

Aide-Memoire: Managing quality assurance in a changing environment

To:	Hon Chris Hipkins, Minister of Education
From:	Dr Karen Poutasi, Chief Executive
Date:	31 January 2019
Reference:	CR18663

Purpose

1. This paper outlines how NZQA adapts its quality assurance activities in response to changes in the tertiary education environment, government policy, and the needs of learners and employers. Over the last two years, NZQA has updated its approach to quality assurance in response to emerging risks in the sector including several high-profile tertiary education organisation (TEO) closures.
2. The quality assurance approach will likely require further adaptation arising from the Government's programme of review and reform currently underway. This includes review of the NCEA, Tomorrow's Schools and the Reform of Vocational Education, in conjunction with implementation of the new International Education Strategy.
3. NZQA proposes to proactively release this briefing later in the year.

Background

NZQA's quality assurance system operates in a complex and changing environment

4. Changes to the nature of work arising from the impact of digital technologies, an increasingly mobile workforce, demand from employers for 21st century skills and the expectation that people will need to continue to learn and acquire new skills throughout their careers require adjustments to the qualifications system and underpinning quality assurance.
5. To this end, in 2018, NZQA has introduced micro-credentials as a new education product into the regulated education system. These industry-led small parcels of learning will assist employers and learners to access current skills.
6. A review of the New Zealand Qualifications Framework (NZQF) is underway to ensure the Framework remains flexible and fit for purpose. A particular focus is on vocational education qualifications and also to increase the emphasis on 21st century competencies, embedding these into the NZQF as appropriate.

Discussion

NZQA works to strike a regulatory balance enabling innovation while managing risks

7. As a regulator, NZQA continues to evolve its regulations, quality assurance approach and underpinning processes to support learning innovation while at the same time minimising educational risk. Striking the balance between flexibility and compliance is an ongoing process as the education landscape continues to change.
8. NZQA currently quality assures approximately 450 non-university TEOs. This number has halved since 2010 as private training establishments (PTE) have exited the system and fewer PTEs are gaining registration since the bar to become a PTE has been set very high (only three new providers were approved in the last six months)
9. In recent years NZQA has further strengthened the NZQA Rules, particularly as they relate to the enrolment of international students. We operate an active programme to review NZQA Rules to respond to changes in the environment as well as manage risk.
10. Data and information available through collaboration with agencies such as Education New Zealand, Immigration New Zealand and the Tertiary Education Commission is also used to validate TEO performance, confirm learner education and employment outcomes and proactively identify and, where warranted, communicate to TEOs factors that may pose educational risk.

Majority of quality issues identified in recent years relate to programmes of study that are viewed as pathways to residence for international students

11. Much of the growth in international students between 2014 and 2016 was from India in sub-degree level programmes at PTEs.
12. In late 2016, NZQA identified the need to monitor all Level 7 Diploma programmes due to concerns about rapid growth in student numbers, single nationality cohorts of learners and low fees offered by some PTEs. These Level 7 diplomas were attractive to international students because they offered a pathway to residency in New Zealand.
13. Our monitoring, which continued well into 2017, revealed serious concerns and clear patterns of poor quality programme delivery and assessment practices, for certain programmes, particularly business qualifications. Fraudulent behaviour by some TEOs and unscrupulous overseas agents actively promoting pathways to residency further exacerbated the issues identified.
14. It was apparent that many international students did not have the English language proficiency required for the level of study they were enrolled in and may not have been in New Zealand with the intention to study.
15. NZQA's management of the risks in this area resulted in the closure of several poorly performing PTEs.
16. NZQA's compliance action, along with recent changes to policy settings, including post-study work rights and further changes to English language proficiency entry requirements, have strengthened the system, to ensure international students are adequately prepared for the level of study and are in New Zealand for genuine study reasons.

Programme monitoring and quality of assessment practice are important keys to early detection of poor education performance

17. The systemic concerns identified through NZQA's monitoring of Level 7 diplomas demonstrated the importance of programme monitoring and suggested that assessment

capability issues may be more widespread in the sector, across other programmes and levels of study.

18. While NZQA operates a comprehensive quality assurance framework, including initial approval to deliver programmes, systematic programme monitoring of in-flight delivery had not been a feature of the system.
19. In response, we have increased our focus on monitoring the delivery of programmes to confirm if they are being delivered as approved, thereby enabling any poor education performance to be identified earlier. Programme monitoring is now part of NZQA's regular work.
20. A particular focus of our programme monitoring has been the quality of assessment practice and decisions. This includes NZQA arranging for independent verification of individual assessments, as key evidence of valid qualification achievement. Our experience shows that this process is critical for assuring the integrity and credibility of New Zealand qualifications.
21. New Zealand is therefore now one of a small number of countries to conduct in-depth monitoring of programme delivery at individual TEOs.

We expect to see a reduction in both programme and provider closures as poor-quality providers are either supported to improve or are managed out of the system

22. The increase in programme monitoring led to an initial increase in compliance actions over the last two years. However, we expect that fewer closures will occur in future due to quality issues, as the worst performing organisations have left the system and the monitoring process now enables NZQA to identify issues earlier.
23. NZQA's approach to exercising its powers and the interventions it takes are proportionate to the issues at hand, including the seriousness and extent of the identified non-compliance, and the capability of the TEO to address any concerns. Wherever possible NZQA works constructively with TEOs to remediate any quality issues identified and support improvements to minimise the impact on students. Where breaches of NZQA Rules or the legislative requirements have been sufficiently serious, deliberate or repeated, firm action has been taken in respect of those TEOs so that future learners are not exposed to poor educational delivery.
24. While in recent years there have been several high-profile closure events, these should be seen in perspective. The reality is that closures, and related statutory actions, affect a very small number of TEOs. Since January 2017, NZQA has cancelled the registration of 12 TEOs, representing less than 3 per cent of the approximately 450 TEOs NZQA quality assures. These closure events reflect a firmer regulatory stance by NZQA in protecting student interests, using the full range of our regulatory powers including those enabling us to obtain information and enter and inspect premises.

An effective regulator enables a strong and clear focus on quality

25. A key attribute for NZQA as an effective regulator is taking an intelligence-led approach to enable early identification of educational risk, strengthen and adapt quality assurance processes to drive required improvements and build the capability of the system.
26. The publishing of TEO external evaluation and review (EER) reports and statutory actions on NZQA's website provides transparency and accountability through wide disclosure of education quality assurance information. In turn this enables learners to make better choices, increases the public's confidence in the quality assurance system and contributes to New Zealand's reputation as a desirable education destination.

27. Ensuring that we are carrying out our quality assurance functions in accordance with the government's stated expectations of good regulatory practice is a priority for NZQA. We have started engaging with the sector to review and update our overarching regulatory framework⁴ and approach. A key element of this work involves asking fundamental questions regarding the position and purpose of our role as a modern regulator, and balancing compliance with the need for capability development in the tertiary education sector. This may lead to further changes to our quality assurance processes.



Karen Poutasi (Dr)
Chief Executive
31 January 2019

Hon Chris Hipkins
Minister of Education

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