education system must respond to the needs of employers....

NZ Skills Strategy 2008

In order to achieve this, we will:

- provide a wide range of applied and vocational training through courses and programmes that provide full-time, part-time, and just-in-time training modalities both on the West Coast and nationally as required;
- provide a point of difference for organisations seeking innovative training and learning options by being responsive and prepared to focus on work place based training that complements training delivered by other parts of the tertiary network, including ITOs;
- make an effective and sustainable contribution to the national network of tertiary provision by continuing to develop and maintain our specialist capability and capacity to meet evidenced industry needs; and
- work with a wide range of other tertiary education organisations to ensure that all the learning needs of our community, and our own organisation, are appropriately met.

REGIONAL FIT

TPP has a unique role as the only TEI to service a region that is effectively isolated from other South Island major TEIs by both considerable distances and significant geographical features. The population base is small and distribution statistics for population are the lowest in New Zealand which means that we are constrained through diseconomies of scale even in many of our 'larger' mainstream programmes offered within region.

The majority of programmes offered on-Coast are 'pre-employment' in nature and students enrol in other off-Coast tertiary institutes for higher levels of study. The prime exceptions to this are the ICT and business areas where the converse is true - the majority of enrolments (although they are still small in comparison to the sector averages for these types of programmes) are at or above Level 5 and students come to us after a variety of either compulsory sector or other tertiary studies.

TPP also contributes to the fulfilment of the training requirements of the driver industries through specialist programme offerings. Thus we are seeking assistance to develop the capability to lift our contribution, as outlined in *Identified Areas to Improve Organisational Capability*⁹, to ensure that quality of learning outcomes remains a focus.

⁹ TPP Investment Plan 2009-2010

TPP works well with other regional tertiary providers - *two REAPs and a small number of relatively small PTEs* - and has a series of regular meetings with both them and the regional secondary schools through the existing Education West Coast and Tertiary Provider Forums.

NATIONAL FIT

TPP has a number of unique specialist areas for which it provides virtually all the national tertiary provision. These are:

- Scaffolding, rigging, industrial rope access, elevated work platforms, cranes, and working at heights through our Auckland, Wellington and Christchurch scaffolding schools, but managed from our Greymouth campus. These programmes are predominantly at Levels 2-4 with a Level 5 Diploma planned for 2009 and beyond.
- Search and rescue and emergency management throughout New Zealand, but managed from our Greymouth campus. These programmes are at Levels 2 to 4 with Level 5 Diplomas planned for 2008 and beyond.
- Civil infrastructure and extractive industries throughout New Zealand, but managed from our Greymouth campus. These programmes are predominantly at Levels 2-4 but will include a Diploma at Level 6 from 2008 and beyond.
- Audio engineering, live sound, music production and event management through its Auckland and Christchurch campuses. These programmes range from foundation to Level 6 diplomas with a degree planned.
- Ski patrol and associated training through our Campus at Wanaka.

Most of these programme areas make extensive use of industry partnerships and relationships to ensure that we have current industry professionals to employ as casual tutors where necessary. We are also able to leverage off those relationships to ensure access to resources to enable the programmes to be delivered in cost effective ways. TPP is able to deliver this cost effective education and training nationally despite having the lowest asset base/EFTS of any ITP.

COLLABORATION

TPP has and will continue to develop collaborative relationships with other ITPs. These are evidenced by:

- Our delivery of both digger school and scaffolding at CPIT through its Trades Innovation Institute and contribution to TradeFIT.
- Our delivery of scaffolding/working at heights in Auckland with agreement of MIT.
- Our delivery of MAINZ courses in Auckland and Christchurch with the support of AUT and CPIT respectively for student support services; and a Memorandum of Understanding with Whitireia Community Polytechnic to deliver programmes collaboratively.
- Our arrangements for delivery of our Digger School programme in Southland with the support of SIT for student services.

- Our delivery of oil-drilling programmes for the extractives industries with the support of WITT for both resource and student support services.
- Our delivery of the Ski Patrol programme in Wanaka where we share a campus with Otago Polytechnic and have an agreement to further collaborate in this area.
- Our discussion with Whitireia and Weltec for Digger School and scaffolding programmes respectively to meet the needs of the Wellington region.
- Our agreement with UCOL for ongoing support for the operation of EMANZ, collaboration to deliver our Certificate in Contemporary Music, and a possible Digger School.
- Our association with NorthTec in the delivery of scaffolding programmes and potentially a Digger School.

TPP was one of the drivers behind and is fully committed to the ITPNZ Regional protocols and is working with all other signatory ITPs to develop relationships and agreements to support our specialist programme areas. This work has been progressed in 2008 and will continue during the next period. TPP will also continue to actively support other TEIs specialist delivery on the West Coast.

INTERNATIONAL ROLE

TPP has a developing international activity programme focused on TPP's special national capability.

Tai Poutini International Ltd is a limited liability company which manages TPP's international operations and has established a joint venture with a Qatari national in order to commence operations in Qatar.

The joint venture company in Qatar, Qatar Technical Institute, has a licence to operate by the Qatar Chamber of Commerce with effect from October 2007 and commenced training activities in April 2008. Other opportunities have been identified in the UAE as a result of our existing presence in Qatar and will be developed as they arise from time-to-time.

TPP expects to see a positive cash flow return from its Middle East international operations by the end of 2010.

Other opportunities within Australia and the South Pacific region based on our specialist provision will be explored as they arise from time to time. These will range from "commercial rate training" programmes in both Australia and New Zealand through to partnering arrangements to ensure access to training materials. The principal areas of activity will be around civil infrastructure/heavy plant operations and working at heights training in the first instance.

SHIFTS REQUIRED TO ACHIEVE CORE PURPOSE AND FIT

TPP expects to continue to refine and offer regional delivery to meet identified needs that is broadly consistent with that currently existing. There will be some development to support the extractives and other regional driver industries and some expansion in foundation education but there are no major shifts expected in either the quantum or type of delivery needed to support on-Coast regional social and economic development.

TPP will continue to provide national training in its specialist areas. There will be some work needed to develop a national needs picture that will better complement the current regional facilitation process for these specific industries. We see a major role for ourselves in working with the TEC, the respective ITOs, and other ITPs in achieving a satisfactory outcome to this process.

TPP will continue to work with the TEC to identify and quantify perceived anomalies in our unique portfolio of provision.

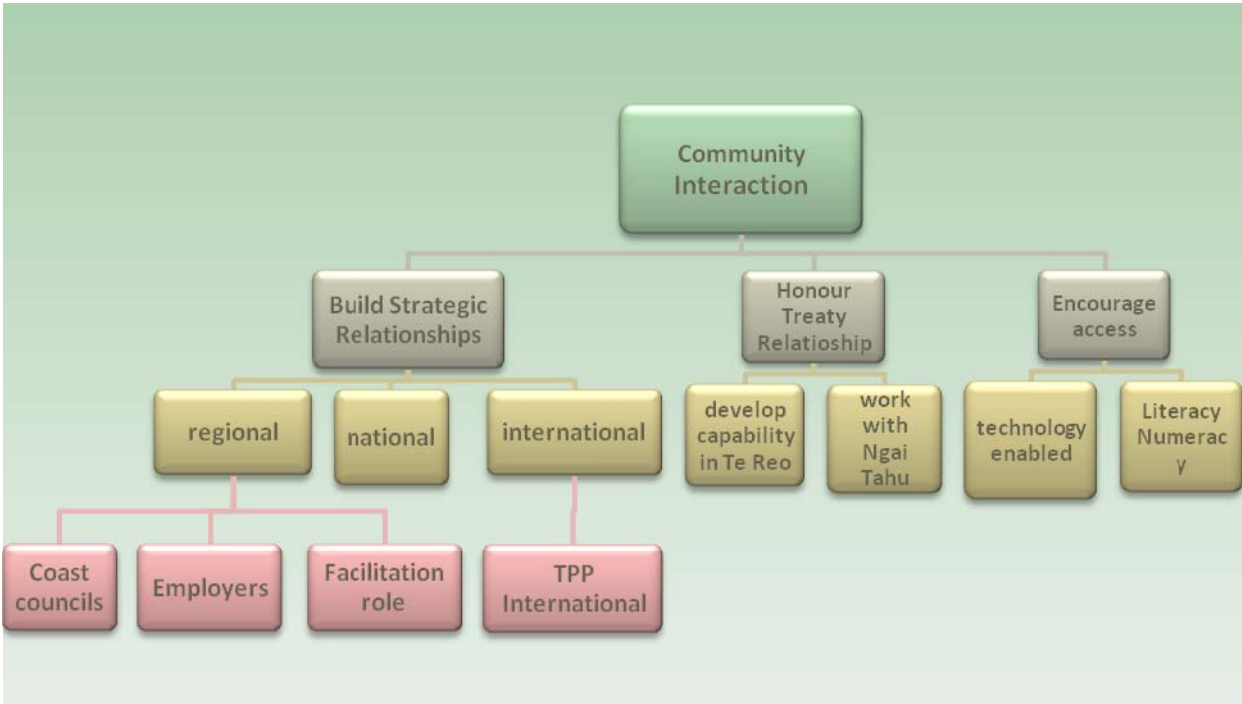
By the end of 2013 TPP will have completed the following key initiatives:

- Successfully implemented the business restructuring and established new processes that are fully documented to ensure business sustainability in the reformed environment.
- Worked with TEC, and others as appropriate, to improve our collective understanding of the services required to meet specialist area needs nationally in a sustainable way and as a valuable contribution to the network of provision.
- Strengthened our relationships with key industry partners and ITOs.
- Successfully developed a suite of collaborative arrangements with other ITPs across New Zealand to support the reforms, the emergent network of provision, and our regional and specialist contribution to both.
- Contributed at a high level to the Benchmarking, and other ITP sector projects to ensure that our and the sectors understanding of issues and solutions is well developed and reasonable.
- Successfully implemented capability development initiatives to allow TPP to remain a strong regional polytechnic that also includes clearly defined national specialist provision.

While TPP must itself make some changes there must also be a recognition by government that TPP's unique role will require it to have a continuing high level of EFTS in short awards. While TEC intends to shift this down nationally our own projections, based on our understanding of key industry needs is for a level of some 20-25% of EFTS to be in short awards in five years time.

IMPERATIVE 3: COMMUNITY BASED

TPP will interact creatively with its communities, contributing to their social development, economic development and environmental sustainability.



Key

Theme Strategy
Goal
Objective
Action

OUTCOMES

- TPP has strong and active relationships with the industries and communities we serve.
- TPP will continue to be known for being connected and responsive to its stakeholder needs.

TO STRENGTHEN AND BUILD STRATEGIC RELATIONSHIPS AND PARTNERSHIPS

A key strength of TPP's current provision is the strength of the relationships it has been able to build with the regional community stakeholders, key industry organisations including ITOs and other industry peak bodies, and other national bodies. It is through these relationships that TPP has developed a good understanding of the stakeholders and communities that we serve at the regional and national levels. The work involved in building those relationships cannot be under-estimated and needs continual renewal and redevelopment.

Strong and robust relationships have also been developed with key local and central Government agencies including the TEC throughout the Investment Plan engagement. Much work is required in this particular area to develop the current TEC relationship into a partnership model that will be required to support TPPs ongoing sustainability and thus teaching and learning provision.

Key activities during the period will include work to:

- Enhance strategic partnerships with key stakeholders and communities, regionally, nationally in areas of relevance, and internationally.
- Maintain effective relationships with TEC and a wide range of Industry Training Organisations.
- Continue to collaborate with other TEIs both for regional provision and regarding delivery of specialist national provision.

We pride ourselves on our ability to find quality solutions to the needs that our stakeholders identify.

Extract from TPP Values Statement

The tertiary system must deliver skills that meet the needs of individuals, workplace leaders, managers and industries, and be responsive to the need of industry and other stakeholders. The tertiary education reforms and the actions that the government has taken in collaboration with social partners is a good start to changing the culture and establishing a stronger relationship between the supply and demand for skills.

NZ Skills Strategy

We will engage all of our stakeholders and each other in our community of learning with dignity, respect, compassion. Honest, integrity and inclusiveness..

Extract from TPP Values Statement

HONOUR TREATY RELATIONSHIP¹⁰

TPP is fully committed to the Treaty relationship with local Iwi and has worked actively to develop a comprehensive Te Ao Māori Strategy for the benefit of the staff and students of the Polytechnic as well as to further develop relationships with community stakeholders. Within the region, TPP operates off a relatively low level of capability and capacity - both internally and externally - and aims during the period covered by this plan to improve internal levels and responsiveness to Maori.

We strive to develop a tikanga Māori based institution that is viable, robust and an attractive to Māori.

Extract from TPP Values Statement

TPP attracts a significant number of Maori students to the national specialist programmes that include literacy, language and numeracy requirements. Through the unique nature of our teaching and learning provision in those programme areas we are able to demonstrate a clear link to TES and STEP expectations about lifting the levels of Maori achievement in tertiary education.

PRIORITIES

- Work within the present agreement with Te Runanga o Ngati Waewae and develop agreements with Te Runanga o Makaawhio.
- Extend capability and capacity for delivery of teaching and learning relevant to local Iwi and Mata Waka alike.
- Develop collaborative partnerships with other regional TEIs to support national specialist delivery to Maori students.

ENCOURAGE ACCESS

One of the key regional issues facing TPP is to provide access to relevant learning in a region with the lowest population density in New Zealand and one of the lowest levels of urbanisation. Indications are that free fees has had a positive impact on the number of students currently accessing learning and fees will need to be kept as low as possible given the social deprivation indicators for the West Coast community.

Reduced income levels will increase pressure on TPP's ability to continue to provide access at regional campuses. The small population base and attempts to meet stakeholder needs currently often means that courses are offered at 'sub-optimal' numbers. While there is some potential for leveraging and additional access through blended delivery options, the cost of implementation would need to be supported through additional capital injections.

We work hard to reduce barriers and increase participation to create a community of learning and an effective learning relationship wherever it might be found.

Extract from TPP Values Statement

¹⁰ The text box and others like it through the Plan are extracts from the TPP Values Statement.

TPP is actively involved in West Coast community forums - most notably Education West Coast and the Tertiary Providers Forum. These forums do provide for the opportunity to work with other education providers on the West Coast to ensure that access to tertiary education is maximised to the extent possible through collaborative and non-duplicative efforts. TPP is an active member of the ACE network and offers a wide range of courses through the regional campuses.

TPP has an active interest in increasing literacy, language and numeracy levels within the regional community and works within the wider literacy network. Increased collaboration across the current tertiary provider network on the West Coast will be essential to avoid unnecessary and wasteful duplication.

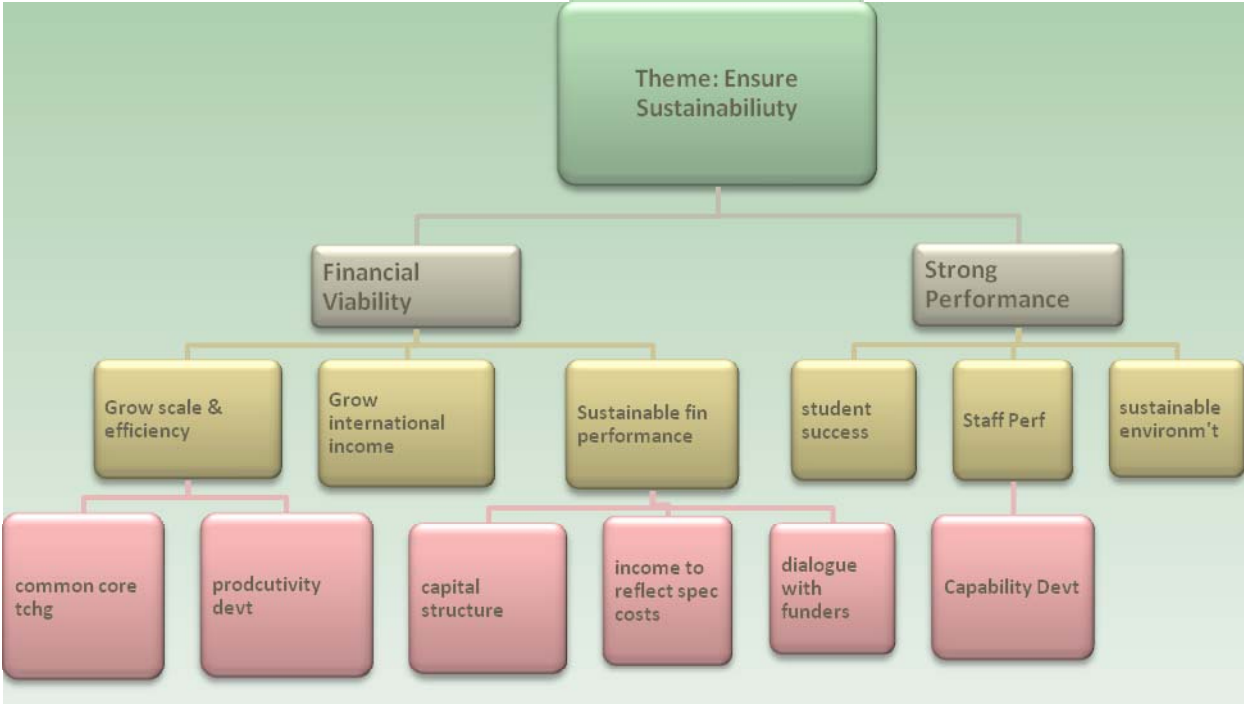
The national specialist areas make extensive use of 'just-in-time and just-enough' training modalities to meet stakeholder needs and expectations. These modalities do encourage access but also present challenges to central funding agencies as they are so different from that offered in 'typical' TEIs. TPP will need to continue to advocate for the right to continue to offer in these modes.

PRIORITIES:

- Actively seek capital injections to deploy blended learning and improve access through technology for regional learners;
- Continue to develop collaboration across regional providers to support ACE and LLN provision at the highest levels;
- Continue to refine and prove effectiveness of JIT/JIE delivery modalities for specialist areas.

IMPERATIVE 4: SUSTAINABLE OPERATION

TPP will ensure its sustainability through effective management, strength of reputation, effective communication with funding authorities and strong performance.



Key

Theme Strategy
Goal
Objective
Action

OUTCOMES

TPP will be operating in a fully sustainable manner with adequate funding, both operationally and capital.

COMMENTARY

Sustainability is one of the major issues of our times. It will impact increasingly on all aspects of life, both domestically in NZ and internationally. As an environmentally conscious ITP, TPP is very conscious of both the need to be sustainable itself and the need to teach sustainable practice in all relevant fields.

For planning purposes, sustainability has educational and resource implications. The educational dimension is covered earlier. This section, therefore, focuses on the resource and in particular the financial implications.

TPP is under financial pressure and can expect to be for the planning period. This comes about from the intersection of three particular circumstances:

- Demography;
- The evolving changes to the funding system and related TEC policies;
- The effects of international economic uncertainty on New Zealand.

DEMOGRAPHY

The demographics on the West Coast are more extreme than in most regions. While TPP could doubtless achieve **some** greater efficiencies, the scope is very limited. Programme rationalisation, alternative delivery and cooperative ownership of core programmes are all possible responses to small class sizes and the shortage of students. They need to occur during the life of the plan.

While such developments evidence good management, they will, however, deliver few if any additional students or operating surplus. They are also unlikely to provide significant increases in productivity.

FUNDING SYSTEM

Talk of improved efficiency risks focusing on symptoms and not causes. The underlying causes are demographic and economic. These mean that there will be little if any growth overall. This will be despite increasing demand from employers, both public and private, for trained staff. The New Zealand tertiary system has not dealt with this type of situation for many years.

In this and other areas, the funding system needs to provide appropriate recognition to the needs of West Coast provision. Recent funding changes have resulted in the loss of total income of almost \$5 Million and \$1.5 Million net. Those net funds were necessary to support the total polytechnic infrastructure and capability. Any shift of delivery activity from MoE funded to either ITO or 'fully funded' will further exacerbate the situation.

In this regard TPP must advocate strongly to ensure that its industry based provision continues to be funded as SAC EFTS.

Even with the modification to TEOC, it severely limits the ability of the Polytechnic to:

- provide needed delivery where numbers are small (and the population immobile);
- take a whole-of-region approach to the education spectrum and in particular at secondary school level;
- enter into any development which does not produce EFTS income within a short period;
- maintain core teaching and specialist capability;
- provide security of provision including staffing when intakes vary significantly in size from semester to semester;
- provide learner support for students enrolled with out-of-region providers using distance technology. This can be expected to continue to increase in generic programmes such as business; and
- overcome low income and attitudinal barriers to education to enable access.

To achieve its goals and benefit learners, TPP must both secure sufficient resources and use them effectively and efficiently. This involves key policy issues which are quite separate from concepts of “efficiency” etc. The funding system needs to evolve into one which has the principles outlined by ITPNZ in 2006 at the start of the reforms. The following list shows those which ITPNZ suggested adding to design principles:

- A primarily state-funded system of public providers;
- Funding which supports a diverse ITP sector with varied institutions and programmes that differ in terms of length, quality and method of delivery;
- Programmes with an important community or cultural value should continue to be supported;
- Funding should enable institutional management and governance, not replace it;
- Funding mechanisms should not erect financial barriers for qualified students to enrol in the institution of their own choice; and
- Funding mechanism must reflect future delivery needs rather than past delivery modes.¹¹

Continuing advocacy at national level is needed to secure policy recognition of these goals in ways which enhance TPP’s overall operations.

INTERNATIONAL ECONOMIC ISSUES

These forces are clearly beyond the capability of TPP or indeed NZ to control. They can be expected to

- Increase uncertainty in New Zealand
- Impact on workforce training
- Increase unemployment
- Impact negatively on the key industries that TPP serves.
- Impact on government capital planning.

This means that TPP will have even less certainty regarding both the demand for and supply of workplace skills. Given its size it will have to be very proactive at identifying shifts in demand or supply and taking early proactive action. At best these changes will present TPP with opportunities to develop and sustain itself; at worst they could result in major turmoil and major viability issues.

¹¹ TEC Funding Consultative Paper, ITPNZ, 2006, page 30

SUSTAINABLE FINANCIAL VIABILITY

CAPITAL BASE

TPP now teaches with fixed assets of \$4,271 per EFTS. This is 25% of the ITP sector as a whole and 14% of the TEI sector as a whole. At this level the adequacy has to be questioned: Unless the delivery of tertiary education on the West Coast in particular is markedly, indeed radically, cheaper than anywhere else in the country then TPP is significantly under-provisioned and thus severely handicapped in its efforts to deliver successful outcomes.

Although the relative position with the rest of the ITP sector has been worsening in recent years, this is not a new trend. While the level has changed the disadvantage has been a constant. Thus, for example, in 1998 TPP income was 140% of its fixed assets which was high. Today that figure has increased to 220%. Arguably, over recent years TPP has expanded its EFTS but not its fixed assets.

Similarly, the level of fixed assets per EFTS has worsened. In 2000 TPP had assets per EFTS which were 53% of the ITP sector level by 2007 this had declined to 34%.

On this comparative basis the argument for a capital injection is strong if not compelling. The process of application is not easy and success is far from assured. That said it is important that TPP makes sure decision makers understand its position. The major requirement of the process is a full business case with supporting financials for the desired project(s).

TPP's level of capitalisation both has and will continue to severely constrain its ability to deliver to its home region, particularly given the nature of that region. It means that the institution is severely constrained in its ability to offer programmes and develop joint activities with other organisations. TPP needs to maintain and improve the range and quality of its facilities if it is to retain and enhance its educational reputation and service to its communities on the Coast. The alternative is a decline in quality outcomes which would slowly reduce student numbers on the Coast. The institution would inevitably enter into a downward spiral. This would have significant human, social and economic implications for the region and the institution. Such an outcome is simply unacceptable to the West Coast community and the TPP Council. Their learners are entitled to quality provision in and from Greymouth.

TPP's Greymouth campus must therefore be rebuilt to be "fit for purpose". The campus today is dominated by older buildings which are inefficient, costly and difficult to heat. This is not, however, a simple case of replacing old buildings with newer ones. The original buildings are configured for traditional teaching. **They cannot be reconfigured to provide the type of flexible delivery which the future demands** and which is critical to achieving the educational outcomes sought in the Tertiary Education Strategy.

The Greymouth Campus must, therefore, become a learning hub delivering successful outcomes for a very distributed population in a region where transport is difficult and infrastructure problematic. An added consideration is the fact that the current site is Maori leasehold with the real prospect of significant escalating annual rentals at market rates.

The core drivers of TPP strategic outlook are the development of TPP's special character, identifying and further developing centres of excellence within the Polytechnic and its community, and sustaining provision both directly and collaboratively with TEIs, PTEs, REAPs and industry across the region.

OPERATIONS

Over the past decade TPP has focused its entrepreneurial capability on developing national niche provision through the EFTS system. Government policy changes have now resulted in reduced funding showing the risks involved in having such high dependence on crown funding. TPP must now refocus those capabilities on diversifying its income base. This will then provide a surplus which can support the overall capability of the Polytechnic. Tai Poutini International Limited is being positioned to do this progressively over the next five years.

Similarly, over the last decade TPP has kept student fees at an extremely low level. Over the period of the plan these will need to increase. There are distinct limits to this strategy, however, given the nature of TPP's student body and portfolio. On a per credit basis, however, it is intended to keep the Polytechnic charges at the lower end of the ITP spectrum. External support will help.

The financial changes noted above will help TPP:

- to meet some of the needs identified in the Statement of Regional Needs, Gaps and Priorities
- to use open learning to benefit the region and progressively modify its teaching costs.

These are not in themselves sufficient. TPP will need to continue to use every opportunity to reduce costs. This will need to be a significant focus of programme design. A strong financial framework will ensure that all new activity, particularly that from non-Crown sources, will contribute to an operating surplus.

As noted above a key focus for programme development will be "right-sizing". TPP needs this to attain sustainability, particularly on the West Coast. This applies to programmes, courses and pedagogy which must all be developed to achieve sustainability in both an academic and a financial perspective.

PRIORITIES:

- Achieving a capital structure that enables our development
- Continuing development of the programme portfolios so that they remain relevant and in demand (See Imperative 1)
- Developing additional sources of revenue to invest in areas of priority
- Rephasing our fees on a per credit basis;
- Being a good steward of our assets. Reputation and strong performance will lead to growth in revenue
- Structural right- sizing (complementing that in previous section)
- Develop a forward capital plan to provide for infrastructure appropriate to flexible learning and the needs of our students. Investment decisions will be as a result of careful assessment, which in turn will require good management information and decision- making.

TPP will continue to develop and refine its delivery portfolio to recognise and anticipate regulatory changes.

STRONG PERFORMANCE

TPP will strive for excellence in planning, marketing, communications, financial management, administration, and risk management. Our services and processes will be customer friendly. We will use technology to enhance our activities. Our operations will be conducted in a transparent and accountable way. We will benchmark with other institutions nationally and internationally to ensure that our processes are effective and efficient.

Improving the quality and accessibility of management information in order to improve management decision-making. Benchmarking data will be used to inform both management and policy advocacy.

STAFF PERFORMANCE

Staffing is the key resource of any educational institution. We need to attract and retain staff but of equal importance is the overall development of our total talent pool.

To navigate the challenges ahead TPP will need to enhance overall capability while promoting flexibility. Rapidly changing demands for training will require rapid and successful changes from TPP and its staff.

TPP believes our polytechnic is our people
Extract from TPP Values Statement

PRIORITIES:

- Provide a challenging, stimulating and rewarding work environment for all staff
- Ensuring our staff profile reflects the communities we serve, providing staff with development opportunities
- Offering opportunities for flexible and effective working arrangements
- Providing facilities that assist staff to work efficiently and effectively, and that contribute to staff satisfaction
- Promoting and celebrating the achievements of staff
- Capability development
- Collective agreements which reflect TPP's particular delivery needs whilst incorporating and acknowledging benchmarks within a national public tertiary education system/sector.

STUDENT SUCCESS

Successful students are the lifeblood on any tertiary institution. In addition to having the right pedagogy and the right programmes available TPP must also manage its overall student recruitment and understand more about where students go after training. It must get the right student in the right course to support further career or life enhancement.

The student will always be the prime focus and ultimate beneficiary of our efforts as we endeavour to meet the diverse needs of our stakeholders..

Extract from TPP Values Statement

PRIORITIES

- Ensuring that admissions result in the right student being in the right course to maximise student success.
- Develop student destination tracking.

SUSTAINABLE ENVIRONMENT

We are now in an environmentally conscious and increasingly active age. As part of TPP's overall differentiation sustainability and environmental management, approaches are already featuring in our teaching portfolio. Over the next five years these will be progressively extended and widened across the portfolio to reflect stakeholder needs and in some areas to provide leadership.

It is not enough simply to teach. TPP must be seen to be giving effect to its teaching by applying sustainable practices across its operations both on the Coast and on its other metropolitan campuses.

TPP is dedicated to providing a sustainable environment and community of learning

Extract from TPP Values Statement

PRIORITIES

- Enviromark certification;
- Reducing energy usage;
- Carbon neutrality;
- Ensure building stock meets at least the South Island Energy guidelines.

CONCLUSION

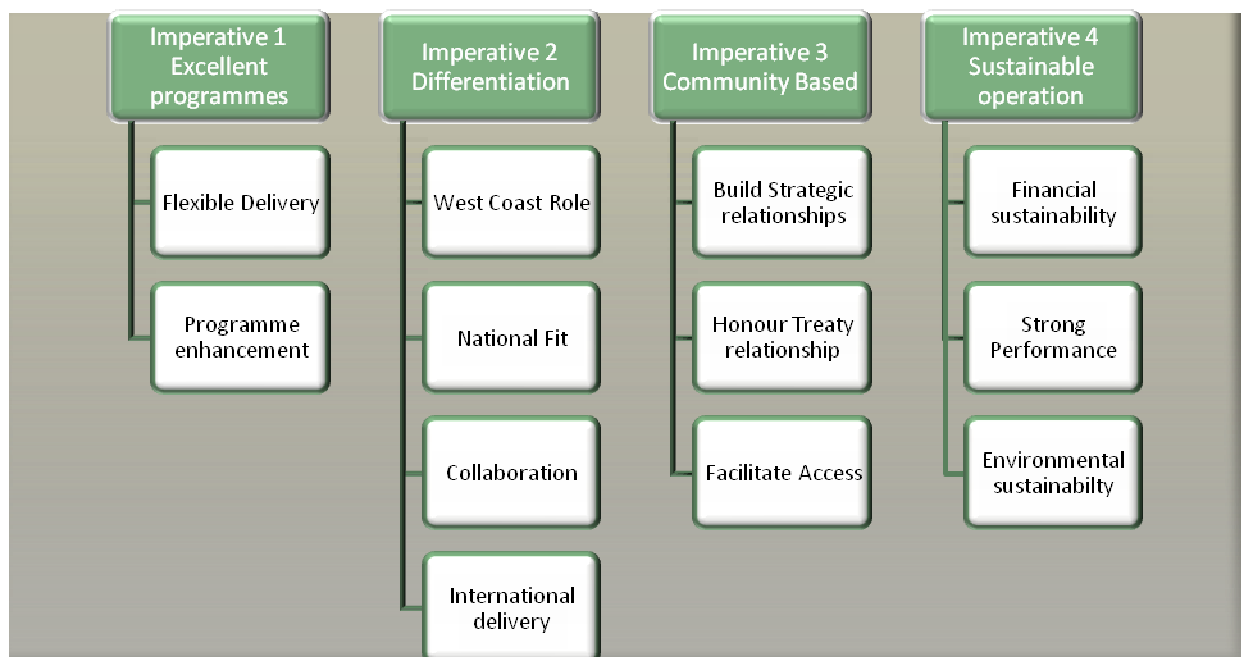
Key Outcomes

TPP will:

- remain a student centred learning organisation focused on student success;
- use learning centres and flexible learning to facilitate access by students in a variety of locations;
- continue to provide a range of pathways into tertiary education offering programmes from level 1 to 7;
- connect closely and creatively with its communities and clients and relevant national industries;
- have enhanced the quality of our teaching and student support; relationships with key industries, the relevance of our curricula; and the importance of our quality assurance processes;
- be operating in a fully sustainable manner.

Critical Success Factors

- **student success**
- **being the best on the Coast**
- **meet all stakeholder needs**
- **talented motivated staff**



CONSULTATION

This document was distributed widely as a draft for consultation. Various feedback was received from stakeholders between 19 February and 31 March 2009. This feedback has helped shape this final version.