

Investment Plan

for

The College of Law New Zealand

(7637)

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Plan Context

OUR ROLE WITHIN THE TERTIARY EDUCATION SYSTEM

Our special character

The College of Law New Zealand (COLNZ) is one of five Colleges of Law established by the legal profession to meet its education and training needs throughout Australasia, through colleges based in the region's five main cities - Auckland, Brisbane, Melbourne, Perth and Sydney.

COLNZ is a wholly-owned subsidiary of the College of Law Pty Ltd (COL), which was established in 1973 by the Law Society of New South Wales (LSNSW) as a charitable education trust for professional legal education purposes. The LSNSW is a statutory-based incorporated society charged with the regulation of the legal profession in New South Wales. (Its New Zealand equivalent is the New Zealand Law Society established in terms of the Lawyers and Conveyancers Act 2006.)

COLNZ was founded by COL in 2003, in response to an employer initiative by a consortium of 12 large New Zealand firms, who collectively employ more than a quarter of all law graduates each year. This consortium included New Zealand's eight largest law firms (Bell Gully, Buddle Findlay, Chapman Tripp, Kensington Swan, Minter Ellison Rudd Watts, Phillips Fix, Russell McVeagh and Simpson Grierson) and four largest accounting firms (Ernst & Young, Deloitte, KPMG and PriceWaterhouseCoopers).

COL was asked by this employer group to establish a college in New Zealand and become accredited by the New Zealand Council of Legal Education (NZCLE), as a provider of its Professional Legal Studies Course (PLSC). The PLSC is a post-graduate practical legal training (PLT) course that is prescribed by law as an entry requirement for admission as a Barrister and Solicitor of the High Court and to practise as a lawyer in New Zealand. COL had been approached by the consortium, because it is the largest and most experienced provider of PLT in Australia and because it had successfully pioneered an innovative online PLT course in Australia in 2001.

COLNZ became accredited by the NZCLE in 2003 and began offering its Professional Legal Studies Course Online (PLSCO) in January 2004. The PLSCO offered all students and employers the choice of a new 18-week PLSC course that could be completed through distance e-learning and a reduced amount of onsite training (3.5 weeks), as the only alternative to the 13-week full time onsite training programme offered by what had been the sole PLSC provider – the Institute of Professional Legal Studies (IPLS), a subsidiary of the NZCLE.

COLNZ maintains its close links with employers and the legal profession through an independent board of company directors that includes three current and former partners in major national law firms and a former president of the New Zealand Law Society; and an Advisory Committee that includes representatives of every major law and accounting firm.

Our core purpose

Our core purpose is to serve the education and training needs of the New Zealand legal profession by providing employers and students with the quality practical legal education and training needed to enter the profession and to sustain it through ongoing education, development and training. Our core purpose is performed with the strategic goal of creating a centre for professional legal excellence for the legal profession in New Zealand. We serve our core purpose through

providing education and training in five core areas:

1. Pre-admission practical legal training (PLT)
2. Pre-admission legal education for foreign lawyers (NZLPE)
3. Post-admission continuing legal education (CLE)
4. Post-admission continuing professional development (CPD)
5. Post-graduate qualifications in advanced professional legal education (APLE)

COLNZ currently offers only PLT, but is developing the NZLPE course for foreign lawyers and our three-year plan provides for new development within areas 3-5 above. However, COL currently provides education and training across all five core areas in Australia and its knowledge, experience and capabilities in these fields will be utilised by COLNZ, as they were when the PLSCO was established. While COL has a long history of providing within areas 1-4 above, its entry into APLE is more recent. A post-graduate diploma in in-house legal practice was first offered in 2006 and two masters-level qualifications (in Family Law Practice and Civil Litigation Practice) are in development. In May 2008, the Australian Universities Quality Agency (AUQA) completed an audit of COL, a step towards self-accreditation status in terms of Australian tertiary education.

Our points of difference

COLNZ is one of only two providers accredited by the NZCLE to provide its Professional Legal Studies Course, which is a mandatory requirement for admission to practise law in New Zealand in terms of the Lawyers and Conveyancers Act 2006. The IPLS is the other provider. The NZCLE requires both of its PLSC providers to provide course onsite in all five university law school cities (Auckland, Christchurch, Dunedin, Hamilton and Wellington).

Our primary point of difference is our experience and capabilities in PLT and online learning. COL has a 35-year history in providing PLT in Australia and has built up a significant reputation and considerable expertise in this specialist field, often providing consulting advice to regulatory authorities throughout the World, including the NZCLE. COL pioneered online learning for PLT in Australia in 2001 and its expertise and capabilities in both PLT and online learning were utilised when COLNZ established a New Zealand PLT course in 2004.

COL has significant human resources invested in programme development within an online learning environment and has also invested significantly in the information technology needed to support an online learning programme. For example, the current COL project to upgrade the information technology platform that has supported our online learning programme since establishment in 2001 will cost in excess of \$A2 million. There is no other PLT provider in New Zealand that can match this investment in online learning.

Our online programme and its supporting technology allow COLNZ to offer employers and students great flexibility in programming courses to suit their needs. Our modular course structure and seven courses a year allow employers and students a wide range of choice as to when students complete the course, with 14 possible start dates spread throughout the year. In contrast, before COLNZ was established in 2004, students had no choice of provider and no choice of course delivery, other than the IPLS's 13-week full time course. Whereas course waiting lists were once commonplace, students can now choose when and how they undertake this course, and have a choice of provider.

A further enhancement of our primary point of difference is that COL will be further developing its research capabilities in the field of professional legal

education, as part of a development flowing from our recent AUQA audit.

Our second significant point of difference is the very close association that COLNZ has with employers. COLNZ was established at the behest of New Zealand's largest employers of law graduates and its PLSCO was developed in association with an employer advisory group to ensure that it met the training needs of employers.

OUR STAKEHOLDERS

Our main stakeholders are employers and students within the context of the legal profession and the PLSC being a mandatory qualification for admission to practise law:

- **Employers** - Our relationship with employers is central to the College's planning and performance. COLNZ was established in response to an employer initiative and we maintain regular contact with them. Continued employer support for our course, despite it being more expensive than the other provider, proves this to be a very effective relationship. Contact takes place at a wide range of levels with the partners and staff of law and accounting firms and there is also a formal Advisory Committee which has representatives from all the major law and accounting firms. Recently, we arranged for the TEC to meet with this group as part of its own stakeholder engagement plan, in the absence of the TEC having any such group. Our relationship with employers will be further strengthened when we undertake the first comprehensive 5-yearly review of our PLSCO in terms of our 2008-09 Business Plan. One need for improvement, which is also included in our Business Plan, is to develop a formal mechanism for measuring employer satisfaction with the PLSCO.
- **Students** - Our relationship with students is of equal importance. Student course evaluations are an important tool that is integral to our process of continuous improvement. We also have representation from students (past and present) on our Advisory Committee. An important improvement implemented this year is a skills self-assessment analysis, which is completed by all students at the beginning of the course and again at the end of their course, to self-assess the extent to which their skills improved as result of undertaking the course.

The next level of important stakeholders includes the bodies that regulate and influence legal education and the legal profession, usually on a statutory basis. Among these stakeholders are:

- **New Zealand Council of Legal Education** – The NZCLE has statutory responsibility for the education and training requirements for admission to practise law under the Lawyers and Conveyancers Act 2006. Its council is appointed by the Governor-General in Council, with representatives from the judiciary (3), the New Zealand Law Society (6) the New Zealand Law Students Association (2), the Minister of Justice (1) and, ex officio, the deans of New Zealand's five university law schools (5). It has statutory responsibility for prescribing the content of law degrees, the requirements for PLT, and the requirements for admission as a Barrister and Solicitor of the High Court of New Zealand. In the context of its responsibility for PLT, the NZCLE identified the practical skills needed for working in the legal profession and developed the PLSC. The NZCLE also accredits PLSC providers on a 3-year basis and has accredited COLNZ and the IPLS, a NZCLE subsidiary. PLSC providers are required to provide the NZCLE with a comprehensive annual Provider Monitoring Report on their PLSC delivery.
- **New Zealand Law Society** – The NZLS, which has 14 district law societies established on a regional basis, has statutory responsibilities in terms of

regulating the conduct, ethics and training of the legal profession. The NZLS also has section for Maori lawyers and corporate lawyers.

- **University law schools** at the universities of Auckland, Canterbury, Otago, Victoria and Waikato, which offer a law degree, which is a pre-requisite qualification to undertaking the PLSC.

Our wider stakeholders are the community, and the importance of the relationship between the legal profession and the community has been reflected in the fact that Parliament has legislated to control and regulate the profession, including its education and training. The importance of the legal profession to maintenance of the Rule of Law is one of the primary reasons why the profession is controlled and regulated by the Lawyers and Conveyancers Act 2006.

GOVERNMENT PRIORITIES IN THE TERTIARY EDUCATION STRATEGY

The College's PLSCO contributes primarily to the third priority outcome in the Government's Tertiary Education Strategy: **Increasing the achievement of advanced trade, technical and professional qualifications to meet regional and industry needs**

The PLSC is prescribed by law as part of the occupational regulation of the legal profession in New Zealand. The course prescribes practical training for new entrants to the profession to equip them with the practical skills they need to practise law. Its prescription has been developed by the profession, for the profession, with its training needs in mind. The course is governed by the NZCLE's Professional Legal Studies Course Regulations 2004 and its aims are prescribed in the Professional Legal Studies Course and Assessment Standard Regulations 2002:

- To bridge the gap between the academic study of law and its practice.
- To prepare law graduates for supervised practise or practise as a barrister sole.
- To provide law graduates with skills which, when developed through practice, will equip them to reach the level of professional competence required to represent a client without supervision. [The legal skills taught in the course are Fact investigation, analysis and advocacy; Interviewing, research and advising; Legal practice; Litigation practice; Negotiation and mediation; Office and personal management, Problem solving and risk management; and Writing and drafting.]
- To develop a sense of the professional role and responsibilities required of a lawyer as a practitioner and an officer of the court.
- To prepare law graduates for legal practise in a culturally diverse society and the need to be sensitive to cultural and gender issues.
- To provide law graduates with a foundation for the lifelong learning of the practise of law and to encourage them to take responsibility for their ongoing professional development.

Admission as a barrister and solicitor of the High Court leads to a wide range of employment careers within the legal services industry: Barrister or barrister and solicitor in private practise; judicial officer within the courts system; a corporate lawyer (in-house legal counsel/legal teams in both the private sector and government).

Our student enrolment data show very strong employer support for our course. When we prepared our data for our 2008 funding application, the College had had 1,149 students since it began offering the PLSC in January 2004, including 131 currently undertaking three courses at the beginning of 2007. That enrolment data showed that:

- 71.3% of students are in full-time employment.
- 41.2% of students are employed by New Zealand's eight largest law firms.
- 9.1% of students are employed by large accounting firms.
- 14.3% of students are employed by other law firms and corporates.
- 6.5% of students are employed by government agencies. (the judiciary, parliament, and central, regional and local government departments and agencies)
- 28.7% of students are not in full-time employment.
- 61.2 % of students were employer funded in paying their course fee.

In comparison, 2008 enrolment data to date show that out of 361 enrolments:

- 85.0% of students are in full-time employment.
- 50.1% of students are employed by New Zealand's eight largest law firms.
- 8.03% of students are employed by large accounting firms.
- 18.3% of students are employed by other law firms and corporates.
- 8.6% of students are employed by government agencies. (the judiciary, parliament, and central, regional and local government departments and agencies)
- 15.0% of students are not in full-time employment.
- 73.1% of students were employer funded in paying their course fee.

Despite a higher course fee than the IPLS (see course fees table below), strong support from employers and students alike has seen COLNZ's share of PLSC students grow from 38.2% in 2004; 47% in 2005, and 48% in 2006. Further enrolment growth in 2007 and 2008 means that it is likely that the COLNZ share now exceeds 50%.

AREAS FOR ORGANISATIONAL CAPABILITY DEVELOPMENT

The COL group has significant plans for capability development in terms of its 3-year strategic plan; its 2008-09 Business Plan; and its May 2008 AUQA Audit report. COLNZ will benefit significantly from the developments in institutional capability that will flow from these initiatives, just as it has benefited to date from the significant capabilities of its parent group.

Three Year Outlook

OUR THREE YEAR OUTLOOK

Significant plans for future development within COLNZ over the next three years include:

Gaining parity of TEC funding between the two PLSC providers in 2009

When COLNZ was accredited in 2003 by the statutory agency responsible for legal education in New Zealand - the NZ Council of Legal Education (NZCLE) - as an alternative provider of its Professional Legal Studies Course (PLSC), both the NZCLE and COLNZ assumed that COLNZ would be funded by the TEC, in terms of Student Component Funding (SCF), on the same basis as the NZCLE's Institute of Professional Legal Studies (IPLS). However, this did not prove to be the case and COLNZ did not succeed in gaining SCF in 2004, 2005 and 2006. Fortunately, partial resolution of this funding disparity problem was gained in 2007 under the Student Support Qualification Alignment Process, through which COLNZ students regained access to student loans (which had been withdrawn in 2006) and COLNZ received \$250,000 in SCF (the maximum amount of additional SCF permitted in any one year). In 2008, COLNZ succeeded in gaining a further \$350,000 in SCF (\$100,000 more than the permitted maximum additional funding of \$250,000), which moved COLNZ closer to parity in SCF funding between the two course providers. We expect our 2009 funding to finally bring us to the stage of all COLNZ students, rather than only 60%, being funded by TEC, as is the case with the IPLS.

Disparity in TEC funding between the two PLSC providers has had a significant impact on COLNZ course fees, to the disadvantage of students and employers who choose our course. The table below shows the course fee of both PLSC providers since COLNZ commenced in 2004:

| COURSE FEES (GST INCLUSIVE): 2004-2008 | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 2008 | 2007 | 2006 | 2005 | 2004 |
| COLNZ | \$4,310 | \$4,540 | \$4,781.25 | \$4,781.25 | \$4,781.25 |
| IPLS | \$3,853.13 | \$3,853.13 | \$4,050.50 | \$4,387.50 | \$4,612.50 |
| Fee Difference | \$457 | \$687 | \$731 | \$394 | \$169 |

Note: The IPLS course fee was reduced 5% each year until 2007, because of the fees maxima policy. The unfunded COLNZ fee remained the same until 2007, when it was reduced by 5%, as a consequence of gaining limited access to SCF for the first time. In 2008, the COLNZ fee was reduced again by a further 5% (although there was no legal requirement to do so), because we gained a further allocation of additional SCF. The IPLS kept its fee the same as in 2007.

This funding disparity prevents many students from freely choosing between providers, because the fully-funded IPLS has a lower course fee. It should be noted that the IPLS introduced an online course in 2004 (having previously provided only a full-time course), in response to COLNZ as an online provider, and priced its course the same as its full-time course. The IPLS's launch of an online course to compete with the PLSCO was surprising, given that it had rejected employer requests to introduce such a course when it was a monopoly provider, which in turn led these employers to approach the College.)

COLNZ is not concerned about competition from another provider, however we are concerned that TEC funding policies that favour the other provider may prevent students from choosing the best online PLSC course available.

We believe we provide the best online course, because of feedback received from employers and students. This is to be expected given our longer experience in online learning and our considerable investment in programme development and supporting information technology, it seems logical that our PLSC would benefit from these advantages.

If a collaborative approach to PLSC provision was taken, the TEC would fund providers on the basis of who did what best. The IPLS's strength is in full-time onsite courses. It has had 19 years experience at providing a full-time onsite based PLT course, but only four years experience in providing part-time online PLT courses, which it introduced without the necessary supporting investment in information technology. The COL has had 34 years experience in full-time PLT courses (and indeed assisted the NZCLE set up the IPLS in 1987) and 7 years experience in part-time online PLT courses, and is backed up by considerable financial investment from a parent body that has the charitable purpose of professional legal education.

A collaborative approach to PLSC provision would have the two providers undertaking what they do best, with TEC funding the IPLS to provide full-time PLT courses and COLNZ be funded to provide part-time online courses.

However, if a collaborative approach is not feasible, because of competition between providers and TEC considers (as does COLNZ) that competition between online PLT course providers is a desirable outcome, then TEC should remove its disparity of funding treatment between the two providers, as it may mean that students are choosing an online course solely on price.

Accordingly we should receive SCF for every student enrolment, given that there are only two providers who share the student pool of law graduates who complete their university studies and seek admission to practise law as a career choice.

Leaving aside the unfair disparity of treatment between the IPLS and COLNZ in terms of TEC funding, the College's performance, in terms of both course completions and graduate employment, provide good reason to fully fund all COLNZ students. It would be very rare for any fully-funded provider to have the following levels of performance and employer support:

- Course completion rate (2007): 99.76% (100% for Maori and Pacific peoples)

- Employment rate: 85% of students in 2008 (up from 71% in 2007)
- Employer-funded course fees: 73% of all students in 2008 (up from 61% in 2007)

We therefore request the TEC to allocate additional Student Achievement Component Funding (above that already recorded in this Investment Plan) to the College in 2009, to ensure that its students (and the employers of those students) are treated on a fair basis with other providers.

Developing professional legal education and training beyond PLT

The COL group has significant plans for capability development in terms of its 3-year strategic plan; its 2008-09 Business Plan; and its May 2008 Australian Universities Quality Agency Audit report. COLNZ will benefit significantly from the developments in institutional capability that will flow from these initiatives, just as it has benefited to date from the significant capabilities of its parent group.

COLNZ's business plan provides for the following outcomes over the next three years in pursuit of our over-riding goal of creating a centre of excellence for professional legal education in New Zealand.

PLSCO Course Review

Undertake a comprehensive course review, in association with employers and other stakeholders, to ensure that the still meets their needs. (Note: The course was developed in 2003 in consultation with a consortium of major employers and this review is part of a formal five-year review process.)

Stakeholder engagement

The above course review is a vital part of the College's plan to review its stakeholder engagement plan.

It is planned to develop and introduce two further formal measures of satisfaction:
A formal employer survey to measure employer satisfaction with the course.

A skills self assessment survey for students to assess the extent to which the course is providing them with the skills the course is intended to provide.

Offer more choice to students and employers

Offer more choice to students and employers through:

Offering co-operative PLSCO programmes for law firms and other major employers that will allow employers to customise course timetables and content to suit their needs.

Offering evening onsites for PLSCO courses in Auckland and possibly Wellington.

Offering PLSCO onsites outside New Zealand for New Zealand law graduates who are working overseas (e.g. Australia, England).

Meet other training needs of the legal profession

Meet other training needs of the legal profession (as part of our goal of creating a centre of excellence for professional legal education in New Zealand) through:

Developing a course to support the NZCLE's New Zealand Law and Practice Exam (NZLPE) for foreign lawyers to gain admission to practise in New Zealand.

Develop a Graduate Diploma in In-house Practice with a New Zealand module, in association with the Corporate Lawyers Association of New Zealand (CLANZ).

Offer existing Australian continuing legal education courses (online and onsite) and post graduate qualifications to New Zealand practitioners who want to maintain Australian practising certificates and/or gain better understanding of Australian law.

Offer Auckland as an examination centre for the English Qualifying Lawyers Transfer Test (QLTT), in association with the College of Law Alliance.

Develop a proposal to work jointly with the NZLS in offering CLE online, utilising the benefits of the significant investment in our new IT platform.

Provide in-house training for law firm staff by providing in-house seminars on significant legislative changes and refresher courses.

Offer PLSCO course components as discrete short courses for refresher courses for lawyers and non-lawyers.

Summary of Activity

Student Achievement Component (SAC)

Summary - All Qualifications

| | |
|-----------------------------------|--------------|
| Grand Total EFTS (SAC & non-SAC): | 210.2120 |
| Grand Total EFTS (SAC only): | 105.7000 |
| SAC Total \$ (GST exclusive): | \$551,859.70 |
| EFTS Delivered 2006: | 0.0000 |
| EFTS Delivered 2007: | 0.0000 |
| EFTS Delivered 2008: | 206.0000 |
| EFTS Estimated 2009: | 210.2120 |
| EFTS Planned 2010: | 220.0000 |
| EFTS Planned 2011: | 230.0000 |

SAC - Qualification

| | |
|--|--|
| NZSCED Code: | 09 - Society and Culture |
| Qualification Code & Name: | PC3640 - Professional Legal Studies Course (Online) |
| NQF Level: | 6 |
| Total EFTS (SAC & non-SAC Funded): | 210.2120 |
| SAC funded EFTS only: | 105.7000 |
| \$ per EFTS for the qualification (GST exclusive): | \$5,221.00 |
| Total SAC for this qualification (GST exclusive): | \$551,859.70 |
| List of Locations: | Auckland City Hamilton City Wellington City Christchurch City Dunedin City |
| EFTS Delivered 2006: | |
| EFTS Delivered 2007: | |
| EFTS Delivered 2008: | 206.0000 |
| Total EFTS (SAC & non-funded) 2010: | 220.0000 |
| Total EFTS (SAC & non-funded) 2011: | 230.0000 |

Key Performance Indicators (KPIs)

KPI

KPI Type: Individual PTE contributions need to be linked to stakeholder needs, and the wider coherence of the network of provision.

KPI Description: Each PTE to identify KPIs related to effective stakeholder engagement processes and outcomes.

Plan KPI: TEO Defined

Review of stakeholder engagement plan, course review to be undertaken in association with employers and other stakeholders. New surveys of stakeholders to be introduced to provide results.

Please define the Outcome Type: Qualitative

Historic Base Year: 2009

Historic Base Result: No previous results

Outcome Commitments 2009: Review COLNZ stakeholder engagement plan.
Review PLSCO course by end of June 2009.
Review outcomes implemented by end of September 2009.
Establish employer satisfaction by formal survey.
Establish student skills self assessment survey.

Outcome Commitments 2010: Employer satisfaction by formal survey.
Student skills self assessment survey.

Outcome Commitments 2011: Employer satisfaction by formal survey.
Student skills self assessment survey.

Rationale / Notes: The review of the College's stakeholder engagement plan and the course review will provide the basis for developing and implementing two formal surveys that will ultimately be able to provide quantitative data in future years on employer satisfaction and further quantitative data on student satisfaction from the perspective of the the students' own self assessment of the skills that the course has provided them with.

Reporting Lag (Years): 1

Calculation / Method: Collate and report on results.

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