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### **NZQA comment on the New Zealand Productivity Commission “New Models of Tertiary Education – Draft Report”**

The NZQA Board and management have engaged with the Productivity Commission before and after the release of the Draft Report on ‘New Models of Tertiary Education’. These discussions have covered both system level issues and matters more specific to NZQA. This response to the Draft Report specifically focuses on the recommendations related to NZQA’s responsibilities and is provided in addition to a communication to the Productivity Commission in early October that fact checked a small number of statements in the report on NZQA’s work.

The Productivity Commission’s draft recommendations aim to support greater innovation and flexibility in tertiary education through a system that is “ambitious for learners”. NZQA supports this ambition and agrees that further debate about the best means to progress optimal policy, funding and regulatory settings is desirable.

NZQA's strategic priorities (NCEA online, qualification recognition agreements with 50 countries and a doubling of Maori and Pasifika engagement with STEM standards at Level 3 of NCEA by 2020) are designed to ensure learners qualify for a future world that is increasingly global and digitally connected.

NZQA considers that tertiary education will increasingly take place in a context in which learners will have a wider variety of learning options and opportunities, where employers may value a wider range of skills and competencies and where government may wish to invest increasingly in learner capabilities that will support life-long learning.

Despite meaningful improvements in tertiary education outcomes for Maori and Pasifika learners, NZQA concurs with the Productivity Commission that more must be done to

achieve parity of outcomes. This will require providers, iwi, employers, standard setting and professional bodies, and government agencies to work collaboratively in ways that place the learner at the centre of the system. These actors will need to operate within an increasingly agile, flexible and enabling set of policy, funding and quality assurance parameters if the type of innovation necessary to support a further lift in outcomes for all learners is to be achieved.

When considering the future of qualifications, NZQA assumes that in addition to the ongoing value of full formal qualifications, there may be greater use of micro-credentials, badging, and workplace learning, especially for mature learners who are upskilling. Components of learning may become increasingly important as learners draw on wide-ranging formal and informal, domestic and international learning experiences, work based and experiential learning to build a rich and diverse record of achievement.

NZQA aims to enable innovation while managing risk, and believes there are opportunities to further partner with other government agencies to consider ways of encouraging more diversity in the tertiary education system, while still actively managing the risk of poor provider performance. Most of the opportunities to support innovation are likely to lie in different policy, funding and QA settings whereby incentives are matched to the outcomes sought. Reducing agency barriers to innovation represents an area of opportunity.

NZQA will continue to look for opportunities to simplify requirements, clarify guidelines and reduce timeframes for application and approval processes. NZQA's quality assurance framework already allows for TEOs to effectively demonstrate self-management of their own performance (through External Evaluation and Review in particular). An extension of this approach could be a stepping stone to enabling self-accrediting status for institutions. To this end NZQA proposes to work with the sector in the 2017 to further refine the attributes of effective self-assessment that would underpin higher levels of TEO autonomy.

NZQA's experience is that simultaneously it must further bolster systems for identification and proactive management of risk that harms student learning. This is facilitated by the increasing availability of data analytics. The management of risk will require more frequent and robust use of assessment evidence as a window into education performance, and sophisticated data analysis and modelling to identify risk factors. To this end, a new NZQA TEO Performance Register is currently under development.

### **Draft report themes**

**The following section of the submission address recommendations made in the report that relate to NZQA responsibilities.**

#### *Self-accreditation*

R 12.11: All providers should be able to apply to NZQA for self-accrediting status. Self accreditation would cover processes such as programme approval and accreditation, qualification monitoring, and evaluation and review.
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NZQA is currently working to better understand what 'mid-term' mechanism can be used to provide ongoing reassurance during a four-year period of Category One EER status. Recent events show that such checks are required for some providers, even where high levels of accountability and trust appear to have been warranted. NZQA does agree that it is possible that self-accreditation can be further developed in circumstances where TEOs can convincingly demonstrate sustained high levels of their own performance and capability. NZQA supports further debate on the operational intent of this recommendation.

### *Credit Transfer*

R 12.18: Government should establish a student ombudsman service within NZQA to promote credit transfer, and with the power to arbitrate disputes between transferring students and their destination provider

NZQA has been undertaking a programme of work to identify ways to improve learner awareness of both Credit Recognition and Transfer (CRT) and Recognition of Prior Learning (RPL) and the effectiveness of its advice and policies. This project looks at ways to create a quality assurance system that ensure qualifications are transferable and recognisable, so that all qualifications and prior learning can be used in employment in the future.

NZQA acknowledges that sector support and TEO ownership is needed to increase the uptake of CRT and RPL but considers that some agency led initiatives may be needed to support more significant change. Such interventions could include funding incentive mechanisms or providing students with recourse to an appeal mechanism for decisions made by TEOs.

NZQA welcomes a system-wide discussion on what will be required for improved CRT and RPL, including the possible merits of the recommendation to establish a student ombudsman service within NZQA (or indeed any other dispute resolution mechanisms related to RPL and credit transfer within NZQA or within any other part of the system).

### *Minimum standards*

R 12.2: NZQA and providers should use ex post tools that assess the actual quality of the tertiary education experience. Such tools can ensure compliance with minimum standards and verify promises made by providers.

R 12.8: NZQA should be responsible for defining minimum performance thresholds and monitoring provider performance against those standards. Providers that fail to meet minimum performance thresholds should lose their licence to operate. The thresholds should be clear and any changes publicised well in advance.

Since the introduction of EER in September 2009, NZQA quality assurance processes, both ex ante and ex post, have a direct emphasis on learner achievement and outcomes, including outcomes for relevant stakeholders especially employers.

The six outcome classes for EERs include (i) longer term outcomes - vocational, further study, economic and social; (ii) completions of courses and qualifications (Education Performance Indicators, EPIs); (iii) personal development as a self-responsible learner; (iv) personal development more broadly in terms of desirable social and personal attributes; (v)

the generation and dissemination of new knowledge; and (vi) contributions to community, regional and national development, both economically and socially.

Although quality assurance focuses on this range of outcomes, (government funded) TEOs often have very limited information beyond the Tertiary Education Commission EPIs which report course completions and retentions rather than longer term individual, social or economic benefits. NZQA views completions (EPIs) as an important indicator of educational performance but insufficient to cover the range of knowledge and skills that graduates will need in the modern world.

NZQA is currently revising its evaluation indicators, including the outcome descriptors, to strengthen its own and the sector's ability to report on the relevant and valued outcomes of tertiary education. NZQA welcomes the richer data on employment and earnings outcomes that has become increasingly available.

Current EER practice is sufficiently flexible to recognise that quality will look different in different contexts. Minimum standards are addressed by focusing on assessing outcomes for learners in the context of learner and stakeholder needs, and the organisation's capability in self-assessment as a means of understanding and improving its performance. There is an opportunity to undertake more work on specifying minimum standards, especially in the event that self-accreditation options are progressed in the future.

In July 2016, NZQA revised the Key Evaluative Questions (KEQs) to enhance aspects of the EER design, tools and processes. A new KEQ was incorporated on compliance management and performance to ensure effective TEO self-management and regulatory responsibility under the Education Act 1989.

#### *Improvements to NZQA approval processes*

R 12.13: NZQA should review their programme approval processes, with a view to reducing timeframes and removing any unnecessary requirements. It should set a target for the median timeframe for approvals

R 12.14: NZQA should update its policies to permit providers to change the location of delivery without prior approval, where those changes do not materially alter the programme from the perspective of students

R 12.15: NZQA should amend its guidelines for approval of degree-level programmes to clarify when and why they require a panel review. Panels should be the minimum size and skills composition necessary for quality control

For most of 2016, turnaround time for standard approval and accreditation applications has been an average of 3 weeks (against a commitment of 11 weeks). This is due in part to simplifying requirements in the application process and clarifying guidelines. NZQA will continue to look for opportunities to refine and improve turnaround times and to set new targets to determine the minimum baseline information required to enable the tertiary education system to be confident of quality and detect risk.

In relation to degree panels and the distinction made between degree-level programmes and those below degree, NZQA is currently undertaking a review of degree guidelines. The review will consider the timeframes, requirements for approval and ongoing monitoring of degrees and the role, purpose, and size of panels.

## *Mutual recognition*

R 12.28: Government should approve for New Zealand those providers and courses approved in jurisdictions with which NZQA has mutual recognition agreements, or in other jurisdictions where the New Zealand government is satisfied with the quality assurance arrangements

The emerging space of transnational education is relatively young and dynamic. Internationally, there has been a 50% growth in the last four years; with the global pool of mobile international learners forecast to grow to around 8 million by 2025. While countries such as England and Australia have had a strong presence offshore, New Zealand has had only modest growth in offshore delivery.

Between April 2012 and July 2016, NZQA received 27 applications for offshore programme delivery. Programmes approved cover a wide range of disciplines and countries. The requirements are aimed at protecting the reputation and quality of New Zealand's education system.

NZQA has recently sought feedback from the education sector on its off-shore delivery guidelines and Rules. NZQA is committed to ensuring fit-for-purpose offshore delivery policy settings in a constant changing international education market where TEO interest in offshore delivery is expected to increase.

NZQA has been looking out towards other markets and countries so that New Zealand's reputation is enhanced through the international relevance and acceptance of New Zealand's qualifications. Our qualifications recognition work continues to reference New Zealand qualifications (and the qualifications framework) to those in other countries, enabling the migration of students and workers in an increasingly borderless world. NZQA is actively expanding its international focus to continue to work with countries in Asia, the Middle East and the European Union.

As referencing work becomes more widespread and increasingly sophisticated, it is anticipated that the conditions for greater diversity of provision within New Zealand by overseas institutions may become stronger. NZQA encourages continued discussion across the education sector to understand the opportunities and risks of increased transnational - offshore and onshore - education opportunities.

## *Abolish University Entrance (UE)*

12.23 Government should abolish University Entrance, leaving all universities free to set their own entry requirements.
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NZQA is currently undertaking a review of UE. The last review of UE occurred in 2010-2011. The purpose of the review is to consider whether the current University Entrance requirements are working as intended. However, the engagement and consultation process being used for this review provides an opportunity for stakeholders to comment on a wide range of issues related to UE. NZQA notes that more than 50 non-university TEOs now deliver degrees. The question of 'degree entry', rather than university entry has been raised during discussions with sector organisations during the review. Changing the scope of University Entrance would require legislative change, which is outside of the scope of the review, but the review process will allow us to collate views on this and other wider issues.

## **Conclusion**

NZQA agrees that the tertiary education and quality assurance systems should enable greater innovation and responsiveness as the means of more effectively addressing learner, stakeholder and community needs in the 21<sup>st</sup> century / 4<sup>th</sup> Industrial era. Responding effectively to the identified needs of learners and stakeholders involved is a central design feature of NZQA's quality assurance framework.

NZQA also agrees with a system-wide shift towards outcomes, having itself had a greater emphasis on outcomes since 2010. These outcomes may in the future not always be whole qualifications but could include micro credentials. The usefulness, relevance, and value of the qualification (or component of learning) is based on its relationship to the workforce and skills needed by individuals, groups of learners, iwi, employers, industry, and communities. NZQA is continuing to focus on the involvement of employers in the design of learning, emphasising workplace training, employability, and employment outcomes.

NZQA agrees that the balance between the management of risk and associated constraints of regulation and the freedom to innovate is challenging to strike, but it is a direct focus of our Future State programme. NZQA welcomes any further detail or advice from the Productivity Commission on opportunities to optimally strike this balance.