



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

Improving performance in tertiary education: using quality assurance incentives and sanctions

for Institutes of Technology and Polytechnics, Wānanga, Private Training Establishments and Government Training Establishments.

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Introduction

The New Zealand Qualifications Authority (NZQA) is consulting with institutes of technology and polytechnics (ITPs), wānanga, private training establishments (PTEs), and government training establishments (GTEs) on proposals to use incentives and sanctions in the quality assurance framework to drive quality improvements.

How to provide feedback

NZQA will engage in face-to-face consultation on the proposals, as well as seeking written submissions. A separate questionnaire is provided for your feedback. Electronic responses are preferred but hard-copy responses are also welcome.

Please return your feedback to NZQA by emailing to: improvingperformance@nzqa.govt.nz

Or post to: Consultation: Improving Performance in Tertiary Education
 Quality Assurance Division
 NZQA
 PO Box 160
 WELLINGTON

Feedback is due by 8 September 2010

Following the period of consultation, responses will be analysed and the final recommendations submitted to the NZQA Board for approval at its meeting in November 2010. It is expected the policy will be progressively implemented from January 2011.

Background

The government is seeking a consistent and standardised approach to quality assurance across the non-university tertiary education sector which is focused on driving quality improvements.

Driving quality improvements is integral to NZQA's evaluative quality assurance framework which is underpinned by a principle of high trust and high accountability. However, there are currently only a limited number of ways that trust is acknowledged in the quality assurance framework. Examples are NZQA's preferential track for course approval and accreditation applications and Institutes of Technology and Polytechnics Quality "quality assured status" for institutes of technology and polytechnics (ITPs).

This paper proposes using four quality assurance mechanisms as incentives and sanctions to recognise the performance of a tertiary education provider in terms of educational quality. The new system would be more responsive to levels of quality and reflect the high-trust and high-accountability environment.

The proposals outlined in this paper apply to all tertiary education organisations except the university sector and industry training organisations (ITOs). Quality assurance of the university sector is managed by the New Zealand Vice-Chancellors' Committee. Over time it is expected that an equivalent range of incentives and sanctions will be developed for ITOs.

What are the proposed incentives and sanctions?

NZQA is proposing to implement a package of incentives and sanctions for education providers based directly on the level of education quality demonstrated through external evaluation and review (EER).

The initial mechanisms for incentives and sanctions are:

- the level of external scrutiny applied to applications¹ for programme approval, accreditation and consent to assess against unit standards
- processing time for programme (course) applications
- tenure of accreditations
- frequency of external evaluation and review

These initial mechanisms are expected to drive improvements in performance by providing incentives to improve educational quality and increase the range of sanctions available where the level of educational quality is below the standard expected.

Education providers who demonstrate educational quality will gain greater freedom of action, lower compliance costs and performance-responsive quality assurance processes. Education providers who have not demonstrated educational quality can expect even greater scrutiny and limits on some of their existing activities until improvements in educational quality have been demonstrated.

The quality assurance status of each TEO will be published on the NZQA website.

¹ These would be subject to all requirements arising from the targeted review of qualifications

Who will the incentives and sanctions apply to?

The incentives and sanctions will be applied consistently across non-university tertiary education organisations (excluding ITOs). EER will be the common mechanism to determine the quality assurance status for all education providers rather than sub-sector rules and conventions, such as the current “quality assured status” in the ITP sector. A high-performing private training establishment (PTE) will receive the same incentives as a high-performing institute of technology and polytechnic or wānanga, similarly the same sanctions for poor performance will apply across the sector.

How will the incentives and sanctions apply to a TEO?

On the basis of the results of external evaluation and review, it is proposed that each tertiary education provider will be assigned a quality assurance status in accordance with the following table:

TEO Quality Assurance Status		Educational Performance			
Capability in self-assessment	External evaluation and review	Highly confident	Confident	Not yet confident	Not confident
	Highly confident	High confidence status	Confidence status		
	Confident	Confidence status	Business as usual status		
	Not yet confident	Suspended 1 status			
	Not confident	Suspended 2 status			

Where a TEO has obtained one *Not yet confident* or *Not confident* rating it will be assigned Suspended 1 or 2 quality assurance status.

Experience to date indicates a number of TEOs are achieving *Confident* rating or better for educational performance but a rating of *Not confident* or *Not yet confident* for their capability in self-assessment. The TEO will have a quality assurance status of Suspended 1 but NZQA proposes that a greater degree of discretion will be applied in using these mechanisms for those TEOs on Suspended 1 status compared with other categories. This is because the reasons for a provider being in this category are more diverse than for the other categories.

For example, the response to a provider with a *Not yet confident* in self-assessment but at least a *Confident* in educational performance is likely to be developmental in nature. Whereas, a provider with *Not yet confident* in educational performance and *Confident* in self-assessment may have Suspended status 1 sanctions applied.

Revoking incentives for a TEO

The proposals outlined in this paper are in addition to the existing requirements of the Evaluative Approach to Quality Assurance Policy Framework approved by the NZQA Board and which can be found at www.nzqa.govt.nz/providers-partners/registration-and-accreditation/quality-assurance-framework/

If any quality, performance or compliance concerns are identified in the interval between scheduled external evaluation and review then any incentives gained may be revoked.

Examples of performance or compliance concerns include failure to complete the PTE Annual Statutory Declaration, where a serious complaint is upheld, and the results of external moderation.

Consultation questions

1. How robust is it to assign a quality assurance status to a TEO based on the results of external evaluation and review? What, if any, other measures could be used?
2. How well do you think the proposals to use incentives and sanctions based on the quality assurance status of a TEO will drive improvements in educational quality?

Quality assurance incentives and sanctions

It is proposed to vary four quality assurance mechanisms depending on the quality assurance status of a TEO. These are:

- the level of external scrutiny applied to applications for programme approval, accreditation and consent to assess against unit standards
- processing time for programme (course) applications
- tenure of accreditations
- frequency of external evaluation and review

NZQA is also considering whether there are other quality assurance mechanisms that could be calibrated to reflect educational quality. One example is moderation of assessment.

In addition, other government agencies are able to use information about an education provider's education quality. NZQA has held initial discussions with other agencies about the possibility of using TEO status to determine rewards and sanctions within their specific area.

The policy and approach to varying each of the four mechanisms is described.

1. The level of external scrutiny applied to applications for programme approval, accreditation and consent to assess against unit standards

External verification requirements for programme approval and accreditation would vary depending on the status of the education provider.

In addition, the quality assurance requirements for providers to gain consent to assess against standards would be varied, e.g. removing the need for a site visit.

More TEO control over these processes would result in lower compliance costs and enable TEOs to get new programmes to market more quickly.

Quality assurance status of TEO	Level of external scrutiny	Comment
High confidence	Reduced	Evidence of internal approval and accreditation process, e.g. detailed Academic Board minutes, or the equivalent, instead of full programme documentation. New sub-field and domain consents would be granted without needing an NZQA site visit, where the provider already has field accreditation.
Confidence	Standard	New sub-field and domain consents would be granted without needing an NZQA site visit, where the provider already has field accreditation.
Business as usual	Standard	
Suspended 1	Consider suspension of future applications	
Suspended 2	All new applications suspended	No further programme approval and accreditation applications would be considered until performance improvement was demonstrated either from a follow up EER or implementing an agreed Action Plan.

2 Processing time for programme (course) applications

NZQA will vary the minimum processing times for course approval and accreditation applications from the stated standard dependent on the quality assurance status of the education provider. The minimum time that could be expected would be 30 working days.

New applications will not be accepted from providers whose status is suspended 2.

Quality assurance status of TEO	Processing time for applications
High confidence	30 working days
Confidence	30 working days
Business as usual	55 working days

Suspended 1	Suspension considered but will depend on the specific performance of the TEO.
Suspended 2	Suspend processing of applications and no new applications accepted.

3 Tenure of accreditations

It is proposed to place a time period of four years on the period an education provider is accredited to deliver a specific programme leading to a qualification.

The ability of the education organisation to maintain the requirements for accreditation will be evaluated through external evaluation and review.

Quality assurance status of TEO	Renewal of accreditations	Comment
High confidence	Yes	
Confidence	Yes	
Business as usual	Yes	
Suspended 1	No	Renewal of accreditation would be dependent on the evidence provided by the TEO as to why it should maintain its accreditations. In addition, actions to be taken as part of a Post-EER Action Plan would be considered.
Suspended 2	No	Individual accreditation maybe withdrawn if a grade of <i>Poor</i> was obtained in a specific qualification, discipline or industry focus area.

4 Frequency of external evaluation and review

The normal period between external evaluation and review is four years. The quality assurance body is able to initiate an external evaluation and review at any time if there is evidence of poor educational quality or in the case of a TEO in Suspended 1 or 2 status.

Quality assurance status of TEO	Time period for external evaluation and review
High confidence	4 years
Confidence	4 years
Business as usual	4 years
Suspended 1	12 – 24 months following the external evaluation and review that lead to the Suspended 1 status being applied.
Suspended 2	6 – 12 months following the external evaluation and review that lead to the Suspended 2 status being applied, except where statutory levers have been actioned.

Consultation questions

3. Which of the four mechanisms would encourage your organisation most to improve its performance? What will be the effect of the mechanism?
4. What other mechanisms or processes could be included in this policy?
5. Taken overall, what impact will the proposed incentives and sanctions have on your organisation?
6. How well will the proposals outlined create a consistent and equitable approach to improving quality across the non-university tertiary education provider sector?
7. The paper proposes assigning a TEO to one of five levels of quality assurance status. How many levels do you think are needed to differentiate between TEOs? Please explain your reasoning.
8. How well do the criteria proposed for each quality assured status effectively differentiate between the levels of performance of TEOs?
9. What suggestions do you have to improve the criteria to distinguish between each quality assured status? For instance could “highly confident status” be expanded and still represent “high quality”.
10. What suggestions do you have on how to improve the proposals?

Transition to the new proposals

To enable the proposals, NZQA will need to amend both the:

- Policies for ongoing registration for private training establishments established under section 253 (1) (ca) of the Education Act 1989; and
- Policies and guidelines that sit beneath the Gazetted Criteria for Course Approval and Accreditation established under section 253 (1) (d) and (e) of the Education Act, 1989.

There will be a progressive roll out of these proposals which depends on when a TEO has undergone its first EER and is subsequently assigned a quality assurance status. This will take until the end of 2012. Until a TEO has attained a quality assurance status its existing quality assurance arrangements will continue. The final policy is expected to be progressively implemented from January 2011.