



NEW ZEALAND QUALIFICATIONS AUTHORITY  
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## Micro-credentials in New Zealand's education and training system: a consultation paper

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## Introduction

The New Zealand Qualifications Authority (NZQA) is proposing to recognise micro-credentials, alongside qualifications, within New Zealand's government regulated education and training system<sup>1</sup> from July 2018.

Micro-credentials are a coherent package of learning and assessment, typically smaller than a qualification, that certifies achievement of a specific set of skills and knowledge needed by industry and or community.

A range of terms can be used to describe micro-credentials including badges and nano-credentials. NZQA proposes using the term micro-credential.

This paper is seeking feedback and advice on proposals for the recognition and quality assurance of micro-credentials. We are also consulting on proposed changes to the current Training Schemes Rules 2012<sup>2</sup> to include micro-credentials.

The Training Scheme Rules are an existing mechanism within the education and training system that can be used to recognise micro-credentials.

The proposals have been developed in conjunction with a sector working group and informed by the three micro-credential pilots<sup>3</sup> underway since July 2017. These pilots have stimulated a large number of enquiries and interest in micro-credentials, confirming there is a demand for this type of education product to be recognised within the New Zealand education and training system.

This paper proposes an approach to recognising micro-credentials appropriate for the New Zealand education and training system. It allows for micro-credentials from New Zealand tertiary education organisations<sup>4</sup> which operate within the government regulated education and training system to be quality assured. It also makes provision for micro-credentials from other organisations.

## What is the reason for proposing micro-credentials are recognised?

The New Zealand education and training system needs to respond flexibly and innovatively to fast paced social, economic and technological changes. These changes are requiring people to gain skills and knowledge throughout their working lives to keep step in their occupations.

NZQA is identifying and responding to these changes to maintain the currency and relevance of the regulated education and training system. Employers and communities indicate they want to be more closely involved in tailoring the design and delivery of education and training to meet the current and emerging skill needs of their workforce and to maintain their competence. They currently use short courses and other education products for this purpose.

Short courses and other tailored education products are not new. There are already a wide range provided, by New Zealand recognised tertiary education organisations, as well as other organisations.

Many of these have well established, global reputations as providers of quality certifications, for example Microsoft and other software certifications. Other examples are those required by

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1 The organisations and functions of the tertiary education sector covered by the Education Act, 1989.

2 <http://www.nzqa.govt.nz/about-us/our-role/legislation/nzqa-rules/training-scheme-rules-2012/>

3 Information on NZQA's micro-credential pilots can be found at <http://www.nzqa.govt.nz/about-us/news/nzqa-micro-credentials-pilots/>.

4 Tertiary education organisations include institutes of technology and polytechnics, private training establishments, wānanga, industry training organisations, universities and government training establishments.

registration and licensing bodies for continuing professional development and to ensure the skills and knowledge of their members is up to date.

Micro-credentials provide an opportunity for these packages of skills and knowledge training to be recognised, with the complexity and duration of study assessed against the New Zealand Qualifications Framework (NZQF).

Examples of where micro-credentials will be useful include bringing emergent skills related to new technology to market quickly, re-credentialing knowledge and skills where this is a requirement and to maintain people's currency in occupations, providing a mechanism for people with no qualifications to have their existing learning credentialled, and hence provide a pathway to new roles and jobs.

### Questions

**Do you think that recognising micro-credentials within New Zealand's regulated education and training system would be useful? Please explain the reasons for your view.**

**Is "micro-credentials" the most appropriate term to be used in New Zealand? Are there other terms we should consider?**

## Proposed process for introducing micro-credentials

Qualifications and assessment standards both enable learners to gain skills and knowledge that can be credentialled and hence recognised for achievement. Micro-credentials would sit alongside, not replace, qualifications and standards and describe the achievement of a specific set of industry and/or community recognised skills and knowledge.

Qualifications will continue to primarily qualify people for occupations and professions, and assessment standards specify assessment outcomes and performance criteria required for demonstrating achievement of competence.

To enable the quality assurance of micro-credentials and their provision, it is proposed to amend the existing Training Scheme Rules 2012 that apply to New Zealand tertiary education organisations. In the case of Industry Training Organisations, the Education Act (section 251) requirement for an industry training organisation to apply for training scheme approval jointly with a provider will continue to apply to micro-credential approvals.

Universities New Zealand determines its own procedures for approval of training schemes offered by universities.

A training scheme is defined as study or training that '*... leads to an award but does not, of itself lead to an award of a qualification listed on the NZQF.*

This paper proposes amending the requirements for training scheme approvals to include micro-credentials. The amendments are outlined in the Appendix for your feedback and include the following requirements for approval of training schemes or micro-credentials:

- clear rationale for the micro-credential or training scheme
- clear evidence of industry or community need for the micro-credential or training scheme
- must be approved by the relevant quality assurance body and be published on the NZQA website
- can be awarded endorsed by NZQA
- introduction of a periodic review and assign a status of current or discontinued to maintain approval.

Implementation of the proposed amendments will depend on the feedback received.

A minimum credit limit is not specified for training schemes. NZQA considers that a minimum of 10 credits is generally needed to achieve the coherent packages of learning and assessment that reflect the characteristics of micro-credentials.

### ***Characteristics, challenges and opportunities***

Micro-credentials create opportunities for innovative education enabling the system to be more flexible and responsive; they can be brought quickly to market to meet new and emerging skill needs. One characteristic is they are developed and delivered in collaboration with employers and communities. There is a strong focus on employment, including, where appropriate, obtaining the micro-credential while in work.

Over time an individual with a range of relevant micro-credentials may be able to apply to recognise the credit obtained towards the requirements of one or more qualifications.

However, micro-credentials are not built by breaking down an approved programme into a series of parts so that each part can be delivered separately. They are different from a programme leading to a qualification being constructed in such a way that a learner can *hop-on and hop-off*. In this situation, the learner might complete a part of a programme and at a later time return to study to complete the remainder of the qualification.

A key challenge is the possibility of a proliferation of micro-credentials along with duplication of learning already delivered.

One option is not to approve a micro-credential similar to one already approved. This implies there could be 'New Zealand micro-credentials' with a professional body, for example, specifying the skills standards to be met nationally and different providers delivering the micro-credential.

#### ***Questions***

**How suitable are the characteristics of micro-credentials for the New Zealand education and training system? Please explain the reasons for your view.**

**What additions and changes, if any, would you suggest to the characteristics of a micro-credential? Please explain the reasons for your suggestions.**

**Do you agree that the recommended minimum credit limit of 10 credits is appropriate for micro-credentials? Please explain the reasons for your view.**

**What measures can you suggest to manage the possible proliferation and duplication of quality assured micro-credentials? Please explain the reasons for your suggestions.**

### ***Embedding micro-credentials into New Zealand's education and training system***

There are options for the extent that micro-credentials can be embedded into the New Zealand education and training system and quality assured. For example, if feasible, should:

- approved micro-credentials be listed on the NZQF? (This is being considered as part of the NZQF review currently underway and would require legislative change.)
- learners' achievement of micro-credentials be recorded on the New Zealand Record of Achievement (NZRoA)? (This may require appropriate reporting mechanisms and changes to the current record.)

#### ***Question***

**To what extent should micro-credentials be embedded into the New Zealand education and training system? Please explain the reasons for your view.**

## Micro-credentials delivered by New Zealand organisations and international organisations that are not tertiary education organisations

There are a wide range of global, accessible, high quality micro-credentials available providing skills training not readily available in New Zealand through the regulated system.

Identifying a way to recognise these micro-credentials owned and delivered by international organisations and New Zealand organisations that are not tertiary education organisations will support New Zealand learners, employers and communities to understand and use these education products. These organisations are outside the jurisdiction of New Zealand's regulated education and training system and hence the Training Scheme Rules 2012 and other regulatory levers do not apply.

Instead, NZQA proposes to develop a mechanism to allow the equivalence in terms of level and credit value to the NZQF of these micro-credentials to be determined. Equivalence is not the same as quality assurance of the micro-credential or the organisation.

The micro-credential's learning and assessment materials will be evaluated to determine equivalence and the organisation will have permission to use a phrase stating that the micro-credential has been evaluated as equivalent to a credit value at a specific level of the NZQF (e.g. NZQA has evaluated Udacity's self-driving car engineer nanodegree as equivalent to a 60 credit package of learning at Level 9 of the NZQF as part of a 2017 micro-credential pilot).

Establishing equivalence to the NZQF would assist learners, employers and other end-users understand the complexity and duration of the learning undertaken.

### Questions

**Do you think that micro-credentials developed by organisations other than New Zealand tertiary education organisations should be recognised? Please explain the reasons for your view.**

**Do you think that determining the equivalence to the NZQF of micro-credentials developed by organisations other than New Zealand tertiary education organisations would be useful? Please explain the reasons for your view.**

## Fees

NZQA would charge its standard approval and accreditation hourly charge-out rate for approving micro-credentials and for evaluating their equivalency to the NZQF.

## Funding

The Tertiary Education Commission will make decisions on whether to fund micro-credentials in accordance with government policy goals and settings. Decisions about what government should fund are separate from decisions about what government should quality assure, as quality assurance plays an important role in both private and public funded education and training.

## Next steps

The outcome of the consultation will be communicated by May 2018. The proposals outlined are an initial position which will be adjusted following feedback and experience as micro-credentials evolve over time.

### *Questions*

**What challenges do you think recognising micro-credentials as part of New Zealand's regulated education and training system present? Please explain how you think these could be addressed.**

**Are there any further comments you would like to make?**

## Appendix - Amending the Training Scheme Rules

### Training Scheme Rules 2012

#### Rule 3- Interpretation

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**Proposed change** Insert a statement that micro-credential is a type of training scheme and the rules that apply for training scheme approval apply also to micro-credentials.

**Reason for change** This change would help ensure that TEOs are able to seek approval to provide micro-credentials as a type of training scheme.

**Impact on TEOs** TEOs that apply for approval would have to specify if they are seeking approval of training schemes or micro-credentials.

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#### Rule 4 - Criteria for approval of training schemes

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**Current Rule - Criterion 6 Ongoing review and monitoring** There is an effective process for the ongoing review of the training scheme (for the purposes of content and currency) and for monitoring the outcomes for students and stakeholders.

**Proposed change** Add a requirement to introduce a periodic review of the training scheme or micro-credential to maintain approval.

**Reason for change** This change would set out NZQA's expectation that training schemes or micro-credentials continue to respond to ongoing need from stakeholders including industry and community.

**Impact on TEOs** TEOs would have to establish if the training scheme or micro-credential continues to serve its purpose and meet the needs of stakeholders including industry and community.

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#### Rule 5.1 - Details to be provided in applications for training scheme approvals

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**Proposed change** Insert new detail that applications for training scheme or micro-credential approvals must show evidence of relevant industry, community, and employer need.

**Reason for change** This change would set out NZQA's expectation that training schemes or micro-credentials are supported and needed by industry, community, and employers.

**Impact on TEOs** TEOs would have to clearly establish the need for the training scheme or micro-credential for relevant industry, community, and employers and demonstrate support for the training scheme or micro-credential.

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## **Rule 9 - Approval of applications for training scheme approval from institutions other than universities**

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**Current Rule – 9.5** NZQA will publish on its website up to date and appropriate details of training schemes it has approved.

**Proposed change** Add a statement that NZQA will also publish if the training scheme or micro-credential is current or discontinued.

**Reason for change** This change would provide information to learners on the training schemes or micro-credentials that continue to be relevant and are needed by industry, community and employers.

**Impact on TEOs** None.

## **Rule 11 - Requirements to be met to maintain approval**

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**Current Rule** Institutions holding training scheme approvals must continue to:

[Requirements are listed from (a) – (b)]

**Proposed change** Add a requirement specifying that training scheme approval holders must participate and cooperate in training scheme monitoring, when required by NZQA.

**Reason for change** NZQA may monitor training schemes periodically. The purpose of the proposed Rule change is to set out the expectations that institutions holding approval to provide a training scheme or micro-credential must participate and cooperate in monitoring.

**Impact on TEOs** TEOs would be expected to cooperate in monitoring if and when required.

### *Questions*

**Do you think that the proposed amendments to the Rules support the recognition of micro-credentials within the New Zealand education and training system? Please explain the reasons for your view.**

**Do you agree with the proposed amendments to the Rules? If you have any further comment, please specify the Rule(s) to which you refer.**