

Submission

By



To the

New Zealand Qualifications Authority

On the

**Proposed changes to the qualifications
system**

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1. INTRODUCTION

- 1.1. Business New Zealand welcomes the opportunity to make a submission on the Targeted Review of the Qualifications System, focusing on certificate and diploma levels.
- 1.2. Tertiary education has an important but not exclusive role to play in improved productivity and economic development. Unless tertiary education improves its responsiveness to the needs of industry and employers the social and economic benefits of a skilled and resilient workforce will not be realized.
- 1.3. In our view this requires strong and systematic engagement between tertiary education organizations and employers during qualification development and review processes.
- 1.4. This submission is broken up into four parts each addressing:
 - Introduction
 - General comments
 - Comments on specific changes
 - Other issues.
- 1.5. Business New Zealand is broadly supportive of the package of proposals and is eager to be involved in the on-going policy development process and in the development of the implementation approach to this package of change.

2. GENERAL COMMENTS

- 2.1. Business New Zealand welcomes the Targeted Review of the Qualifications System.
- 2.2. The New Zealand Qualifications Authority, as the guardian of the Qualifications Framework, has a key role in facilitating the reduction of the unnecessary duplication of qualifications within the National Qualifications Framework. Furthermore, the New Zealand Qualifications Authority has a key role in ensuring that the qualifications system is flexible and responsive, up to date, easily understood, and focused on the needs of students, employers and communities.
- 2.3. Business New Zealand supports measures that will make the qualification system and qualifications outcome focused, more responsive to industry and employers' needs (i.e. customer focused), and easily understood by all New Zealanders.

- 2.4. Qualifications and the qualifications system should be driven by industry, employers, and students and aligned to their needs. This requires stronger and systematic links between qualification developers and the business community. There should be further investigation of qualification development and review processes to enable engagement to be established, strengthened or expanded depending on the current level of engagement.
- 2.5. National qualifications should be the standard in the tertiary sector, where available, and graduates should be trained to national industry standards where a programme or qualification is clearly vocational. That said, increasingly students and employers are requiring a mix of vocational and academic skills development options.
- 2.6. The qualifications system must provide a framework that enables qualifications developers to respond efficiently and effectively to changing student, employer, and industry demand. Students and employers expect qualifications tailored to their needs and are concerned primarily with education and employment outcomes.
- 2.7. An outcome focused New Zealand qualifications framework with easily understandable qualifications where the knowledge, skills and competencies are deemed by industry and employers to be relevant and of an appropriate standard, and where education and employment pathways are clearly identified, is to be welcomed.
- 2.8. The central goal of the qualifications review should be the development of a unified outcomes focused New Zealand qualifications framework and qualifications driven by students, employers and industry, with tertiary education organisations being enabled by incentives to develop and deliver quality and relevant education and training.

3. COMMENTS ON SPECIFIC CHANGES

Develop a unified New Zealand qualifications framework

- 3.1. The current qualifications system and qualifications are often difficult to understand. Any measure to make qualifications system and qualifications easier to understand and use is positive for students, employers and the current workforce.
- 3.2. The unified New Zealand qualifications framework should be outcome focused. It should also be robust yet flexible and survive political changes. The language used to describe qualifications on the New Zealand Qualifications Framework should be devoid of current catch phrases and jargon.
- 3.3. From a business perspective, the New Zealand Qualifications Framework should contain easily identifiable levels and a progression of learning outcomes that are

easily understood and provide a fair reflection of the knowledge, skills and competencies gained by the qualification holder. Employment and education pathways should also be clearly identified to ensure that these are easily understood by students, employers and the current workforce.

Require the use of existing quality assured qualification and change the design rules to allow for National (standards-based) and New Zealand (course based) qualifications to allow for more inclusion of local components

- 3.4. The present system of local and national qualifications is confusing for employers, and is not well understood by the public.
- 3.5. There should be a requirement to use existing quality assured qualifications (whether standards or non-standards based) where these continue to be relevant and respond to employer and industry demand. In our view, graduates should be trained to industry standards where a programme is clearly vocational. This requires a clear expression of industry standards by Industry Training Organisations (ITOs) and professional associations.
- 3.6. Qualifications developers should actively review and consider future skills needs, workforce and workplace trends in the development and review of qualifications or programmes. The utilisation of industry strategic training plans and sector skill strategies by qualification developers will have a significant role to play here. In addition to making better use of industry strategic training plans and sector skills strategies where they are available, qualification development and review processes should explicitly involve business and industry and enable their input into these processes.
- 3.7. Changing the design rules to allow for National (standards-based) and New Zealand (course based) qualifications to allow for more inclusion of local components requires funding and policy mechanisms that:
- Reduce unnecessary competition and duplication (at the qualification and unit standard level)
 - Promote appropriate collaboration and co-operation
 - Be transparent and rational
 - Be based upon clear understandings about the outcomes Government is purchasing.
- 3.8. Including a local component in a national qualification must demonstrably show industry and employer support. National Certificates can have provisions for electives; this could be used better to facilitate recognition of prior learning and credit transfer. The proposal to allow up to 30 percent of local components as part of national qualifications should be considered further.
- 3.9. Close consultation and collaboration with providers and Industry Training Organisations will be necessary to action this change and to resolve a number of

issues (e.g. how new local qualifications will be treated, scale and scope of grand-parenting and transition arrangements available for qualifications in the approvals process).

- 3.10. Furthermore, despite recent moves towards a simpler EFTS dominated system with a performance element it may be necessary to consider changing credit value from learning hours (inputs) to learning achieved (outputs).

Require mandatory periodic reviews of qualifications to determine whether they are still fit for purpose

- 3.11. There is a strong need to continue to ensure that qualifications and programmes that make up qualifications are relevant to the skills, knowledge and competencies required by students, employers and industries to participate in a global economy. In our view, it is good practice for qualification owners to ensure their qualifications remain fit for purpose through periodic review.

- 3.12. At present, the practice of reviewing qualifications to determine whether they continue to be fit for purpose is variable. The fact that 50 percent of qualifications developers have qualification review plans to ensure that those qualifications continue to be fit for purpose shows that strong incentives are required to encourage systematic periodic reviews are actually carried out.

- 3.13. While the new quality assurance framework for tertiary education organisations has indicators relating to this, in our view it may be necessary to provide incentives to qualification developers to undertake periodic reviews. For example, new qualifications or recently revised qualifications could be assigned a shelf-life when registered. If the qualification is not reviewed in a timely manner to ensure that it continues to be fit for purpose then it automatically becomes inactive and stops attracting a public subsidy.

- 3.14. A deterministic system which uses bureaucratic processes to assess the fit for purpose of qualifications will be of little use and in fact may impose deadweight costs on the economy. We believe that mandatory periodic reviews of qualifications do not necessarily have to mean more bureaucracy. The fit for purpose of qualifications should not be assessed by officials.

- 3.15. Systematic engagement with business and industry should be seen as central to qualifications review processes, recognising that status of business and industry as a key customer of tertiary education.

Strengthen and standardise qualification outcome statement requirements

- 3.16. Business New Zealand welcomes the focus on qualification outcomes and the move to an outcome focused New Zealand qualifications framework. The current qualification framework and qualifications has not had this focus.

- 3.17. Clear outcome statements will provide better information to employers about what they can expect from qualification holders, and assist with comparability and portability of qualifications.
- 3.18. Outcome statements found in current qualifications often lack clarity in all three required outcome areas with only 13 percent of qualifications having a clear outcomes statement in each area.
- 3.19. Outcome statements in each of the three areas need to be easily understood and provide a fair reflection of the knowledge, skills and competencies gained by the qualification holder, as well as clear education and employment pathways. Language used in outcome statements should be devoid of current catch phrases and unambiguous.
- 3.20. Strengthened and standardised outcome statements should also support the recognition of prior learning and support free movement between sectors, maximizing taxpayers and individuals investment in tertiary education. The unified New Zealand qualifications framework should facilitate movement in the tertiary education sector without the need to repeat programmes or parts of qualifications
- 3.21. In our view, qualifications developers should be required to better and more consistently describe qualification outcomes. All qualifications on the New Zealand qualifications framework should be required to have clear outcome statements in order to attract public subsidies. Where there are no employment or education outcomes this should be explicitly stated.

Introduce a mandatory pre-development assessment stage for qualifications developers

- 3.22. In our view, there is not just duplication in qualifications but duplication in unit standards which leads to confusion for employers, and difficulties with credit transfer and recognition of prior learning. This is also an inefficient use of resources.
- 3.23. Introducing a mandatory pre-development assessment stage for qualifications developers necessitates access to reliable, accurate, and timely information to determine if a proposed qualification does not unnecessarily duplicate existing qualifications.
- 3.24. NZQA should look to provide an enabling framework that facilitates qualification developers to determine if a proposed qualification already exists. Qualifications developers should be able to easily and quickly search existing qualifications and outcome statements.

- 3.25. Once a qualifications developer has established that a proposed qualification does not duplicate any existing qualifications and provided evidence of genuine demand for that qualification they should be required to register that proposed qualification as being under development. This may facilitate increased collaboration.
- 3.26. The process for pre-development assessment and the development of the online qualifications enquiry tool should be developed in collaboration with qualification developers.
- 3.27. The Tertiary Education Commission could have a role in facilitating and encouraging strategic conversations between industry associations, clusters and provider groupings should conflict arise at the pre-development assessment stage.
- 3.28. It will be important to clearly identify the conditions under which some duplication is acceptable. Incentives could be provided to tertiary education organisations to specialise rather than compete in all areas.

Strengthen recognised industry involvement in qualifications development

- 3.29. Business New Zealand welcomes all measures to strengthen the involvement of industry and employers in qualifications development. We strongly support this change.
- 3.30. Employers feel that they have inadequate input to qualifications development and review processes. Supply driven approaches to qualifications development and review have shown to be ineffective, leading to poor future employment prospects graduates and employers becoming disenchanted with the qualifications system. There is a strong need to foster stronger links between employers and tertiary education organisations.
- 3.31. Systematic engagement with business and industry should be seen as central to qualifications development and review processes, recognising that status of business and industry as a key customer of tertiary education. The majority of people who go through the tertiary education sector will enter the workforce. In return, business and industry will have to live up to the responsibilities implicit in such a status. Closer relationships between business and providers, and ITO and providers, will help this.
- 3.32. The extent and nature of industry and employer connections will be important in strengthening industry and employer involvement in qualifications development and review. Consideration needs to be given to how this will be achieved effectively and efficiently.

- 3.33. Business New Zealand is supportive of Industry Training Organisations and the work they do with industry. We consider that there is greater scope to utilise industry strategic training plans and sector skills strategies, and to encourage greater systematic engagement between industry and employers and providers.
- 3.34. It is important that industry and employers have direct input into qualifications development and review processes.
- 3.35. Rather than making industry involvement one of the requirements of qualification development and review processes, we consider that substantive tertiary-business engagement could be promoted by the TEC to periodically audit or evaluate a provider's ongoing engagement with employers (and vice versa) and/or undertake thematic reviews (e.g. the state of the tertiary education sector's engagement with a particular industry, the industry satisfaction levels, etc.). Such an approach could assist tertiary providers and industry to build and strengthen engagement.

Provide the public with clear information about whether a qualification is active, inactive or closed

- 3.36. Business New Zealand supports measures that will support the public to access information about whether a qualification is active, inactive or closed.
- 3.37. An accurate, user friendly website that can support informed educational and qualification decisions by learners, use outcome statements to clearly present to employers what outcomes a qualification attests to, and the education and employment pathways.

4. OTHER ISSUES

Short awards

- 4.1. Short awards are often highly relevant to employers and industry. TEC key performance indicators around qualification completions could restrict the ability of providers to be fully responsive to employer needs (and therefore reduce the relevance in employers' eyes of tertiary education organisations).
- 4.2. Greater flexibility to offer short courses may support tertiary providers to offer training that meets employer needs and provides people with component parts of qualifications.

Record of achievement

4.3. In our view a universal Record of Achievement is a natural progression from an outcomes focused unified New Zealand qualifications framework. Further work is needed in this regard.

Appendix 1

BACKGROUND INFORMATION ON BUSINESS NEW ZEALAND

Business New Zealand is New Zealand's largest business advocacy organisation.

Through its four founding member organisations . EMA Northern, EMA Central, Canterbury EmployersqChamber of Commerce and the Otago-Southland Employersq Association . and 70 affiliated trade and industry associations, Business NZ represents the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy on behalf of enterprise, Business NZ contributes to Governmental and tripartite working parties and international bodies including the International Labour Organisation, the International Organisation of Employers and the Business and Industry Advisory Council to the Organisation for Economic Cooperation and Development.