

## Aide-Memoire: Compliance costs - quality assurance and Code of Practice for pastoral care

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<b>To:</b>	Hon Penny Simmonds, Minister for Tertiary Education and Skills
<b>From:</b>	Dr Grant Klinkum, Chief Executive
<b>Date:</b>	18 July 2024
<b>Reference:</b>	OC01011

### Purpose

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1. Following a meeting with Whitireia and WelTec you requested advice on reducing the compliance burden for Te Pūkenga divisions (ITPs). Whitireia and WelTec raised concerns with you about compliance costs for quality assurance and Code of Practice compliance.
2. This aide memoire provides advice on work being undertaken to reduce compliance costs for all tertiary education providers.
3. NZQA proposes to proactively release this briefing as part of the next publication of documents as the information will be of interest to tertiary education providers.

### Discussion

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4. NZQA continually looks for opportunities to reduce compliance costs for tertiary education providers. In doing so we maintain a focus on our responsibility to students and employers to provide assurance of the quality of New Zealand's qualification system.
5. There are several activities currently underway. Some workstreams stem from our ongoing obligation to ensure compliance is as efficient and cost effective as possible. Other workstreams result from changes in the sector which require parties to ensure there is no duplication of effort or unnecessary burden placed on providers.
6. Some workstreams will have an immediate impact and some will be over the medium term. The workstreams include:

#### ***Immediate impact***

- Addressing compliance 'pain points' identified by Private Training Establishments (PTEs), which will also benefit Te Pūkenga divisions.
- Piloting new programme endorsement/approval processes.
- New requirements for Type 2 to Type1 programme changes.
- Trialling a new programme monitoring approach.

#### ***Medium term***

- Reviewing NZQA's quality assurance framework.
- Reviewing the frequency of reporting against the Code of Practice for pastoral care.

- Unified and New Zealand programmes.

#### ***Other matters***

- NZQA has maintained low fees.
- Pre-approved overseas teaching qualifications list.

## **Immediate impact**

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### ***Addressing compliance ‘pain points’ identified by PTEs***

7. We have been working with TEC on addressing ‘pain points’ identified by PTEs in relation to compliance requirements. Together we have identified six quick wins and ten more complicated solutions with different levels of priority.
8. We have defined a ‘quick win’ as something we can do within a year without legislative change. An example of a quick win is that TEC and NZQA will carry out a collaborative review of micro-credential application forms to remove duplicate requests for information from providers.
9. Most solutions TEC and NZQA are looking at are operational. Some depend on data systems upgrades, which is a more complicated solution.
10. Some providers have raised the issue of the significant costs associated with the Export Education Levy. This would require a deeper dive into the issues.

### ***Piloting new programme endorsement/approval processes***

11. In response to feedback from PTEs on perceived duplication, NZQA and Workforce Development Councils (WDCs) have been working together to eliminate any obvious overlaps between endorsement and programme approval requirements.
12. To ensure that we have identified all opportunities to eliminate duplication we are piloting new processes. The programme endorsement/approval pilot is in the early stages with 2 programmes submitted to both the WDC and NZQA. There has been a positive response from providers participating in the pilot. The participants will experience WDC endorsement and NZQA approval as both consecutive or concurrent processes. Following participant feedback, we will consider whether to extend the pilot or to implement changes.

### ***New requirements for Type 1 and Type 2 programme changes***

13. NZQA and the WDCs have identified some Type 2 changes that could be considered Type 1. The main changes that have been agreed are:
  - qualification version change is no longer a mandatory Type 2 change
  - straightforward unit standard replacements as recommended by the standard-setting body are also no longer mandatory Type 2.
14. The aim is to streamline the programme change process to make it easier to keep programmes current. Providers will also benefit financially as NZQA does not charge for Type 1 changes (WDCs do not charge for any of their services).

### ***Trialling a new monitoring approach***

15. NZQA is working with WDCs to trial a new monitoring approach. Moderation results from WDCs will be used by NZQA for programme monitoring.
16. This approach will remove any duplication of quality assurance activities and provide a broader lens on TEO's assessment and moderation practices for NZQA and WDCs.

## Medium term

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### ***Reviewing NZQA's quality assurance framework***

17. We are developing our understanding of the regulatory levers outlined in the proposed quality assurance framework which underpin effective regulatory practice.
18. The aim is to flesh out the proposed activities within the draft concept quality assurance framework, consider the overall coherence of the model, and address any gaps.
19. One of the outcomes of this work will be to right-size our activity to the level of perceived risk across the sector and by individual providers. Should any current activity be identified as wholly or partially redundant we will remove that aspect from the quality assurance framework thus reducing compliance costs. A separate briefing (OC01034) and accompanying A3 provides more detail.

### ***Reviewing the frequency of reporting on the Code of Practice for pastoral care***

20. The interim domestic code came into force 1 January 2020. TEOs who only have domestic students have now gone through two self-review cycles, providing an attestation of those reviews to NZQA. Having had the benefit of overseeing this activity NZQA is now considering whether:
  - attestation could be simplified, less frequent or whether it is necessary at all for established providers; and
  - how code compliance could be aligned with elements of the revised Quality Assurance Framework.

### ***Unified and NZ Programmes substantially reduce the cost of programme development***

21. The cost for providers of developing programmes can be reduced by the sector choosing to cooperate. TEOs can choose to collectively develop a programme, sharing the cost, and individual providers would then need only to cover the cost of accreditation.
22. WDCs may lead the development and maintenance of a New Zealand programme for a qualification for which they are responsible, but it is not mandatory for them to do so.
23. WDCs are able to facilitate a collaborative process with providers to ensure that the New Zealand programme reflects both the practical needs of industry and good educational practice. The WDC then seeks approval from NZQA for the New Zealand programme and providers need only to be accredited. NZQA does not charge WDCs for New Zealand programme approval.

## Other matters

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### ***NZQA has maintained fees at the same level for many years***

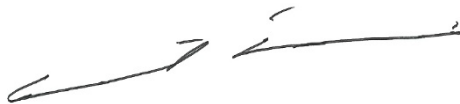
24. NZQA's professional services fee of \$190 (plus GST) per hour, is lower than comparable agencies and was set in July 2018. Since that time, the consumer price index has increased by over 25%.
25. Other government agencies which provide comparable services to NZQA currently charge the following:
  - Maritime New Zealand charges its clients for ongoing operational compliance (Audit and/or Inspections) at \$213 (plus GST) per hour.
  - Civil Aviation Authority charges \$247 (plus GST) per hour.
  - The Environmental Protection Authority currently charges between \$148.80 and \$310 per hour excluding GST (depending on staff seniority) for assessing applications and compliance monitoring.

26. A Financial Stabilisation Plan is being drafted for Minister Stanford. In that plan NZQA signals the need for a review of our third-party charges given that our professional services fee has not increased for 6 years.

## Next steps

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27. We will keep you informed of the positive impact on TEO compliance costs that these projects will have as they come to fruition. We would be happy to discuss any of these projects in more detail should you wish.



**Dr Grant Klinkum**

Chief Executive, NZQA

18 July 2024

**Hon Penny Simmonds**

Minister for Tertiary Education and Skills

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