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NEW ZEALAND QUALIFICATIONS

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NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

 Guidelines for the Registration of
Private Training Establishments

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Foreword


This publication outlines the new *Guidelines for the Registration of Private Training Establishments*. This is the initial quality assurance process required to ensure private training establishments (PTEs) can offer education to the public.

Another document, the *Policies and Criteria for the Ongoing Registration of Private Training Establishments* outlines how NZQA ensures registered PTEs continue to provide a sound and stable learning environment after their initial registration.

These two documents replace *Quality Assurance Standard One* which has been revoked with the introduction of the evaluative Quality Assurance Framework, from 1 September 2009.

The Quality Assurance Framework focuses primarily on the outcomes of learning and teaching, its main components are:

- registration, accreditation and course approval;
- self-assessment – an ongoing process through which education organisations evaluate their own performance and identify strengths and areas for improvement;
- external evaluation and review – a systematic assessment by an external body of the quality of learning outcomes achieved.

Overall, these *Guidelines* make it clear that a registered PTE must deliver education that is responsive to the needs of learners and other stakeholders. A registered PTE must also have the capacity to undertake evaluative self-assessment. 



Introduction

The purpose of these *Guidelines* is to assist PTEs to apply for initial registration. The *Guidelines* apply to all new applications for registration.

The New Zealand Qualifications Authority (NZQA) has the statutory responsibility to grant initial registration according to the requirements of the Education Act 1989 (sections 234, 235, and 236).

This publication explains in detail the requirements for initial registration.

NZQA uses the registration process to ensure that only PTEs that are likely to continue to meet the statutory registration requirements and provide good educational outcomes are registered.

The benefits of registration

A private company does not have to be registered before it can provide education and training. However, here are some of the significant benefits that flow to a PTE as a result of registration.

- A PTE may enrol international students, providing it has NZQA approval for its courses (section 258 of the Education Act) and accreditation to provide the approved courses (section 259 of the Education Act). Please note that to enrol international students, a PTE also needs to be a signatory to the Code of Practice for the Pastoral Care of International Students.
- A PTE must be registered to apply for course approval and accreditation, and only a registered PTE can be accredited to assess against standards on the National Qualifications Framework (NQF).
- Registration provides potential financial benefits to the PTE. Course approval and accreditation, and NQF accreditation, are prerequisites for a PTE's eligibility for government funding, usually but not exclusively through the Tertiary Education Commission (TEC).
- Student loans and allowances are available only to students doing approved and accredited courses that receive student component funding through TEC.
- Many PTEs choose to be registered because NZQA registration is perceived as a mark of quality.

Level of evidence

NZQA makes its decision on whether to grant an application for registration on a case-by-case basis. This involves a thorough assessment of the particular PTE to determine whether it has satisfied, or will satisfy, the statutory requirements.

Each applicant is responsible for providing sufficient and appropriate evidence to demonstrate it meets the statutory criteria for registration. These *Guidelines* have been

prepared to ensure applicants for registration understand fully what NZQA will be considering when determining whether a PTE can be registered (Section 236(1) of the Education Act 1989). They also show applicants what evidence must be produced.

To grant registration, NZQA must be satisfied an applicant has met all the statutory requirements and is a suitable body for registration.

It is the applicant's responsibility to meet the statutory requirements and provide any information that is critical to NZQA's decision. NZQA can only grant registration when it believes the applicant has provided sufficient proof that the requirements have been, or will be, met.

NZQA will ensure there are no unnecessary barriers to registration and will not impose unnecessary burdens of time and cost for those PTEs who wish to become registered.

Meeting statutory requirements

NZQA considers whether to grant PTE registration under sections 234-236 of the Education Act. This recognises that a PTE that is in the process of development may not have met all the requirements at the time registration is sought.


Registration requires, however, that all requirements must be met within an agreed timeframe. Therefore, in many cases achievement of requirements within a specified time will be a condition of registration. The deadline for meeting statutory requirements will differ, depending on the requirement. To grant registration, NZQA must have a high degree of certainty that the statutory requirements will be met by the relevant time.

When making decisions that relate to PTE registration, NZQA must also take into account the objectives of the provisions relating to the government's Tertiary Education Strategy,¹ which are set out in section 159AAA(1) of the Education Act.²

NZQA needs to be certain that a PTE's governance and management functions will be undertaken with integrity and that they support the provision of high quality education and a sound and stable learning environment.

Diversity of the PTE sector

The PTE sector is very diverse. Providers range from small community organisations with a single educational focus to larger, more complex, commercially-based organisations providing multiple courses. NZQA expects that all applicants, irrespective of the nature of their provision or organisational structure, can offer quality education that meets their goals and objectives.

Each PTE will have unique characteristics, goals and objectives. The diversity of the sector will be one of the factors NZQA takes into account in its decision-making but it will not influence the level of proof required to grant registration. 

¹ Under section 159AAA(2) Education Act 1989.


² These objectives are to develop a tertiary education system that:

- (a) fosters, in ways that are consistent with the efficient use of national resources, high quality learning and research outcomes, equity of access, and innovation;
- (b) contributes to the development of cultural and intellectual life in New Zealand;
- (c) responds to the needs of learners, stakeholders, and the nation, in order to foster a skilled and knowledgeable population over time;
- (d) contributes to the sustainable economic and social development of the nation;
- (e) strengthens New Zealand's knowledge base and enhances the contribution of New Zealand's research capabilities to national economic development, innovation, international competitiveness, and the attainment of social and environmental goals; and
- (f) provides for a diversity of teaching and research that fosters, throughout the system, the achievement of international standards of learning and, as relevant, scholarship.



Application form and fee

PTEs wishing to be registered need to apply to NZQA (section 234 of the Education Act), ensuring that:

- (i) applications for registration are made on NZQA's *Registration Application Form* and be accompanied by the required fee.
- (ii) the registration form is completed in full and include information which shows the applicant complies with statutory requirements.
- (iii) the application is made by the applicant organisation's governing body. 




Consideration of an application

An application for registration (section 235 of the Education Act) cannot be considered unless:

- the PTE or its governing body is a body corporate. The body corporate may be a limited liability company, an incorporated society or a charitable trust;
- the application is accompanied by a written statement approved by the governing body that sets out the general goals and purposes of the establishment, which must relate primarily to education and/or training.

Evidence requirements

- (i) If the body corporate has been incorporated for more than one year, the most recent Annual Return to the Registrar of Companies or the Registrar of Societies must accompany the application. If the body is a limited liability company, details must be supplied of any changes to the company's capital structure, shareholding, directors or secretary that may have taken place since the return was filed.
- (ii) Where the PTE is not the body corporate, the applicant must provide an organisational chart showing the relationship between the PTE and its governing body. The chart should also identify where the PTE's trading name is different from its legal name, or the name of the governing body. The PTE's name should not be misleading and should not contain any of the descriptors protected under the Education Act 1989.
- (iii) The statement of goals and purposes should identify:
 - (a) the scope of the education activities the PTE intends to provide;
 - (b) the educational needs of its target learners and other interested parties, including potential employers and communities;
 - (c) the educational outcomes it seeks to achieve for its learners and other interested parties;
 - (d) performance indicators to measure the achievement of goals and purposes;
 - (e) how any non-educational goals and purposes are linked to the provision of education and training.

If the initial requirements for considering the application have been satisfied, NZQA will then determine whether the applicant has satisfied the requirements for registration outlined in section 236. 



Requirements for registration

The Education Act provides that NZQA must grant an application for registration, and may only grant such an application, if it is satisfied that the PTE has satisfied the requirements in section 236(1)(a)-(e) of the Education Act.

This section explains each part of section 236(1) in detail.

Section 236(1)(a) – Suitable Body

The Act requires that a PTE is a suitable body to be registered according to the goals and purposes set out in the statement that accompanies its application. The PTE's statement of goals and purposes is expected to show it is focusing on educational success, on good teaching and learning and on positive educational outcomes for learners and other stakeholders.

NZQA will also take into consideration the relevance of the applicant's educational goals and objectives and its courses and training, to the tertiary education "objects" (i.e. objectives) in section 159AAA of the Education Act 1989.

NZQA looks at a broad range of matters to make its decision about suitability: ownership, finances, business management, education provision, support for learners and quality assurance.

These are detailed in the sections that follow.

Ownership

NZQA wishes to be satisfied that:

- 1.1. the members of the PTE's governing body have the right experience to manage a provider of good education and training;
- 1.2. there are, or are likely to be, no arrangements with shareholders, trust beneficiaries, related companies and other bodies, including overseas interests, that will conflict with the PTE's educational focus or be incompatible with its education and training purposes and goals;
- 1.3. the PTE recognises its responsibility to New Zealand's cultural foundations and provides for relevant principles of the Treaty of Waitangi to be incorporated into its culture and activities.

Evidence requirements

- i. Company registration certificate, certificate of incorporation or other recognition of legal status.
- ii. A completed organisational profile, a copy of the organisation's constitution.
- iii. Details of the applicant's officers, if the PTE is owned by a trust or incorporated society, or its directors, if it is a limited liability company. The information sought will include:
 - (a) present and past financial interests in any other PTE in New Zealand;
 - (b) current or past association with an educational institution in any jurisdiction;
 - (c) past and current activities relevant to the operation of a PTE or any of its courses;
 - (d) financial history;
 - (e) history of criminal offences;
 - (f) details of all private and corporate financial interests in the establishment;
 - (g) owner's other business interests.
- iv. Applicants must provide the names of three people who can provide character references for each of the applicant's officers and directors.

Finances

NZQA will wish to be satisfied the PTE has a sound financial basis and is likely to be financially stable. The PTE's financial structure and resources will be analysed so NZQA can be satisfied:

- 1.4. the enterprise's financial structure will support ongoing financial viability. In particular, NZQA will look to see if there are any arrangements, including shareholder arrangements, which may adversely affect ongoing viability. The PTE's debt/equity ratio must provide an adequate level of confidence in its ongoing financial sustainability;
- 1.5. the annual budget is tied to outcomes, and is in alignment with available resources, including staff input, which support the PTE's education provision and administration;
- 1.6. either the PTE will generate sufficient income through its education activities to meet its financial commitments and ensure its financial viability or it will have call on other sources of funding that do not call in to question its educational goals and purposes.

Evidence requirements

- i. The applicant provides:
 - (a) its most recent Annual Report;
 - (b) a full set of financial statements including:
 - an annual operating budget;
 - statement of financial position;
 - forecasts of financial performance or statements of financial position, financial performance and cash-flows, as appropriate.

Business management

If the PTE is to meet its educational goals and purposes, it must be soundly managed as a business and as a provider of education and training. NZQA wishes to be satisfied:

- 1.7. day-to-day management responsibilities will be carried out by people with skills and experience appropriate to the PTE's educational goals and purposes, its specific characteristics, its distinctive contribution to the tertiary education sector and the services it provides to learners and other stakeholders;
- 1.8. the PTE has complied with all legal requirements; has obtained all necessary consents and has filed all the appropriate legal and financial documents as required by law;
- 1.9. public information about the PTE and its education provision is accurate, clear and not misleading. For example, the name of the PTE must not mislead as to the nature of the PTE, or duplicate or resemble the name of another registered PTE;
- 1.10. there will be sufficient experienced staff to ensure the proper administration of the PTE;
- 1.11. facilities and resources will be provided for the wellbeing of staff, students and other persons undertaking courses through the PTE;
- 1.12. the establishment has personnel policies and procedures for all staff that comply with New Zealand laws and meet the needs of the PTE;
- 1.13. the PTE will have core management policies, procedures and systems for ensuring that it will be properly managed. These may include appropriate delegations for decision-making, purchasing and procurement policies, information management, including systems for the collection, recording and transfer of financial, statistical and other information requested by government agencies, internal audit and risk management processes;
- 1.14. a risk management plan has been developed. It must be appropriate to the PTE and its special characteristics and identify, analyse and evaluate risks across the PTE's business activities. Options for mitigating the likelihood and consequences of risks must be identified and referenced to the PTE's policies and procedures.

Evidence requirements

- i. The applicant should supply:
 - (a) a summary of the management team's roles, qualifications, experience;
 - (b) details of sites where there is an identifiable, continuous presence of the establishment and where students or others can gain information about the overall activities of the establishment;
 - (c) a three-year strategic plan and an annual business plan for the first year of operation;
 - (d) copies of key management policies;
 - (e) a copy of its risk management plan referenced to policies and procedures to mitigate risk.

Education provision

NZQA will take into account the relevance of the applicant's proposed courses and training to Tertiary Education Strategy objectives. NZQA will also wish to be satisfied:

- 1.15. there has been a sound process for identifying the needs of learners to meet either national or local stakeholder needs. The PTE must demonstrate these needs will be met by the courses and programmes it will provide;
- 1.16. the qualifications and past experience of the enterprise's governors and key staff members demonstrate there is sufficient expertise to ensure the enterprise will achieve good educational outcomes;
- 1.17. the PTE will have policies and procedures for managing learner admission and enrolment that cover the following steps:³
 - (a) the PTE provides information on qualifications, including academic content (courses);
 - (b) the learner applies to the PTE for admission and enrolment (separately or together);
 - (c) the PTE verifies the learner's identity and citizenship;
 - (d) the PTE confirms the learner's eligibility to study (admission);
 - (e) the PTE offers to enrol the learner on a course or programme of study (a programme of study is a combination of courses that make up a qualification);
 - (f) the learner accepts the offer (enrolment contract);
 - (g) the PTE records the enrolment;
 - (h) the PTE invoices the learner for tuition fees;
 - (i) the learner pays tuition fees or arranges for them to be paid;
 - (j) the PTE records payment of fees and any changes to enrolment, including withdrawal and refunds;

³ Tertiary Education Commission. 2008 Funding Information. Learner Enrolment Requirements; Admission and Enrolment Steps (ref. Code: 2376).

- (k) the learner attends the course(s) beyond the period when a withdrawal with a refund applies.
- I.18. the PTE will have capacity to develop, design and deliver courses that are responsive to the needs of students and other stakeholders and consistent with the establishment's goals and objectives.
- I.19. the proposed systems of assessment and moderation will:
- (a) ensure assessment processes and decisions are open, systematic and consistent; assessment methods are appropriate, fair, manageable and integrated with work or learning and evidence is valid, authentic and sufficient;
 - (b) provide for internal moderation of assessment materials and judgements;
 - (c) comply with external moderation requirements of NZQA and national standard-setting bodies;
 - (d) ensure learners are assessed only against those unit standards or qualifications registered on the National Qualifications Framework for which the provider has accreditation.

Evidence requirements

- i. The establishment provides:
 - (a) CVs of Board members and key management staff with education experience;
 - (b) details of its stakeholder engagement processes and its assessment of stakeholder needs;
- ii. The applicant provides details of:
 - (a) policies and procedures relating to course development and design;
 - (b) staff responsible for course design.

Support for learners

To be a suitable body for registration, a PTE must provide learner information, entry and support that will ensure appropriate learning pathways, a safe learning environment and a reasonable chance of successful achievement. This will foster a holistic approach to learner well-being that encompasses taha whenua (social/cultural), taha wairua (spiritual), taha hinengaro (emotional/mental) and taha tinana (physical) dimensions to encourage and enable progress. NZQA wishes to be satisfied that:

- I.20. entry and selection criteria will be clearly explained and known by learners, and learners will be assessed as to their capability to succeed in a proposed course before enrolment;

- I.21. the PTE will have a clear set of rules for student participation in courses and on-site behaviour which are enforced through a fair and equitable disciplinary policy;
- I.22. learners will have access to guidance and support systems appropriate to their educational needs. Appropriate ancillary learning services and facilities, such as libraries, study aids, electronic data access, must be available for student use when these are needed to support the achievement of good learning outcomes;
- I.23. there will be a clear process for receiving and responding to student complaints which is accessible by students;
- I.24. students and prospective students can access clear information on the PTE, its courses and other educational services to enable them to make informed choices about their course of study;
- I.25. the PTE has, or will have in place, before any monies are accepted from or on behalf of students, arrangements that are compliant with the NZQA's Student Fee Protection Policy;
- I.26. the PTE will implement systems for gathering, recording, maintaining and storing student information which ensures records are accurate and accessible by students and which protect the integrity of the information;
- I.27. a PTE enrolling international students will be a signatory to the Code of Practice for the Pastoral Care of International Students.

Evidence requirements

- i. The PTE should provide copies of:
 - (a) information for the public and prospective students;
 - (b) student attendance and participation rules;
 - (c) disciplinary policy;
 - (d) complaints procedure;
 - (e) student selection process.
- ii. The PTE should describe its:
 - (a) student guidance and support services;
 - (b) learning support facilities.
- iii. The applicant has made arrangements to ensure compliance with NZQA's Student Fee Protection Policy, including a copy of its agreement with its Student Fee Protection supplier.
- iv. The PTE provides evidence it is, or will be, a signatory to the Code of Practice for the Pastoral Care of International Students before any enrolment of international students.

Quality assurance

Effective quality management underpins sustainable business and creates a culture of constant improvement. In determining the establishment's suitability for registration, NZQA will wish to be satisfied:

- I.28. the PTE will implement a comprehensive and appropriate quality management system across all aspects of its business;
- I.29. the PTE has capacity to implement a process for making judgements about the quality, value and importance of its educational outcomes and key contributing processes. This will involve a process of ongoing evaluative self-assessment that will be validated by external evaluation and review in accordance with NZQA's policies for its Quality Assurance Framework;
- I.30. the PTE will ensure information from self-assessment and external evaluation and review is incorporated into its planning processes;
- I.31. the PTE has the capacity to provide ongoing evidence of its compliance with the policies and criteria for ongoing registration that are established by NZQA under section 253(ca) of the Education Act.

Evidence requirements

- i. The applicant should provide copies of the establishment's processes for managing the quality of business inputs and for complying with NZQA's policies for its Quality Assurance Framework outlined on its website.

Section 236(1)(b) Adequate staff, equipment and premises

NZQA must be satisfied the applicant has, or will have at the relevant time, adequate staff, equipment, and premises to provide its courses of study or training. NZQA will consider whether:

Staff

- I.32. policies and procedures for ensuring the recruitment, management and development of teaching staff will be implemented that ensure there are enough people with the necessary skills, experience and knowledge to provide high quality teaching and learning;
- I.33. staff development and management processes will be implemented to ensure teaching skills and subject knowledge are current and relevant to the needs of learners and other stakeholders.

Evidence requirements

Where these are not already supplied as evidence under section 236(1)(a), the PTE should supply:

- i. position descriptions for key academic, administrative and management staff that demonstrate the necessary skills, experience and knowledge;
- ii. the policies and procedures that will be used for staff recruitment, management and development.

Equipment

NZQA will consider whether:

- 1.34. adequate and appropriate learning resources and equipment that are current and relevant will be accessible by learners before teaching and training begins;
- 1.35. the establishment will implement policies for ensuring equipment used by learners and teachers at all teaching sites, is safe to use and is used safely.

Evidence requirements

Where these are not already supplied as evidence under section 236(1)(a), the PTE should supply:

- i. lists of resources and equipment that are adequate and appropriate for their teaching and training and procedures for their review;
- ii. the PTE's health and safety policies.

Premises

NZQA will consider whether the establishment has, or will have, premises which are of a sufficient size for the number of learners, are suitable to the learners' needs and are appropriate for the courses being taught.

- 1.36. The establishment implements policies on permanent, regular and occasional premises which cover quality, location, compliance with relevant legislation, and the health, safety and comfort of students.
- 1.37. The establishment will ensure off-site learning is undertaken in conditions which are equal to on-site learning conditions.

Evidence requirements

Where these are not already supplied as evidence under section 236(1)(a), the PTE should supply:

- i. details of all permanent, regular and occasional sites which will be used for teaching and learning, and for administration purposes;
- ii. evidence that the establishment has, or will have, a right to occupy or use premises or other teaching and administration sites before instruction commences;
- iii. evidence each site complies with the statutory requirements relating to its use.

Section 236(1)(ba) Acceptable financial management

NZQA has the statutory responsibility to ensure the PTE has, or is likely to have, acceptable financial management practices and performance. A registered PTE is expected to follow sound financial management practices and achieve acceptable financial performance to professional standards.

Accounting

- I.38. All financial records must be kept up-to-date and follow accepted accounting principles.
- I.39. The establishment must have an adequate system of internal controls which is reviewed annually.

Financial reporting

- I.40. Financial statements must be prepared according to Generally Accepted Accounting Practice and be in full compliance with all financial reporting standards in New Zealand.

Evidence requirements

Where these are not already supplied as evidence under section 236(1)(a), the PTE should supply:

- i. its most recent Annual Report;
- ii. a full set of financial statements including:
 - an annual operating budget;
 - a statement of financial position;
 - forecasts of financial performance or statements of financial position, financial performance and cash-flows, as appropriate.

Section 236(1)(c) and section 236(1)(d) – Fees and costs

NZQA must be satisfied that the PTE complies with, or is capable of complying and likely to comply with, the parts of section 236A of the Education Act that cover:

Course fees and costs

1.41. The establishment must have processes for:

- (a) identifying the items which students will be required to buy or provide for each course of study;
- (b) calculating course fees and any additional costs and financial commitments for each course;
- (c) ensuring written information on total course costs and other financial commitments is provided to students before enrolment is completed.

Withdrawals and fee refunds

1.42. Unless it has been granted an exemption, the PTE must have or have made arrangements for:

- (a) processes for receiving and receipting student fees;
- (b) bank and trust accounts to ensure monies received from students are separately identified and protected;
- (c) policies and procedures for student withdrawal from a course and from the establishment;
- (d) appropriate policies and procedures for refunds for students withdrawing within the first eight days for courses of three months or more, or within two or five days for courses of less than three months for international students.⁴

⁴ If the withdrawal occurs up to the end of the second day of the start of a course of up to four weeks and six days duration, the PTE must pay an amount equal to the fees paid less a deduction of 50 percent. However, if two days constitutes the full amount of tuition paid for by the student, the PTE may retain 100 percent of the payment. If the withdrawal occurs up to the end of the fifth day of the start of a course of five weeks or more but less than three months duration, the PTE must pay an amount equal to the fees paid less a deduction of 25 percent.

Evidence requirements

Where these are not already supplied as evidence, the PTE should supply:

- i. course and enrolment brochures;
- ii. policies and procedures for the setting of fees and course costs for learners;
- iii. a description of the PTE's arrangements to hold learners fees in trust that meet the requirements of NZQA's *Student Fee Protection Policy* outlined on its website at <http://www.nzqa.govt.nz/for-providers/aaa/financial/sfp/index.html>

Section 236(1)(e) – Standard of instruction

NZQA must determine that the standard of instruction will not be lower than the standard expected if the courses were provided at a polytechnic or college of education.

1.43. This assessment is based on:

- i. the nature and comparability of the proposed courses of education and training;
- ii. qualifications and experience of teachers and instructors;
- iii. the equipment, premises and resources that will be used for teaching and learning.

Possible evidence requirements

NZQA will consider all relevant evidence for this requirement.



Limitations on PTE registration

Registration can be granted with or without time restrictions or with specific conditions. Breach of one or more conditions may provide grounds for cancellation of registration.

Conditions on registration

Section 236AA(2) of the Education Act allows NZQA to impose conditions on registration that are specific to a PTE.

PTEs must continue to meet registration requirements in an ongoing way. PTEs should be aware that conditions on registration can be used to ensure PTEs continue to:

- ensure PTEs continue to satisfy all statutory requirements;
- make a positive contribution to tertiary education; and
- provide quality education and training.

Conditions may also be a useful mechanism for ensuring a PTE, which has been registered for a specific educational purpose, continues to meet that purpose.

Time specified registration

Registration may be granted without a time limit or for a specified period. Registration for a specified period will not be used as a safeguard where there are doubts about the suitability of a PTE for registration.

In determining whether or not an applicant has met the statutory requirements for registration, NZQA must take into account a number of additional matters. Some might arise out of the legislation, others might relate to the need for a robust and fair decision-making process. **Q**

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